

produce. The bush-mills and bushes employ such a large number of hands that there is consumption for all the produce that can be raised in the district—potatoes, beef, mutton, &c. When the mills have stopped, as they have at the present time, all the bush-hands are knocked off. This result very seriously affects the whole of the North, because the whole of the farm industry and that of the small settlers have no sale for their produce. The hands employed in the bush-work consume a larger proportion of dutiable goods than any other class of workmen. The consumption of tea, sugar, and tobacco by these men is greater than that of any other class of men in the colony. Anything that can be done to encourage this industry would be an encouragement to settlement in the North and, indirectly, a benefit to the general revenues of the colony. These are the chief points of the evidence I asked to be permitted to lay before the Committee. Probably they have been already mentioned by Mr. Broad. I speak from actual personal knowledge. I have been engaged in this industry for a number of years, and I know the hardships, the expenses, and the losses attending it.

9. How do you think that an export duty on balk timber would affect trade and the employment of the people in the different sawmills?—At the present time there is very little balk timber exported. Before the formation of this company of which I have been speaking there was a considerable quantity of balk timber exported. I myself exported a large quantity. It paid much better at that time to give employment in exporting. But there is very little exported now from the North.

10. How is that?—The great majority of the kauri-timber bushes are in the hands of the Kauri Timber Company. They have mills all over the district. It pays them better to cut up their own timber than to send it away.

11. Then you do not think it will be of any advantage to have an export duty on balk timber?—I do not think it will be of any great advantage.

12. Are you aware that the effects of new legislation in the other colonies may greatly affect this question?—I do not think that will have any very great effect.

13. Then you do not think the prospect of new legislation on the other side will have the effect of balk timber being sent from Auckland?—That might be in some slight degree, but I do not think it would be general. The company's mills at Mongonui, Whangaroa—in fact, all their principal mills are standing idle.

14. You were here when Mr. Broad gave his evidence—it is quite contradictory to yours in that respect?—To a certain extent; having been myself engaged in the export of balk timber when I was in the trade, I might be speaking somewhat selfishly in that respect.

15. The question is this: at the present time, Mr. Broad and Mr. Thomas Thompson, who gave evidence before this Committee, seemed to indicate that, in consequence of the change of tariff on the other side, the probability is that everything in the shape of kauri export will cease, except balk timber, and that result would be the throwing a great number of persons out of employment?—The great majority of people in my district are idle at the present time. That is, no doubt, in a measure owing to the stagnation of the building trade in the colony; it does not pay the company to have their mills idle.

16. You do not seem to be quite clear as to the effect which an export duty on balk timber would have?—The export is carried on to such a small extent that I do not think it would have an injurious effect on trade. The companies are more anxious to have their mills at work than to keep them idle for exporting.

17. Do you think that the interest of the great bulk of the employes coincides with your view that an export duty on balk timber would have but little effect?—All will be equally anxious to see the people employed. It is quite possible that, from having been a number of years in the trade, I may regard the matter from a somewhat selfish point of view.

18. I want you to explain the position of those having no mills?—It would have an effect on them causing them to dispose of their timber to companies that have mills in the colony. They would be obliged to sell timber to companies at present at work in New Zealand, rather than export it, if there were an export duty put on. But their interests are small in comparison with those of the companies who are engaged in the trade. I know that the Kauri Timber Company discourage the export of balk as much as they possibly can, simply because the more balk that is exported the less work will they have for their mills. Their object is to keep their mills going, consequently they discourage the exportation of balk. I am simply giving you my own experience.

19. I understand you to say that there are two vested interests in this matter of kauri timber—the mill-owners and those exporting balk timber?—Those who export balk are in a small minority. There are a number of persons who have small blocks of land who in their spare time work the timber on it themselves.

20. *Mr. Pinkerton.*] Notwithstanding what has been said by Messrs. Broad and Thompson, you do not think that an export duty on balk timber would have much effect?—No; I do not think it would.

FRIDAY, 2ND SEPTEMBER, 1892.

Mr. C. M. CROMBIE, Commissioner of Taxes, in attendance and examined.

1. *The Chairman.*] We have asked you, Mr. Crombie, to attend and give evidence before this Committee because there has been a question raised in relation to the kauri-timber industry carried on in Auckland. It has been stated that the lessees of certain ground taken for the purposes of cutting kauri timber—or, rather, the possessors of the timber taken from the ground, to obtain which they leased a large block of land for timber-cutting—are held to be liable to taxation as if they were the owners of the property. It has been stated in evidence that only a small portion of kauri timber