

1901.
NEW ZEALAND.

SAWMILLERS' CONFERENCE

(PROCEEDINGS OF THE), TOGETHER WITH CORRESPONDENCE RELATIVE TO THE PROBABLE EFFECT OF THE FEDERAL TARIFF UPON THE TIMBER INDUSTRY.

Laid on the Table of the House of Representatives by Leave.

TELEGRAM FROM THE PREMIER TO SAWMILL-OWNERS.

THE Federal tariff of the Australian Commonwealth proposes to make very important alterations in the duty on New Zealand timber imported into Australia. As the matter is very important to the timber industry of this colony, I shall be exceedingly glad if you can make it convenient to meet in Wellington in conference for the purpose of considering the matter. I am asking the various sawmill proprietors in the colony to meet together, as the Government contemplate taking such action as may seem most advisable to protect the sawmilling interests. Kindly confer with the other sawmill proprietors in your district, and appoint delegates, and state the time it would be convenient for you to attend the Conference. On receipt of your reply I shall telegraph further suggesting the date upon which the Conference should take place. It will require to be at an early date.

R. J. SEDDON.

Wellington, 15th October, 1901.

THE CONFERENCE.

In response to the above invitation a Conference met in J Committee Room, Parliament Buildings, at 2.30 p.m. on the 24th October, 1901. The following gentlemen were present :—

Mr. Walter Bailey (Manawatu Timber Company); Mr. P. Bartholomew (Wairarapa Sawmillers' Association); Mr. William Booth (Wairarapa Sawmillers' Association); Mr. William Brownlee (representing Havelock sawmillers); Mr. Henry Brown (Taranaki Sawmillers' Association); Mr. W. Chalmers (Wellington Steam Cooperage); Messrs. Ellis and Burnand (timber merchants, Otorohanga); Mr. J. J. Ewing (Messrs. Halley and Ewing, Wellington); Mr. D. Goldie (Auckland Sawmillers' Association); Mr. James Hutchen (Stewart Timber Company, Wellington); Mr. F. Jagger (Auckland Sawmillers' Association); Mr. J. A. Jamieson (Hawke's Bay Sawmillers' Association); Mr. F. Jenssen (Hawke's Bay Timber Company, Limited); Mr. H. D. Knight (Dannevirke); Mr. A. C. Knight (Totara Sawmill Company); Mr. James Leggat (Invercargill, representing Southland sawmillers); Mr. William Lodge (Wakamarina); Mr. N. F. Marley (Wellington Timber Merchants' Association); Mr. W. J. Parker (Auckland Sawmillers' Association); Mr. T. Price (timber merchant, Petone and Hawke's Bay); Mr. John Prouse (Messrs. Prouse Brothers, Levin); Mr. W. J. Reilly (Nelson); Mr. J. D. Smith (representing Forty-mile Bush and Wairarapa Sawmillers' Association); Mr. C. Stewart (Stewart Timber Company, Wellington); Mr. Hart Udy (Petone and Hukunui); Mr. W. A. Waddell (Messrs. Waddell, McLeod, and Weir, Wellington); Mr. T. H. White (Auckland Sawmillers' Association); Mr. W. M. Woodhead (Taranaki Sawmillers' Co-operative Association).

Mr. W. Booth, who was elected Chairman, said that the Hon. C. H. Mills, Commissioner of Trade and Customs, would say a few words before the Conference commenced its business.

Hon. Mr. Mills : The Government are very pleased at the ready response the sawmillers have made to their invitation to assemble in Wellington to consider the probable effect of the Federal tariff upon the timber trade. A Bill has been drafted with the view of imposing an export duty on balm timber, but before going on with it they desire to have an expression of opinion from the sawmillers who have an expert knowledge of the subject. My own opinion is that, while the Australian States want New Zealand's white-pine, they desire that the labour of preparing it for the market shall all be found in Australia. That would not be fair to the timber industry of this colony. The Government look upon the white-pine forests as a national asset, and, even if a tariff had not been imposed by the Federal Government, something would have been done in the direction of conserving that timber for local use. That could only be done by the imposition of an export duty. What the duty should be has not yet been decided upon, and the Government will be glad to have the views of the Conference on the matter. I can only add that I will be glad to

further the deliberations of the Conference in every way possible, and to bring any resolutions you might pass before the Cabinet.

Mr. Mills then retired. He subsequently forwarded to the Chairman for the use of the Conference copy of the proposed Federal tariff and copies of parliamentary papers A.-4 (Report of the Royal Commission on Federation, together with Minutes of Proceedings and Evidence and Appendices) and H.-29, Trade with Australia (tables connected with trade as affected by the tariff now in force and the proposed Federal tariff).

The Chairman: It is quite plain that this Federal tariff is an attempt on the part of the Commonwealth to employ its own labour in dealing with our raw material rather than have an added value of labour put on in New Zealand. Naturally, we do not like an arrangement of that kind. Naturally, we resist it; but I think it is very important to remember that, so far as was gathered by the Royal Commission on Federation, one of the deepest sentiments of the people of New Zealand at the present time is that New Zealand shall grow up, not as a State of the Commonwealth, but an independent nation. Of course, some change of sentiment may arise in the future; but, personally, I think New Zealand is wealthy enough to become an independent and powerful nation. That being the case, we see how very important it is, if we are to live as a separate nation alongside the Commonwealth, that we should cultivate a spirit of friendliness in all our dealings with them, just as, I have no doubt, they would be desirous of avoiding all unnecessary cause of annoyance to New Zealand. Bearing that in mind, I think we shall see how important it is that we approach a subject of this kind in a conciliatory spirit.

Mr. Price: I would suggest that we take 12 by 6 as the first item for discussion, to see whether there is anything to be done with it. I suggest we should put a duty of 1s. on that, so as to counterbalance the other sizes. I am very much in favour of letting the other sizes remain as at present; but I think we should put a duty on the balk sizes, so as to prevent them getting in all these sizes and excluding all other smaller sizes, which would prevent the timber being cut up to advantage.

