1909.

NEW ZEALAND.

TIMBER AND TIMBER-BUILDING INDUSTRIES

(REPORT OF COMMISSION ON THE); TOGETHER WITH MINUTES OF PROCEEDINGS AND OF EVIDENCE.

Presented to both Houses of the General Assembly by Command of His Excellency.

COMMISSION.

PLUNKET, Governor.

To all to whom these presents shall come, and to James Frederick Arnold, Esquire, M.P., of Dunedin; William Henry Peter Barber, Esquire, of Wellington; Samuel Isaac Clarke, Esquire, of Auckland; Hon. Thomas Young Duncan, M.P., of Oamaru; Henry George Ell, Esquire, M.P., of Christchurch; William Hughes Field, Esquire, M.P., of Wellington; Josiah Alfred Hanan, Esquire, M.P., of Invercargill; William Thomas Jennings, Esquire, M.P., of New Plymouth; William Brack Leyland, Esquire, of Auckland; Francis Mander, Esquire, M.P., of Whangarei; William Morris, Esquire, of Greymouth; and John Stallworthy, Esquire, M.P., of Dargaville: Greeting.

WHEREAS it has been alleged that the conditions under which the timber and timber-building industries are carried on in New Zealand are unsatisfactory, and it is expedient that inquiry should be made with a view to improving the same and generally promoting the development of those industries:

Now know ye that, in exercise of the powers conferred by "The Commissions of Inquiry Act, 1908," and of all other powers and authorities enabling me in this behalf, I, William Lee, Baron Plunket, Governor of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council thereof, do hereby appoint you, the said

JAMES FREDERICK ARNOLD,
WILLIAM HENRY PETER BARBER,
SAMUEL ISAAC CLARKE,
THOMAS YOUNG DUNCAN,
HENRY GEORGE ELL,
WILLIAM HUGHES FIELD,
JOSIAH ALFRED HANAN,
WILLIAM THOMAS JENNINGS,
WILLIAM BRACK LEYLAND,
FRANCIS MANDER,
WILLIAM MORRIS, and
JOHN STALLWORTHY

to be a Commission for the purpose of inquiring by all lawful means into the conditions affecting the timber and timber-building industries, including the matters following, that is to say,—

With respect to New Zealand timber,—

(1.) The cost of felling;

(2.) The cost of cutting at the mill;

(3.) The price when sold by the mill to—

(*a.*) The consumer,

(*b.*) The middleman, and

(*c.*) The retailer;

(4.) The price when sold by the middleman to—

(*d.*) The consumer, and

(*e.*) The retailer;

(5.) The areas of Crown land held for sawmilling purposes under the Land Act or the State Forests Act, showing in each case the name of the licensee and the acreage held;

(6.) The estimated area of Crown land still available for sawmilling purposes but not taken up, showing the districts in which the areas are situate and the total area in each district.

With respect to Oregon timber,—

(7.) The extent to which it is imported, and the effect of these importations on the local timber and timber-building industries;

(8.) Its landed cost (showing freight and charges separately from cost-price);

(9.) Its price when sold by the importer to—

(*a.*) The consumer,

(*b.*) The middleman, and

(*c.*) The retailer.

And generally any matters which in your opinion injuriously affect the timber and timber-building industries, or would tend to promote their development, including the necessity or expediency of any legislation in the premises.

For the purposes of your inquiry you are hereby authorised and empowered to have before you and examine all books, papers, documents, and writings you deem necessary, and also to have before you and examine on oath or otherwise as allowed by law all witnesses or other persons whom you think capable of affording you any information in the premises. The said Thomas Young Duncan shall be your Chairman, and you are hereby empowered and directed to conduct your inquiry at Invercargill, Dunedin, Christchurch, Greymouth, Wellington, Taihape, and Auckland, in such manner, at such times, and with such adjournments as you think fit. And, using all diligence, you are hereby required to report to me under your hands the result of your inquiry, with any recommendations you think fit to make in the premises, on or before the thirty-first day of May, one thousand nine hundred and nine.

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this ninth day of March, in the year of our Lord one thousand nine hundred and nine.

(L.S.)

J. G. WARD.

In Executive Council.

ALEX. WILLIS,
Clerk of the Executive Council

EXTENDING PERIOD WITHIN WHICH THE TIMBER COMMISSIONERS SHALL REPORT.

PLUNKET, Governor.

To all to whom these presents shall come, and to James Frederick Arnold, Esquire, M.P., of Dunedin; William Henry Peter Barber, Esquire, of Wellington; Samuel Isaac Clarke, Esquire, of Auckland; Hon. Thomas Young Duncan, M.P., of Oamaru; Henry George Ell, Esquire, M.P., of Christchurch; William Hughes Field, Esquire, M.P., of Wellington; Josiah Alfred Hanan, Esquire, M.P., of Invercargill; William Thomas Jennings, Esquire, M.P., of New Plymouth; William Brack Leyland, Esquire, of Auckland; Francis Mander, Esquire, M.P., of Whangarei; William Morris, Esquire, of Greymouth; and John Stallworthy, Esquire, M.P., of Dargaville: Greeting.

WHEREAS by a commission bearing date the ninth day of March, one thousand nine hundred and nine, you, the said

JAMES FREDERICK ARNOLD,
WILLIAM HENRY PETER BARBER,
SAMUEL ISAAC CLARKE,
THOMAS YOUNG DUNCAN,
HENRY GEORGE ELL,
WILLIAM HUGHES FIELD,
JOSIAH ALFRED HANAN,
WILLIAM THOMAS JENNINGS,
WILLIAM BRACK LEYLAND,
FRANCIS MANDER,
WILLIAM MORRIS, and
JOHN STALLWORTHY

were appointed to be Commissioners, with the powers mentioned therein, for the purpose of making inquiry into matters affecting the timber and timber-building industries:

And whereas by the said commission you were directed and required to transmit to me your report and recommendations in respect to the several matters inquired into not later than the thirty-first day of May, one thousand nine hundred and nine:

And whereas it is expedient that the said period should be extended as hereinafter provided:

Now, therefore, I, William Lee, Baron Plunket, the Governor of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council thereof, and in exercise and pursuance of every power and authority enabling me in this behalf, do hereby extend the period within which you shall (using all diligence) report to me, as by the said commission provided, to the tenth day of June, one thousand nine hundred and nine.

And with the like advice and consent, and in further pursuance of the said power and authority, I do hereby confirm the said commission, except as altered by these presents.

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor and Commander-
(L.S.) in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government Buildings, at Wellington, this thirty-first day of May, in the year of our Lord one thousand nine hundred and nine.

J. G. WARD.

Approved in Council.

J. HISLOP,
Acting Clerk of the Executive Council.

EXTENDING PERIOD WITHIN WHICH THE TIMBER COMMISSIONERS SHALL REPORT.

PLUNKET, Governor.

To all to whom these presents shall come, and to James Frederick Arnold, Esquire, M.P., of Dunedin; William Henry Peter Barber, Esquire, of Wellington; Samuel Isaac Clarke, Esquire, of Auckland; Hon. Thomas Young Duncan, M.P., of Oamaru; Henry George Ell, Esquire, M.P., of Christchurch; William Hughes Field, Esquire, M.P., of Wellington; Josiah Alfred Hanan, Esquire, M.P., of Invercargill; William Thomas Jennings, Esquire, M.P., of New Plymouth; William Brack Leyland, Esquire, of Auckland; Francis Mander, Esquire, M.P., of Whangarei; William Morris, Esquire, of Greymouth; and John Stallworthy, Esquire, M.P., of Dargaville: Greeting.

WHEREAS by a commission bearing date the ninth day of March, one thousand nine hundred and nine, you, the said

JAMES FREDERICK ARNOLD,
WILLIAM HENRY PETER BARBER,
SAMUEL ISAAC CLARKE,
THOMAS YOUNG DUNCAN,
HENRY GEORGE ELL,
WILLIAM HUGHES FIELD,
JOSIAH ALFRED HANAN,
WILLIAM THOMAS JENNINGS,
WILLIAM BRACK LEYLAND,
FRANCIS MANDER,
WILLIAM MORRIS, and
JOHN STALLWORTHY

were appointed to be Commissioners, with the powers mentioned therein, for the purpose of making inquiry into matters affecting the timber and timber-building industries:

And whereas by the said commission you were directed and required to transmit to me your report and recommendations in respect to the several matters inquired into not later than the thirty-first day of May, one thousand nine hundred and nine:

And whereas the time within which you were required to report was extended to the tenth day of June, one thousand nine hundred and nine:

And whereas it is expedient that the said period should be extended as hereinafter provided:

Now, therefore, I, William Lee, Baron Plunket, the Governor of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council thereof, and in exercise and pursuance of every power and authority enabling me in this behalf, do hereby further extend the period within which you shall (using all diligence) report to me to the thirtieth day of June, one thousand nine hundred and nine.

And with the like advice and consent, and in further pursuance of the said power and authority, I hereby confirm the said commission, except as altered by these presents.

Given under the hand of His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor and Commander-
(L.S.) in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this eleventh day of June, in the year of our Lord one thousand nine hundred and nine.

J. G. WARD.

Approved in Council.

ALEX. WILLIS,
Clerk of the Executive Council.

REPORT.

To His Excellency the Right Honourable William Lee, Baron Plunket, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

We, the Commissioners appointed by Your Excellency on the 9th day of March, 1909, to inquire into the several matters and things mentioned and referred to in the commission, copy of which is attached, have the honour to report to Your Excellency as follows :—

Owing to the volume of evidence adduced before us, and to the fact that the taking of evidence only closed on the evening of Thursday, the 27th May, it was found impossible to properly consider and analyse the same to enable the report to be prepared and submitted by the date fixed in the commission—viz., the 31st May—and we were therefore reluctantly compelled to ask for an extension of time within which to present the report. This was sanctioned, and the period of the commission extended, first to the 10th June, and subsequently to the 30th June. The instruments so extending the commission are attached hereto.

We first assembled at Invercargill on the 24th day of March, and held our first meeting on the 25th. As the subjects of our inquiry were of so much public interest, it was decided to admit the public and Press to all meetings of the Commission, taking, where necessary, matters of a confidential nature in committee, and the dates of the meetings were duly advertised in the local newspapers beforehand. Although the scope of the commission only permitted evidence being taken at Auckland, Taihape, Wellington, Greymouth, Christchurch, Dunedin, and Invercargill, it was nevertheless deemed advisable to visit and inspect the sawmills and forests in the principal milling districts of the Dominion. Though the limited time at our disposal prevented any lengthy inspection of the condition of the sawmilling industry in those localities, yet valuable information was gathered as to the conditions under which the trees are felled, taken from the bush to the mill, sawn into marketable timber, and eventually placed on the market. Every effort was made to see all phases of the industry, and through the willing co-operation of the sawmillers in every district, and the efforts of all interested in the industry to afford necessary information, we were enabled to form a fairly full and correct idea of the present position.

In pursuance of this object, the Commission visited twenty-three sawmills in the Southland, Westland, Taihape, Waimarino, Northern Wairoa, Auckland, and Wellington districts, and also inspected wood-preservative works at Rangataua, creosote-works at Invercargill, the State nurseries and plantations at Hanmer, Rotorua, Whakarewarewa, and Waiotapu, carriage-building works, and a number of other woodworking factories.

The travelling done by the Commission amounted to 3,125 miles, and occupied fifteen days; whilst it took nine and a half days to inspect the sawmills, &c., and twenty-eight days to hear evidence.

One hundred and fifty-four witnesses were examined on oath, their respective occupations being,—

Sawmillers	36
Builders	20
Timber-merchants	18
Workers' representatives	11
Architects	10
Furniture-makers	5
Engineers	4
Bush contractors	3

Blindmakers	2
Merchants	2
Settlers	2
Building Inspector	1
Staircase-maker	1
Canadian import agent	1
Auditor	1
Sleeper-getter	1
Secretary to dairy company	1
Lawyer	1
Manager of wood-preservative works	1
Iron-founder	1
Clerk of works	1
Coachbuilder	1
Harbour Board foreman	1
Lands Department's officers	13
Railway Department's officers	13
Public Works Department's officer	1
Customs Department's officers	2
Total	154

The examinations of these witnesses occupied 162 hours, and it is satisfactory to state that in every case they came forward willingly. No expenses were paid to any witness, and every facility was afforded the Commission to obtain information regarding the subjects of its inquiry.

The Commission is glad to record the cordial relations which are found to exist throughout the Dominion generally between sawmillers and sawmill-workers, it being shown that in many sawmilling districts the wages paid are in excess of those prescribed by the Arbitration Court.

Sittings at the places named in the order of reference were held as follows:—

Invercargill	March 25, 27, 29, 30, and 31.
Dunedin	April 1, 2, and 3.
Christchurch	April 6, 7, and 8.
Greymouth	April 15, 18, 19, and 20.
Taihape	April 27 and 28.
Auckland	May 7, 8, 10, 11, 12, and 13.
Wellington	May 20, 21, 22, 25, 26, and 27.

Every effort was made to thoroughly carry out the duties intrusted to us. The limited period, however, within which this could be done, and a report submitted to Your Excellency by the date originally fixed, necessitated the greatest expedition being used to accomplish this object. We frequently sat from 9 a.m. to 6 p.m. to take evidence, and in some places also held evening sittings. The evidence so taken is now being printed, and will be duly submitted to Your Excellency, together with statistics and returns alluded to in this report and not accompanying it.

Passing to the several matters we were specially instructed to inquire into, we beg to report as follows:—

With respect to New Zealand Timber.

(1.) *The Cost of Felling.*

Careful and thorough investigation of the methods adopted at the mills, and in the bush workings we visited, which were regarded as typical of the conditions prevailing in the various parts of New Zealand, has proved that the nature of the country where a mill is working, and its distance from a railway siding, materially affects the cost in each case. The system generally in vogue in districts south of Auckland is for a log to be hauled by a wire rope, connected with a stationary engine, from the place where it is felled to the tramway running from the sawmill into the forest. Arrived at the tramway, the log is

then placed on a truck, and drawn by an engine (or, in some cases, a team of horses or bullocks) to the mill, where the log is converted into sawn timber.

In the Auckland Province, where kauri is worked, different methods obtain. Formerly a large proportion of the logs were hauled to the mills or to tidal waters by locomotives or horses over tramways, or by bullocks over "skidded roads." By these means logs were delivered at the mills green, and in long lengths. Now nearly all the forest accessible by tram or "skidded road" has been worked out, and logs are hauled, "jacked," or delivered by means of "shutes" into a suitable creek, usually into a branch or tributary of some large stream, where they remain until by means of specially erected dams, "tripped" (or opened) when the streams are in flood, they are "driven" to booms erected in tidal waters. In large watersheds a number of dams on branch creeks are necessary, and often a very large dam is required in the main stream to "drive" the logs from the branch creeks.

We found that in many cases, particularly in the Westland and Southland Districts, where the bulk of available timber is on Crown land or in State forests, the recently repealed Forest Regulations under the Land Act and State Forests Act were unsatisfactory, as they limited the forest land that could be allotted to one mill to a sawmill area of 200 acres, and three reserved areas of 200 acres each, or 800 acres in all. This proved detrimental to cheap production and profitable working of the timber, as, with such limited areas to mill, it did not pay the sawmiller to erect expensive and up-to-date machinery. Further north, particularly in the Waimarino Forest, where large areas of native and private freehold land can be secured by a sawmiller, larger and better-equipped mills have been erected, and the industry established on more economical lines. It is, however, satisfactory to note that the new regulations, which came into force on the 15th April last, have permitted areas of Crown land being allotted to sawmillers in proportion to the respective horse-power of their mills, and this is undoubtedly a step in the right direction, and will do much to improve the conditions under which bush can be worked. A recommendation dealing with this question is set forth under clause (5) of the report.

Kauri timber, being sold in large quantities for cash, is not subject to the above restrictions, and has generally been felled and milled in a fairly economical manner. There is no doubt but that the machinery in many of the existing sawmills (which the census of 1906 returned as 444, including sash and door factories, employing 9,098 hands) is not up to date, and tends to hamper the efficient working of the mills. The chief reason for this, however, as already pointed out, no longer exists, and it is hoped that in a comparatively short time modern methods and machinery will be generally employed. In some cases the millers might with advantage to themselves visit other localities, and ascertain how larger and more recently erected mills are worked, and thereby improve their present methods.

Speaking generally, however, we can confidently report that, although the cost of felling the trees and delivering the logs at the mill varies considerably in the different localities, owing to the causes enumerated above, yet it cannot be considered unreasonable under existing conditions.

(2.) *The Cost of Cutting at the Mill.*

In considering this phase of the question, the remarks just made apply with greater force to the cost of cutting at the mill, and must be taken into account when considering this point. Bearing in mind, however, the character of the plant now generally employed, and the reasons that in many cases restricted the construction of more expensive and efficient plant, we are of opinion that the cost of cutting has not been unreasonable, but consider that in many cases a reduction in the cost could be brought about, and much waste of timber in cutting prevented, by the adoption of more modern machinery, better methods, and more economical working in bringing it to, and dealing with it at, the mill.

(3.) *The Price when sold by the Mill to*—(a) *the Consumer*, (b) *the Middleman, and* (c) *the Retailer.*

This was a very complicated and difficult problem to solve, and every effort was made to arrive at reliable conclusions.

Owing to the fact that prices vary so greatly in the different towns of New Zealand according to local causes, and that they have advanced during the past decade, it is impossible to say that prices have ruled as low as they might have, in each town, and during any particular year.

Judging from the evidence that was given, as bearing on the cost of production, and already dealt with in clauses (1) and (2), we have come to the conclusion that the average prices now obtaining for the great bulk of the timber are not unreasonable, but that, as regards past prices, in certain localities, there is evidence to show that attempts were made to unduly raise and maintain the price of timber by combination amongst millers and middlemen not in the public interest. This undesirable practice has been, however, checked to a large extent by the recent trade depression, and other conditions affecting the sawmilling industry generally.

(4.) *The Price when sold by the Middleman to*—(a) *the Consumer and* (b) *the Retailer.*

Bearing in mind the conclusions just arrived at, and the grounds for same, we consider that, having regard to the prices obtained by the producing miller, the prices charged by the middlemen and retailers to the consumer in certain districts, where it has been the rule to class anything as low as 20 ft. or 22 ft. in length as "long lengths," have been unduly high. We regret that this seems to have been the case, and do not think that it has been a general practice throughout the Dominion, but undoubtedly the middlemen have in certain instances taken undue advantage of the late demand for timber, caused by an unusual expansion of the building trade, and have in some cases charged and obtained prices in excess of a fair trade profit. The said high prices seem to have been maintained by combined action on the part of a number of timber-merchants in some districts. This condition, however, does not appear to exist at the present time.

Railway freights add largely to the cost of timber in the chief centres of the Dominion, and in the interests of the sawmilling industry and the public generally we recommend that sawn timber be carried at the lowest payable rate.

With the view of utilising a class of timber which is largely wanted, and known as "shorts" (lengths 6 ft. and under), we recommend the Government to reduce the railway freight on this class of timber.

We are of opinion that the whole railway tariff on timber requires reconsideration, and would draw attention to the evidence given before the Commission by Mr. R. A. Wilson, of Bull's, and supported by compiled tables embodied in his evidence, alleging that timber is charged higher rates of freight than many other classes of goods, and also to the statement made by the General Manager of New Zealand Railways (Mr. T. Ronayne) in reply thereto.

(5.) *The Areas of Crown Land held for Sawmilling Purposes under the Land Act or the State Forests Act, showing in each Case the Name of the Licensee and the Acreage held.*

These are given in detail in Appendix A, and show that a total area of 151,607 acres is held for sawmilling purposes, under 255 licenses. This area is also shown on the map attached to the appendix.

In this connection it is recommended that the royalties throughout the Dominion should be uniformly charged on the log-measurement, as so doing will tend to the prevention of waste in dealing with our native forests; whilst, in order to encourage the erection of a better class of mill, and the adoption of improved methods of working, so as to reduce the cost of production, sawmilling areas should be allotted to each mill, and fixed on the quantity basis, taking into account the cutting-capacity of the mill as well as horse-power.

Under the present and past regulations the waste of timber in sawmilling operations was very apparent in some of the forests visited. Trees 16 in. and 18 in. diameter were frequently left standing, although, in other forests inspected, trees of 12 in. and even less in diameter were felled and milled, thus doing away with waste. It is desirable that such needless waste should be prevented, and it is therefore suggested that Forest Rangers should be empowered to inspect sawmilling areas with the object of insuring that all milling-timber is cut out by the licensee, and not left standing to be subsequently destroyed by fire. It is felt that the time has now arrived when stricter regulations should be framed and enforced with regard to the felling and milling of timber on Crown land.

(6.) *The Estimated Area of Crown Land still available for Sawmilling Purposes but not taken up, showing the Districts in which the Areas are situate and the Total Area in each District.*

The total area is 4,042,280 acres, and it is set forth in detail in Appendix B, and also on the map attached to the appendix.

Although this large amount of forest land is available for sawmilling purposes, it is well to point out that a great part of it is not at the present time in close-enough proximity to existing means of transport to render the utilisation of the timber a profitable undertaking for the sawmiller.

In many cases, too, the proportion of milling-timber of good quality and in sufficient quantity is not large enough to induce milling operations on a payable basis. For these and other reasons we desire to represent that it is not in the interests of the public that a sawmiller should be invited to purchase unmarketable timber when tendering at Crown sales, and every effort should be made to conserve the same until a market is available for it.

WITH RESPECT TO OREGON TIMBER.

(7.) *The Extent to which it is imported, and the Effect of these Importations on the Local Timber and Timber-building Industries.*

For the period between the 1st day of January, 1907, and the 30th day of April, 1909, a total of 10,332,371 laths and shingles were imported into Auckland, Wellington, Wanganui, Nelson, Christchurch, Timaru, and Dunedin; 30 round logs into Wellington; 4,500 palings into Christchurch; and 21,188,506 sup. ft. of rough sawn timber into Auckland, New Plymouth, Wanganui, Wellington, Napier, Nelson, Hokitika, Christchurch, Timaru, Oamaru, Dunedin, and Invercargill. Full details thereof are given in Appendix C.

The sudden and enormous increase in importations of Oregon is shown by the fact that in 1907 only 270,000 sup. ft. came in, whilst in 1908 and the first four months of 1909 a total of about 21,000,000 ft. came into this country.

After full consideration of the somewhat diverse opinions and varied evidence given by numerous witnesses who testified on this point, we have come to the conclusion that the effect of the importation of Oregon pine on the timber-building industries has been of a beneficial character, and in the interests of the public in meeting the requirements of the building trade, as it has furnished a ready and efficient supply of timber for building purposes of a class which would otherwise have been difficult to obtain in suitable sizes and lengths. Although this has been the case as regards building requirements, yet there appears to be little doubt but that this importation has helped to intensify the recent depression in the sawmilling industry, particularly in certain localities.

