

23. Who has made the request for an export duty to be placed on balk timber?—My information came from some of my own people in Auckland. Some of my own friends not connected with the timber trade have stated the facts to me.

24. From whom did the suggestion come originally to put an export duty on balk timber?—For the last two or three years it has come from many quarters. I put a question on the Order Paper on the subject three years ago. Many persons not connected with the timber trade are in favour of it.

25. But I suppose others are not?—The small class of persons to whom I have alluded, who deal in timber where there are no sawmills—who buy logs from settlers and have no means of working the timber up—they would be opposed to it.

26. *Mr. Duncan.*] You think the millowners generally would prefer an export duty?—I am inclined to think so. I have no reason to doubt it. But I would be glad if the Committee would take the evidence of Mr. Mitchelson and Mr. Cadman on this subject, as they are engaged in the timber trade. I may say that there are papers and letters in connection with the iron industry and other matters I assisted in bringing under the notice of the Premier, copies of which he promised should be laid before the Committee when deputations waited upon him.

Hon. Mr. BALLANCE examined.

27. *The Chairman.*] We have asked your attendance in order that you might be able to throw some light upon the arrangement made with the Colonial Ammunition Company. Can you state the agreement or arrangement made between yourself and Captain Whitney? It was under your auspices that the Colonial Ammunition Company was first started?—Yes. The only arrangement that I remember was that we should take such ammunition from them as we could, if the quality were equal to the ammunition imported. There were a great many difficulties at first in the manufacture, and complaints were made by the Volunteers of the quality. The impression was that Kynock's ammunition was superior. Representations were made to the company that they would have to improve on the quality, and they imported machinery. I think they imported a different quality of ammunition, and made a great many efforts to bring the quality up to the standard. At the same time we had to go on importing Kynock's ammunition because of the objection of Volunteers to use the colonial-made article. As time went on Whitney and Sons continued to improve, and when I left office in 1887 I think they had been able to overcome most of the objections that were taken to their ammunition. I know of no other agreement than that, except that the desire of the Government, expressed from time to time, was to encourage in every possible and legitimate way the colonial industry.

28. Captain Whitney stated that you promised, when he was starting the industry, that you would support it in every way possible?—Yes.

29. You consider that was done?—Yes, certainly. In fact, there were very strong reasons why we should have given it up at one time. These reasons were that complaints were made by Volunteers in various parts of the colony; but the firm kept on promising that they would improve, and make changes in the machinery to supply good ammunition.

30. It is well to tell you that since that time the evidence of Colonel Hume, Colonel Whitmore, as well as Captain Whitney's statement, go to show that they had succeeded in fully satisfying the requirements?—Yes, I believe they have. I have no personal knowledge. At the time I left office they had made many improvements.

31. Now they seem to complain that the Government have ceased suddenly from taking their supplies from them, notwithstanding the agreement that was in existence, under which agreement the Government have bought some 15 tons of powder and left it for their use, with the understanding—which was a tacit understanding—that they should have the corresponding material required to make that into ammunition. Now they find that the Government are prepared to sacrifice the powder that they bought themselves, and to call upon them to make a sacrifice of the goods they have imported for the purpose of manufacturing ammunition?—I have no knowledge of the details. I have heard something about it. I have made inquiries.

32. They say that what was done was unfair to them. As you were the Minister who originally dealt with them, do you think that is acting unfairly to them?—I cannot say exactly what the Defence Department has done in the way of ordering powder, but I know this: that the Defence Department has lately been acting with considerable caution, knowing that the Snider arm must soon be passed into stock as useless, and that it will be superseded either by the Martini-Henry or by the magazine rifle. It will be observed from Colonel Fox's report that he strongly condemns the Snider barrel as having been worked out.

33. *Hon. Sir J. Hall.*] Do you mean those we have got here?—Those we have got in the colony. In fact, the Snider is condemned. I do not know of any specific agreement that we were to order a certain quantity of powder or ammunition, but, speaking in general terms, of course the department is justified in acting with great caution.

34. *The Chairman.*] Captain Whitney also stated that you promised to put a duty on imported cartridges, and that that has not been done yet. He has been expecting that to be done?—Yes; he wants an increased duty put on sporting cartridges. They ask for a duty of 35 per cent. The justification—the principal justification—for imposing a larger duty upon sporting cartridges is to be found in the fact that I am told a large manufacturing firm in England have expressed the determination of underselling the colonial-made articles, and driving them out of the market altogether. The Government do not propose to deal with the tariff this session, but I am in favour of taking the duty off powder, paper, caps, and other articles used in the manufacture of cartridges. I think that ought to be done.

35. *Hon. Sir J. Hall.*] You mean as an alternative?—I do not say as an alternative altogether. We ought, I think, to allow the material used in the manufacture of cartridges to come in duty free, in order to encourage local industry. With regard to the imposition of a duty, I am inclined to