Mr. Bartholomew: I should be very much against putting any duty on sawn timber—that is, 12 by 6 and upwards. There are not a great many white-pine millers in the colony. I do not see why they cannot charge the same price as they are charging at the present time. Let them have 12 by 6 or anything they like, it will not affect our labour; we must get rid of our small stuff. If we cannot get rid of that, then, of course, there will have to be a price equivalent got for the 12 in. and 14 in. stuff so that you can burn your off-cuts. Now, if you put too high a price on pines, the chances are that there will be some other commodity got. For instance, if a mill started to cut white-pine in Sydney or Melbourne, I do not think they would cut for less than 3s. per 100 ft. To my knowledge it has not been done for anything less. If you put an export duty on white-pine here it will run it up to a very high price, and the chances are that you will let the American timber come in. We know there are very large forests of pine in Puget Sound that are practically useless. That can be landed in Australia at a very cheap price. There is nothing to stop them doing it if you make the price of white-pine prohibitive. Another thing, I say the price that kauri has gone up to of late has given a great impetus to New Zealand white-pine in Australia. There are hundreds of thousands of feet of it used now simply on account of its cheapness, the price of kauri having risen so much. Now, if you put an export duty on that, it is throwing everything into the hands of the Americans in the way of introducing their timbers, and I would be very much against putting any export duty on it. With regard to the log timber, of course I do not know what to say about that exactly. I know ten or fifteen years ago there was a good deal of balk timber sent over to Australia from here, but that trade seems to have disappeared altogether now. Everything like that goes from Auckland now. A few years ago there was a line of vessels trading there in that line, but that seems to have died away. Personally, I am against putting on an export duty.

Mr. Price: It appears to me that unless the Commonwealth is prepared to accept our timber in the balk, as well as the small stuff, we cannot deal with them, because you cannot possibly get more than one-half of the log into 12 by 6. The other is either going to waste, or we have got to use it in New Zealand, and there is certainly not a consumption in New Zealand for all these off-cuts. For that reason I certainly think you should put a duty on the fitches of 1s. per 100 superficial feet.

Mr. Goldie: I will move, "That this meeting, very largely representing the timber industry in New Zealand, would urge upon the Government the necessity, in the interests of the workers of this country, of placing an export duty on all logs, either in the round or squared with an axe or saw, of such an amount as will prevent the export of such timber from our shores." I think that will meet all our opinions with regard to this matter just now. We know we cannot produce the timber at what they can in America. We are paying 7s. for logs, and they (the Americans) are producing and selling the sawn timber at 6s. 9d. in Sydney. What we want to do is to find work for our labour in New Zealand. I think about fifteen years will see the end of the kauri, so far as we are concerned in the North, and five years will see the end of the white-pine in the Taranaki District, between that and Wellington, so that the forests are getting very limited, and you cannot reproduce the timber. A kauri tree takes from five hundred to three thousand years to mature, so that it would be a mistake to throw our timber away as we are proposing to do. A member of the Conference said we are not sending many of these logs away now. Well, I have seen the report of an interview with a gentleman named McKenzie, in the public Press, who is very strongly opposed to this export duty on logs; but he forgot to tell the public that he himself had bought 2,000,000 ft. of logs in Auckland, and had a mill over in Sydney, and that he was down here for the purpose of buying them. If a duty is not put upon these logs, the Kauri Company have a very large mill in Sydney, and it would be a very easy matter for them to transport their logs and cut them there, and others would follow suit, to the detriment of labour in New Zealand.

Mr. Jagger: I will second Mr. Goldie's motion.

Mr. White : I am not altogether in favour of putting an export duty on anything. However, I am present as a delegate from the Auckland Sawmillers' Association, and we are here to carry out a policy in accordance with the motion read. Since I have been in Wellington I have had conversations with one or two sawmillers here, and I am sorry to find there is somebody advocating an export duty on the flitches. If such a thing were to happen it would mean throwing a thousand men out of employment. In cutting kauri there is more labour used in cutting the log into flitches than in cutting it into ordinary stock. To talk about putting an export duty on the flitches, I think, would be simply ruinous, and I am sorry to hear any man advocating anything of the kind. With regard to flitches, it is quite understood that a flitch means something to be resawn, and generally it is taken out in the solid. We want the Government and the people here to understand the position it will place us in. With regard to the square-hewn timber, what we speak of as balk timber here, we mean either a round log or the square-hewn timber—that is, a log with all the defects inside of it—while a flitch means something absolutely sawn. Now, if a man wanted to square his timber, I do not see any objection to his taking his log—if he had an outrigger on his break-down—and squaring his log with a break-down saw; it would be a log all the same. But, when it comes to a flitch, I was rather surprised in the previous conversation that some of the gentlemen connected with the timber trade spoke of the flitch as if it meant going in as a log. I say myself that is a mistake. I do not think that this Federal tariff is going to have the ruinous effect upon us that it is thought it will, and I had private advice, though it was not verified, that white-pine was going to be allowed to go in free—that there was an exemption going to be placed on white-pine.

Mr. Jagger : A wire came to hand in Auckland from Australia that they had every reason to believe that white-pine would be admitted free.

The Chairman : But that is not verified yet.

Mr. Jagger : No.

Mr. White : I have here some instructions that I received from the chairman of our company. He said, with regard to the export duty on logs, it must be understood that balk timber is hewn stuff which has not been touched with the saw, and that it is of vital importance to the company that no export duty should be imposed upon the flitches or sawn timber. I say that this is an important thing. Mr. Goldie alluded to our mill in Australia. We sell our timber from the ship's slings in Melbourne. The mill in Sydney really handles more American timber than it does kauri. So far as the Auckland representatives are concerned, we would strongly oppose anything in the way of a duty on sawn timber or flitches.

Mr. Goldie : That is so.

The Chairman then put the motion, which was carried.

The Chairman : Would the Conference recommend anything to the Government by way of an export duty?

Mr. Jenssen : We had a meeting at Dannevirke and discussed the question, and thought it would have to be 4s. or 5s. on the log, having in view at the time white-pine. To do any good and to protect ourselves we thought we would have to put on 4s. or 5s. It would then cost them 12s. 6d. cut in Sydney or Melbourne, as against 11s. 6d. for the sawn timber that we can send over in flitches, or in all round sizes. I will move, "That the duty on round or squared logs be 3s. per 100 ft."