In view of the large quantity of Oregon timber being used for other purposes than joists and long beams, it is recommended that a duty of three shillings (3s.) per hundred (100) superficial feet be imposed on sizes under twelve (12) inches by two (2) inches, or equivalent, in any lengths; other sizes under twenty-five (25) feet in length to remain as at present, subject to a duty of two shillings (2s.) per one hundred superficial feet; lengths from twenty-five (25) to thirty-five (35) feet to be reduced to a duty of one shilling (1s.) per one hundred (100) superficial feet; and lengths above thirty-five (35) feet to be admitted duty-free.

In Appendix J will be found a return of Customs duty received on imports and exports of timber for the past fifteen years.

(8.) *Its Landed Cost (showing Freight and Charges separately from Cost-price).*

Investigations and evidence given before the Commission have supplied the following particulars, which appear to be fairly accurate, and typical of the recent importations of Oregon timber. The figures relate to "rough Douglas fir" (Oregon pine) of merchantable quality :—

Auckland Landed Cost (per 100 sup. ft.).—A shipment purchased on the 16th June, 1908, and subsequently landed in New Zealand, gave the following details :—

	s.	d.
C.i.f. at Auckland	7	6
Customs duty	2	0
Wharfage and cartage	0	9
Labour at wharf, handling, and stacking in yard ...	1	6
	11	9

The rates in May, 1909, were about 2s. per 100 sup. ft. higher, whilst a further extra charge (equal to 10 per cent. on c.i.f. prices) is required to be added when ordering long lengths.

The base price of Oregon pine seems to have fluctuated considerably between March, 1908, and May, 1909, and to have increased from about $10 per 1,000 sup. ft. (or about 4s. per 100 sup. ft.) to $13½ per 1,000 sup. ft. (or about 5s. 3d. per 100 sup. ft.), and at the present time Oregon timber 4 in. by 10 in. in lengths of from 16 ft. to 32 ft., would be invoiced at $13½ per 1,000 sup. ft., whilst timber 5 in. by 18 in. in the same lengths, would be $16 per 1,000 sup. ft., and timber 4 in. by 6 in. in lengths of from 10 ft. to 15 ft. would be $12½ per 1,000 sup. ft.

To arrive at the landed cost, the freight and duty must be added. Freight has varied from 25s. to 37s. 6d. per 1,000 sup. ft., the last quotation being 30s. per 1,000 sup. ft. to Auckland or Wellington, and 35s. to Napier, Christchurch, and Dunedin. A bank charge of 1¾ per cent. must also be added.

The present cost in Auckland, taking as base $13½ per 1,000 sup. ft., would be about 5s. 6d. per 100 sup. ft., and 10 per cent. must be added for long lengths, whilst the freight is 3s. per 100 sup. ft., exchange amounts to about 2d., the Customs duty is 2s. per 100 sup. ft., and landing-charges, wharfage, cartage, stacking, and handling in the yard require to be added. The figures just given apply to full cargoes of not less than 1,500,000 sup. ft.

Wellington Landed Cost (on timber 16 ft. to 32 ft. in length, and from 2 in. by 3 in. to 6 in. by 8 in. in size).—

	s.	d.	
In January, 1908, the c.i.f.e. base price was	11	0	per 100 sup. ft.
„ August, „ „	8	0	„
„ October, „ „	7	2	„
„ November, „ „	7	6	„
„ January, 1909, „	7	5	„

NOTE.—On an average specification, the addition in cost on base price is about 12½ per cent.

The freight charged and included in the above figures ranged from 2s. 6d. to 3s. 6d. per 100 sup. ft., whilst insurance and exchange averaged 3½ per cent. of the base price.

The wharfage charges in Wellington are, without labour, 3d. per 100 sup. ft., the charge for labour being an additional 3d.

Lyttelton Landed Cost.—The cost f.o.b. Vancouver, per 1,000 sup. ft., has ranged from $10 to $15, whilst exchange has varied from 4·60 cents to 4·90 cents, and the freight to Lyttelton from 25s. 6d. to 35s. per 1,000 sup. ft., but other charges are not available. The landed cost appears to have been as follows :—

C.i.f. price	From 7s. to 8s. per 100 sup. ft.
Customs duty	2s. per 100 sup. ft.
Haulage and wharfage ..	1s. 6d. per 100 sup. ft.

Or a total of about 11s. 6d. per 100 sup. ft.

Dunedin Landed Cost appears to have been the same as Lyttelton.

(9.) *Its Price when sold by the Importer to* (a) *the Consumer*, (b) *the Middleman, and* (c) *the Retailer.*

Auckland Selling-price.—(*a.*) Retail price in small lots (under 20,000 ft.), 17s., less 10 per cent. discount = 15s. 3d. net per 100 sup. ft. In lots of 20,000 ft. and over = 14s. net. On long lengths over 32 ft. a further average charge of 3d. per 100 sup. ft. is made for every additional foot in length.

The following extra costs are entailed before selling: Rehandling, resawing, loss in conversion, loss in measuring out, 1s. 3d. per 100 sup. ft. on large lots; 1s. 9d. per 100 sup. ft. on small lots. Together with interest, rents, rates, taxes, insurance, and management, say, an average of 6d. per 100 sup. ft. But no allowance has been made for "bad debts."

(*b*) and (*c*). Same as above, except that an additional discount of 10 per cent. is allowed.

Wellington Selling-price.—The following prices were fixed by the Wellington Timber-merchants' Association in April, 1908, but at the present time merchants are selling independently at lower rates :—

	Per 100 sup. ft. £ s. d.	
Building, sawn	0 17 6	Subject to a discount of 7½ per cent.
Building, ½ in. out of 1 in. ...	0 11 0	
Selected, sawn	1 0 0	
To 12 in. by 1 in., dressed ...	1 1 6	
Rustic, and T. and G. ...	1 1 6	
¾ in T. and G., and B. or V ...	0 18 0	

These prices are for lengths up to and including 24 ft., as it rises from the stack; resawing extra.

Oregon over 24 ft. long and under 33 ft. to be charged 3d. per foot per 100 ft. extra; and lengths over 32ft. and under 41 ft., 6d. per foot per 100 ft. extra; over 40 ft. by special arrangement.

"And generally any Matters which in your Opinion injuriously affect the Timber and Timber-building Industries, or would tend to promote their Development, including the Necessity or Expediency of any Legislation in the Premises."

New Zealand Timbers.

Although it is generally recognised that we have a great variety of trees growing in the forests of the Dominion, it is not widely known that no less than eighty-six different species are stated to exist. Included, however, in this list are, in some cases, more than one variety of the same tree, so that it is perhaps more accurate to state that about eighty different trees grow in our forests. Many of them are suitable for commercial utilisation, but, although attempts have been made from time to time to disseminate a wide knowledge of their properties and possible uses, it is to be regretted that at the present time the majority of our timbers are not made use of, but are permitted to be destroyed either in the course of settlement, or through accidental fires. The chief varieties of our milling-trees are as follow :—

Kauri, which grows in the Auckland District only. This is our finest timber, combining strength with durability, and being easy to work. It is used primarily for building purposes, and for shingles, weatherboards, lining, joists, studs, doors, sashes, bridge-decking, ship and boat building, carriage-building, furniture-making, mining purposes, and almost any purpose needed in the building or timber trades.

Totara, once so prevalent, has been milled to such an extent in the past that the present supplies are very limited, and are chiefly to be found in the Auckland and Wellington Districts, although certain quantities remain in the Hawke's Bay and Westland Districts. It is an exceedingly durable timber, superior even to kauri, and is largely used for house-blocks, verandah-posts, sleepers, fencing, wharf-piles, bridge-building, window and door frames, telegraph-poles, &c., whilst the mottled variety is much in request for ornamental furniture.

Rimu (red-pine) is next in popular use to kauri, and is consumed in greater quantities than any other timber. It grows universally over New Zealand, and is used principally for house and carriage building, furniture-making, &c. Figured boards are highly valued for panelling, mantelpieces, skirting-boards, and doors.

Kahikatea (white-pine) is also found all over the Dominion. It is particularly valued for butter-boxes, packing-cases, boxing for concrete, and for temporary work generally.

Manoao (silver-pine) grows in many districts, and has been used for sleepers, house-blocks, and posts, with excellent results. It is a very durable timber, and suitable for many ordinary purposes for which these qualities are essential.

Matai (black-pine) is found is most localities. It is a timber of great durability, and is largely used for flooring, framing, joists, house-blocks, bridge-building, sleepers, verandah-posts, and fencing purposes.

Puriri is one of the strongest and most durable timbers in the world. Its chief use is for railway sleepers, for which purpose it is unsurpassed, and it is also used for posts, house-blocks, culverts, carriage and bridge building. Mottled puriri is largely used in Auckland for ornamental furniture.

Tawa, although plentiful in certain localities, is not much in demand. It has been used for making casks and furniture, and is now used to a small extent for the inside lining of houses.

Beech (or "birch," as it is popularly called in New Zealand), is gradually coming into use in many districts, particularly Canterbury, Southland, Nelson, and Westland. The chief variety milled is *Fagus fusca*, known locally as "red-birch," "brown-birch," and "black-birch." It is used principally for fencing and mining purposes, house-blocks, bridge-building, &c. Prior to an import duty being placed upon it by the Commonwealth of Australia, a remunerative business in its export was done by Southland sawmillers. Mills that were specially erected in that district for sawing this timber for the Australian trade have been forced to close down in consequence of the imposition of the duty, which amounts to 2s. 6d. per 100 sup. ft.

The other timbers used, though not to any great extent, comprise pohutukawa, mangeao, maire, rata, miro, pukatea, rewarewa (honeysuckle), hinau, and tanekaha (celery-pine). The remainder of our trees are seldom used for commercial purposes.

It is a fact which does not appear to be sufficiently known that this country is well supplied with cabinetmaking woods of a superior quality, but it is a matter for regret that they are not known or utilised by furniture-makers to the extent they deserve.

Handbook.

It is desirable that something should be done to encourage a greater local consumption of our native timbers. Undoubtedly, ignorance of their properties is mainly responsible for lack of their use. It is therefore recommended that a complete and reliable handbook on New Zealand timbers should be prepared by the Government and published for general information, giving particulars as to their characteristics, qualities, strength, and durability, and the varied purposes for which they are suitable. If such particulars are disseminated amongst the furniture-makers of this Dominion, and also in Australia, it is thought that a greater demand might be created.

Evidence has been given as to the respective durability and strength of our timbers as compared with Australian, Canadian, and American woods, but, as the evidence was of a conflicting character, we recommend that a series of tests be conducted by responsible officers in order that reliable information and records dealing with the matter may be available to the public. Similar tests with regard to timber in other countries have been made from time to time, and have proved very useful in determining how far they are suitable for foreign requirements.

Seasoning of Timber.

Another point that was emphasized by many witnesses was the great amount of unseasoned timber used for building purposes, with unsatisfactory results both as regards the "life" of the house constructed therewith and its internal comfort, and it is strongly recommended that more attention be paid to the felling of trees at the proper time of the year, and the seasoning of timber before being used for building or other purposes, in order that the public may be protected against having to purchase or live in houses that will not remain in a thoroughly habitable condition for a reasonable period of time. The use of unseasoned timber naturally tends to create a prejudice against our native timbers. This difficulty could be got over if merchants would purchase and stock them in large quantities for a sufficient period of time.

It was prominently brought forward in the course of our inquiry that various processes for artificially seasoning timber are now being established in this Dominion, and in particular the use of creosoting in several forms, and "Powellising" woods. Under present conditions it is difficult to form an accurate idea of the value of preservatives to our soft woods, and, although the evidence that was taken does not warrant us in making any specific recommendations in this respect with regard to any particular process, it appears desirable that full investigation should be made by the Government into the many processes of artificially seasoning and preserving timber, and that such investigations should include inquiry into—

(*a.*) The extra length of life of timber after being so treated;
(*b.*) The extra strength imparted to timbers in this manner;
(*c.*) The extra cost of timber after undergoing treatment by each process.

As one of the causes tending to lessen the use of our own timbers is the general impression, not altogether erroneous, that few kinds will endure for any length of time when exposed to the weather or brought into permanent contact with the ground, there appears to be an increasing demand for Australian hardwoods, and a diminishing order for New Zealand woods for certain purposes, and if any process of artificially seasoning wood will enable our timbers to compare favourably with imported timbers, it is essential that such process should be brought into general use.

Australian Hardwoods.

In the meantime we are of opinion that consideration should be given to the question of admitting free of duty such sizes and descriptions of Australian hardwoods as are actually necessary to the Dominion, and the importation of which will not materially affect our own timber industry.

Kauri.

Although kauri has long been recognised as our most valuable timber, and it is in constant request all over New Zealand, it has been shown beyond all doubt that the supply of kauri to many parts of the Dominion is far from equal to the demand, though an extensive export trade to Australia has been carried on for years past. The evidence with reference to the building and furniture trades proves that there is great difficulty in obtaining supplies in certain lines. This is specially noticeable in southern centres, where the best grades of kauri are demanded and cannot be obtained.

Rimu.

There is also a constant demand for first-class heart of rimu, which exceeds the supply, and much difficulty has been experienced in obtaining rimu joisting of the 75-per-cent.-heart grade.

Sawmilling Industry.

From the evidence adduced during the course of our inquiry, we are of opinion that the sawmilling industry is not in a satisfactory condition at the present time, and that the main causes responsible therefore are—

(*a.*) General trade depression, and local financial stringency;
(*b.*) Over-production.

The long period of prosperity enjoyed by the Dominion caused the demand for sawn timber to exceed the supply. To cope with this exceptional demand new mills were erected, and many of the existing plants enlarged, with the result that in ten years the sawn output more than doubled. Then, for the reasons stated above, the high-pressure demand ceased, and sawmillers were faced with a glutted market.

The following table shows approximately the increase of the sawmilling industry in New Zealand :—

Year.	Number of Mills.	Hands employed.	Quantity of Timber sawn per Annum.	Cutting-capacity per Annum.
			Sup. ft.	Sup ft.
1895 ..	299	4,055	191,053,466	..
1900 ..	334	6,085	261,583,518	..
1905 ..	414	6,912	413,289,742	704,930,600
1907 ..	411	7,139	432,031,611	718,940,000

Greater Use of New Zealand Timber.

With the view of assisting to relieve the present depression in the timber industry, it is suggested that the Government should endeavour to make a more extensive use of New Zealand timber in its public works and other operations wherever suitable; and, as the evidence of Railway officials has shown that, during the last twelve months forming the past financial year, no less than 198,244 out of 292,549 sleepers used by the Railway Department were of Australian timber, it is felt that puriri and others of our native timbers can be used to a much greater extent than at present for this purpose alone. When it is borne in mind that in the year 1898–99 no less than 327,938 out of 331,301 sleepers were of New Zealand wood, it cannot be denied that the replacement of New Zealand by Australian timber has been extremely great, and apparently more than is justifiable. Details are given in Appendix E.

Conservation of our Native Forests.

More consideration requires to be given to the preservation of forest in rough country, and on mountain-sides, particularly within the watersheds of rivers liable to periodical floods, as, unless the surface soil is sufficiently protected by vegetation, considerable damage and destruction to valuable land along river-banks and lower-lying country is naturally caused. Due consideration should also be paid to the conservation of rainfall and the maintenance of climatic conditions.

Judging from the reserves that have already been made in some districts by the Department of Lands for such purposes, it would seem that this matter has been kept in view; but, if increased attention is given to it in the future, more satisfactory results would follow. It is therefore recommended that, in future alienation of Crown lands, provision be made for a reservation of forest on the high lands, and heads of watersheds, &c.

Many farmers do not seem to be aware of the importance of conserving suitable belts of forest on their holdings, or, indeed, to know how best to preserve native trees. Advice might be disseminated on this subject, and public attention called to the beneficial results that attend the maintenance of a certain proportion of agricultural and pastoral lands in forest, whilst particulars of the most suitable kinds of trees to grow in place of the indigenous bush that formerly clothed so large a portion of the Dominion might accompany such advice.

With regard to the prevalence of bush-fires, and annual destruction caused to our forests by preventable causes, we would urge that the provisions of No. 9 of the new Forest Regulations, which impose a penalty on persons who light fires within Crown or State forests, or who permit fires lit outside the boundaries of such forests to spread within, be widely advertised and make known, and that Government officers be instructed to do all in their power to prevent such

fires, and to report immediately all cases where fires have occurred, and damage has been caused thereby. Rewards might be offered to all persons who give information tending to secure the conviction of offenders.

Prevention of Noxious Weeds.

We have noticed in different parts of the country that many of the areas used for milling purposes are being overrun with noxious weeds, and think that steps should be taken to protect these areas, and to insure that the land is laid down in grass as soon as the milling-timber has been taken therefrom.

In this connection we approve the principle adopted by the Westland and other Land Boards, who, when a sawmill area has been cut out, and grassed by the miller, load the land on its reversion to the Crown with part value of such grassing, in order that the amount shall be paid by the incoming tenant to the sawmiller who grassed the land.

Forest Lands and Settlement.

The remarks made by Mr. H. C. L. Anderson, M.A., Director of the Intelligence Department and Bureau of Statistics, and Under-Secretary of the Department of Agriculture, in his evidence before the Royal Commission on Forestry, New South Wales, 1908, are worthy of consideration. He says, *inter alia*,—

"I am clearly of opinion that, while doing everything necessary and expedient to safeguard our timber wealth, and to perpetuate our timber industry, there is not the slightest need to curtail the policy of settling every acre of land that is better adapted for agriculture than for forestry. If it is more profitable, in producing wealth and in supporting men and women, to clear the land for agriculture and dairying, than to leave it in its primitive state for the production of timber, then economic laws demand that the former course be pursued; and when, conversely, it can be clearly shown that large areas can be more profitably used for the production of timber for its various purposes than for crops or grass, then reason dictates that forestry, in this case, is preferable from the national point of view to agriculture or dairying."

In the past it has often happened that large areas of forest land, containing timber suitable for milling, have been opened for selection by the Department of Lands, and, in consequence of the conditions of the Land Act that prescribe the felling of bush and clearing of land within a comparatively short period, valuable timber has been destroyed that might otherwise have been used for commercial purposes. We therefore recommend that, wherever practicable, sawmilling on Crown land should precede settlement, and that Crown land should not be opened for selection until it is cleared of milling-timber. By this means the State would profit by the receipt of royalty from the sawmiller, and the settler would have cleared land to farm instead of having to spend money and time in felling and burning the bush.

It is also desirable that a stricter supervision should be exercised over the conditions which apply to the preservation of timber on lands held under different forms of lease from the Crown.

State Requirements.

The Commission approves of the setting-apart of certain forest-areas for the future requirements of the State, and recommends that the policy be extended so as to make adequate provision for public works throughout the Dominion. Every year there is an increasing call upon our timber resources for such purposes, particularly in the vicinity of large works, such as the construction of lines of railways, and, judging from the operations of the State sawmill at Kakahi, which we visited and were favourably impressed with, both as regards its methods of working and the satisfactory results obtained, and also from the working of the sawmill attached to the State Coal-mine at Runanga, there appears to be every ground for believing that the policy that has been adopted at these two places might be extended with advantage, and that other areas of suitable forest lands might be reserved for the future needs of

the Public Works, Railways, and other Departments of the State, and that the timber thereon might be cut and milled under Government supervision and management.

Use of Timber for Wood-pulp.

The increasing demand for wood-pulp for papermaking is one of the features of the timber industry in other countries, and it is highly desirable that this phase of the question should be considered by the Government.

Under the provisions of section 141 of "The Land Act, 1908," areas of Crown land aggregating 50,000 acres may be set aside and leased under special conditions for wood-pulp-making purposes, and regulations published in the *Gazette* of the 8th April, 1909, prescribed the terms and conditions on which the lands might be leased. Some time ago a company was formed to lease the lands in Westland that have been set aside under the Act, and we are informed that arrangements are now being made to commence operations at an early date; but we are of opinion that the establishment of the industry should be assisted in other parts of the Dominion. It is suggested that much of the timber that is left by sawmillers, both in the bush and at the mill, might be utilised for wood-pulp making. We think that greater efforts should be made to use the vast supplies of timber that exist in New Zealand for pulp-making, together with the manufacture of wood-spirit, potash, charcoal, and other commercial products. With the foregoing object in view we recommend that the Government should have our various timbers tested, so as to discover which of them are suitable for this purpose.

Sale of Timber in Mining Districts.

This is a matter which was brought under the notice of the Commission, and merits consideration.

The present position appears to be that, by "The Mining Act, 1908" (sections 147 to 152), timber on Crown land within mining districts is divided into two classes. Certain timber areas are set aside as "Land Board areas" and administered by the Land Board of the district, who allot licenses for sawmilling on same to applicants who pay royalty for the timber they use, according to the scale prescribed by the Forest Regulations. Of the royalty so received, one-half (less all expenses of collection, inspection of areas, and administration) is treated as territorial revenue, and paid into the Consolidated Fund, whilst the other half (subject to no deductions) is paid over to the local body in whose district the area is situated. The remaining timber areas are set aside as "Warden's areas," and licenses to cut timber thereon for mining purposes are issued by the Warden of the mining district, to applicants approved by him. The whole of the revenue so obtained is treated as goldfields revenue, and paid over to the local bodies.

Moreover, if thought advisable, the Warden may deal with any Land Board area, but there is no provision by which a Land Board may deal with a Warden's area.

The Land Board has a staff of Rangers and surveyors at its disposal for inspection purposes, and is thus in a position to obtain the fullest information relative to the value and quantity of trees on any area, and the advisability of milling same; but the Warden has no such staff, and, if he desires to obtain details of his areas, has to request the Land Board to supply him with a report made by its officers. This dual control does not seem to have been satisfactory, and we are of opinion that the sale of timber within mining districts would be better dealt with by the Land Board alone, and that the present partial control by the Warden is not in the best interests of the community. For example, it was stated that in some cases the Wardens have granted licenses to persons who have felled, milled, and exported the timber from New Zealand in direct contravention of the spirit of the Mining Act, which is to the effect that timber on Warden's areas is to be used for mining purposes only.

Planting of Willow-trees.

As public attention has been drawn to what is becoming a widespread nuisance in many parts of the Dominion, it may be well to place on record the

indiscriminate manner in which willow-trees have been planted on the banks of rivers and streams; and, owing to the luxuriance of their growth, and their disposition to spread into the beds of the streams and block up the water-way, many local bodies have experienced considerable difficulty in keeping them in check. The ill-advised action of persons who plant in this manner without due forethought has led to much unnecessary expense, and occasioned considerable trouble in the subsequent eradication of the willows, and we are of opinion that the practice of planting willows near watercourses should be discouraged except under strict supervision, and with due regard to the requirements of each case.

Afforestation.