Mr. White : I will second that motion.

The Chairman : They have an unlimited quantity of hardwood timber over there which hardly comes into competition with any timber we have here. I would suggest that we agree upon the rate of 3s., because there are other items we shall want to deal with; there are other items that this Conference will want to deal with by the way of suggestion or negotiation. There is a good deal of our timber affected by this new tariff, and if the duty on logs is made 3s. it will be easy to yield something off this rate for concession from the other side. I think on that account we might agree upon this rate of 3s., with an intimation to Ministers, who will be dealing with the question, that we will not make a serious objection about it being reduced to 2s. if we get some adequate concession from Australia.

Mr. Goldie : I think if the Government say they want to make it 3s. they will do so. I suppose the House will have ceased its sitting in a few days, so if the thing is not done before the session is over it cannot be imposed until next year. The Government can suggest any terms with Australia they like after the House ceases to sit, but this would require to be ratified by the House. I presume what we are doing now is simply making recommendations to the Government.

The Chairman : This Conference might make a suggestion to the Government that they should arrange before the House rises that the Premier or the Minister for Railways, or both, with the Minister of Customs and a representative of the timber trade, such as Mr. Mitchelson, and some one or two others fairly acquainted with the other important interests affected, should enter upon a negotiation with the Commonwealth Government with a view to the establishment of a commercial tariff. Besides ourselves who are interested in the timber trade, there are many farmers and others who will be very seriously affected also.

The Chairman then put Mr. Jenssen's motion, which was carried.

Mr. Brown : I have seen it suggested that the Government should be recommended to place an export duty on all the white-pine timber, sawn or in the log, and it appears as if the Government are inclined to entertain that idea. I think it would be well for us to express an opinion that no export duty should be levied on white-pine timber and kauri; and I will move, "That this Conference earnestly deprecates any export duty being placed on sawn or dressed New Zealand timber."

Mr. Chalmers : I might say that on my first visit to Melbourne, in 1880, in the infancy of the

butter industry of Victoria, they were paying, in Melbourne, 2s. 6d. for butter-boxes which to-day they are paying 1s. 4d. for. I do not think there is any fear of their crushing the white-pine out. At that time I think the lowest price by the hundred or dozen was 2s. 3d.; to-day, even with their import duty, boxes are considerably cheaper. Mr. Young, the manager of one of the large factories over there, told me that they were selling butter-boxes in Melbourne for 1s. 3d. The manager of the Fresh Food and Ice Company also said that some of the Melbourne box-factories last year were offering to land butter-box shooks in Dunedin as cheaply as they could put them together in Dunedin. I should like to see an export duty on the first-class white-pine, all sizes, and give them all they could take of the second-class stuff free. I think it is a pity, in the interests of our own butter industry, to see the very best of the white-pine going over to them in Australia; and in a few years prices here are bound to advance, owing to sawmills having to go further back for supplies. I do not think there is any danger of their starting to use Baltic or Canadian pine, as from their resinous nature they are unsuitable for butter-boxes. I do not think there need be any fear of any timber coming in to put out white-pine in Melbourne or Sydney. I have seen the Richmond River pine. It is represented that the Richmond River pine is as good as the New Zealand white-pine timber for butter-boxes, but it is not. It is used by some of the meat companies for meat-cases; for cask-staves it is not as suitable as clean New Zealand white-pine. I may state that, so favourably is white-pine looked upon in being inodorous, I have had inquiries from Ceylon for timber for ice-chests and boxes, where at present they are importing from Japan.

Mr. Brown's motion was then seconded by Mr. W. J. Parker, and carried.

Mr. Bailey: I will now move, "That, in view of the present tariff, a recommendation be made to the Government that the railway freight on white-pine for export to Australia shall in no case exceed 1s. per 100 ft. to the nearest port." I think we have a very good case. It is nonsense to say that if you hold on to your white-pine you can cut it in ten or fifteen years time. If the timber is not cut at once the bush is felled and the timber destroyed. When the Ministry themselves talk about conserving their timber, they are rather too late in the day. Any one who has travelled over the main trunk route knows that they have destroyed thousands of feet of the finest timber we have in New Zealand, and they are continuing to do it to this day. It is no use talking of putting a duty on our pine when they are destroying the timber as they are going along. If we put a duty on it we shall certainly lose some of our trade, and I think the least we can do is to ask them to meet us with a reduction in our railrage freights.

Mr. Bartholomew: I will second Mr. Bailey's motion. We have heard about the Auckland people fostering this business for a number of years. About twenty-one years ago Messrs. Bailey Brothers and myself, I think, were about the first that shipped white-pine to Australia. At that time there was very little done in the shipping of white-pine, and we applied to Sir John Hall to get the railrages reduced on pine to Australia. We had to pay something like 8s. per 100 ft. from Wanganui to Melbourne or Sydney for pine, while on the top of that we paid something like 2s. 3d. for our railrage, so we thought by getting a reduction we would be able to make a market. We interviewed Sir John Hall and the Hon. Mr. Bryce, and got a reduction to this 1s. 6d. Well, of course, we got a good bit of timber sent away, but, unfortunately, bad times came along, and the bottom dropped out of the white-pine trade. Since then there have been hundreds of millions of feet of timber destroyed by fire. At the present time the mills on the line are certainly at a disadvantage compared to the people on the coast. I say the people on the line have a right to demand a reduction on the railway freight, and as we all pay rates towards the railway-lines, and they are supposed to be for the general public, consequently I think the Government would do no wrong in giving us a concession on that point. I think the people on the coast could not say we were getting any advantage. We look upon white-pine as being for outside use principally. It is only within the last five or six years that white-pine has been put to any use whatever. It was absolutely valueless before they began to make it into butter-boxes—previous to that the white-pine was absolutely valueless.

Mr. Goldie: Whilst you are bringing it down fifty miles from Levin for 1s. 6d., we are paying in Auckland 1s. 9d. for forty miles and 9d. for seven miles.

Mr. Bartholomew: You have got the world for a market with your kauri; you send it to London, France, Germany, and wherever you can.

Mr. Goldie: There is not a demand in those places for kauri like the demand there is in Australia for white-pine.

Mr. H. D. Knight: I would like to explain to the Conference that our railway freight from Dannevirke is 1s. 10d.

The Chairman: The matter of conserving forests has been mentioned. I hope the Conference will give no countenance to that, on the part of the Government or any one else where settlement is taking place. The sooner you can cut timber surrounded by settlers the better. I have been connected with the timber business for twenty-seven years. I was advised to keep my forests, but I sold them for as good a price as I could get, because they would have been burnt otherwise.

Mr. Goldie: Near the gumfields in the North you cannot conserve the forests at all. The Austrians and those in search of the gum travel right through the forests, burning and destroying the undergrowth as they go, which sometimes causes fires to get into the forests, causing serious loss to the owners thereof.

The Chairman then put Mr. Bailey's motion, which was carried.

Mr. Goldie: Some of the millowners have bought their timber from the Government and have a certain time to get that timber out. This time ought to be extended, because of the restriction placed upon our sales by the tariff suggested.

Mr. White: I will move, "That, not anticipating any adverse legislation from the Australian Commonwealth, the northern companies have committed themselves to large contracts for log supplies for the purpose of keeping their mills running full time; and, as the Federal tariff is likely

to lead to a restricted demand, the Government be urged to give favourable consideration to any application for an extension of time allowed for clearing bushes held under short Government leases." Some of our leases are running out in a year or two, and I think we should go to the Government and ask them to give us a longer time in order to get this timber off the ground.

Mr. Bailey : I scarcely think that this is within our province.

Mr. Goldie : It is a matter dealing with the Federal tariff. They are going to limit our supplies going over there. I think we should go to the Government and say, "We cannot sell our timber now as quickly as formerly; give us, therefore, a little time longer to remove it from the forests we have leased from you."

Mr. Price : I think each party connected with this matter should approach the Government for an extended time, without coming to a Conference of this kind with it. I doubt if there are more than half a dozen affected by this motion, and I think they should take it as a private affair and approach the Government for an extension of time if it is required.

Mr. Bartholomew : I think it is only fair that they should get that extension.

The Chairman : I think the motion is sufficiently closely allied to the subject before the Conference. No harm can be done, and I see no harm in the Conference supporting our friends in the North in what is not only a legitimate request, but a request that has become necessary because of this tariff, and because of its probable effect.

Mr. Jenssen : I would suggest that we should take the opportunity, now we are all here in Wellington, of holding a meeting. Some six years ago, we had a meeting—after an official meeting—at which a considerable amount of good was done. I think it would be advisable for the sawmillers here to have a meeting and discuss various matters which are certainly of the utmost interest to the sawmilling trade in both Islands. We have been cutting each other's throats for twenty years, and on the question of the white-pine we have not obtained a rate up to the limit within 1s.

Mr. White : Coming back to my motion, we have the Kauri Timber Company and other companies in the North which have got leases, and we are to a certain extent limited. I and others waited on one of the Ministers some time ago, and we told him the fact of rushing the timber out like that was unfair. I think the request in my resolution is one that ought to meet with favourable consideration from the Government, and I have much pleasure in moving it.

Mr. Reilly : I beg to second that resolution. I have a lot of sympathy with what Mr. White has said. When you are bound to time and direction, you very often do not cut the bushes out to the best advantage.

The Chairman then put Mr. White's motion, which was carried.

The Conference at this stage decided to confer with the Hon. Mr. Mills. On Mr. Mills re-entering the room,

The Chairman said, Mr. Mills, the sentiment of the meeting is one of cordial appreciation of the goodwill of the Government in taking the interest it has done in the matter, and giving the Conference an opportunity of coming together and laying before the Government the resolutions to which they (the Conference) have come almost unanimously. The first resolution is, "That this meeting, very largely representing the timber industry in New Zealand, would urge upon the Government the necessity, in the interests of the workers of this country, of placing an export duty on all logs, either in the round or squared with axe or saw, of such an amount as will prevent the export of such timber from our shores." You will see at once, no doubt, the object of this. It is to prevent the taking away of the timber in logs before any labour has been put upon it by our workmen in New Zealand, the object being by this export duty to restrain, if not prevent, anything of that kind.

Hon. Mr. Mills : That covers all classes of timber ?

The Chairman : Yes. The wealth we have in it in its naked state, just the same as if we were preventing them from shifting our land if that were possible. Then the next resolution that was carried is, "That the duty on round or squared logs be 3s. per 100 ft." There was some discussion about that, but the general opinion is that the tendency of that 3s. duty will be to restrain the attempt on the part of our friends in Australia to get the timber in its naked state as logs. The next resolution is, "That this Conference earnestly deprecates any export duty being placed on sawn or dressed New Zealand timber." I may say that that has not only been unanimously carried, but it is the result of a very strong feeling that it would not be prudent, in the interests of sawmillers, to place a duty on the export of dressed or sawn timber. The feeling of the Conference is that there is not a sufficient margin between the cost of production and delivery in Australia to permit of an export duty without hurting very seriously the trade; and, although the one object in stopping the trade would be to conserve the timber to a certain extent, I think it is the unanimous feeling of the Conference that that object of conservation cannot be prudently attempted, even much less accomplished, by stopping the trade. The timber is being cut practically all over the colony in districts where settlement is pressing on every side upon the bushes, and it is common experience and well established, well-sustained, and well-founded belief that unless you stop settlement in the neighbourhood of the bushes owned and being cut you cannot possibly save the timber. Fires arise, and the only result of an attempt to conserve the timber by crippling the export now would be to lose the timber altogether—neither Australia nor we would get it. You will see how difficult it is with occasional droughts to save bush which has been broken into at all, or that is in the neighbourhood of settlers, who are naturally striving to improve their places and make them more completely fit for use.

Hon. Mr. Mills : I know the Government will be very pleased to get the clear expression of opinion from all here on the last resolution. It has been a matter of debate in Cabinet as to what steps (if any) should be taken in this matter without serious injury to the export trade, and at the same time in the direction of conserving the white-pine. I am well aware that as settlement

progresses it is simply impossible to keep any small sections of it—sawmilling and settlement must go hand in hand. The bush must therefore disappear if settlement is to go on.