In the evidence of the Under-Secretary of Lands (Mr. W. C. Kensington) it was estimated that about 34,000,000,000 sup. ft. of milling-timber remains available from all sources for the future timber-supply of the Dominion (*vide* Appendix F); and, as a large proportion of this is not likely to be available for sawmilling purposes for a long time to come on account of its inaccessibility, whilst in other cases milling-timber is so scattered as to render sawmilling unprofitable, it was considered by him that the supply of timber from our own forests is not likely to last for a longer period than about fifty years. Attention is therefore called to the urgent necessity of dealing with the matter of afforestation on a more vigorous and extensive plan, so that the planting of trees in this country may counterbalance the annual timber-destruction sufficiently to prevent a future timber-famine. All over the world the forestry question has become a most serious problem, engaging the minds of statesmen and experts to an increasing degree, and the need for educating the people of New Zealand to the necessity of adequately preserving our timber-supplies appears very pressing.

In order that we might become acquainted with the scheme of afforestation hitherto pursued by the State, we visited and carefully inspected the nurseries and plantations at Hanmer, Rotorua, Whakarewarewa, and Waiotapu, and viewed with satisfaction the operations now in progress. Judging from the encouraging results which have been obtained, we are strongly of opinion that the work of planting for the future needs of the Dominion should be extended, and recommend that plantations be established in the several land districts to meet the requirements of each locality.

As it is most necessary to provide timber for the constant needs of the State, we recommend that, in addition to the larch and pines that now form the bulk of the plantations, supplies of Australian hardwoods and other trees suitable for conversion into railway-sleepers should also be planted. In the past the Railway Department established plantations of trees alongside railway-lines, mostly in Canterbury, for the dual purpose of providing shelter for trains in open, wind-swept localities, and of growing timber that might be suitable for the future needs of the Department; but, as such plantations have not been continued for many years past, we consider that the whole of the work of afforestation for State purposes should be under the control of one Department.

After inspecting the methods and operations of the Forestry Branch of the Department of Lands, we are of opinion that the administration of that Department appears to have been economical and efficient, tending to excellent practical results. Details thereof are given in Appendices H and I, the latter of which contains extracts from the Report on State Nurseries and Plantations for the year 1907–8 (C.–1B).

We understand, however, that the annual cost of maintaining the nurseries and plantations on the present basis, and of raising and planting trees on a scale commensurate with the future requirements of the State, is from £20,000 to £25,000, and as we understand that the statutory source from which this expenditure can be met is rapidly shrinking, so that it will be impossible to continue operations on a sufficient scale unless further provision is made for requisite funds, we strongly recommend that a special vote be placed on the estimates to insure that a sum of at least £25,000 be annually available for afforestation purposes. We consider that this amount is the minimum that should be provided.

We think that afforestation should be vigorously prosecuted on poor lands unfitted for settlement but adapted for tree-growing, and that planting should be commenced and carried on over the extensive sand-dunes and wastes existing on the west coast of the North Island, particularly near Rangitikei, Waitotara, Kawhia, and north of Auckland, whilst large tracts of river-beds now infested with noxious weeds might also be planted in this manner. This latter suggestion specially applies to the Canterbury District.

The planting of trees along the upper regions of rivers and watercourses, where such areas are open and exposed, is also very desirable, as this planting would have the effect of mitigating disastrous erosion, and the gradual silting-up of adjacent streams.

The policy of supplying settlers with tree-plants might, with advantage, be continued where there is a *bona fide* intention to plant and care for such trees. Many settlers, however, are unaware of the kind of trees best suited for their holdings, and an indiscriminate distribution of tree-plants is often wasteful. If settlers are to be supplied in this manner, extra quantities of plants must be raised to meet the demand, and special funds should be provided for this purpose. It has been found, however, that the best results have been attained when a small charge is made for plants, and that free distribution is not a success.

And this, our report, we have the honour to respectfully submit to Your Excellency's consideration in obedience to the commission to us addressed.

Given under our hands at Wellington, this 23rd day of June, 1909.

T. Y. Duncan, Chairman.
J. F. Arnold.
W. H. P. Barber.
S. I. Clarke.
H. G. Ell.
J. A. Hanan.
W. H. Field.
William Thomas Jennings.
W. B. Leyland.
Francis Mander.
William Morris.
John Stallworthy.

W. R. Jourdain, Secretary.
23rd June, 1909.

APPENDIX A.

(5.) THE AREAS OF CROWN LAND HELD FOR SAWMILLING PURPOSES UNDER THE LAND ACT OR THE STATE FORESTS ACT, SHOWING IN EACH CASE THE NAME OF THE LICENSEE AND THE ACREAGE HELD.

Name of Licensee.	Section.	Block.	District.	Approximate Area.	Total Amount.	Distance from Railway.
			AUCKLAND.			
			Crown Lands.			
				Acres.	Sup. ft.	
Taumarunui Timber Co.(Limited)	Lots 1 & 2 F. & G.	I XIII	Piopiotea .. Tuhua ..	600	5,455,452	1 mile.
Parker-Lamb Timber Co. (Ltd.)	26/27	XII	Opuawhanga ..	721	735,000	6 miles.
,,	..	Pt. XIII	Tairua ..	900	3,162,518	Not within the influence of railways.
,,	..	Pt. XV	Hastings ..	100	125,000	
,,	..	Pt. I	Maungataniwha..	70	226,463	
Parker-Lamb Timber Co. and Leyland-O'Brien Timber Co.	..	Pts. IV & V	Otama ..	2,175	5,718,800	
Leyland-O'Brien Timber Company (Limited)	..	XI & XVI	Whitianga, Hastings	300	270,756	
Ditto	..	XVI	Hastings ..	200	350,000	
,, ...	..	XI & XII	Whitianga ..	100	655,276	
,, ...	..	XI & XII	,, ..	600	4,297,573	
T. H. Casey and William McArthur	..	Pt. V	Patetere N.E. ..	1,550	7,380,836	5 miles.
Arahiwi Sawmill Company ..	16	XIII	Rotorua ..	207	1,634,381	1 mile.
Walter Steele	..	Pt. X	Patetere ..	500	3,837,655	5 miles.
Mountain Rimu Timber Co. (Ltd.)	17	IX	Rotorua ..	2,000	2,700,000	4 ,,
David Goldie	..	Pt. X	Hukerenui ..	100	111,235	6 ,,
,, ...	S.E. 76, S.77	Parish	Mangonui ..	258	100,972	Not within the influence of railways.
,, ...	..	Pt. VII	,, ..	220	594,804	
,, ...	329A	Parish	Waipu ..	50	80,679	
Mitchelson Timber Co. (Limited)	Lot 3	XV & XVI	Tutamoe ..	700	8,952,093	
,, ,,	..	XIII & VIII	Takahue, Ahipara	200	5,982,057	
,, ,,	..	Pt. VIII	Ahipara ..	800	4,356,934	
,, ,,	4, 8, 9, 14, 15	VIII	Whangape ..	1,104	9,488,614	
,, ,,	10, 11	VIII	,, ..	390	283,405	
Kauri Timber Co. (Limited) ..	2	XIV	Punakitere ..	1,010	3,879,591	
,, ,, ..	..	XIII & XIV	Waoku ..	700	1,747,005	
,, ,, ..	..	V	Whitianga ..	100	46,494	
,, ,, ..	2	XV	Punakitere ..	1,046	2,343,505	
,, ,, ..	1	XVI	,, ..	996	1,366,109	
,, ,, ..	1	II	Tutamoe ..	1,003	2,302,306	
Northern Wairoa Timber Co.(Ltd.)	..	XV	Punakitere ..	1,100	3,276,368	
White-pine Timber Co. (Limited)	25, 27/29, 34/41, 44, 49/54, &c.	XI	Tokatoka ..	4,090	97,821,912	
Ngunguru Sawmill Co. (Limited)	..	XIII III	Opuawhanga .. Whangarei ..	732	1,685,926	
J. H. McKenzie	8, 9, 10	XIV Pt. II	Russell .. Hukerenui ..	2,032	1,887,798	
Thomas Tuohey	..	Pt. I	Ohinemuri ..	100	156,053	
Bedford Bros.	..	IX	Thames ..	200	280,006	
Thomas M. Lane and Sons ..	S.W. 95	Parish	Kohumaru ..	80	55,962	
,, ..	N.E. 100	,,	,, ..	115	209,196	
,, ..	2	XI	Kaeo	412	1,169,846	
J. C. Going	..	XI	Purua	50	130,018	
Totals	..	..	..	27,611	184,858,598	
			State Forests.			
Mitchelson Timber Co. (Limited)	1	XIV	Mangakahia ..	300	6,329,875	Not within the influence of railways.
,, ..	Lot 4	XV, XVI	Tutamoe ..	500	4,286,213	
Kauri Timber Company (Limited)	,, 2	XI, XII	Maungataniwha..	1,800	7,545,192	
,, ..	,, 3	XI, XII	,, ..	250	4,553,797	
,, ..	,, 4	XI, XII	,, ..	320	4,389,720	
,, ..	,, 5	XI, XII	,, ..	300	2,980,742	
,, ..	,, 16	XI, XII	,, ..	300	1,736,290	
Parker-Lamb Timber Co. (Ltd.)	A	XI	Whangarei ..	300	1,841,920	
Rawene Sawmill Company ..	Lot 9	XI, XII	Maungataniwha..	300	3,062,386	
New Zealand Timber Company	,, 8	XI, XII	,, ..	320	5,763,439	
,,	,, 10	XI, XII	,, ..	150	1,109,880	
,,	,, 13	XI, XII	,, ..	220	2,750,931	
David Goldie	..	II	Whangaroa ..	100	188,429	
,, ...	Lot 4	III	Hukerenui ..	600	2,482,000	
C. Ingram	,, A, B	III	,, ..	200	529,573	
J. Loughnan and Harrison ..	,, 5	III	,, ..	600	5,976,731	
James Wright	..	Pt. VII	Mangakahia ..	50	19,915	
McCarroll Bros.	Lot 5	Pt. III, VII	Tangihua ..	500	923,055	
Totals	..	..	..	7,110	56,470,088	

(5.) Areas of Crown Land held for Sawmilling Purposes, Etc.—*continued.*

Name of Licensee.	Section.	Block.	District.	Approximate Area.	Total Amount.	Distance from Railway.
				Acres.		
Hawke's Bay.						
Crown Lands.						
George Bartholomew Company (Limited)	2	V	Norsewood (Piripiri Block)	1,152	..	1–5 miles.
Ditto	3	V	Ditto	1,069	..	,, ,,
,, ...	1	IX	,, ...	1,459	..	,, ,,
,, ...	6	IX	,, ...	126	..	,, ,,
,, ...	29	IX	,, ...	102	..	,, ,,
Anderson Sons and Co. ..	26	IX	,, ...	189	..	1–2 ,,
,, ..	34	XIV	,, ...	232	..	,, ,,
Wilkinson, W. D.	..	I & XI	Ngatapa ..	200	..	25 ,,
Hawke's Bay Timber Company	..	..	Tamaki Block ..	4,397	..	5 ,,
Total	..	..	..	8,926	..	
State Forests.						
W. Parsons	..	II	Norsewood (Ngamoko State Forest)	200	..	9 miles.
Taranaki.						
Crown Lands and State Forests.						
Alfred Hamond Hyde ..	..	..	Matire Township, Ohura Survey District	30	..	..
Messrs. Derby Bros.	..	..	Huiroa Township, and part Section 3 of Block IX, Ngatimaru Survey District	84	..	..
Total	..	..	..	114	..	..
Wellington.						
Crown Lands and State Forests.						
Area held for sawmilling purposes—Nil.						
Marlborough.						
Crown Lands.						
Brownlee and Co.	..	..	Opouri and Ronga	1,600	..	Not within influence of railways.
W. Cooke	..	..	Puhipuhi, &c. ..	320	..	
Barton Bros.	..	..	Pelorus Valley ..	200	..	
Nees and McLean	..	..	All Nation's Creek	800	..	
Total	..	..	..	2,920	..	
State Forests.						
W. C. J. Bryant	..	..	Rai Valley ..	654	..	Not within influence of railways.
J. Craig	..	..	Upper Opouri ..	800	..	
T. W. Reese	..	..	,, ..	807	..	
Robertson Bros.	..	..	Ronga Valley ..	180	..	
Smart Bros.	..	..	Wakamarina Valley	600	..	
F. A. Smart	..	..	Ditto	800	..	
W. Tapp	..	..	Kaiuma ..	520	..	
Total	..	..	..	4,361	..	
Nelson.						
Crown Lands and State Forests.						
Bowater and Bryan	..	XII, XVI	Mawhera-iti ..	753	..	4 miles.
,, ...	..	XVI	,, ..	735	..	5½ ,,
E. Lockington	..	X, XIV, XV	Reefton ..	742	..	3 ,,
F. W. Archer	..	VI, VII	,, ..	200	..	2½ ,,
J. McMahon	..	II, VI, VII	,, ..	864	..	1½ ,,
G. J. Perotti	..	III	Mawhera-iti ..	800	..	2 ,,
,, ...	..	III	,, ..	200	..	2 ,,
D. P. Mumm	..	XIV	Mokihinui ..	200	..	⅛ mile.
R. Blackburn, jun.	23 to 26	XIV	Oparara ..	397	..	32 miles.
S. and J. Marris	..	XI	Mokihinui ..	200	..	1½ ,,
R. T. Watson	..	II	Ngakawau ..	800	..	2 ,,
G. G. McKay	..	III	Steeples ..	332	..	3 ,,
Westport-Stockton Coal Company (Limited)	..	II	Ngakawau ..	363	..	3½ ,,
J. Griffiths	22, 23, 31, 33	IV	Kawatiri ..	150	..	10 chains.
Karamea Sawmilling Company (Limited)	..	V, IX	Oparara ..	766	..	40 miles.
Ditto	..	IX, X	.. ..	778	..	34 ,,

(5.) AREAS OF CROWN LAND HELD FOR SAWMILLING PURPOSES, ETC.—*continued.*

Name of Licensee.	Section.	Block.	District.	Approximate Area.	Total Amount.	Distance from Railway.
			NELSON—*continued.*			
			Crown Lands and State Forests—continued.			
				Acres.		
W. Gibson	..	III	Steeples ..	400	..	4 miles.
E. Hawkins and A. Erskine	..	II	Ohika	134	..	5 ,,
Stratford, Goss, and Tennant	..	X, XIV, XV	Oparara ..	643	..	34 ,,
J. Jamieson and party	..	II, IV	Steeples ..	550	..	1½ ,,
E. Walker	..	IX, XIV	Oparara ..	400	..	34 ,,
J. Hobbs	..	XV, XVI	Mokihinui ..	400	..	½ mile.
E. Norris	..	I	Ohika	298	..	3½ miles.
J. T. Monigatti	9	VIII	Kawatiri ..	296	..	1½ ,,
G. F. Bryan	..	I	Waitakere ..	200	..	6 ,,
,,	..	I	Steeples ..	780	..	3½ ,,
,,	..	IV	,, ..	355	..	3½ ,,
Bowater and Bryan	..	I	,, ..	200	..	1½ ,,
J. Costello	..	III	,, ..	60	..	5 ,,
Bowater and Bryan	..	I	,, ..	934	..	1½ ,,
Puponga Coal and Gold Mining Company (Limited)	..	II	Onetaua ..	160	..	1½ ,,
G. B. Watson	..	II, VI	Pukawau ..	200	..	2 ,,
William Grant	..	XIII	,, ..	200	..	6 ,,
Total	..	..	..	14,490	..	
			WESTLAND.			
			Crown Lands and State Forests.			
C. Long and E. Clark	..	..	Ahaura ..	397	..	20 chains.
W. A. Sadler	..	..	,, ..	100	..	10 miles.
A. Southorn and E. Olsen	..	..	,, ..	600	..	5 ,,
G. E. and G. Erickson	..	..	,, ..	200	..	8 ,,
John Drake	..	..	,, ..	495	..	8 ,,
T. W. Tymons	..	..	,, ..	200	..	7 ,,
A. Southorn and E. Olsen	..	..	,, ..	780	..	7 ,,
T. W. Tymons	..	..	,, ..	364	..	7 ,,
Thorp, Myers, and Southorn	..	..	,, ..	200	..	11
Bignell, Gieseking, and Lynch	..	..	,, ..	400	..	2½ ,,
W. Fisher	..	..	,, ..	398	..	9 ,,
G. Erickson	..	..	,, ..	400	..	8½ ,,
Thorp, Myers, and Southorn	..	..	,, ..	300	..	11 ,,
G. Hahn	..	..	,, ..	365	..	1 ,,
Paparoa Coal Company	..	..	,, ..	400	..	1 ,,
Hamer, Jones, Wright, and Donaldson	..	..	,, ..	600	..	½–1½ ,,
Brown, Sadler, and Molloy	..	..	,, ..	380	..	9 ,,
Bignell, Gieseking, and Lynch	..	..	,, ..	551	..	4 ,,
G. Hahn	..	..	,, ..	200	..	On railway.
Tymons, Uddstrom, and Nyberg	..	..	,, ..	200	..	Ditto.
D. McLean and J. White	..	..	,, ..	80	..	,,
W. A. Sadler and J. Molloy	..	..	,, ..	198	..	4 miles.
G. T. Moss	..	..	Grey	570	..	On railway.
G. T. Moss and G. Grant	..	..	,, ...	512	..	5 miles.
J. Marshall	..	..	,, ...	800	..	3 ,,
A. Olsen and W. Gleeson	..	..	,, ...	191	..	1½ ,,
R. W. England	..	..	,, ...	565	..	1¼ ,,
S. Manson	..	..	,, ...	200	..	4 ,,
E. Gardner and E. C. Todd	..	..	,, ...	800	..	8½ ,,
T. H. Kerr and others	..	..	,, ...	980	..	3 ,,
O. Butler	..	..	,, ...	730	..	2½ ,,
Baxter's	..	..	,, ...	1,308	..	2–2½ ,,
J. Jack	..	..	,, ...	750	..	3½ ,,
D. H. Roberts	..	..	,, ...	200	..	2 ,,
Stratford and Blair	..	..	,, ...	2,677	..	1–2 ,,
Greymouth Timber Company	..	..	,, ...	200	..	7 ,,
W. Morris	..	..	Kumara ..	400	..	3 ,,
G. D. Wilson and Co.	..	..	,, ..	724	..	2 ,,
K.K. Sawmill Company	..	..	,, ..	600	..	8 ,,
Morris and Daly	..	..	,, ..	1,000	..	7 ,,
D. H. Roberts	..	..	,, ..	800	..	9 ,,
M. J. Corbett	..	..	,, ..	373	..	6½ ,,
T. McGrath	..	..	,, ..	400	..	7½ ,,
R. Watson	..	..	,, ..	496	..	9 ,,
C. Priest	..	..	,, ..	200	..	8½ ,,
F. P. Watson	..	..	,, ..	200	..	9 ,,
Moynihan and McGrath	..	..	,, ..	400	..	9½ ,,
K.K. Sawmill Company	..	..	,, ..	800	..	9½ ,,
,,	..	..	Stafford ..	800	..	3 ,,
G. D. Wilson and Co.	..	..	,, ..	798	..	2 ,,
Lincoln Bros.	..	..	,, ..	230	..	2 ,,
A. Peebles	..	..	,, ..	400	..	2½ ,,

(5.) Areas of Crown Land held for Sawmilling Purposes, Etc.—*continued.*

Name of Licensee.	Section.	Block.	District.	Approximate Area.	Total Amount.	Distance from Railway.
			Westland—*continued.*			
			Crown Lands and State Forests—continued.			
				Acres.		
C. M. Malfroy	..	..	Stafford ..	367	..	4 miles.
Cooper	..	..	,, ..	600	..	6 ,,
J. C. Malfroy and Co.	..	..	Hokitika ..	200	..	3 ,,
Meharry, O'Malley, and Donaldson	..	..	,, ..	800	..	5 ,,
Tamminelli	..	..	,, ..	200	..	7½ ,,
Coote, Morris, and Co.	..	..	,, ..	200	..	6 ,,
Woodstock Sawmilling Company	..	..	,, ..	800	..	4 ,,
Perry and Hegan	..	..	,, ..	1,600	..	0–2 ,,
Hansen	..	..	,, ..	200	..	6 ,,
Diedrichs	..	..	,, ..	800	..	6 ,,
Morris and Roberts	..	..	,, ..	800	..	2 ,,
D. H. Roberts	..	..	,, ..	800	..	2 ,,
Stuart and Chapman	..	..	,, ..	800	..	7 ,,
Bagnall	..	..	,, ..	800	..	..
Stuart and Chapman	..	..	Ross	400	..	7 miles.
Zala	..	..	Okarito ..	200	..	62 ,,
Total	..	..	..	35,879	..	
			Canterbury.			
			Crown Lands.			
Howarn Bunn	..	5 & 19	I Oxford ..	240	..	9 miles.
Edward Feary	..	Pt. 6	I, II ,, ..	200	..	8 ,,
John Rossiter	..	13, 15, 16	II ,, ..	200	..	7½ ,,
Ryde Bros.	..	..	II ,, ..	200	..	6 ,,
Total	..	..	.. ..	840	..	
			Otago.			
			Crown Lands and State Forests.			
Tautuku Sawmilling Company	..	..	Tautuku ..	200	..	20 miles.
R. Brown	..	..	Rankleburn ..	197	..	22 ,,
Thomas Latta	..	..	Woodland, near Catlin's R.S.	91	..	On railway.
T. E. Bryant	..	..	Lakes District ..	20	..	
W. A. Grant	..	..	Kinloch ..	10	..	
W. B. and H. J. Ewing	..	..	Makarora ..	200	..	
Total	..	..	.. ..	718	..	
			Southland.			
			Crown Lands.			
Thomas Bragg	..	..	II, XV Paterson ..	800	..	1 mile.*
Broad, Small, and Co.	..	..	XXIII Invercargill ..	850	..	4¾ miles.
,,	..	..	XXIV ,, ..	800	..	5 ,,
H. Bastings	..	..	.. Forest Hill ..	2,000	..	3¼ ,,
H. Cox	..	..	X New River ..	400	..	5 ,,
Legatt and Campbell	..	..	XVII Jacob's River ..	620	..	1½ ,,
G. Mackie	..	..	VI Paterson ..	800	..	¾ mile.*
C. H. Matthews	..	..	II ,, ..	800	..	1 ,, *
McKenzie and Sons	..	..	.. Forest Hill ..	547	..	4½ miles.
W. J. Moffett	..	..	IX Waikawa ..	800	..	4¼ ,, *
Moffett Bros.	..	..	XI ,, ..	992	..	1½ ,, *
H. A. Massey	..	..	V Longwood ..	270	..	2 ,,
,,	..	..	V Mabel ..	492	..	8 ,,
New Zealand Pine Company	..	..	X New River ..	600	..	3½ ,,
J. W. Raymond	..	..	III Alton ..	885	..	4 ,,
Southland Sawmilling Company	..	..	II Lindhurst ..	800	..	11 ,,
A. R. Wallis	..	..	X New River ..	400	..	5½ ,,
Total	..	..	.. ..	12,856	..	
			State Forests.			
Broad, Small, and Co.	..	..	I, III, XXII Longwood ..	1,200	..	2½ miles.
Executors of W. Guthrie	..	..	III, XXIII ,, ..	800	..	2½ ,,
W. E. Guthrie	..	..	III ,, ..	800	..	2¼ ,,
J. Hensley	..	..	VII Aparima ..	800	..	4¼ ,,
Southland Timber Company	..	..	III ,, ..	800	..	3½ ,,
Kilkelly Bros.	..	..	II, VI Forest Hill ..	800	..	7 ,,
H. A. Massey	..	..	III Oteramika ..	806	..	1 mile.
,,	..	..	VII ,, ..	800	..	3½ miles.
,,	..	..	VII ,, ..	800	..	1½ ,,

* From wharf.