The Chairman: Yes. I think the opinion of the Conference further is this: that if any extensive New Zealand bushes are to be conserved now, they are really in the hands of the Government. There are extensive bushes on the West Coast of the South Island that could be conserved if the Government liked to do it, but if settlers are allowed to break into them they will render further conservation impossible. There are very large and very valuable bushes away in the North, that would be tapped by the main trunk line, that the Government can conserve, and personally I have a strong opinion that the Government should take very great care of the timber reserves they have there, and take very careful precautions so as to prevent the waste that has been allowed to go on with many other bushes in different parts of the colony. The bushes there are very extensive and valuable. The soil is much of it covered with pumice dust, and it would be a pity to let fires run hither and thither all through this bush and destroy hundreds of thousands of pounds' worth without the possibility of getting good land in exchange.

Hon. Mr. Mills: Has the Conference passed any resolution embodying those opinions? I think at a meeting like this, where we get the collective wisdom of gentlemen so well able to form an opinion on this subject, it would be judicious to pass a resolution embodying the opinion that you have expressed, and also to name the parts of the colony where you would suggest the Government might conserve timber. If those here to-day could give an opinion on these lines I think at any rate it would be a certain guide and assistance to the Government.

The Chairman: If you think it would be an advantage to have that opinion expressed I will ask the Conference to deal with it.

Hon. Mr. Mills: I think there are those present who could probably name certain places in the colony where it would not interfere with present industries to conserve the bush, and where, in the opinion of the meeting, it would be advantageous to do so for future requirements.

Mr. Goldie: With the kauri you cannot possibly conserve it. In the North you have thousands of men going about gathering gum who may throw a lighted match down and set fire to valuable forests. With regard to your white-pine and matai you might do it, but so far as kauri is concerned it is doomed.

Hon. Mr. Mills: It was that mixed bush I was referring to. I know from the different reports we have had how difficult it is to conserve this kauri timber, especially where gum-diggers are moving round.

The Chairman: An opinion is expressed here this afternoon that kauri timber will be annihilated within ten or fifteen years. Well, the next resolution, Mr. Mills, is, "That, in view of the present tariff, a recommendation be made to the Government that the railway freight on white-pine for export to Australia shall in no case exceed 1s. per 100 ft. to the nearest port."

Hon. Mr. Mills: As to railage, if a sawmill were within a short distance of a port would they pay the shilling or not?

The Chairman: Well, that is a matter that did not come up for discussion, but it is a matter that you would no doubt consider. However, the Conference expressed no opinion on that. Then, there is the last resolution. It says, "That, not anticipating any adverse legislation from the Australian Commonwealth, the northern companies have committed themselves to large contracts for log supplies for the purpose of keeping their mills running full time; and, as the Federal tariff is likely to lead to a restricted demand, the Government be urged to give favourable consideration to any application for an extension of time for clearing bushes held under short Government leases." That arises out of the tariff indirectly, as one of the consequences anticipated. I think you will see that, if that consequence takes effect, they will not be able to keep their terms (or, at any rate, not easily) with the Government, and the resolution merely asks that, as a consequence of this tariff legislation, the Government should look favourably upon applications that may come before them for an extended time, so that they might not have the timber forfeited. Well, sir, those are the resolutions passed by the Conference. No doubt the Conference will put upon paper their views upon the conservation of the bushes. Apart from this, I think the Conference has now finished its labours.

Hon. Mr. Mills: Would it not be advisable to pass some resolution in regard to your opinion as to trying to establish a reciprocal tariff between the colonies?

The Chairman: I spoke at some short length on this subject in the earlier part of the Conference, and I am glad to have the opportunity of saying that I think very strongly that these difficulties which are now arising, and which will crop up, should be looked upon as matters not for retaliation, but for negotiation. I suggested to the Conference that it might be prudent to express an opinion that before the House rose Cabinet might arrange for a Commission, comprising possibly the Premier, the Minister for Railways, and yourself as Minister of Customs, with one or two representative men who could be easily selected, and who were well acquainted with the timber and other trades. A Commission of that kind might be formed with a view to asking the Commonwealth authorities on the other side to appoint a similar Commission to meet and discuss the matter. They have some things that we want, and we have some things that they want, and it might be possible to get an interchange of products, and get more generous consideration than perhaps by any other means. If you think it would be an advantage I will ask the Conference to consider this matter.

Mr. Goldie: Those representatives who have come down from Auckland only want the 3s. put upon it if the present tariff is maintained. If not we do not want the Government to impose the tax. Our instructions from Auckland were to the effect that if the Government retained the tariff on the other side then we want this 3s. rate; but if, on the other hand, they modified it very much in our favour, then the Government may, if they deem it wise, reduce the amount.

Hon. Mr. Mills: I am not clear as to whether you have given the minimum size you propose

to export without duty. In one of the resolutions you advise that the Government should not place any export duty on the sawn or dressed timber, but I do not quite understand from the resolution what sizes that will exempt. In the case of orders being received for 12 by 6, or 12 by 9, or 12 by 12, to be cut up into planks for butter-boxes, what do you suggest should be charged?

Mr. Goldie : We do not suggest any charge, sir.

Hon. Mr. Mills : What size would you go to for exemption?

Mr. Jagger : We do not charge any duty on anything passing through a mill.

Hon. Mr. Mills : Supposing they get you to square a log 3 ft. square with the saw?

Mr. Jagger : It is subject to the duty.

Hon. Mr. Mills : That is covered by the first resolution ; but there is nothing in any of these resolutions that defines how you are going to stop the export of fitches of timber that will be used up for butter-boxes, and we get no advantage at all. I do not see that the sawmiller gets any advantage whatever under those conditions.

Mr. Goldie : The American timber is in small logs. Hence you can get broader fitches than they get, our trees being larger. To make it a minimum size, we should simply kill the market. The broader we get the fitches, the better for ourselves.

Hon. Mr. Mills : There has been an expression of opinion from some of the sawmillers as to what should be the minimum or the maximum size that would be allowed to go away sawn. It does not seem to me that the export would be stopped by putting a big log through the mill, taking only the slabs off and then letting all the fitches go away. You might as well let the whole log go.

Mr. Goldie : You have to sell the impediment with it.