(5.) AREAS OF CROWN LAND HELD FOR SAWMILLING PURPOSES, ETC.—*continued.*

Name of Licensee.	Section.	Block.	District.	Approximate Area.	Total Amount.	Distance from Railway.
		SOUTHLAND—*continued.*				
		State Forests—continued.				
				Acres.		
H. A. Massey		VII, X	Oteramika	800	..	2½ miles.
,,		VII, X	,,	800	..	3 ,,
,,		X	,,	777	..	2 ,,
,,		XXI	New River	800	..	4¾ ,,
,,		V, VII	Longwood	470	..	2¼ ,,
,,		VII, X	,,	780	..	2¼ ,,
,,		XVII	Jacob's River	436	..	2½ ,,
,,		X, XVII	Longwood, Jacob's River	600	..	2½ ,,
,,		XVII	Jacob's River	550	..	3½ ,,
,,		V	Oreti	340	..	7¾ ,,
McCallum and Co.		IX, XII	Longwood	800	..	4 ,,
,,		XXI, XXII	Jacob's River	800	..	4¾ ,,
,,		V	Aparima	800	..	4¾ ,,
,,		XXII	Jacob's River	800	..	4¼ ,,
,,		V	Aparima	800	..	4¾ ,,
D. McGregor		LIII	Hokonui	800	..	4½ ,,
J. More		XX	Jacob's River	800	..	4½ ,,
More Bros.		XXI	,,	800	..	9 ,,
More and Sons		VI XXI	Aparima Jacob's River	800	..	11 ,,
H. F. Moss		XIX	Jacob's River	800	..	5 ,,
J. W. G. McIntyre		XII	Longwood	711	..	3¼ ,,
,,		III	,,	1,200	..	2 ,,
A. and D. Macpherson		XII, XIII	Waiau	800	..	4½ ,,
,,		IV	Aparima	800	..	4½ ,,
D. McKay		IX, X	Longwood	800	..	4 ,,
Mosan Bros.		II	Forest Hill	50	..	7 ,,
McKenzie and Sons		..	,,	684	..	4½ ,,
New Zealand Coal and Oil Coy.		II, III	Longwood	200	..	2 ,,
W. J. Perry		VII	,,	894	..	3½ ,,
Perry Bros.		XII	,,	800	..	4¾ ,,
W. Smith and Co.		VI, VII	Aparima	1,000	..	5 ,,
Timpany Bros.		XXII	Jacob's River	800	..	3 ,,
,,		XII	Longwood	1,200	..	3½ ,,
Trail Bros. and Smythies		XIX	Jacob's River	1,200	..	5½ ,,
,,		XIX	,,	800	..	7½ ,,
W. H. Harrington		III, XIII	Longwood	800	..	3 ,,
,,		III, XIII	,,	800	..	3 ,,
W. Sutherland		VII	Oteramika	84	..	3¾ ,,
Total		..	..	35,582	..	

Grand total, 255 licenses, aggregating 151,607 acres.

APPENDIX B.

(6.) THE ESTIMATED AREA OF CROWN LAND STILL AVAILABLE FOR SAWMILLING PURPOSES BUT NOT TAKEN UP, SHOWING THE DISTRICTS IN WHICH THE AREAS ARE SITUATE AND THE TOTAL AREA IN EACH DISTRICT.

AUCKLAND.

Locality.	Area in Acres.
Mangonui County	4,641
Whangaroa County	897
Hokianga County	16,099
Bay of Islands County	3,800
Whangarei County	5,193
Hobson County	1,000
Coromandel County	3,000
Thames County	3,544
Ohinemuri County	1,400
Tauranga County	22,950
Rotorua County	38,092
Whakatane County	20,000
East Taupo County	68,759
Piako County	44,792
Clifton County	4,418
West Taupo County	33,800
Total	272,385

HAWKE'S BAY.

Locality.	Area in Acres.
Block IV, Hikurangi Survey District	2,357
Block X, Hikurangi Survey District	150
Block XV, Raukumara East Survey District	146
Blocks V, VI, X, XI, Tutamoe Survey District	7,750
Block II, Uawa Survey District	54
Block II, Motu Survey District	268
Blocks XIII, XIV, Motu Survey District	4,000
Moanui, Koranga, and Tuahu Survey Districts	48,851
Tuahu Survey District	8,988
Blocks I, II, XVII, Wairau Survey District	8,300
Total	80,864

(6.) Estimated Area of Crown Land still available for Sawmilling Purposes, Etc.—*continued.*

Taranaki.

Locality.	Area in Acres.
Part 2, Tainui, VI and VII	900
Part 3, Waro, VII	2,050
Part 6, Waro, X and XIII	1,213
6A, Pouatu I and II, Waro XIV	3,600
Total	7,763

Wellington.

Waimarino (Piriaka to Rangataua)	60,000
Rangitikei (Rangataua to Ruahines)	14,000
Mangaweka to Paekakariki	5,000
Akitio County	10,000
Pahiatua, Eketahuna, Masterton, and Mauriceville Counties	1,000
South Wairarapa and Hutt Counties	980
Total	90,980

Marlborough.

Tunakino, Opouri, &c. (State Forest)	4,000
Various small areas of Crown land	2,000
Total	6,000

Nelson.

Onetaua	2,080
Pakawau	11,800
Kahuranga	31,600
Wakamarama	5,200
Aorere	35,400
Waitapu	16,280
Totaranui	22,240
Wakapoai	46,080
Gouland	2,560
Waingaro	29,120
Takaka	34,400
Kaiteriteri	20,880
Oparara	77,536
Leslie	92,000
Harapaki	6,400
Flora	16,000
Mount Arthur	20,000
Motueka	7,240
Kongahu	10,000
Otumahana	64,800
Tasman	75,000
Wangapeka	38,000
Waimea	18,040
Maungatapu	1,480
Wakapuaka	4,040
Tapumutu	1,020
Wangamoa	3 400
Mokihinui	24,840
Marina	100,040
Taupo	7,040
Maunga	11,200
Owen	21,120
Tainui	3,840
Tadmor	29,480
Gordon	13,040
Rintoul	7,800
Ngakawau	21,997
Steeples	5,789
Kawatiri	3,394
Orikaka	36,480

Nelson—*continued.*

Locality.	Area in Acres.
Lyell	37,960
Matiri	43,117
Hope	42,240
Howard	40,515
Motupiko	12,990
Waitakere	42,740
Ohika	81,848
Inangahua	65,910
Maruia	6,100
Tutaki	62,500
Rotoroa	50,120
Arnaud	24,520
Roto-iti	5,960
Brighton	51,160
Mai Mai	25,000
Reefton	48,194
Burnett	24,211
Matakitaki	65,900
Sabine	25,080
Part Mawhera-iti	40,312
Waitahu	82,400
Rahu	29,440
Una	28,080
Lewis	8,320
Travers	12,800
Total	1,936,073

Westland.

Grey County	189,904
Westland County	417,156
Total	607,060

Canterbury.

Sections 3645, 3646, 3647, Annan Settlement, Waiau Survey District	365
Oxford Bush, Oxford Survey District	1,000
Headwaters of Waiau River	6,000
Peel Forest, Orari Survey District	730
Total	8,095

Otago.

Tautuku Survey District	23,220
Rimu Survey District	42,420
Woodland Survey District	8,000
Catlin's Survey District	6,820
Glenomaru Survey District	2,200
Waipori Survey District	1,000
Rankleburn Survey District	7,000
Lake Wakatipu and Martin's Bay	8,000
Hawea and Wanaka	2,000
Total	100,660

Southland.

Eglinton Survey District	21,200
Snowdon Survey District	42,000
Mavora Survey District	6,000
Lincoln Survey District	5,300
Burwood Survey District	7,200
Manapouri Survey District	6,400
Blackhill Survey District	6,600
Te Anau Survey District	20,200
Greenstone Survey District	61,000

(6.) ESTIMATED AREA OF CROWN LAND STILL AVAILABLE FOR SAWMILLING PURPOSES, ETC.—*continued.*

SOUTHLAND—*continued.*

Locality.	Area in Acres.
Clintonside Survey District	8,000
Swinton Survey District	21,000
Eyre Survey District	45,500
Titiroa Survey District	45,000
Monowai Survey District	106,500
Takitimo Survey District	16,300
Centre Hill Survey District	6,100
Wairaki Survey District	10,300
Wairio Survey District	4,000
Waiau Survey District	6,500
Waitutu Survey District	39,000
Rowallan Survey District	24,500
Alton Survey District	10,700
Hakapoua Survey District	72,600
Preservation Survey District	33,600
Longwood Survey District	44,000
Aparima Survey District	12,000
Jacob's River Survey District	12,000
Lillburn Survey District	39,000
Wakaia Survey District	7,200
Hokonui Survey District	4,000
New River Hundred	1,200
Invercargill Hundred	3,900
Campbelltown Hundred	4,600
Oteramika Survey District	4,400
Mabel Hundred	900
Forest Hill Hundred	2,000
Waimumu Survey District	400
Tuturau Survey District	400
Slopedown Survey District	4,900
Toetoes Survey District	500
Otara Survey District	2,600
Waikawa Survey District	20,000
Mokoreta Survey District	20,000
Wyndham Survey District	900
Stewart Island	122,000
Total	932,400
GRAND TOTAL	4,042,280

APPENDIX C.

A RETURN OF THE IMPORTATION OF OREGON PINE FROM 1ST JANUARY, 1907, TO 30TH APRIL, 1909, SHOWING MONTH IMPORTED, PORT OF ENTRY, AND DESCRIPTION.

Laths and Shingles, showing Number Imported.

——	Auckland.	Wanganui.	Wellington.	Nelson.	Christchurch.	Timaru.	Dunedin.	Total.
1907.								
January	..	..	..	..	..	..	..	..
February	..	..	..	..	..	..	100,000	100,000
March	18,000	..	..	..	..	..	..	18,000
April	18,000	..	180,000	..	..	..	100,000	298,000
May	72,000	..	..	..	..	..	..	72,000
June	..	..	135,750	..	..	..	..	135,750
July	..	..	..	..	..	..	..	..
August	..	..	..	15,000	..	..	100,000	115,000
September	72,000	..	410,000	..	18,000	..	..	500,000
October	..	..	229,330	..	49,550	..	100,000	378,880
November	50,000	..	..	..	..	..	..	50,000
December	27,000	..	..	..	..	..	..	27,000
1908.								
January	..	..	..	..	..	..	..	..
February	..	..	541,800	..	50,000	99,900	100,000	791,700
March	68,000	..	150,200	..	100,000	50,040	..	368,240
April	..	..	6,200	..	138,550	..	..	144,750
May	45,000	..	147,092	..	193,275	36,000	..	421,367
June	..	..	100,000	..	49,500	..	..	149,500
July	50,000	..	..	..	568,490	916	100,000	719,406
August	..	..	..	..	562,000	..	..	562,000
September	18,000	..	..	..	952,000	..	298,580	1,268,580
October	105,500	..	..	..	448,000	177,040	..	730,540
November	258,000	90,000	336,083	..	1,316,000	..	..	2,000,083
December	..	..	..	..	426,000	..	..	426,000
1909.								
January	..	..	..	..	..	69,375	..	69,375
February	..	..	..	..	514,000	20,000	..	534,000
March	..	..	49,500	..	..	..	..	49,500
April	..	..	..	..	304,500	..	98,200	402,700
Totals	801,500	90,000	2,285,955	15,000	5,689,865	453,271	996,780	10,332,371

Number of round logs imported: February, 1908—Wellington, 30.
Number of palings imported: June, 1907—Christchurch, 4,500.

Other Timber, being chiefly Rough-sawn Timber, showing Superficial Feet Imported.

——	Auckland.	New Plymouth.	Wanganui.	Wellington.	Napier.	Nelson.	Hokitika.	Christchurch.	Timaru.	Oamaru	Dunedin.	Invercargill.	Total.
1907.													
January ..	..	..	..	100	..	..	..	..	..	1,030	8,505	3,548	13,183
February ..	..	..	..	..	..	..	..	1,375	..	..	37,576	3,460	42,411
March ..	..	..	..	..	..	..	..	..	..	..	8,006	19,406	27,412
April ..	212	..	..	..	..	..	..	4,080	..	..	10,226	3,360	17,878
May ..	..	..	..	..	..	2,238	..	..	..	..	19,224	4,337	25,799
June ..	..	..	..	..	..	..	..	..	..	..	7,336	2,410	9,746
July ..	..	..	..	..	..	..	..	..	..	800	9,068	7,224	17,092
August ..	..	..	..	..	..	..	..	..	..	64	16,057	2,399	18,520
September ..	..	..	..	..	..	..	..	..	..	..	15,608	1,411	17,019
October ..	2,550	14,003	..	..	..	..	..	..	..	..	9,610	3,351	29,514
November ..	1,150	..	..	..	..	..	..	..	20,000	..	7,681	..	28,831
December ..	1,675	..	..	..	..	..	..	..	..	2,316	11,017	7,706	22,714
1908.													
January ..	..	..	..	..	..	..	..	..	..	5,471	15,195	9,660	30,326
February ..	..	..	..	805,900	..	..	..	..	..	..	15,163	9,422	830,485
March ..	241,675	..	..	562,100	..	..	..	20,600	..	700	22,317	5,690	853,082
April ..	142,918	12,857	..	1,400	..	..	..	27,465	..	982	8,903	1,500	196,025
May ..	2,100	..	..	443,221	..	..	..	10,400	..	..	16,240	10,750	482,711
June ..	..	..	..	801,300	..	..	..	..	2,092	450	12,205	6,543	822,590
July ..	1,502,449	..	..	..	..	..	..	262,300	..	3,967	21,121	15,745	1,805,582
August ..	..	..	..	1,121,958	..	1,031	100,063	569,685	..	520	23,290	10,490	1,827,037
September ..	910,321	..	..	..	..	..	..	665,100	..	..	280,041	3,442	1,858,904
October ..	676,769	..	..	541,933	..	..	..	526,500	527,442	..	10,868	5,990	2,289,502
November ..	2,455,074	..	33,400	1,184,584	..	..	..	482,600	..	..	..	..	4,155,658
December ..	1,822	..	..	..	..	..	..	528,600	437,442	..	1,301	3,456	972,621
1909.													
January ..	10,050	..	..	..	..	..	..	27,838	310,837	..	52,836	..	401,861
February ..	214,531	..	..	359,133	..	..	..	21,300	171,250	..	232,565	1,830	1,000,609
March ..	159,469	..	..	934,134	..	..	..	733,100	..	38,750	..	..	1,865,453
April ..	34,036	..	..	28,550	508,731	..	..	388,250	..	..	565,714	960	1,526,241
Totals ..	6,356,801	26,860	33,400	6,784,313	508,731	3,269	100,063	4,269,193	1,469,063	55,050	1,437,673	144,090	21,188,506

Department of Trade and Customs,
Wellington, May, 1909.

RICHARD CARTER,
Secretary and Inspector.

APPENDIX D.

RETURN SHOWING THE QUANTITY AND VALUE OF EACH KIND OF TIMBER EXPORTED FROM NEW ZEALAND DURING THE YEAR ENDED 31ST MARCH, 1908.

Kauri.

Exported to	Sawn undressed.		Sawn dressed.		Flitches.		Logs hewn.	
	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£
United Kingdom ..	3,208,336	19,220	..	..	247,068	1,821	..	..
Victoria	8,125,482	41,561	..	..	..	..	66,876	279
New South Wales ..	17,738,269	88,143	16,600	181	167,337	913	..	..
Queensland	392,757	1,178	..	..	..	..	..	..
South Australia ..	1,576,654	9,711	..	..	..	..	..	..
Tasmania	115,037	630	7,600	80	7,000	62	..	..
Cook Islands	691,555	3,158	81,369	843	..	..	..	..
Fiji	652,869	3,210	276,393	3,304	..	..	..	..
Norfolk Island ..	..	..	5,750	68	..	..	..	..
Friendly Islands ..	680,102	3,549	381,584	3,778	..	..	..	..
Navigator Islands ..	39,910	342	107,140	1,213	..	..	..	..
Society Islands ..	85,402	382	11,306	155	..	..	..	..
New Caledonia ..	85,021	765	..	..	..	..	..	..
Solomon Islands ..	1,910	18	11,930	132	..	..	..	..
Savage Islands ..	5,081	43	8,820	80	..	..	..	..
Banks Islands	..	..	3,300	46	..	..	..	..
New Hebrides ..	..	..	7,660	95	..	..	..	..
Totals	33,398,385	171,910	919,452	9,975	421,405	2,796	66,876	279

RETURN SHOWING THE QUANTITY AND VALUE OF EACH KIND OF TIMBER EXPORTED FROM NEW ZEALAND, ETC.—*continued.*

White-Pine.

Exported to	Sawn undressed.		Sawn dressed.		Logs hewn.	
	Sup. ft.	£	Sup. ft.	£	Sup. ft	£
United Kingdom	1,773,950	8,610	8,271	48	..	..
Victoria	11,180,524	40,077	..	..	11,767	35
New South Wales	26,961,523	91,682	..	..	..	..
Queensland	807	15	..	..	..	..
South Australia	2,833,772	10,583	..	..	..	..
Tasmania	166,902	648	..	..	..	..
Cook Islands	37,070	161	..	..	..	..
Malden Island	3,417	35	..	..	..	..
Society Islands	13,040	75	..	..	..	..
Friendly Islands	45,193	207	..	..	..	..
Totals	43,016,198	152,093	8,271	48	11,767	35

Red-pine, Sawn Undressed.

	Sup. ft.	£
United Kingdom	13,471	106
Victoria	300,952	1,102
New South Wales	253,880	963
South Australia	104,000	440
Totals	672,303	2,611

Beechwood, Sawn Undressed.

	Sup. ft.	£
United Kingdom	5,040	38
Victoria	208,548	1,190
New South Wales	28,309	167
South Australia	28,182	159
Totals	270,079	1,554

Matai, Sawn Undressed.

	Sup. ft.	£
United Kingdom	4,512	36

Totara, Sawn Undressed.

	Sup. ft.	£
United Kingdom	5,012	50
New South Wales	1,766	14
Totals	6,778	64

Totara, Sawn Dressed.

	Sup. ft.	£
Germany	1,500	16

Tawa Logs, Hewn.

	Sup. ft.	£
United Kingdom	2,669	10

RICHARD CARTER,
Secretary and Inspector.

Department of Trade and Customs.
Wellington, 22nd May, 1909.

RETURN SHOWING THE QUANTITY AND VALUE OF EACH KIND OF TIMBER EXPORTED FROM NEW ZEALAND DURING THE YEAR ENDED 31st MARCH, 1909.

Kauri.

Exported to	Sawn undressed.		Sawn dressed.		Flitches.		Logs hewn.	
	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£
United Kingdom ..	922,353	7,709	..	..	57,904	569	..	..
Victoria	8,376,408	50,180	53,544	599	..	..	83,651	377
New South Wales ..	11,595,117	64,812	11,061	126	16,229	136	66,759	167
South Australia ..	876,138	4,347	..	..	..	..	..	..
Western Australia ..	5,127	51	5,686	54	..	..	..	..
Tasmania	197,835	1,275	14,675	161	6,986	61	..	..
Cook Islands	530,627	2,794	35,053	464	..	..	..	..
Fiji	132,112	923	231,282	3,063	..	..	..	..
Norfolk Island ..	1,619	17	4,975	72	..	..	..	..
Friendly Islands ..	246,529	1,408	144,136	1,739	..	..	..	..
Navigator Islands ..	27,894	293	117,045	1,505	..	..	..	..
Society Islands ..	142,142	739	914	12	..	..	..	..
Surprise Island ..	68,685	730	..	..	..	..	..	..
New Guinea	3,033	26	2,746	29	..	..	..	..
Solomon Islands ..	1,471	15	1,269	24	..	..	..	..
Banks Island	247	2	1,397	21	..	..	..	..
Savage Islands ..	14,875	127	11,826	124	..	..	..	..
Totals	23,142,212	135,448	635,609	7,993	81,119	766	150,410	544

White-pine.

Exported to	Sawn undressed.		Sawn dressed.		Flitches.		Logs hewn.	
	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£	Sup. ft.	£
United Kingdom ..	880,704	4,990	6,090	32	..	..	..	..
Victoria	15,873,165	62,355	..	..	..	..	16,640	46
New South Wales ..	31,221,613	118,834	..	..	..	..	..	..
Queensland	158,904	912	..	..	..	..	..	..
South Australia ..	4,554,309	19,237	..	..	..	..	..	..
Tasmania	355,034	1,608	..	..	11,750	59	..	..
Cook Islands	25,597	117	..	..	..	..	..	..
Fiji	2,964	27	1,570	28	..	..	..	..
Natal	2,027	15	..	..	..	..	..	..
Austria	9,782	65	..	..	..	..	..	..
Friendly Islands ..	14,988	67	..	..	..	..	..	..
Society Islands ..	9,356	43	..	..	..	..	..	..
Totals	53,108,443	208,270	7,660	60	11,750	59	16,640	46

Red-pine, Sawn Undressed.

	Sup. ft.	£
United Kingdom	2,820	16
Victoria	1,037,546	4,268
New South Wales	1,915,995	7,388
South Australia	812,318	3,665
Tasmania	48,360	220
Cook Islands	2,153	16
Austria	9,922	62
Totals	3,829,114	15,635

Red-pine, Sawn Dressed.

	Sup. ft.	£
Friendly Islands	1,005	11

RETURN SHOWING THE QUANTITY AND VALUE OF EACH KIND OF TIMBER EXPORTED FROM NEW ZEALAND, ETC.—*continued.*

Beechwood, Sawn Undressed.

	Sup. ft.	£
United Kingdom	2,090	25
Victoria	177,393	1,006
New South Wales	20,432	148
South Australia	10,803	65
Tasmania	14,483	87
Austria	297	2
Totals	225,498	1,333

Matai, Sawn Undressed.

	Sup. ft.	£
New South Wales	19,056	119

Black-pine, Sawn Undressed.