Hon. Mr. Mills : There seems to be very little difference between that and the log that was sawn.

Mr. White : In the event of getting an order to cut fitches, I maintain that there is considerably more work to the New-Zealander if he has to cut fitches than if he is cutting the log up into ordinary sizes. If I got an order requiring me to cut 1,000 ft. of fitches I would have to cut up 5,000 ft. of logs to do it. Would you put an export duty on that? All the millers I have met have come to the conclusion that if an export duty were put on to the fitch it would simply mean throwing something like a thousand men out of employment.

Hon. Mr. Mills : Do you not think the tendency of that resolution would be to make the importers from the "other side" take all fitches or anything but round and square logs? Do you think the export duty you propose will deter them from doing that?

The Chairman : That is the opinion of the Conference, sir.

Hon. Mr. Mills : Very well. I understand the resolutions, Mr. Chairman, and it will be for the Conference to decide whether the suggestions I have thrown out will have your further attention—with regard to the conservation of the timber and naming any parts of the colony that you know of suitable for this purpose. I think the representative sawmillers here should know pretty well where every 100 acres of bush were in New Zealand, and might from that local knowledge give good advice to the Government as to whether the day had arrived when reserves should be made, or, if a reserve is not made, the timber should not be dealt with in opening-out for new sawmillers—i.e., it should not be cut for some little time. Do you think it desirous to do this? I also notice that all the Chambers of Commerce have met and expressed an opinion, and it struck me that you—meeting here at long intervals—might express an opinion as to whether you agree with the views expressed in other places for or against the Government amending the present tariff as a way of meeting the present difficulty, or whether we should continue on the same lines as at present. At any rate, I know the Government will be well pleased to receive any resolutions that have been passed by the Conference here to-day, and give them careful consideration.

Mr. Price : For Mr. Mills's information I might state that some three years ago I was through the North Island Railway route from Hunterville through to the Wanganui River, and I think on that journey I must have passed through at least one hundred miles of solid timber, and out of that hundred miles I came across three settlements. The first I did not take so much notice of—from Pipiriki—but the second one was in the midst of the timber, and how the people lived there goodness only knows. I should think a boar could hardly live there, and there is a settlement still further on which is in a much worse position. I said at the time I should think the Government are mad to settle people up here to starve. I reckon I do know something about timber and settlement. I have been in it since I was a boy, and to send people into the midst of forest like that for settlement seemed to me to be a ridiculous thing. Those are the bushes, in my opinion, that should be conserved—and right through that settlement. I am quite satisfied that there is enough to pay for all money spent in putting the railways there.

Hon. Mr. Mills : I sent in the Federation Commission's report, but I do not suppose the Conference has had time to go through it.

The Chairman : No, we have had no time to go through it, sir.

Hon. Mr. Mills : In 1899 the timber exported to New South Wales reached a value of £92,511; to Victoria, £73,523; to Queensland, £6,059; to South Australia, £4,203; to Tasmania, £708; or a total value of £177,004. I mention this to the Conference to give them an idea of what our timber export to Australia has been, as shown by the Customs returns.

Mr. Waddell : Could you tell us the value of the timber imported from Australia? I think it is a matter we should consider in making negotiations for having their timber in free and getting our timber into Australia free.

Hon. Mr. Mills : The importation of timber from New South Wales in 1899 represented the sum of £33,930; from Victoria it was nothing; from South Australia it was nothing; from Tasmania it was £9,071; from Western Australia the return is not available, but the amount was small. Those are the only figures that we have been able to collate with regard to what

you have mentioned. Our Year-book, which contains the information, is just about to be circulated.

Mr. White : It is £41,000 according to last Year-book.

Hon. Mr. Mills : The members of the Conference will be able to get a New Zealand Year-book, and it will contain that with a great deal of other information.

The Chairman : I would bring the Conference back to the consideration of the matter of the conservation of the forests.

Mr. Bailey : I think that that could better be left to the Rangers. They would be the men that could report on the standing forests. The only resolution that we could come to would be that all forests anywhere adjacent to a railway should be conserved. The Rangers would be the men who could give in their reports.

Mr. White : There is no chance of conserving kauri timber. If you attempt to conserve that you simply conserve it into a fire, unless you restrict the advance of settlement.

Mr. Price : I take it it is the will of the meeting that all sawmilling blocks should be set aside and preserved for the benefit of the public generally. It appears to me that it is a very right thing to do. I wonder they have not adopted it years ago. There is no doubt there have been hundreds of thousands of acres of timber destroyed for no earthly reason whatever. So many of these heavily-timbered blocks have been felled, and after they have been felled the people have been starved out, and have had to leave them ; they have had to throw them up after spending two or three years of their time and lives. The Government should take the trouble to select these blocks for settlement. There are plenty of blocks with very little timber on them. If they were to put the settlers on those blocks there would be little to say about it ; but they seem to have placed them down here and there for the purposes of close settlement, and on blocks where the timber was so thick that they could not stand. A man recently spoke to me about his nephew having a block of land, and he told me that you could travel right across the section without putting your foot to the land ; there was nothing but timber there. How is it possible for settlers to get on if they are put into a place like that ?

The Chairman : I will move, "That this Conference is of opinion that it is not possible to save for any length of time bush—especially kauri bush—which is surrounded and encroached upon by ever-advancing settlement. That the timber which can and should be conserved is mostly in the hands of the Government, and should be, when sold, carefully guarded, and cut under judicious regulations."

Mr. Chalmers : I will second that motion.

The Chairman then put the motion, which was carried unanimously.

It was resolved, on the motion of the Chairman, "That the differences which exist in the matter of the Commonwealth and New Zealand tariffs should be made the subject of friendly negotiation between the two Governments with as little delay as possible."

Mr. Stewart moved, and *Mr. White* seconded, a vote of thanks to the Chairman for presiding.

The Chairman, in acknowledging the compliment, said he hoped that the result of the Conference would be of some advantage when negotiating for a commercial treaty.

The Conference then adjourned.

APPENDICES.

APPENDIX A.

LETTER from the CHAIRMAN forwarding RESOLUTIONS passed by the CONFERENCE.

SIR,—

Wellington, 24th October, 1901.

I have the honour to enclose to you copy of the resolutions passed by the Conference of Sawmillers this afternoon at the Parliamentary Buildings, and commend them to your kind and sympathetic consideration.

I may say that the Conference was very sensible of the kindness of the Government in calling them together.

I am, &c.,

W. BOOTH, Chairman.

The Hon. C. H. Mills, Minister of Customs.

RESOLUTIONS

PASSED BY THE TIMBER CONFERENCE.

It was proposed by *Mr. D. Goldie* (representing the Auckland Sawmillers' Association), seconded by *Mr. Frank Jagger* (representing the Auckland Sawmillers' Association), and carried :—

"That this meeting, very largely representing the timber industry in New Zealand, would urge upon the Government the necessity, in the interests of the workers of this country, of placing an export duty on all logs, either in the round or squared with axe or saw, of such an amount as will prevent the export of such timber from our shores."

It was proposed by *Mr. F. Jenssen* (representing the Hawke's Bay Timber Company, Limited), seconded by *Mr. W. J. White* (representing the Auckland Sawmillers' Association), and carried :—

"That the duty on round or squared logs be 3s. per 100 ft."

It was proposed by Mr. H. Brown (representing the Taranaki Sawmillers' Association), seconded by Mr. W. J. Parker (representing the Auckland Sawmillers' Association), and carried:—

"That this Conference earnestly deprecates any export duty being placed on sawn or dressed New Zealand timber."

It was proposed by Mr. Walter Bailey (representing the Manawatu Timber Company), seconded by Mr. P. Bartholomew (representing the Wairarapa Sawmillers' Association), and carried:—

"That, in view of the present tariff, a recommendation be made to the Government that the railway freight on white-pine for export to Australia shall in no case exceed 1s. per 100 ft. to the nearest port."

It was proposed by Mr. W. J. White (representing the Auckland Sawmillers' Association), seconded by Mr. W. J. Reilly (representing the Nelson Sawmillers), and carried:—

"That, not anticipating any adverse legislation from the Australian Commonwealth, the northern companies have committed themselves to large contracts for log-supplies for the purpose of keeping their mills running full time; and, as the Federal tariff is likely to lead to a restricted demand, the Government be urged to give favourable consideration to any application for an extension of time allowed for clearing bushes held under short Government leases."

It was proposed by Mr. W. Booth (representing the Wairarapa Sawmillers' Association), seconded by Mr. W. Chalmers (representing the Wellington Steam Cooperage), and carried:—

"That this Conference is of opinion that it is not possible to save for any length of time bush—especially kauri bush—which is surrounded and encroached upon by ever-advancing settlement. That the timber which can and should be conserved is mostly in the hands of the Government, and should be, when sold, carefully guarded, and cut under judicious regulations."

It was resolved, on the motion of the Chairman:—

"That the differences which exist in the matter of the Commonwealth and New Zealand tariffs should be made the subject of friendly negotiation between the two Governments with as little delay as possible."

APPENDIX B.

DEAR SIR,—

Auckland, 21st October, 1901.

I duly received your memo. by wire, dated the 15th instant, *re* Federal tariff. I, in common with other sawmillers, desire to thank you for the action taken by you in calling this Conference. I regret that I shall be unable to attend personally, but Mr. D. Goldie and Mr. T. H. White are authorised to represent us.

The opinion is, I think, unanimous that an export duty should be put upon logs—round or balk—shipped out of the country. I may here mention that, in company with Messrs. William and Joseph Butler, late of Kokiri, Greymouth, operations have just been begun by us to erect a mill at Tokatoka, Kaipara, to cut a large white-pine bush lately acquired from Government. However, on receipt of Federal tariff, we decided to stop all work on mill until the tariff question is decided. Should nothing be done in the matter of an export duty, it is probable that we may be compelled to erect our mill either in Sydney or Melbourne and ship the logs instead of the sawn timber. This we should very much regret, as we are all straight-out New-Zealanders, and prefer to help advance our own country. The conditions under which we have the right to cut this timber compel us to remove not less than 4,000,000 ft. annually, and as there is absolutely no local market in Kaipara we shall be forced to export the timber. I mention these facts so that you may understand the difficult position in which we find ourselves.

I would respectfully draw your attention to what seems to me an unwise policy which has for a long time been pursued by the Government in respect to our New Zealand forests. In the first place, when timber is sold by Government the time usually allowed for its removal is far too short to allow of its being done profitably. Sawmillers have repeatedly protested against this practice, and it is hard to understand why it should be continued. Very much of the timber land in the North is of little value after the timber is removed, while it is universally admitted that the standing forests are of great benefit to the country. The heavy taxation on standing bush by the Government and local bodies tends to the speedy denudation of our forests as well as to deter private concerns from reforestation. Companies in which I am interested desire to not only conserve present forests, but to enter upon a system of reforestation, but are much handicapped in the former, and fear to undertake the latter because of the taxation.

I trust you will pardon me troubling you with these matters, but sincerely hope you will give them your able consideration.

I have, &c.,

L. J. BAGNALL,

Bagnall Bros. and Co. (Limited).

Rt. Hon. R. J. Seddon, Wellington.

Rt. Hon. R. J. Seddon, Wellington.

Tokatoka, 28th October, 1901.

REGRET, owing to absence in country and unavoidable short notice given for Conference, was unable to attend, but, representing company having extensive white-pine interests here, beg to suggest Government imposing export duty on log and hewn balk, but all longitudinally sawn timber free provided end area does not exceed 400 square inches. Consider this would conserve country's best interest by providing maximum labour here with minimum duty under Federal tariff. Deprecate retaliation, but suggest above as best means retaining Australian trade with least loss to New Zealand. In our case, holding timber-right with Government conditions com-

selling annual output four millions, and having only seaborne outlet, Australian trade absolutely necessary.

JOSEPH BUTLER,
Managing Director, White-pine Company.

14, Brandon Street, Wellington, 22nd October, 1901.

SIR,—

Export of White-pine.

Some months ago, in an interview with the Hon. the Minister of Lands, I suggested that, in the interests of the dairy trade, it would be advisable to impose an export duty on white-pine timber, more especially as at that time sawmillers were selling this timber for export at a lower rate than was being charged to New Zealand consumers.