	Sup. ft.	£
Austria	1,000	7

Kowhai, Sawn Undressed.

	Sup. ft.	£
United Kingdom	4,261	21

Department of Trade and Customs,
Wellington, 22nd May, 1909.

RICHARD CARTER,
Secretary and Inspector.

A RETURN OF THE QUANTITY OF TIMBER IMPORTED INTO NEW ZEALAND DURING THE YEARS 1906, 1907, AND 1908, SHOWING OREGON PINE SEPARATELY.

Kind, and whence imported.	Year 1906.		Year 1907.		Year 1908.	
	Oregon Pine.	Other Kinds.	Oregon Pine.	Other Kinds.	Oregon Pine.	Other Kinds.
Laths and shingles,—	No.	No.	No.	No.	No.	No.
United Kingdom	..	..	..	..	..	1,000
Victoria	109,050	..	..	44,700	..	453,191
New South Wales	739,500	826,983	129,550	991,032	560,490	577,426
Tasmania	..	..	..	4,000	..	8,000
Canada	90,000	..	..	..	..	..
British Columbia	560,000	..	1,565,080	..	5,888,096	376,833
United States,—						
East Coast	..	..	..	650	..	221,000
West Coast	..	..	..	..	1,133,580	289,920
Totals	1,498,550	826,983	1,694,630	1,040,382	7,582,166	1,927,370
Logs, round,—						
Victoria	..	2	..	6	..	1
New South Wales	..	4,663	..	4,124	..	3,686
West Australia	..	..	..	..	..	100
Tasmania	..	..	..	10	..	..
Bengal	..	..	..	61	..	..
British Columbia	..	..	..	..	..	38
United States,—						
East Coast	..	..	..	..	..	..
West Coast	..	18	..	..	..	..
Totals	..	4,683	..	4,201	..	3,825
Logs, hewn,—	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
United Kingdom	..	..	..	3,124	..	1,944
Victoria	..	1,880	..	200	..	34,098
New South Wales	..	5,577,529	..	8,465,269	..	9,016,573
Queensland	..	..	..	160,000	..	..
West Australia	..	235,888	..	1,777,027	..	5,386,605
Tasmania	..	..	..	1,900	..	14,724
Bengal	..	5,502	..	..	..	17,134
British Columbia	..	..	..	869	..	15,330
Germany	..	..	..	4,400	..	..
United States,—						
East Coast	..	18,207	..	17,356	..	8,521
West Coast	..	..	..	..	6,480	..
South Sea Islands	..	450	..	..	..	..
Totals	..	5,839,456	..	10,430,145	6,480	14,494,929

A RETURN OF THE QUANTITY OF TIMBER IMPORTED INTO NEW ZEALAND DURING THE YEARS 1906, 1907, AND 1908, SHOWING OREGON PINE SEPARATELY—*contd.*

Kind, and whence imported.	Year 1906.		Year 1907.		Year 1908.	
	Oregon Pine.	Other Kinds.	Oregon Pine.	Other Kinds.	Oregon Pine.	Other Kinds.
Palings,—	No.	No.	No.	No.	No.	No.
Victoria	..	15,000	..	32,500	..	11,375
New South Wales ..	..	3,850	..	4,400	..	..
Tasmania	..	629,827	..	659,649	..	760,405
British Columbia ..	..	..	4,500	..	..	..
Totals ..	..	648,677	4,500	696,549	..	771,780
Posts,—						
New South Wales ..	..	520	..	1,000	..	..
West Australia	..	..	..	..	..	7,822
Tasmania	..	28,669	..	54,276	..	20,723
Totals ..	..	29,189	..	55,276	..	28,545
Rails,—						
New South Wales ..	..	..	..	275	..	..
Tasmania	..	5,800	..	5,475	..	2,909
Totals ..	..	5,800	..	5,750	..	2,909
Sawn, undressed,—	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
United Kingdom ..	..	57,271	..	78,430	..	49,196
Victoria	156,656	798,860	195,674	607,061	626,286	13,515
New South Wales ..	32,042	1,910,232	33,163	1,787,092	74,270	2,398,043
Queensland	..	..	..	..	..	20,595
South Australia ..	..	4,050	..	..	..	..
West Australia	..	2,648,702	..	6,161,335	..	8,216,188
Tasmania	..	4,658,472	1,681	3,334,291	1,903	4,379,718
Fiji	..	260	..	..	..	..
Bengal	..	2,200	..	12,000	..	9,050
Canada	..	100	..	750	125,087	7,654
British Columbia ..	803,500	..	5,555	31,245	11,440,137	..
France	..	7,500	..	8,653	..	11,000
Germany	..	4,625	..	4,400	..	..
Norway	..	..	..	..	..	150
Sweden	..	..	..	77,708	..	..
Denmark	..	..	..	..	..	5,433
United States,—						
East Coast	..	114,313	..	116,974	..	309,789
West Coast	789,425	4,050	34,000	1,109	3,856,840	..
China	..	500	..	..	..	..
Japan	..	..	..	60	..	..
South Sea Islands ..	..	3,000	..	..	..	..
Totals ..	1,781,623	10,214,135	270,073	12,221,108	16,124,523	15,420,331
Sawn, dressed,—						
United Kingdom ..	..	3,810	..	6,300	..	10,931
Victoria	..	20,331	..	12,031	..	5,532
New South Wales ..	..	76,709	..	54,772	..	46,288
West Australia ..	..	7,440	..	3,650	..	10,000
Tasmania	..	11,625	..	2,950	..	2,613
Germany	..	100	..	..	..	..
United States,—						
East Coast	..	44,936	..	34,281	..	100,422
West Coast	..	130	..	100	..	..
Japan	..	..	..	300	..	..
Totals ..	..	165,081	..	114,384	..	175,786

NOTE.—No information is available for 1900 and 1903, as the original entries have by now all been destroyed. The total importations for these periods, obtained from the statistics published yearly, appended hereto. Further, no information regarding sizes of timber can be obtained from our figures, as we receive them in quantity only in superficial feet. Also, returns of staves are not kept separately, and figures for these are not available.

RICHARD CARTER,
Secretary and Inspector.

Department of Trade and Customs, Wellington, 29th June, 1909.

IMPORTS FOR YEARS 1900 AND 1903.

Heading.	Whence imported.	Year 1900.	Year 1903.
Laths and shingles	United Kingdom ..	595,000 number	280,000 number.
	Victoria	59,792 ,,	82,500 ,,
	New South Wales ..	18,000 ,,	581,042 ,,
	South Australia.. ..	..	50,000 ,,
	Tasmania	9,208 number	55,000 ,,
	Totals ..	682,000 number	1,048,542 number.
Logs	Victoria	..	2 number.
	New South Wales ..	1,836 number	3,772 ,,
	West Australia	..	2 ,,
	Tasmania	..	4 ,,
	United States—East Coast	..	9 ,,
	Totals ..	1,836 number	3,789 number.
Logs, hewn	United Kingdom ..	1,956 sup. ft.	15,892 sup. ft.
	Victoria	1,865 ,,	21,270 ,,
	New South Wales ..	3,413,014 ,,	4,364,571 ,,
	Queensland	..	586 ,,
	West Australia	..	38,636 ,,
	Tasmania	44,271 sup. ft.	12,388 ,,
	Bengal..	..	3,522 ,,
	British Columbia ..	..	4,578 ,,
	United States—East Coast	..	1,702 ,,
	Totals ..	3,461,106 sup. ft.	4,463,145 sup. ft.
Palings	Victoria	1,000 number	3,500 number.
	Tasmania	471,741 ,,	532,751 ,,
	Totals ..	472,741 number	536,251 number.
Posts	Tasmania	12,628 number	11,846 number.
Rails	Tasmania	1,350 number	5,992 number.
Timber, sawn, undressed ..	United Kingdom ..	308,232 sup. ft.	148,637 sup. ft.
	New South Wales ..	1,535,840 ,,	2,649,023 ,,
	Victoria	214,624 ,,	678,064 ,,
	Queensland	5,480 ,,	100 ,,
	South Australia.. ..	..	9,800 ,,
	West Australia	25,625 sup. ft.	3,261,813 ,,
	Tasmania	3,586,605 ,,	2,793,333 ,,
	British Columbia ..	..	300 ,,
	Germany	21,237 sup. ft.	..
	Sweden	..	35,233 sup. ft.
	United States,—		
	East Coast	97,144 sup. ft.	50,202 ,,
	West Coast	22,834 ,,	100,458 ,,
	Totals ..	5,817,621 sup. ft.	9,726,963 sup. ft.
Timber, sawn, dressed ..	United Kingdom ..	906 sup. ft.	4,345 sup. ft.
	Victoria	500 ,,	10,900 ,,
	New South Wales ..	3,612 ,,	36,701 ,,
	West Australia	..	12,019 ,,
	Tasmania	..	900 ,,
	United States—East Coast	134,702 sup. ft.	54,992 ,,
	Totals ..	139,720 sup. ft.	119,857 sup. ft.

RICHARD CARTER,
Secretary and Inspector.

Department of Trade and Customs, Wellington, 1st July, 1909.

A RETURN showing IMPORTS OF TIMBER INTO NEW ZEALAND during the Years 1904–8, and giving Importations from Australia, Canada, and United States of America separately.

Heading.	Whence imported.	1904.		1905.		1906.		1907.		1908.	
		Sup. Ft. or Number.	£	Sup. Ft. or Number.	£	Sup. Ft. or Number.	£	Sup. Ft. or Number.	£	Sup. Ft. or Number.	£
Laths and shingles ..	Australia	1,232,150 No.	1,474	1,727,917 No.	2,176	1,675,533 No.	2,431	1,169,282 No.	1,652	1,599,107 No.	1,811
	Canada	62,000 ,,	72	100,000 ,,	114	650,000 ,,	707	1,565,080 ,,	1,530	6,264,929 ,,	7,527
	United States of America ..	25,000 ,,	36	Nil	..	Nil	..	650 ,,	3	1,644,500 ,,	1,431
	Other countries	320,000 ,,	228	100,000 No.	106	,,	..	Nil	..	1,000 ,,	1
	Totals	1,639,150 No.	1,810	1,927,917 No.	2,396	2,325,533 No.	3,138	2,735,012 No.	3,185	9,509,536 No.	10,770
Logs, round	Australia	2,302 No.	9,359	2,627 No.	8,239	4,665 No.	12,249	4,140 No.	15,079	3,787 No.	15,423
	Canada	11 ,,	95	Nil	..	Nil	..	Nil	..	38 ,,	243
	United States of America ..	6 ,,	12	,,	..	18 No.	104	,,	..	Nil	..
	Other countries	Nil	Nil	10 No.	193	Nil	..	61 No.	179	,,	..
	Totals	2,319 No.	9,466	2,637 No.	8,432	4,683 No.	12,353	4,201 No.	15,258	3.825 No.	15,666
Logs, hewn	Australia	4,477,255 s. ft.	48,108	2,914,307 s. ft.	35,357	5,815,297 s. ft.	61,363	10,404,396 s. ft.	103,586	14,452,000 s. ft.	147,737
	Canada	1,300 ,,	18	Nil	..	Nil	..	869 ,,	12	15,330 ,,	201
	United States of America ..	2,460 ,,	51	6,503 s. ft.	110	18,207 s. ft.	403	17,356 ,,	363	15,001 ,,	266
	Other countries	886 ,,	41	4,857 ,,	130	5,952 ,,	186	7,524 ,,	110	19,078 ,,	530
	Totals	4,481,901 s. ft.	48,218	2,925,667 s. ft.	35,597	5,839,456 s. ft.	61,952	10,430,145 s. ft.	104,071	14,501,409 s. ft.	148,734
Palings	Australia	622,020 No.	4,067	548,186 No.	3,560	648,677 No.	4,154	696,549 No.	4,299	771,780 No.	5,162
	Canada	..	..	..	..	..	..	4,500 ,,	71	Nil	..
	Other countries	Nil	..	Nil	..	Nil	..	Nil	..	,,	..
	Totals	622,020 No.	4,067	548,186 No.	3,560	648,677 No.	4,154	701,049 No.	4,370	771,780 No.	5,162
Posts	Australia	20,200 No.	706	22,543 No.	763	29,399 No.	1,029	35,281 No.	1,990	28,543 No.	1,019
	Other countries	Nil	..	Nil	..	Nil	..	Nil	..	Nil	..
Rails	Australia	4,900 No.	158	4,990 No.	150	6,040 No.	194	5,750 No.	133	2,909 No.	94
	Canada	Nil	..	Nil	..	Nil	..	Nil	..	Nil	..
	United States of America ..	,,	..	,,	..	,,	..	,,	..	,,	..
	Other places	,,	..	3,400 No.	102	,,	..	,,	..	,,	..
	Totals	4,900 No.	158	8,390 No.	252	6,040 No.	194	5,750 No.	133	2,909 No.	94
Sawn, undressed ..	Australia	11,175,250 s. ft.	82,261	10,755,822 s. ft.	73,669	12,233,205 s. ft.	94,396	13,783,644 s. ft.	130,634	21,336,462 s. ft.	184,539
	Canada	9,575 ,,	99	65,625 ,,	310	803,600 ,,	6,801	37,550 ,,	331	11,572,878 ,,	47,558
	United States of America ..	759,264 ,,	8,090	139,305 ,,	2,733	907,788 ,,	7,052	152,083 ,,	3,159	4,166,629 ,,	21,985
	Other places	157,513 ,,	1,983	94,201 ,,	881	79,692 ,,	1,280	189,351 ,,	2,378	74,829 ,,	1,354
	Totals	12,101,602 s. ft.	92,433	11,054,953 s. ft.	77,593	14,024,285 s. ft.	109,529	16,162,628 s. ft.	136,702	37,150,798 s. ft.	255,436
Sawn, dressed	Australia	62,292 s. ft.	1,581	87,988 s. ft.	1,979	118,971 s. ft.	2,695	73,403 s. ft.	2,227	64,433 s. ft.	1,982
	Canada	Nil	..	Nil	..	Nil	..	Nil	..	Nil	..
	United States of America ..	62,305 s. ft.	1,103	40,795 s. ft.	632	45,066 s. ft.	886	34,381 s. ft.	734	100,422 s. ft.	1,767
	Other places	24,161 ,,	597	7,900 ,,	270	3,910 ,,	80	6,600 ,,	185	10,931 ,,	297
	Totals	148,758 s. ft.	3,281	136,683 s. ft.	2,881	167,947 s. ft.	3,661	114,384 s. ft.	3,146	175,786 s. ft.	4,046

NOTE.—Importations from British Columbia are included with Canada.

Department of Trade and Customs, Wellington, 21st June, 1909.

RICHARD CARTER,
Secretary and Inspector.

SUMMARY OF THE EXPORTS OF TIMBER FROM NEW ZEALAND during the Calendar Years 1904 to 1908, showing each Year separately, and distinguishing between Kauri, White-pine, Red-pine, and Miscellaneous Timbers.

Kind of Timber.	1904.		1905.		1906.		1907.		1908.	
	Sup. ft.	Value.	Sup. ft.	Value.	Sup. ft.	Value.	Sup. ft.	Value.	Sup. ft.	Value.
		£		£		£		£		£
Kauri ..	31,577,588	151,678	37,045,605	176,560	36,971,080	171,682	32,863,243	175,589	23,815,183	137,494
White-pine	28,725,645	102,229	38,284,885	142,171	37,282,145	128,706	38,990,482	135,077	57,330,585	222,914
Red-pine ..	7,959	13	3,250	14	1,253,448	4,402	143,464	641	3,085,234	12,916
Totara ..	2,600	55	190	2	6,244	36	7,640	78	..	..
Beech ..	13,200	46	36,396	150	5,486	31	140,004	421	144,138	859
Matai ..	..	..	..	..	216	2	4,512	36	..	..
Pukatea ..	..	..	..	..	214	2	..	..	..	..
Pokaka ..	..	..	..	..	516	2	2,403	10	..	..
Puriri ..	..	..	..	..	9,550	78	..	..	..	..
Tawa ..	..	..	..	..	..	..	2,669	10	..	..
Birch ..	..	..	..	..	..	..	..	..	172,213	1,018
Black-pine	..	..	..	..	..	..	..	..	1,000	7
Kowhai ..	..	..	..	..	..	..	..	..	4,261	21
Unknown..	..	..	..	..	..	..	..	..	1,800	6
Totals ..	60,326,992	254,021	75,370,326	318,897	75,528,899	304,941	72,154,417	311,862	84,554,414	375,235

RICHARD CARTER,
Secretary and Inspector.

Department of Trade and Customs, Wellington, 1st July, 1909.

APPENDIX E.

RETURN OF SLEEPERS USED IN MAINTENANCE OF NEW ZEALAND GOVERNMENT RAILWAYS.

Year.	New Zealand.	Australian.	Total.
1898–9	327,938	3,363	331,301
1899–0	346,355	5,691	352,046
1900–1	379,651	31,091	410,742
1901–2	231,401	218,787	450,188
1902–3	291,872	92,597	384,469
1903–4	312,768	39,527	352,295
1904–5	299,981	31,929	331,910
1905–6	309,692	26,732	336,424
1906–7	259,306	36,927	296,233
1907–8	243,208	88,470	331,678
1908–9	94,305	198,244	292,549
Totals	3,096,477	773,358	3,869,835

J. BURNETT,
Chief Engineer.

New Zealand Government Railways,
Wellington, 26th May, 1909.

APPENDIX F.

SCHEDULE SHOWING THE APPROXIMATE QUANTITY OF MILLING-TIMBER ON CROWN LAND AS AT THE 31ST MARCH, 1909.

District.	Kauri.	Rimu.	Kahikatea.	Totara.	Matai.	Birches.	Miscellaneous.	Total.
	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.
Auckland ..	209,627,889	909,422,310	109,497,863	90,889,203	106,435,879	..	..	1,425,873,144
Hawke's Bay ..	..	625,108,000	217,104,000	50,153,000	120,500,000	1,600,000	..	1,014,465,000
Taranaki ..	..	18,685,000	9,180,000	1,416,000	2,426,000	3,220,000	5,973,000	40,900,000
Wellington ..	..	2,729,600,000	406,800,000	97,200,000	1,036,800,000	..	2,803,300,000	7,073,700,000
Marlborough ..	..	63,000,000	21,000,000	320,000	5,400,000	5,000,000	3,000,000	97,720,000
Nelson ..	..	342,820,000	34,120,000	..	94,000	3,379,882,200	7,716,600	3,764,632,800
Westland ..	..	3,765,800,000	310,000,000	50,500,000	27,500,000	50,000,000	521,200,000	4,725,000,000
Canterbury ..	..	550,000	1,375,000	700,000	500,000	21,800,000	30,000	24,955,000
Otago ..	..	384,420,000	14,303,000	6,492,000	57,679,000	54,038,000	570,661,400	1,087,593,400
Southland ..	..	131,975,000	45,292,000	4,770,000	12,860,000	102,195,000	33,290,000	330,382,000
	209,627,889	8,971,380,310	1,168,671,863	302,440,203	1,370,194,879	3,617,735,200	3,945,171,000	19,585,221,344

SCHEDULE SHOWING THE APPROXIMATE QUANTITY OF MILLING-TIMBER ON PRIVATE AND NATIVE LANDS AS AT THE 31ST MARCH, 1909.

District.	Kauri.	Rimu.	Kahikatea.	Totara.	Matai.	Birches.	Miscellaneous.	Total.
	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.
Auckland ..	275,819,100	2,964,082,710	574,028,890	59,065,180	796,630,105	..	129,614,728	4,799,240,713
Hawke's Bay ..	..	752,040,000	256,000,000	64,108,000	148,600,000	..	..	1,220,748,000
Taranaki ..	..	291,247,250	80,113,750	24,926,000	13,363,500	3,808,000	142,661,500	556,120,000
Wellington ..	..	1,456,000,000	396,000,000	104,500,000	1,056,000,000	..	2,759,500,000	5,772,000,000
Marlborough ..	..	52,700,000	14,200,000	182,000	1,800,000	3,000,000	2,000,000	73,882,000
Nelson ..	..	34,359,000	26,035,000	..	5,189,000	601,372,000	2,682,100	669,637,100
Westland ..	..	786,000,000	65,000,000	10,000,000	6,000,000	8,000,000	25,000,000	900,000,000
Canterbury ..	..	100,000	1,424,000	398,000	468,000	..	4,200,000	6,590,000
Otago ..	..	45,175,000	1,484,000	1,626,800	12,520,000	3,350,000	66,757,800	130,913,600
Southland ..	..	144,000,000	35,100,000	6,650,000	14,263,000	93,600,000	36,485,000	330,098,000
	275,819,100	6,525,703,960	1,449,385,640	271,455,980	2,054,833,605	713,130,000	3,168,901,128	14,459,229,413

Department of Lands, Wellington, May, 1909.

WM. C. KENSINGTON,
Under-Secretary of Lands.

APPENDIX G.

EXTENT AND PERCENTAGE OF WOODED AREA IN CERTAIN EUROPEAN COUNTRIES.

(Calculated chiefly from the Agricultural Statistics of the Board of Agriculture, Vol. xiii, 1907; and published on page 43 of the Journal of the Royal Statistical Society, 31st March, 1909.)

Country.	Total Area.	Wooded Area.	Per Cent. under Wood.
	Acres.	Acres.	
Sweden	101,520,000*	52,734,614	51·9
Russia in Europe, excluding Poland	1,244,367,000†	425,564,842	34·2
Austria	74,102,001	24,174,443	32·6
Hungary, including Croatia and Slavonia	80,979,000	22,262,483	27·5
Germany	133,585,000	34,569,794	25·9
Switzerland	9,900,160†	2,176,907	22·0
Norway	76,717,000†	16,845,400	21·9
Belgium	7,277,000	1,259,000	17·3
France	130,374,482	22,224,134	17·0
Italy	70,787,000‡	10,266,310	14·5
Netherlands	8,038,000*	636,299	7·9
Denmark	9,500,000*	682,823	7·2
England	32,383,550*	1,715,473	5·3
Scotland	19,070,244*	868,409	4·6
Wales	4,748,624*	184,361	3·9
Ireland	20,350,725*	306,661	1·5
Isle of Man and Channel Islands	185,754*	869	0·5
United Kingdom	76,737,897*	3,075,773	4·0

* Excluding lakes and rivers. † Excluding lakes. ‡ Including lakes.

COMPARISON WITH NEW ZEALAND.

Country.	Total Area.	Wooded Area.	Per Cent. under Wood
	Acres.	Acres.	
New Zealand	66,606,162	14,131,933*	21·2

* Included in this area are the forests on national parks, scenic reserves, and permanent reserves, as well as the forests shown in Appendix F.

FOREST RESOURCES OF AUSTRALIA FOR PERIOD ENDING 1905.

(Extract from Minutes of Evidence taken by the New South Wales Royal Commission of Inquiry on Forestry, 1908, page 796.)