The supply of available white-pine is becoming scarcer yearly, and since making the suggestion the price of butter-boxes has advanced 1d. per box, except in cases, as in some parts of Taranaki, where unexpired contracts are in force. From present indications, each year will see a further rise in price; and, in face of this prospect, it is not good business to allow the export of this timber to continue unchecked, thus enabling other countries to benefit at the expense of the New Zealand dairy-farmer.

I notice that the sawmillers, or a section of them, are in favour of an export duty being imposed on white-pine barks. This association strongly urges upon your Government the desirability of imposing an export duty on *all* white-pine timber, and also of some steps being taken to preserve the white-pine bush, and prevent the wholesale destruction of this timber which is now taking place.

Respectfully begging your favourable consideration to this matter,

I am, &c.,

C. K. BEATTIE,

Secretary. National Dairy Association of New Zealand (Limited).

Rt. Hon. the Premier, Wellington

Palmerston Cooperage and Butter-box Factory,

SIR,—

Main Street, Palmerston North, 15th October, 1901.

As a user of white-pine timber, I would point out that New Zealand's needs are increasing by millions of feet each year for butter-boxes only. If you allow 8 ft. for each butter-box it will show the actual feet used for each year's butter export, and for tallow-casks 50 ft. each. Now, instead of encouraging the export of timber (white-pine), put an export duty on it, and so conserve the timber for future generations, as it is a certainty that it cannot be replaced. Even at the present time good white-pine for butter-boxes is not plentiful, and sawmillers in the past have exported white-pine at a loss very often.

I am, &c.,

Rt. Hon. R. J. Seddon, Wellington.

WILLIAM COOK.

Palmerston Cooperage and Butter-box Factory,

SIR,—

Main Street, Palmerston North, 23rd October, 1901.

I strongly advocate a heavy export duty on white-pine suitable for butter-boxes. I believe that in twenty years' time white-pine for boxes will be almost unprocurable.

Sawmillers have a good market for all they can supply, at good prices, and by conserving the timber Government will save the colony hundreds of thousands of pounds and give employment to hundreds of men; and it is certain the timber can never be replaced. By placing a heavy export duty you will benefit both the sawmilling and also the working-men of this Island.

I am, &c.,

Rt. Hon. R. J. Seddon, Wellington.

WILLIAM COOK.

Rt. Hon. R. J. Seddon, Wellington.

Auckland, 23rd October, 1901.

REGRET unable to attend Timber Conference to-morrow. Being largest exporter of New Zealand white-pine, and thoroughly understanding its manipulation from first to last, do beg to state emphatically that it is inimical to the interests of this particular business, and seriously affecting labour, to allow deals, fitches, logs to be exported free while Australia imposes duty on small marketable sizes. I will be at Wellington Friday.

ROBT. P. GIBBONS.

SIR,—

Wellington, 25th October, 1901.

Knowing that the Government is seriously and actively considering the bearing of the Australian tariff on the New Zealand export, I venture to lay before you my views regarding white-pine, in which I am largely interested. To cut and place my timber on the market I pay yearly in labour about £30,000. Much of this labour will be diverted to Australia unless something can be done to prevent the timber being sent away from the colony uncut, or, what is nearly as bad, cut into large sizes.

The Commonwealth tariff is 2s. 6d. on sizes under 7½ in., and 1s. 6d. from 7½ in. to 12 in. by 6 in., logs being free. I would suggest that our case would be met by imposing an export duty on all sizes of logs, fitches, and deals that would equalise the cost of those sizes when delivered in Australia. It is held by some, and with a fair show of reason, that export duty handicaps us against foreign competition, but this cannot apply to white-pine, because it has no foreign competition.

Much, too, can be said against cutting white-pine into fitches, and every practical miller knows that about 20 per cent. more of off-cuts and unmarketable timber must of necessity

be produced than if cut into the usual sizes of boards, as only an average of 30 per cent. of fitches can be obtained, against 70 per cent. if cut into boards.

I have, &c.,

ROBT. P. GIBBONS,
Of Kopu, Thames.

Hon. C. H. Mills, Minister of Trade and Customs.

SIR,—

Wellington, 26th October, 1901.

Referring to our conversation this morning, I am of opinion that all kauri over 16 in. by 16 in., and all white-pine over 10 in. by 10 in. ought to be classed as logs. As to white-pine, should the Federal tariff continue as it is, and sizes from 7 in. by 2½ in. (or its equivalent) up to 10 in. by 10 in. (or its equivalent) be allowed to be exported free, I shall be compelled to take the board-cutting machinery from my various mills in New Zealand, and erect it in different places in Australia. I consider that an export duty of 1s. 6d. should be imposed on those sizes, and that all sizes under 7 in. by 2½ in. should go out free.

I have, &c.,

ROBT. P. GIBBONS,
Of Kopu, Thames.

Hon. C. H. Mills.

Rt. Hon. R. J. Seddon, Wellington.

Invercargill, 16th October, 1901.

In the event of Federal tariff as outlined in cables in regard timber being adopted, Southland Saw-millers' Union would respectfully urge upon Government desirability of imposing a sufficiently high export duty on balk timber to secure from Commonwealth just treatment for New Zealand. If the tariff proposals become law it will mean that New Zealand will be denuding her forests for the benefit of Australia without securing any compensating advantage.

ARTHUR A. PAAPE, Secretary.

The Premier, Wellington.

Aratapu, 15th October, 1901.

STRONGLY urge export duty balk timber and fitches, counteract Federal tariff attempt to draw mill-hands to Australia. A foreman here already received offer to move to Sydney.

J. STALLWORTHY,
President, Auckland Timber-workers' Union.

Rt. Hon. the Premier, Wellington.

Greymouth, 16th October, 1901.

At meeting of Timber Company held this day, it was resolved that, our interests being small compared with North Island in the matter of white-pine supply to Australasia, we will leave the matter in your hands and the North Island millers, knowing you will do everything necessary to conserve our interests. Our opinion is that whatever duty is charged will fall on the consumer in Australia, but would suggest that contracts already entered into be exempt, if possible. Thanking you very much for your invitation.

TIMBER COMPANY.

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