State.	Population.	Area in Acres.	Estimated Wooded Area in Acres.	Area in Acres reserved or set apart for Forestry.
New South Wales	1,496,050	198,634,880	20,000,000	7,749,579
Victoria	1,218,571	56,245,760	12,000,000	5,525,000
Queensland	528,048	427,838,080	40,000,000	3,606,709
South Australia	378,208	578,361,600	4,000,000	190,657
West Australia	254,779	624,588,800	20,000,000	212,480
Tasmania	181,105	16,777,600	11,000,000	95,000
	4,056,761	1,902,446,720	107,000 000	17,379,425

Mr. Hay, Acting Chief Forester, New South Wales, stated that an analysis of these figures showed that, in comparison with its total area, Australia had an average of about 1 wooded acre in every 18, and 1 acre reserved or set apart for forestry in every 109. In comparison with its population, there was for each unit 469 acres available for occupation, 26 acres wooded, and 4·2 acres reserved or set apart for forestry purposes.

In comparison with the total area of the continent, the area reserved or set apart for forestry was about 0·9 per cent. In European countries, with their dense populations, the percentage ranged from 5·6 per cent. in France to 14 per cent. in Italy, and 26 per cent. in Germany, Hungary, and Sweden.

The commercial value of its forests had yet to be appreciated. Although not extensively wooded, Australia possessed timbers of rare merit and great utility. Increase of population and internal development would enhance the value of forest resources and create great demands for timber.

APPENDIX H.

RETURN SHOWING NET RECEIPTS FROM STATE FORESTS.

(As shown in the Annual Statement of Public Accounts, B.–1.)

Year ended 31st March.	Receipts. £ s. d.	Year ended 31st March.	Receipts. £ s. d.
1886	Nil.	1899	5,844 6 6
1887	3,873 15 5	1900	8,845 18 10
1888	3,772 12 11	1901	14,915 5 3
1889	2,438 13 0	1902	17,188 11 5
1890	3,754 9 1	1903	3,870 14 10
1891	3,973 6 11	1904	16,726 3 5
1892	1,964 15 10	1905	12,784 2 8
1893	1,212 17 10	1906	14,385 7 3
1894	1,931 6 6	1907	20,426 1 4
1895	1,071 8 3	1908	18,258 0 3
1896	2,468 6 6		
1897	6,504 4 10	Total	£177,206 1 11
1898	10,995 13 1		

RETURN SHOWING REVENUE RECEIVED FROM TIMBER LICENSES AND LEASES AND SALES OF TIMBER ON CROWN LANDS.

Year ended 31st March.	Amount. £ s. d.	Year ended 31st March.	Amount. £ s. d.
1899	3,391 16 10	1905	34,819 12 8
1900	11,359 12 0	1906	40,483 16 4
1901	10,177 9 11	1907	30,203 3 8
1902	17,044 19 0	1908	43,550 11 4
1903	15,893 6 3		
1904	13,739 2 11	Total ...	£220,663 10 11

NOTE.—Under "The Timber and Flax Royalties Act, 1905" (now section 319 of "The Land Act, 1908"), one-half of the revenue received from timber royalties is payable to local bodies.

NET EXPENDITURE ON STATE NURSERIES AND PLANTATIONS.

	£ s. d.		£ s. d.
From 1896 to 31st March, 1900	12,004 9 5	For year ended 31st March, 1906	19,479 6 6
For year ended 31st March, 1901	6,908 5 7	" " 1907	23,900 10 5
" " 1902	9,646 16 10	" " 1908	24,442 15 1
" " 1903	9,131 2 5		
" " 1904	18,195 11 6		£138,122 15 5
" " 1905	14,413 17 8		

NOTE.—This does not include expenditure on State forests supervision and management.

Department of Lands, Wellington, May, 1909.

WM. C. KENSINGTON,
Under-Secretary.

APPENDIX I.

EXTRACTS FROM THE REPORT ON STATE NURSERIES AND PLANTATIONS BY THE UNDER-SECRETARY OF LANDS, FOR THE YEAR ENDED 31ST MARCH, 1908 (C.–1B).

FUTURE REQUIREMENTS.

The trees already planted by the Forestry Branch will not all be available in the years to come, as it must be remembered that they will need very extensive thinning and trimming to enable a satisfactory crop of timber to result. In fact, it is probable that out of the five or six million trees planted annually at the present time no more than a third will eventually survive the repeated thinning processes and reach maturity. Moreover, long before they reach an age at which the best results can be expected, the scarcity of timber in New Zealand is likely to be such that there will be a general demand for the utilisation of the trees for immediate use so soon as they are in any way suitable for the requirements of our trades. Bearing in mind, therefore, only the industrial requirements of the Dominion, the present rate of planting is only barely sufficient for our future needs, and, although the greatest efforts are made to plant trees which will yield the best results in the shortest space of time, there are very few trees fit for milling under forty or fifty years, and even these will be much more profitable if allowed to remain in the ground another ten or twenty years. Planting for posterity, though admirable in theory, is inevitably attended by pressing and irresistible drawbacks in practice, and all that can be done is to harmonize the needs of the present day as far as practicable with the requirements of future generations. It is almost impossible to lay too great stress upon the importance of the work of reforestation in this country, and each year sees its importance in other lands more and more recognised by far-sighted statesmen, and greater efforts made to insure the permanent timber-supply of the nation.

NECESSITY FOR AFFORESTATION.

The general principles underlying the modern system of forest-conservation and reforestation in all other countries apply equally to New Zealand as to the older civilisations. The more this subject is studied, the more one is impressed with the fact that judicious afforestation is the backbone of success in the important industries of every nation. As has been frequently pointed out, the cutting and utilisation of the indigenous forests by the sawmillers is proceeding at such a rapid rate in New Zealand that it is only the matter of a very few years (comparatively) when the greater bulk of our timber-supply must be obtained from abroad. Each year sees the output larger and the resources of the Dominion smaller, and, although the Government has taken the matter in hand with commendable foresight by the establishment of State plantations of timber-trees, yet it must be at least from thirty to forty years before any great supply can be calculated on from this source. Under these circumstances it appears imperative to restrict the present indiscriminate sawmilling of all available forests to such moderate extent as will insure their gradual disappearance synchronous with the development and growth of the State plantations, so that as the one fails the other may take its place. Unless some such steps as these are immediately taken, it follows that, although for a few years the demand can be fairly well satisfied, before long there would be no reserve of native timber, and the price would rise to a figure which would seriously embarrass many of the growing industries of New Zealand.

PRODUCTION OF ARTIFICIAL FORESTS.

Although there is a vast disproportion between the areas annually cut down in our native forests for sawmilling purposes and the areas planted by the Forestry Branch, yet it may be well to point out that an average acre of milling-bush contains a large number of trees unsuitable for sawmilling, and probably only from 10,000 to 20,000 superficial feet of timber is eventually extracted from the area. On the other hand, in our plantations, by successive thinnings, only the

best specimens are allowed to remain, and, if a systematic supervision is exercised in the future, the final result will be the production of perhaps six hundred suitable milling-trees, which in forty years' time will each contain on an average 1,000 superficial feet of timber, so that the artificial forest will yield no less than 600,000 superficial feet of timber against the indigenous forest's return of from 10,000 to 20,000 superficial feet. In this comparison no account is taken of the kauri forest, which gives an exceptional yield, for, as the kauri is rapidly disappearing and only forms a small proportion of our native forests, its comparison would be somewhat misleading.

Revenue and Expenditure.

Up to the present time the expenditure and requirements of the State nurseries and plantations has been met by the revenue derived from the sale of timber in State forests, and of these the kauri forests in the Auckland District have contributed most of the receipts. Owing to the rapid disappearance of the kauri, the State forest revenue is quickly shrinking, and it is no longer possible to maintain and develop the tree-planting operations of the Department from this source. It will consequently be necessary to draw on the Consolidated Fund for future requirements, and, although generations to come will reap a rich return from present expenditure, yet forestry operations must of necessity be unremunerative for a considerable period, though a small revenue may be derived from our plantations by the sale of "thinnings" and surplus tree-plants from time to time, and the sale of timber in State forests will still enable a portion of the required revenue to be provided for many years to come.

Conservation of "Worked-out" Areas.

With reference to the kauri forests, it may be well to mention the rule adopted when the millable timber is taken out. The greatest care is taken that no unnecessary damage is caused to the remaining trees in the forest by sawmilling operations, and as soon as the kauri has been extracted the remaining forest is protected from any further destruction and, as far as possible, allowed to reproduce itself, so that for climatic and soil-denudation purposes the land is as adequately conserved as before the kauri had been taken out. In several cases it has been found that a remarkably brief period has been sufficient to enable young growth to spring up and obliterate the ravages wrought by milling operations. Not only in the above-mentioned forests, but also in those of the Nelson, Westland, and Southland Districts, this has been found to be the case, and the officers of the Department have always received strict instructions to endeavour to insure that the millers leave untouched, as far as practicable, the non-milling trees in the forest. From even a close view it is difficult to discover after the lapse of a few years whether many of our native forests have been the subject of sawmilling operations, and the climatic effect is retained in an admirable manner.

Best Localities for Afforestation.

Experiments have been made to see whether it is possible to replace the gaps in the forests caused by sawmilling operations with the planting of foreign trees ultimately suitable for milling, but it is found that such a matter would be very expensive and the results hardly worth the time expended, as the rapid growth of native scrub and young trees would retard the development of exotic plants. It is therefore proposed to continue to devote the whole of the efforts of the afforestation branch to raising forest plantations in treeless localities, where land is in the hands of the Crown, and is almost wholly unfitted for agricultural or grazing purposes. Some tracts are found in the vast Kaingaroa Plains, between Rotorua and Taupo, where some 600,000 acres of Crown land are available for planting purposes, and the Waimarino Plains, to the west of Tongariro (in the North Island), which, now that the railway has been completed, can readily be supplied with plants from the central nursery at Rotorua; whilst in the South Island the chief localities needing attention are South Marlborough and North Canterbury, which can be supplied with trees from the Hanmer Springs Nursery, and South Canterbury and parts of Otago, which can be supplied from Tapanui Nursery. By acting in this manner, expenditure is lessened and forests will gradually grow in localities where they are needed for climatic purposes, and from which they can ultimately be worked at a profit owing to their easy access to the principal markets of New Zealand. In a few cases, however, it has been noticed that the unusual dryness of certain areas prevents any successful attempt at afforestation being undertaken at the present time, and consequently care has been taken to avoid all such localities in future operations.

Duties of Forestry Branch.

As has been stated, there are two distinct divisions of the Forests Branch of this Department. The older or *forest-conservation* division is that whose duty it is to care for, inspect, and deal with our remaining indigenous forests. These include (*a*) Crown forests reserved under the Land Acts, administered under the personal direction of the Minister of Lands through the Local Commissioners of Crown Lands and their staffs of timber experts, Crown Lands Rangers, &c.; and (*b*) State forests reserved under "The New Zealand State Forests Act, 1885," dealt with by the Commissioner of State Forests (*i.e.*, the Minister of Lands) and Conservators of State Forests (otherwise known as Commissioners of Crown Lands) under special regulations. It may be necessary later on to appoint a special officer to supervise the cutting and milling operations in these forests somewhat after the scheme adopted in the Indian Empire, and in France and Germany, &c., where only systematic and limited cutting is sanctioned under rigid safeguards for the protection of all trees not authorised to be felled. But at the present time the system of preliminary inspection by special officers, public notification of the sale of certain specific areas of bush, and careful supervision of the milling operations, is considered to be sufficient for our requirements, and a more elaborate system of dealing with our forests may not be needed for some time to come. The second or *afforestation* division is under the charge of a superintendent of forest nurseries and plantations (designated for departmental purposes as "the Chief Forester"), assisted by a staff of assistant foresters and nurserymen, and its results are embodied in the following report.

REPORT BY CHIEF FORESTER.

Seedling Trees.

Notwithstanding the adverse climatic conditions experienced, the results obtained at the various nurseries have been successful beyond expectation, although the officers in charge had an anxious time during the prolonged drought. Not only has a much larger proportion of seedling trees been raised from a given amount of seeds, but the plants generally are much larger and better-rooted than those of any previous crop.

This success is principally due to the excellent germinative qualities of the tree-seeds obtained, and to a lesser extent to the systematic method of seed-raising adopted at the nurseries, which may be briefly referred to in detail.

(1.) The seed-bed grounds at all stations have now been brought into a high state of cultivation, and are of sufficient area to allow of either a definite rotation of crops with systematic manuring, or to lie fallow for one or two seasons—thus limiting the exhaustive tree-crop to one area every third year.

(2.) The adoption of the roller system in sowing and covering the seeds to a defined depth, depending on the class of seeds dealt with.

(3.) The sowing of seeds at the proper time—not at any given date, but depending on the season. In other words, the Nurserymen in Charge have now the necessary experience to enable them to judge at what particular period this work should be undertaken to attain the best results.

(4.) The method of shading and protecting the seed-beds from drying winds and bright sunshine during the critical period of germination by properly constructed seed-frames.

(5.) The judgment of the officers in knowing the exact amount of seed required to a given area, so that the resultant crop will not be too thick to crowd one another, and thus promote conditions favourable to disease, but will allow ample space for further development of each individual.

Selection of Trees limited by Climatic Conditions.

The question is frequently asked, Is the Department raising and planting the best species of trees suitable for the future timber-supply of the Dominion? The answer is partly in the negative and partly in the affirmative, as I will endeavour to explain.

(1.) There are many species of trees which produce excellent timbers that could be grown in the Dominion, but none of our stations are suitable for their best development, chiefly on account of unseasonable frosts. In this class may be mentioned puriri and pohutukawa amongst native trees, and jarrah, sugar-gum, red ironbark, spotted gum, &c., from Australia.

(2.) Another class may be mentioned which comprises most valuable timber-trees, but their slow growth renders them unprofitable from a commercial point of view—kauri, rimu, kahikatea, matai, tanekaha, kawaka, northern manaoa, southern manaoa, silver-pine, yellow-pine, maire species, and many others.

(3.) The third class comprises exotic trees producing various timbers suitable for all technical purposes, but, owing either to the high cost of the seeds or the uncertainty of procuring annual supplies, their general cultivation is not considered expedient. The common English beech, for instance, is a valuable timber-tree, but there are few trees in the Dominion of sufficient age to produce seeds. The crop is not an annual one (generally every third or fourth year), and all attempts to import it in a sound condition have failed. Other species comprise the English elm, hickory in variety, many of the American oaks, maples, pines, piceas, and abies, seeds of which are either difficult to procure in quantity, do not carry well, or are too expensive for general plantation purposes.

It is confidently asserted that so far as is possible the Department is raising and planting the most suitable classes of timber-trees available for the varied soils and climatic conditions obtaining at the stations at present in operation.

As mentioned in the foregoing remarks on temperature and rainfall, we are restricted to a very narrow limit in our selection, but nevertheless any suggestion or recommendation in regard to this subject will gladly receive every consideration.

Prison Labour.

Thanks to the continued co-operation of the Inspector of Prisons and his officers, I have again pleasure in stating that this system has worked very satisfactorily. The average number of prisoners employed was 75·07, against 78·90 for the previous year. The average value of work done per man for the year is £79 17s. The Foresters in charge of tree-planting camps are unanimous in their reports as to the excellent work done by the prisoners, the majority of whom take a considerable interest in the various duties assigned them; and, from personal observation during several months of the past year whilst located at prison camps, I confirm this opinion, and assert that with few exceptions the prisoners are obedient, willing, industrious, and careful.

In order to enable well-behaved, industrious prisoners to make a fresh start in life on the expiry of their sentences, a special tree-planting camp has been commenced four miles from the Waiotapu Prison. Here discharged prisoners are offered remunerative employment either at contract rates or at day-wages, and during the few months this camp has been in operation the results have been entirely satisfactory.

A similar system might well be adopted near Hanmer Springs with beneficial results both to the State and to unfortunate men who are discharged from prison frequently without friends and without money.

The whole of the available area reserved for planting purposes at Hanmer Springs having been planted a new block of some 600 acres, situated two miles distant towards Jollie's Pass, was taken in hand. The prison huts and other movable structures were transferred to this site during February. A new cookhouse, mess-room, and store have been erected, an efficient supply of excellent water laid on, and special precautions taken in regard to drainage and other sanitary arrangements. The permanent buildings at the old camp have been altered and renovated for occupation by the Nurseryman in Charge. It is anticipated that sufficient land is available within easy distance of the new camp to keep forty prisoners employed for the next five years.

At Waiotapu arrangements are in progress for the removal of the prison camp to the centre of a new block of some 5,000 acres to the north-east of the present area. The site for the new camp (three miles distant from the old one) is in a most favourable position, with an excellent water-supply available, and every facility for good drainage. When this camp is completed and occupied, a great deal of time will be saved by the men in going to and from their work. It is proposed to plant this new area as far as possible in wedge-shaped blocks radiating from a common centre at the camp. The walking-distance to and from work will thus be evenly distributed for each year's planting.

Convalescent Camp.

In order to provide suitable employment for discharged patients from the sanatorium at Cambridge, it is proposed to establish a movable camp on the Whakarewarewa Plantation, some distance beyond the Waipa Prison Camp. This will to some extent overcome the difficulty with which the medical authorities are now faced in having to discharge convalescent patients who in many cases are compelled to resume their ordinary indoor occupations, thus lessening the possibilities of a complete restoration to health. It is not intended that each patient shall do a certain amount of work or plant a given number of trees, as payment will be made by results on the co-operative system. The State will thus be providing healthy employment for the needy without paying more for the work than it is at present costing by ordinary labour.

The following summaries show the result of the year's operations and present position:—

Table A.—Summary of Results.

Nursery or Plantation.	Number of Trees raised in Nurseries and Plantations, 1907-8.	Number of Trees in Nurseries or Plantations on 31st March, 1908.	Values of Same.	Number of Trees planted, 1907-8.	Area planted in 1907-8.	Total Area planted to 31st March, 1908.
			£ s. d.		A. R. P.	A. R. P.
Eweburn Nursery	542,100	1,105,640	1,757 5 4	..	..	..
Hanmer Springs Nursery ..	1,695,000	2,986,200	4,865 8 6	..	..	..
Kurow Nursery	43,000	43,000	45 3 0	..	..	..
Rotorua Nursery	4,550,000	7,864,700	10,857 9 0	..	..	..
Ruatangata Nursery ..	522,062	761,410	1,715 4 3	..	..	..
Starborough Nursery ..	..	739,600	1,634 16 0	..	..	..
Tapanui Nursery	3,037,000	4,403,960	6,738 19 9	..	..	..
Conical Hills Plantation ..	..	3,313,579	*	370,200	136 0 0	1,082 1 0
Dumgree Plantation ..	..	350,000	*	228,640	84 0 0	469 3 0
Dusky Hill Plantation ..	..	1,276,167	*	475,135	174 2 8	505 2 8
Gimmerburn Plantation ..	..	487,695	*	72,000	26 2 0	173 1 0
Hanmer Springs Plantation ..	..	1,863,170	*	591,400	206 0 0	668 0 0
Kaingaroa Plains Plantation ..	..	44,275	*	..	..	21 0 0
Naseby Plantation	..	360,185	*	..	..	132 2 0
Puhipuhi Plantation ..	..	918,795	*	457,790	425 0 0	1,125 0 0
Raincliff Plantation ..	..	50,000	*	..	..	206 3 0
Ruatangata Plantation ..	..	..	*	..	..	22 0 0
Waiotapu Plantation ..	..	6,932,934	*	2,591,230	952 0 0	2,728 2 0
Waitahuna Plantation ..	..	30,525	*	3,700	1 1 14	12 1 14
Whakarewarewa Plantation ..	..	5,042,126	*	1,650,690	650 2 0	2,319 0 0
Domains, reserves, &c. ..	..	133,632	..	..	..	..
Totals	10,389,162	38,707,593	27,614 5 10	6,440,785	2,655 3 22	9,465 3 22

* Reliable estimates of values not available.

Table B.—Summary of Expenditure and Values.

——	Expenditure for Year ending 31st March, 1908.	Expenditure from September, 1896, to 31st March, 1908.	Value of Trees grown and Improvements in Nurseries, 1907-8.	Value of Trees in Stock and Improvements in Nurseries, from Inception to 31st March, 1908.
	s. d.	£ s. d	£ s. d.	£ s. d.
Amount at 31st March, 1907	..	..	28,067 16 10	51,992 2 2
Eweburn Nursery	820 16 2	9,538 1 7	2,087 0 10	6,540 2 11
Hanmer Springs Nursery	1,246 15 10	3,923 8 5	5,639 11 8	6,917 13 9
Tapanui Nursery	1,860 9 5	15,245 17 1	7,430 7 4	14,170 6 3
Ruatangata Nursery	1,629 4 4	6,013 6 7	2,494 3 10	4,949 10 7
Rotorua Nursery	3,914 14 7	25,526 19 0	11,556 15 5	18,367 2 5
Starborough Nursery	1,058 1 9	8,689 1 2	3,569 16 7	8,102 14 9
Kurow Nursery	579 0 1	3,070 2 7	340 16 7	2,367 11 5
Conical Hills Plantation	1,403 16 3	9,686 17 11	*	*
Naseby Plantation	241 7 0	2,073 10 5	*	*
Gimmerburn Plantation	415 17 9	2,021 3 2	*	*
Dusky Hill Plantation	1,715 0 4	10,314 9 5	*	*
Raincliff Plantation	..	1,104 12 5	..	..
Hanmer Springs Plantation	1,123 13 4	4,374 4 1	*	*
Dumgree Plantation	1,065 9 11	9,862 7 11	*	*
Whakarewarewa Plantation	3,201 15 4	13,541 13 5	*	*
Waiotapu Plantation	1,547 17 8	5,209 17 3	*	*
Kaingaroa Plains Plantation	11 2 8	368 18 2	*	*
Puhipuhi Plantation	1,685 3 8	4,788 13 4	*	*
Waitaki Plantation	359 6 8	403 14 5	*	*
Waitahuna Plantation	13 15 10	168 10 3	*	*
Domains, Reserves, &c.	..	431 13 1	..	..
Clerical assistance	150 0 0	673 15 0	..	..
Postages and telegrams	42 0 4	60 5 4	..	..
Contingencies: Telephones, stationery, office material, travelling-expenses, and transfer of officers, &c.	357 6 2	1,031 13 5	..	..
Totals	24,442 15 1	138,122 15 5	61,186 9 1	113,407 4 3

* Reliable estimates of values not available.

TABLE C.—OUTPUT OF TREES FROM NURSERIES.

Nursery.	During 1907–8.			Since 1896.		
	Number.	Value.		Number.	Value.	
		£	s. d.		£	s. d.
Eweburn	279,125	872	8 6	2,407,327	5,619	6 3
Hanmer Springs	635,180	1,444	10 0	1,571,206	3,889	10 7
Tapanui	741,560	2,214	14 7	9,668,048	24,201	13 10
Rotorua	4,813,367	8,498	15 4	17,801,299	37,009	4 6
Ruatangata	490,790	1,295	11 8	951,795	2,562	18 4
Kurow	110,260	212	15 0	110,260	212	15 0
Starborough	559,840	1,183	19 5	2,483,690	5,297	15 11
Totals	7,630,122	15,722	14 6	34,993,625	78,793	4 5

TABLE E.—AVERAGE NUMBER OF WORKMEN EMPLOYED DAILY AT THE VARIOUS NURSERIES AND PLANTATIONS DURING THE YEAR 1907–8.

—	Free Labour.	Prison Labour.	—	Free Labour.	Prison Labour.
	No.	No.		No.	No.
Eweburn Nursery ...	5·64	...	Dusky Hill Plantation ...	15·04	...
Tapanui Nursery	13·05	...	Conical Hills Plantation ...	8·05	...
Hanmer Springs Nursery ...	3·09	...	Hanmer Springs Plantation	3·09	10·00
Kurow Nursery	2·16	...	Dumgree Plantation ...	7·70	11·38
Starborough Nursery ...	6·03	...	Whakarewarewa Plantation	23·92	15·05
Rotorua Nursery	32·14	...	Waiotapu Plantation ...	3·29	38·64
Ruatangata Nursery ...	11·00	...	Puhipuhi Plantation ...	11·97	...
Gimmerburn Reserve ...	3·27	...	Waitahuna Plantation ...	1·00	...
Naseby Paddock Plantation	1·03	...		151·47	75·07

APPENDIX J.

RETURN SHOWING AMOUNT OF DUTY COLLECTED ON TIMBER IMPORTED TO AND EXPORTED FROM NEW ZEALAND FROM 1894 TO 1908.

Year.	Duty on Imports.	Duty on Exports under "Timber Export Act, 1901."	Year.	Duty on Imports.	Duty on Exports under "Timber Export Act, 1901."
	£ s. d.			£ s. d.	
1894 ..	1,913 11 2	..	1902 ..	6,192 2 1	449
1895 ..	2,678 0 8	..	1903 ..	10,646 2 9	1,156
1896 ..	3,133 19 8	..	1904 ..	12,494 1 2	608
1897 ..	3,301 6 3	..	1905 ..	11,514 19 3	298
1898 ..	4,238 8 0	..	1906 ..	13,300 1 0	485
1899 ..	4,846 4 7	..	1907 ..	13,893 2 4	69
1900 ..	6,649 6 2	..	1908 ..	33,715 5 4	431
1901 ..	6,561 17 7	..			

Department of Trade and Customs,
Wellington, 21st June, 1909.

RICHARD CARTER,
Secretary and Inspector.

MINUTES OF PROCEEDINGS.

INVERCARGILL, THURSDAY, 25TH MARCH, 1909.

The first meeting of the Commission was held in the Ministerial Room of the Post-office, Invercargill, on Thursday, the 25th March, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan, M.P. (in the chair), Messrs. J. A. Hanan, M.P., H. G. Ell, M.P., J. F. Arnold, M.P., J. Stallworthy, M.P., W. H. P. Barber, J. B. Leyland, S. I. Clarke, and W. Morris.

The Commission, dated the 9th day of March, 1909, was read from His Excellency the Governor, appointing the above gentlemen and Messrs. W. H. Field, M.P., W. T. Jennings, M.P., and F. Mander, M.P., to be Commissioners for the purpose of inquiring by all lawful means into the conditions affecting the timber and timber-building industries, including the matters specified in the Order of Reference.

The Chairman opened the proceedings by stating the object of the inquiry, and invited the views of members of the Commission as to the procedure to be adopted and the best manner of securing and taking evidence.

An informal discussion then took place, after which it was unanimously resolved :—

Hours of Meeting.

That the Commission would meet at 9.30 a.m., and be open for public business at 10 a.m., sitting until 1 p.m., when it would adjourn for an hour, resume at 2 p.m., and continue until 5.30 p.m., when it would adjourn for the day, unless circumstances rendered an evening sitting necessary.

Evidence.

That all evidence be taken on oath.

That a typewritten transcript of the reporters' shorthand verbatim notes be supplied to each member of the Commission as soon as possible after the taking of each day's notes.

That, as far as possible, each witness give evidence in the same order of subjects as is set forth in the Commission.

Proceedings to be Public.

That the proceedings of the Commission be open to the public and to the Press.

That when the Commission goes into committee the public and the Press be excluded.

Witnesses for Invercargill.

It was resolved, That the following persons, suggested by Mr. Hanan, be asked to attend and give evidence :—

W. H. Brent, president, Sawmillers' Association.
E. C. Leary, secretary, Sawmillers' Association.
H. A. Massey, sawmiller, Esk Street, Invercargill.
E. R. Wilson, architect, Invercargill.
Hugh Mair, contractor, Liddel Street, Invercargill.
William Ashley, builder, Don Street, Invercargill.
James More, sawmiller, Riverton.
Andrew Bain, chairman, Builders' Association, Georgetown.
F. L. Vickery, secretary, Builders' Association, Bowmont Street, Invercargill.
James Leggatt, sawmiller, Ness Street, Invercargill.
Joseph Hensley, sawmiller, Esk Street, Invercargill.
Jacob Alsweiler, president, Sawmill-workers' Union, Esk Street, Invercargill.
T. O'Byrne, secretary, Sawmill-workers' Union, Esk Street, Invercargill.
W. R. Riddel, c/o Smith's factory, Nith Street, Invercargill.
William Stead, c/o Stead and Dewar, furniture-maker, Tay Street, Invercargill.
Charles Lambert, Earn Street, Invercargill.
C. A. Piper, Traffic Manager, New Zealand Railways, Invercargill.
J. P. Ridings, Collector of Customs, Invercargill.
E. H. Wilmot, Commissioner of Crown Lands, Invercargill.
James Collins, Timber Expert, Lands Office, Invercargill.
And another witness to be selected, to give evidence as to prices, quantities, &c., of butter-boxes used in Southland.

Railway-sleepers.

It was also decided that the New Zealand Railways Department be requested to furnish information as to the varieties and quantities of timber used as railway-sleepers, the information to be ready by the time the Commission sits in Wellington.

Correspondence.

Apologies from Messrs. Jennings, Field, and Mander, M.P.s, for their unavoidable absence were received.

1. Letter, dated 17th March, 1909, from Mr. J. C. Thomson, M.P., Riverton, inquiring if the Commission can visit Longwood Forest and inspect the sawmills.

Resolved, That the Commission visit the forest the following day, Friday, 26th March, 1909.

2. Telegram, dated 16th March, from E. A. Wickes, secretary, Sawmillers' Association, Greymouth, suggesting that a representative of the association might be present at meetings of Commission to assist in eliciting information.

Resolved, That the Commission cannot see its way to accede to the request.

3. Telegram, dated 11th March, from E. A. Wickes, secretary, Greymouth, to the Premier, inquiring if matters regarding transit, railway, and steamer freights, or titles and areas under Mining Act come within the scope of the Commission.

Also reply by the Right Hon. the Prime Minister, dated 11th March, stating that all matters referred to come within the scope of the Commission, and will be dealt with by them.

Received.

4. Letter, dated 20th March, from D. H. Roberts, on behalf of Sawmillers' Committee, Greymouth, asking whether all balance-sheets and other statements of like nature will be treated as private and confidential by the Commission.

Resolved, That the Commission is willing to consider all matters of a confidential nature in committee.

Admission of Public.

At this stage the public were admitted, and the Chairman stated the objects of the Commission, and that evidence would not be taken until the 27th instant.

Moved by Mr. Arnold, and carried, That the Commission goes into committee.

The public then withdrew.

Proposed Itinerary.

The Secretary submitted a draft itinerary for the consideration of members.

The Commission then adjourned until 10 a.m. on Saturday, the 27th March, 1909.

On Friday, 26th March, the Commission inspected Longwood Forest, and Messrs. More, Traill, and Smythies' sawmills therein.

INVERCARGILL, SATURDAY, 27TH MARCH, 1909.

The second meeting of the Commission was held in the Ministerial Room of the Post-office, Invercargill, on Saturday, the 27th March, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (in the chair), and Messrs. Arnold, Barber, Clarke, Ell, Field, Hanan, Jennings, Leyland, Mander, Morris, and Stallworthy.

The minutes of the first meeting were read and confirmed.

An informal discussion took place until 10 a.m., when the public were admitted.

Witnesses called.

The first witness called was Mr. W. H. Brent (president of the Sawmillers' Association), who asked to be allowed to give his evidence on Monday instead, as he had been absent from Invercargill, and had only returned the previous night.

This was agreed to.

The next witness called was Mr. E. C. Leary (secretary of the Sawmillers' Association).

Mr. J. Hensley was then called, and after him Mr. H. A. Massey (sawmiller, Riverton).

The Commission adjourned at 1 p.m. and resumed at 2 p.m., when Mr. Massey's evidence was continued.

On the conclusion of Mr. Massey's evidence, the Chairman thanked him for the clear, full, and straightforward manner in which he had given his evidence.

The Commission then adjourned at 4.45 p.m.

INVERCARGILL, MONDAY, 29TH MARCH, 1909.

The third meeting of the Commission was held in the Ministerial Room of the Post-office, Invercargill, on Monday, the 29th March, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan and all the members.

The minutes of the previous meeting were read and confirmed.

An informal meeting was held until 10 a.m., when the public were admitted.

Evidence.

Mr. McCall (of Mataura) was called for, but, not being present, Mr. W. H. Brent (president, Sawmillers' Association) was examined from 10 a.m. to 12.10 p.m.

Mr. A. Bain (chairman, Builders' Association) was examined at 12.10 p.m.

The Commission adjourned from 1 to 2 p.m.

On resuming,—

Mr. A. Bain's examination was continued till 3 p.m.

Mr. E. R. Wilson (architect) was examined from 3 to 4.25 p.m.

Mr. F. L. Vickery (secretary, Builders' Association) was examined from 4.25 to 5.20 p.m.

Mr. William Stead (furniture-maker) was examined from 5.20 to 5.50 p.m.

It was decided to call Mr. James More as the first witness on Tuesday.

Information required.

Moved by Mr. Field, That information be obtained from the Department in charge of the building of workers' homes as to the various items of cost in the construction of the cottages.

Moved by Mr. Barber, That information be also obtained giving a comparison of the difference of cost between erecting cottages in wood, brick, and concrete.

Agreed to.

The Commission adjourned at 6 p.m.

INVERCARGILL, TUESDAY, 30TH MARCH, 1909.

The fourth meeting of the Commission was held in the Ministerial Room of the Post-office, Invercargill, on Tuesday, the 30th March, 1909, at 9.50 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

The following witnesses gave evidence:—

Mr. James More was called, but was not present.

Mr. C. A. Piper (Railway Traffic Manager), 10 a.m. to 11 a.m.

Mr. James Leggatt, builder, 11 a.m. to 12.55 p.m.

Mr. E. H. Wilmot, Commissioner of Crown Lands, 12.55 to 1.10 p.m.

The Commission adjourned from 1.10 to 2 p.m.

On resuming, Mr. James Collins, timber expert, from 2 to 3.5 p.m.

Mr. T. O'Byrne, secretary, Sawmill-workers' Union, 3.5 to 4.15 p.m.

Mr. W. R. Riddel, furniture-maker, 4.15 to 4.55 p.m.

Mr. J. P. Ridings, Collector of Customs, 4.55 to 5 p.m.

Mr. E. J. Broad, timber-merchant and sawmiller, 5.5 to 5.35 p.m.

The Commission then adjourned.

INVERCARGILL, WEDNESDAY, 31ST MARCH, 1909.

On the morning of Wednesday, the 31st March, the Commission inspected the creosote-works belonging to the Railway Department.

The fifth meeting of the Commission was held in the Ministerial Room of the Post-office, Invercargill, on Wednesday, the 31st March, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. A. J. McCredie, District Railway Engineer, was examined from 10.15 a.m. to 11 a.m.

Mr. C. A. Piper, re-examined from 11.5 to 11.15 a.m.

Thanks.

Moved by Mr. Field, seconded by Mr. Leyland, That members of the Commission desire to convey their sincere thanks to all those who have so kindly extended hospitality to them during their stay in Invercargill.—Carried.

The Chairman expressed the appreciation of the Commission of the free and fair manner in which the witnesses at Invercargill had given their evidence.

The Commission then adjourned to Dunedin.

DUNEDIN, THURSDAY, 1ST APRIL, 1909.

The sixth meeting of this Commission was held in the City Council Chamber, Dunedin, on Thursday, the 1st April, 1909, at 9.45 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. T. Scott, blindmaker, examined from 10 a.m. to 10.50 a.m.
Mr. James Crawford, president, Builders and Contractors' Association, 10.50 a.m. to 12.5 p.m.
Mr. Alexander Macpherson, sawmiller, 12.5 to 1 p.m.
The Commission adjourned from 1 to 2 p.m.
Mr. Gabriel Hodges, examined from 2 to 3.15 p.m.
Mr. H. V. Haddock, manager for Messrs. Murdoch and Co., examined from 3.15 to 4.10 p.m.
Mr. A. McCallum, sawmiller, examined from 4.10 to 4.35 p.m.
The Commission then went into committee.

Meeting at Greymouth.

Telegram dated 1st April from the Hon. A. R. Guinness, M.P., asking, on behalf of the Greymouth sawmillers, that the Commission sit at Greymouth last in order to allow time to collect evidence.
Moved by Mr. Jennings, seconded by Mr. Mander, That the itinerary as drafted be adhered to.—Carried unanimously.

Otago Club.

A card of honorary membership of the above club from the 1st April to 1st May was received with thanks.

Further Information.

Moved by Mr. Stallworthy, That Messrs. Murdoch and Co. be asked to state the total production of each of their mills, together with the cost of putting the timber through the mill on to the truck, the information so supplied to be treated as confidential, and not to be published in the report of the Commission, but to be for the information of members only.—Carried.
It was also resolved that similar information be obtained from Mr. A. McCallum respecting the output of each of his four mills.
The Commission then adjourned at 4.50 p.m.

DUNEDIN, FRIDAY, 2ND APRIL, 1909.

The seventh meeting of the Commission was held in the Council Chamber, Dunedin, on Friday, the 2nd April, 1909, at 10 a.m.
Present: The Hon. T. Y. Duncan (Chairman), and all the members.
The minutes of the previous meeting were read and confirmed.

Evidence.

The following witnesses were examined:—
Edwin Broad, manager, Dunedin Timber Company, 10 a.m. to 11.15 a.m.
Robert Crawford, builder, 11.15 to 12.15 a.m.
A. R. Wallis, sawmiller, 12.15 p.m. to 1 p.m.
The Commission adjourned from 1 to 2 p.m.
A. R. Wallis (continued), from 2 p.m. to 2.45 p.m.
F. W. Petre, architect, 2.45 p.m to 4.15 p.m.
A vote of thanks was accorded to Mr. Petre for his clear and straightforward evidence.
George Clarke, builder, from 4.15 to 4.35 p.m.
Frank Wilkinson, secretary to Builders and Contractors' Association, 4.35 to 4.55 p.m.
Mr. H. A. Massey, of Invercargill, having presented the Commission with a panel containing specimens of five milling-timber woods of Southland, it was decided to thank him for his kind donation.
The Commission then adjourned at 5 p.m.

DUNEDIN, SATURDAY, 3RD APRIL, 1909.

The eighth meeting of the Commission was held at the City Council Chambers, Dunedin, on Saturday, the 3rd April, 1909, at 10 a.m.
Present: The Hon. T. Y. Duncan (Chairman), and all the members.
The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. David Barron, Commissioner of Crown Lands, 10 a.m. to 10.25 a.m.
Mr. Edward O'Neill, Crown Lands Ranger, 10.25 to 10.40 a.m.
Mr. A. Hogg, of Messrs. Hogg and Co., timber-merchants, 10.40 a.m. to 11.40 a.m.
Mr. Hunter Macandrew, District Railway Engineer, 11.40 a.m. to 12.15 p.m.
Mr. Robert Chisholm, of Messrs. Scoullar and Chisholm, 12.5 to 12.30 p.m.

Correspondence.

Letter dated 1st April, from H. A. Massey, Invercargill, explaining certain matters stated by him when being examined.—Received.

Thanks.

A hearty vote of thanks was unanimously passed to the Dunedin City Council for the use of the City Council Chambers during the Commission's stay in Dunedin.

A vote of thanks was also passed to those witnesses who have given evidence in Dunedin.

The Commission then adjourned at 12.35 p.m. to Christchurch, the next meeting to be on Tuesday, 6th April, at 9.30 a.m.

CHRISTCHURCH, TUESDAY, 6TH APRIL, 1909.

The ninth meeting of the Commission was held in the old Provincial Council Chamber, Christchurch, on Tuesday, the 6th April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. S. Hurst Seager, architect, examined from 10.5 a.m. to 12 noon.
Mr. C. E. Page, of Messrs. Edmonds and Page, timber-merchants, 12 noon to 1 p.m.
The Commission adjourned from 1 to 2 p.m.
Mr. C. E. Page (examination continued), 2 to 3 p.m.
Mr. C. Taylor, builder, from 3 to 4 p.m.
Mr. William Goss, timber-merchant, 4 to 4.50 p.m.

Meeting at Greymouth.

In response to a telegram from the Commissioner of Crown Lands, Hokitika, inquiring on what date the Commission will arrive in Greymouth,—

Resolved, That he be informed that the Commission will commence sitting on Wednesday, the 14th instant.

Correspondence.

Letter dated 6th April, from S. Hurst Seager, correcting certain figures stated by him in his evidence that morning.—**Received.**

The Commission adjourned at 5 p.m.

CHRISTCHURCH, WEDNESDAY, 7TH APRIL, 1909.

The tenth meeting of the Commission was held in the old Provincial Chamber, Christchurch, on Wednesday, the 7th April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. William Goss, examination continued from 10.5 a.m. to 11.25 a.m.
Mr. Edwin Henshall, timber-merchant, from 11.25 a.m. to 12.30 p.m.
Mr. E. C. Gold Smith, Commissioner of Crown Lands, from 12.35 p.m. to 12.40 p.m.
The Commission then adjourned till 2 p.m.
Mr. James Rowe, president, Builders' Association, examined 2 p.m. to 3.25 p.m.
Mr. William Allen Jewell, joinery-works, 3.25 p.m. to 4.30 p.m.
Mr. Edmund Gee, venetian-blind maker, 4.30 p.m. to 4.35 p.m.
Mr. Ralph Davison, foreman of timber-yard, Messrs. Strange and Co., 4.35 to 4.45 p.m.
The Commission adjourned at 4.45 p.m.

CHRISTCHURCH, THURSDAY, 8TH APRIL, 1909.

The eleventh meeting of the Commission was held in the old Provincial Chamber, Christchurch, on Thursday, the 8th day of April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. Alfred Elliott, Collector of Customs, examined from 10.5 to 10.10 a.m.
Mr. W. Jacques, secretary to Builders' Association, 10.10 a.m. to 11.5 a.m.
Mr. Robert Ellison, secretary, Central Dairy Company, 11.5 a.m. to 11.25 a.m.
Mr. C. H. Biss, District Railway Engineer, 11.25 a.m. to 11.50 a.m.
Mr. Harold Lightband, representative of Messrs. Lemcke and Co., of New York, 11.50 a.m. to 12.5 p.m.
Mr. G. E. Richardson, Manager, Railway Workshops, Addington, 12.5 p.m. to 12.20 p.m.
The Commission adjourned till 2 p.m.
Mr. E. W. Waller, timber-merchant, examined from 2.10 p.m. to 3.5 p.m.
Mr. William Cook, timber-merchant, 3.5 p.m. to 3.25 p.m.
Mr. H. J. Nightingale, builder, 3.25 p.m. to 3.35 p.m.
Mr. E. C. Gold Smith (re-examined), 3.35 p.m. to 3.45 p.m.

Mr. W. Goss (explanation), 3.45 p.m. to 3.50 p.m.

Moved by Mr. Ell and carried, That a hearty vote of thanks be accorded the Christchurch witnesses for the willing and straightforward manner in which their evidence was given.

Mr. Goss thanked the Commission for their kindly reference to the witnesses.

The Commission adjourned at 4 p.m. to Greymouth.

GREYMOUTH, WEDNESDAY, 14TH APRIL, 1909.

On Wednesday, the 14th April, 1909, the Commission, accompanied by the Hon. A. R. Guinness, M.P., proceeded by train to Moana, and there inspected the sawmill of Messrs. Church and Peat. *En route*, the Commission stopped at Patara and inspected the mill of Messrs. Stratford, Blair, and Co. In the afternoon they proceeded by launch over Lake Brunner down the Arnold River to Kotuku, where an inspection was made of Messrs. Jack Bros.' mill, and, by going along the tramway leading into the bush, the method in vogue of cutting the trees and dragging them by means of a wire rope and a "hauler" engine to the tram-line was carefully viewed, and the conditions under which the trees are converted into sawn timber were thoroughly examined.

GREYMOUTH, THURSDAY, 15TH APRIL, 1909.

The twelfth meeting of the Commission was held in the Borough Council Chambers, Greymouth, on Thursday, the 15th April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. F. W. Flanagan, Commissioner of Crown Lands, Nelson, examined from 10.5 to 11.50 a.m.

Mr. W. H. Bowater, sawmiller, Westport, 11.50 a.m. to 1 p.m.

The Commission adjourned from 1 p.m. to 2 p.m.

Mr. Bowater, examination continued from 2 p.m. to 4 p.m.

The Commission then went into committee to hear further evidence from Mr. Bowater.

The Commission adjourned at 4.20 p.m.

GREYMOUTH, FRIDAY, 16TH APRIL, 1909.

The thirteenth meeting of the Commission was held in the Borough Council Chamber, Greymouth, on Friday, the 16th April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. Arthur Fletcher, sawmiller, Westport, examined from 10 a.m. to 10.30 a.m.

Mr. G. J. Roberts, Commissioner of Crown Lands, Westland, 10.30 a.m. to 12.20 p.m.

Mr. William Butler, sawmiller, Ruatapu, Hokitika, 12.20 p.m. to 1 p.m.

The Commission then went into committee.

At the invitation of the Mayor, it was decided to adjourn for the day at 4.30 p.m. in order that the Commission might inspect the harbour-works at Greymouth that afternoon.

A discussion then took place as to the dates of meetings in the North Island.

Resolved, That after leaving Greymouth, the Commission stay at Wellington to inspect mills, &c., for a day or two, and proceed to Taihape on Monday, the 26th April.

Telegrams from T. Y. Seddon, M.P., Joseph Grimmond (Ross), and James Murdoch (Hokitika), welcoming the Commission to Westland, and inviting it to visit Ross and Kumara, were received.

Resolved, That the Commission visit Ross on Saturday, the 17th April, in order to inspect the forest in the locality.

The Commission adjourned for lunch at 1.15 p.m., and resumed at 2 p.m.

Mr. William Butler, examination continued from 2 p.m. to 4.30 p.m.

The Commission adjourned at 4.30 p.m. till 10 a.m. on Monday, the 19th April, 1909.

SATURDAY, 17TH APRIL, 1909.

On Saturday, the 17th April, the Commission proceeded to Ross by train, inspected the timber *en route* and the forest in the locality, and inquired into the needs of the mining industry for various kinds of timber.

A formal welcome was tendered the Commission by T. Y. Seddon (M.P. for Westland) and Mr. S. G. Ferguson (Chairman of the Westland County Council), whilst the Hon. A. R. Guinness, M.P., and Mr. H. L. Michel (Mayor of Hokitika) accompanied the Commission.

GREYMOUTH, MONDAY, 19TH APRIL, 1909.

The fourteenth meeting of the Commission was held in the Borough Council Chambers, Greymouth, on Monday, the 19th April, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. William Butler, examination continued from 10 a.m. to 11 a.m.

At the conclusion of Mr. Butler's evidence he was complimented by the Chairman on the clear and complete manner in which it had been given.

Mr. John Jackson, secretary, Wharf Labourers' Union, examined from 11 a.m. to 12.30 p.m.

Mr. Andrew Dalziell, sleeper-getter, Greymouth, 12.30 p.m. to 12.55 p.m.

The Commission adjourned till 2 p.m.

Mr. E. A. Wickes, secretary, West Coast Trading Company, Greymouth, 2 to 4.25 p.m.

Mr. J. D. Gillies, engineer and sawmiller, Greymouth, 4.25 p.m. to 5.5 p.m.

Mr. James Jack, sawmiller, Kotuku, from 5.5 p.m. to 5.55 p.m.

The Commission then adjourned till 9 a.m. on the 20th instant.

GREYMOUTH, TUESDAY, 20TH APRIL, 1909.

The fifteenth meeting of the Commission was held in the Borough Council Chambers, Greymouth, on Tuesday, the 20th April, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. James Ashley, District Traffic Manager, Greymouth, examined from 9 a.m. to 9.45 a.m.

Mr. David Tennent, manager for Stratford, Blair, and Co., sawmillers, Greymouth, 9.45 to 12 noon.

Mr. H. L. Michel, merchant, Hokitika, 12 noon to 1 p.m.

The Commission adjourned from 1 to 2 p.m.

Mr. J. Bishop, manager, State Coal-mine and Sawmill, Runanga, 2 p.m. to 2.10 p.m.

Mr. J. H. Lewis, Resident Engineer, Public Works Department, examined 2.10 p.m. to 2.30 p.m.

Mr. Campbell Bell, representative, sawmill-workers, 2.30 p.m. to 3.7 p.m.

Hon. A. R. Guinness, M.P., Greymouth, 3.7 p.m. to 3.20 p.m.

Mr. C. M. Benzoni, District Railway Engineer, 3.20 p.m. to 3.50 p.m.

Mr. E. J. Lord, Town Clerk and Borough Engineer, 3.50 p.m. to 4.12 p.m.

Mr. J. W. Callwell, auditor, Greymouth (information to be given in committee).

Mr. Osmond Butler, sawmiller, Greymouth, 4.15 p.m. to 4.55 p.m.

Votes of Thanks.

Moved by Mr. Morris and seconded by Mr. Leyland, That a vote of thanks be passed to the witnesses who have given such valuable evidence in Greymouth.—Carried.

Moved by Mr. Field and seconded by Mr. Mander, That a hearty vote of thanks be passed to those gentlemen who have assisted to entertain the Commission during their stay in Greymouth.—Carried.

Moved by the Hon. T. Y. Duncan and carried, That a letter be sent to the Hon. Mr. Guinness, thanking him for the kindness and assistance he gave to the Commission during the time it has been in Westland.

Moved by the Hon. T. Y. Duncan and seconded by Mr. Clarke, That the Mayor and Borough Council be thanked for the use of the Borough Council Chambers and committee-rooms, and assistance rendered by their staff to the Commission.—Carried.

In Committee.

The Commission then went into committee at 5.5 p.m., when confidential particulars regarding the expenditure and profits made by Messrs. Stratford and Blair during the past three years were submitted to the Commission by the manager, Mr. Tennent.

At 5.25 p.m. Mr. Callwell gave some confidential particulars regarding the profit and loss made by Messrs. Baxter Bros. during the preceding two years.

A confidential return was also furnished by the Manager of the Runanga State Sawmill.

The Commission adjourned at 5.55 p.m. to Taihape on Tuesday, the 27th April.

TAIHAPE, TUESDAY, 27TH APRIL, 1909.

The sixteenth meeting of the Commission was held in the Courthouse, Taihape, on Tuesday, the 27th day of April, 1909, at 9.15 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members except Mr. Hanan, who was unavoidably detained in Wellington and took his seat at 7.30 p.m.

The minutes of the previous meeting were read and confirmed.

Oregon-pine Importation.

Moved by Mr. Field, and seconded by Mr. Barber, That the Customs Department be requested to furnish a return showing the importation of Oregon pine at each port in the Dominion during each month from the 1st January, 1907, to the 30th April, 1909.—Carried.

Evidence.

Mr. F. W. T. Saunders, manager, New Zealand Powell Wood Process (Limited), examined from 9.30 to 10.30 a.m.

Mr. John Punch, sawmiller, Rangataua, 10.30 a.m. to 11.30 a.m.

Mr. G. A. Gamman, sawmiller, Ohakune, 11.30 a.m. to 12.40 p.m.

The Commission adjourned till 7.30 p.m., and in the afternoon inspected the mills and workings of Mr. H. D. Bennett at Pukenaua, and the mill of Mr. Robert Smith.

On resuming at 7.30 p.m. Mr. Gammon's examination was continued to 8.20 p.m.

Mr. Alex. Laird, sawmiller, Taumarunui, examined from 8.20 p.m. to 10 p.m.

Mr. R. A. Wilson, timber-merchant, Bull's, 10 p.m. to 10.30 p.m.

The Commission then adjourned.

TAIHAPE, WEDNESDAY, 28TH APRIL, 1909.

The seventeenth meeting of the Commission was held in the Courthouse, Taihape, on Wednesday, the 28th April, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Letters.

Letter, dated 19th April, 1909, from the District Traffic Manager, Invercargill, correcting certain figures in returns of Southland timber.—Received.

Letter, dated 21st April, 1909, from the secretary of the West Coast Timber Trading Company, forwarding return of the company's exports of timber to the various New Zealand ports during 1908 and 1909.—Received.

Letter, dated 23rd April, 1909, from Mr. H. A. Massey, of Invercargill, regarding evidence given by Mr. Wallis in Dunedin, and Ranger Collins, of Invercargill.—Received.

Evidence.

Mr. G. J. Neill, representative of sawmill-workers, Taumarunui, examined from 9.15 a.m. to 10.15 a.m.

Mr. H. Lundius, Crown Lands Ranger, Wanganui, 10.5 to 11.15 a.m.

Mr. John Ammunson, Crown Lands Ranger and timber expert, Ohakune, 11.15 a.m. to 11.30 a.m.

Mr. W. A. L. Bailey, sawmiller, Taihape, 11.30 a.m. to 1 p.m.

Itinerary.

On the motion of Mr. Jennings, seconded by Mr. Stallworthy, it was resolved, That the itinerary as drafted for the North Island be adopted.

The Commission then adjourned from 1 to 2 p.m.

Evidence.

Mr. H. G. Mackintosh, contractor, Taihape, examined from 2 p.m. to 2.25 p.m.

Mr. C. Hutton, bush contractor for Egmont Box Company, Utiku, 2.25 to 3.5 p.m.

Mr. H. D. Bennett, merchant, Taihape, 3.5 p.m. to 5.10 p.m.

Mr. J. A. Anderson, sawmiller, Turangarere, 5.25 p.m. to 5.30 p.m.

The Commission adjourned till 7.30 p.m.

Mr. Henry Brown, sawmiller and timber-merchant, Inglewood, examined from 7.30 p.m. to 7.55 p.m.

Mr. G. Wrightson, chairman, Builders' Association, Taihape, 7.55 to 8.10 p.m.

Vote of Thanks.

Moved by Mr. Jennings, and seconded by Mr. Mander, That a hearty vote of thanks be tendered to those gentlemen who had given evidence at Taihape.—Carried.

Mr. H. D. Bennett acknowledged the resolution, and thanked the Commission for the impartial manner in which examination had been conducted.

The Commission then adjourned to Auckland on Friday the 7th May, 1909.

On the morning of Thursday, the 29th April, 1909, the Commission proceeded by train to Rangataua, where an inspection was made of the new mill of the Powell Wood Process Company and the treatment of timber by the process thoroughly examined. After driving to Ohakune, an inspection was made in the afternoon of Mr. G. A. Gamman's mill, close to the Ohakune Railway-station, and the bush-workings visited.

On Friday, the 30th April, 1909, the Commission drove from Ohakune to Raetihi and Horopito, and closely viewed the forest in the vicinity. In the afternoon a return was made to Ohakune, and the train taken to Taumarunui.

On Saturday, the 1st May, the Commission took the train from Taumarunui to Kakahi, where an inspection, under the guidance of Mr. Weir, the manager, was made of the Government sawmill and the bush-workings. The Commission then drove to Manunui, and inspected the mill of Messrs. Ellis, Burnand, and Valder, and in the afternoon went up their tramway to visit the bush-workings. A return was then made to Taumarunui and the train to Auckland caught in the evening.

On Monday, the 3rd May, the Commission proceeded in the afternoon by train to Helensville from Auckland, and on arrival took the steamer to Dargaville, reaching Te Kopuru at 6 a.m. on the 4th, when they landed and drove to Dargaville. At 8 a.m. they took the train to Kaihu, and

on arrival inspected the sawmill of J. Trounson, and went up the cable tram belonging to the Siberian mill to see the method of bringing down the logs. In the afternoon the Commission drove to the Kauri Park, Waima, at the head of the Kaihu Valley, and inspected the fine specimens of kauri-trees growing therein and in the adjoining bush belonging to Mr. Trounson. A return was made to Dargaville by the 5 p.m. train, and at 6 a.m. on the morning of the 5th May the Commission returned by steamer to Helensville, stopping at Te Kopuru *en route* and inspecting the Kauri Timber Company's mill there. On arriving at Helensville at 3.45 p.m. the train to Auckland was caught and Auckland reached at 6.30 p.m.

On Thursday, the 6th May, the Commission inspected the following mills in the City of Auckland:—

Millar's West Australian Hardware Company (Limited).
Messrs. Macklow Bros.
Messrs. Leyland, O'Brien, and Co.'s sawmill, Mechanics' Bay.
Mr. D. Goldie.
Waitemata Sawmilling Company.
Parker, Lamb, and Co.
Leyland and O'Brien's mill in Customs Street.
Kauri Timber Company (Limited).
And also the new Cemetery Bridge, in course of construction.

AUCKLAND, FRIDAY, 7TH MAY, 1909.

The eighteenth meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Friday, the 7th day of May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Correspondence.

Letter, dated 21st April, 1909, from J. Lomas, Chief Advisory Officer, Department of Labour, giving the information required by the Commission as to the cost of workers' homes.—Received.

Evidence.

Mr. Edward Phelan, general secretary to the Auckland Timber-workers' Union, examined from 9.55 a.m. to 12.40 p.m.

Mr. Th. de Schryver, Imperial Export Company of Canada, 12.40 p.m. to 1 p.m.

The Commission adjourned from 1 to 2 p.m.

On resuming, Mr. de Schryver's examination was continued from 2 p.m. to 3.25 p.m.

Mr. W. C. Johns, builder, of Ponsonby, Auckland, 3.25 to 4.35 p.m.

Mr. George Stevenson, staircase-maker, Auckland, 4.35 to 5.35 p.m.

The Commission then adjourned.

AUCKLAND, SATURDAY, 8TH MAY, 1909.

The nineteenth meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Saturday, the 8th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. J. McGill, bush contractor, Mercury Bay, examined from 9.40 a.m. to 9.45 a.m.

Mr. Charles Cowan, sawmill-worker, Mangapeehi, 9.45 a.m. to 11.5 a.m.

Mr. G. A. Pearce, sawmiller, Mamaku, 11.5 a.m. to 12.55 p.m.

Mr. H. Valder, sawmiller (Ellis, Burnand, and Valder), Hamilton, 12.55 p.m. to 1 p.m.

It was decided to adjourn the hearing of Mr. Valder's evidence until Tuesday, 11th May.

The Commission then adjourned.

AUCKLAND, MONDAY, 10TH MAY, 1909.

The twentieth meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Monday, the 10th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. H. B. Coupe, sawmiller, Mamaku, examined from 9.40 a.m. to 12.30 p.m.

Mr. W. Steele, sawmiller, Mamaku, 12.30 p.m. to 1 p.m.

The Commission adjourned from 1 to 2.15 p.m.

Mr. David Goldie, timber-merchant, Auckland, 2.20 p.m. to 3.45 p.m.

Mr. W. F. Mason, secretary, South Auckland Sawmillers' Association, 3.45 p.m. to 4.20 p.m.

Mr. George Fraser, Phœnix Foundry, Auckland, 4.20 p.m. to 4.40 p.m.

Mr. John Mitchell, architect, Auckland, 4.40 p.m. to 5.50 p.m.

The Commission then adjourned.

AUCKLAND, TUESDAY, 11TH MAY, 1909.

The twenty-first meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Tuesday, the 11th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Correspondence.

Letter, dated the 7th May, from the Secretary of Customs, forwarding a return showing the importation of Oregon pine into New Zealand from the 1st January, 1907, to the 30th April, 1909.—Received.

Letter, dated the 7th May, from the Commissioner of Crown Lands, Invercargill, covering a statement as to the area of land in Southland denuded of forest by sawmilling during the last twenty years.—Received.

Letter, dated the 4th May, from the Warden, Greymouth, forwarding information respecting sawmill areas and royalties in the Greymouth District.—Received.

Evidence.

Mr. H. Valder, sawmiller, Manunui (examination continued), from 9.35 a.m. to 12.10 p.m.

Mr. R. J. Roberts, architect, Devonport, Auckland, examined from 12.10 p.m. to 12.25 p.m.

Mr. G. H. Norie, Railway Storekeeper, Newmarket, 12.25 p.m. to 12.50 p.m.

The Commission adjourned till 2 p.m.

Mr. Stanley Milroy, secretary to the Kauri Timber Company, Auckland, from 2.5 p.m. to 4.55 p.m.

Mr. William McArthur, sawmiller, Putaruru, 4.55 p.m. to 5.30 p.m.

The Commission then adjourned.

AUCKLAND, WEDNESDAY, 12TH MAY, 1909.

The twenty-second meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Wednesday, the 12th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Hon. Edwin Mitchelson, timber-merchant, Auckland, examined from 9.35 a.m. to 11.30 a.m.

Mr. G. H. Norie (explanation regarding evidence given by him on the previous day), 11.30 to 11.35 a.m.

Mr. John Strauchon, Commissioner of Crown Lands, Auckland, 11.35 a.m. to 11.55 a.m.

Mr. James Trounson, sawmiller, Kaihu, 11.55 a.m. to 12.45 p.m.

Mr. H. P. Kavanagh, Timber Expert, Lands Department, 12.45 p.m. to 1 p.m.

Information required.

It was resolved, That the Commissioner of Crown Lands be asked to supply in his return of areas held for sawmilling purposes in the Auckland District information showing—(*a*) upset price fixed by the Department for each area, at per 100 sup. ft.; (*b*) price agreed to be paid by the successful tenderer.

The Commission adjourned from 1 to 2 p.m.

Evidence.

Mr. H. P. Kavanagh (examination continued), from 2 p.m. to 3.50 p.m.

Mr. John Jenkins, builder, Arch Hill, 3.50 p.m. to 5 p.m.

Mr. D. T. McIntosh, District Railway Engineer, 5 p.m. to 5.15 p.m.

The Commission then adjourned.

AUCKLAND, THURSDAY, 13TH MAY, 1909.

At 8.45 a.m. on Thursday, the 13th May, the Commission visited the workshop of Messrs. Cousins and Atkin, coach and tram-car builders, in Lorne Street, and the furniture-factory of the Direct Supply Company.

The twenty-third meeting of the Commission was held in the Land Board Room, Government Buildings, Auckland, on Thursday, the 13th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. W. J. Cousins, coachbuilder, Auckland, examined from 9.35 a.m. to 9.45 a.m.

Mr. T. H. White, mill-manager, Kauri Timber Company, and president, Auckland Sawmillers' Association, 9.45 a.m. to 12.25 p.m.

Mr. Thomas Mahoney, architect, Auckland, 12.25 p.m. to 1 p.m.

The Commission adjourned from 1 to 2 p.m.

Mr. Edward Bartley, architect, Auckland, from 2 p.m. to 3.5 p.m.

Mr. Alfred McKenzie, Foreman of Works, Harbour Board, 3.5 p.m. to 3.15 p.m.

Mr. Theodore Jacobsen, architect, Auckland, 3.15 p.m. to 3.30 p.m.

Mr. W. A. Holman, architect, Auckland, 3.30 p.m. to 3.50 p.m.

Mr. A. Grayson, president, Builders' Association, 3.50 p.m. to 4.25 p.m.

Votes of Thanks.

Moved by Mr. Mander, and seconded by Mr. Leyland, That a hearty vote of thanks be tendered to those witnesses who have given evidence in Auckland, many of whom have come long distances to do so.—Carried.

Mr. T. H. White thanked the Commission on behalf of the witnesses.

Moved by Mr. Field, and carried, That a hearty vote of thanks be extended to those gentlemen, both in the Kaipara and in Auckland, who assisted to entertain the Commission during its stay in those localities.

The Commission then went into Committee.

It was decided to proceed to Rotorua on Friday, the 14th May, visit the Rotorua Nursery, and Waiotapu, Whakarewarewa, and Waipa Plantations, after which the Commission will go to Wellington and commence taking evidence on Thursday, the 20th May, at 2 p.m.

The Commission then adjourned.

On Friday, the 14th May, the Commission proceeded at 10 a.m. by train from Auckland to Rotorua, arriving at 5.50 p.m.

On Saturday, the 15th May, the Commission drove to Whakarewarewa and inspected the State nursery and plantation there. They then proceeded to the Waipa Prison Camp, and afterwards visited the new prison camp at Rotokakahi and the site of the new plantation.

On Monday, the 17th May, the Commission drove from Rotorua to Waiotapu and inspected the prison camp and large plantation of 3,000 acres, chiefly planted by prison-labour. They then continued their journey to Lake Taupo, arriving at 5.45 p.m.

On Tuesday, the 18th May, the Commission crossed Lake Taupo to Tokaanu in a steamer, and drove by coach from Tokaanu to Waiouru, arriving at 6.10 p.m.

On Wednesday, the 19th May, the Commission took the train from Waiouru to Wellington, arriving at 4.25 p.m.

WELLINGTON, THURSDAY, 20TH MAY, 1909.

On Thursday, the 20th May, the Commission visited some of the local mills and timber-yards in the morning, inspecting the premises of the Stewart Timber Company, the Prouse Lumber Company, and Messrs. C. and A. Odlin (Limited).

The twenty-fourth meeting of the Commission was held in the Museum Buildings, Wellington, on Thursday, the 20th May, 1909, at 2 p.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Affidavit.

It was resolved to receive as evidence an affidavit dated the 15th May, 1909, by Henry Brown, of Inglewood, sawmiller, correcting a statement made by him at Taihape when undergoing examination.

Evidence.

Mr. Clem. Knight, representative of Hawke's Bay timber-workers, Dannevirke, examined from 2.25 p.m. to 4.10 p.m.

Mr. Henry Smith, of Eketahuna, timber-worker, 4.15 to 5.30 p.m.

The Commission then adjourned.

WELLINGTON, FRIDAY, 21ST MAY, 1909.

The twenty-fifth meeting of the Commission was held in the Museum Building, Wellington, on Friday, the 21st May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman) and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. Andrew Quinlan, sawmiller, Nireaha, examined from 9.45 a.m. to 12.40 p.m.

Mr. James Malcolm, Horowhenua County Engineer, Levin, 12.40 p.m. to 1 p.m.

The Commission adjourned from 1 to 2 p.m.

Mr. James Malcolm (examination continued), from 2.5 to 2.20 p.m.

Mr. John Anderson, sawmiller, Masterton, 2.20 p.m. to 2.50 p.m.

Mr. W. H. Bennett, builder and contractor, chairman of the New Zealand Federated Builders, Wellington, 2.50 p.m. to 4.55 p.m.

Mr. W. L. Thompson, builder, Wellington, 4.55 p.m. to 5.50 p.m.

Correspondence.

Letter, dated the 14th May, 1909, from the Collector of Customs, Auckland, explaining details of a return furnished by him.—Received.

The Commission then adjourned.

WELLINGTON, SATURDAY, 22ND MAY, 1909.

The twenty-sixth meeting of the Commission was held in the Museum Building, Wellington, on Saturday, the 22nd May, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Correspondence.

Letter, dated the 18th May, 1909, from H. Valder, managing director of Messrs. Ellis Burnand, submitting particulars regarding the firm's profits for the past five years (confidential).—Received.

Evidence.

Mr. Charles Hutton (previously examined in Taihape), representative of the sawmill workers at Taihape, examined from 9.5 a.m. to 10.20 a.m.

Mr. Henry Donovan, sawyer, Taihape, 10.20 a.m. to 11.25 a.m.

Mr. J. S. Hutchinson, Railway Storekeeper, Petone, 11.25 a.m. to 12 noon.

Mr. Alex. Campbell, builder, Wellington, 12 noon to 1 p.m.

Adjournment.

Moved by Mr. Ell, and seconded by Mr. Hanan, That the Commission adjourn till 9 a.m. on Tuesday, the 25th May.—Carried.

The Commission then adjourned.

WELLINGTON, TUESDAY, 25TH MAY, 1909.

The twenty-seventh meeting of the Commission was held in the Museum Building, Wellington, on Tuesday, the 25th May, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. Alex. Campbell (examination continued), from 9.5 a.m. to 9.55 a.m.

Mr. J. P. Maxwell, C.E., consulting engineer, 9.55 a.m. to 10.30 a.m.

Mr. W. H. Bennett (previous witness) read figures from census, 10.30 to 10.35 a.m.

Mr. F. de J. Clere, architect, Wellington, 10.35 a.m. to 11.45 a.m.

Mr. W. D. Murdoch, Building Inspector for City Council, 11.45 a.m. to 12.25 p.m.

Mr. G. H. Chapman, West Coast Timber Trading Company, Wellington, 12.25 p.m. to 1 p.m.

The Commission adjourned till 2.30 p.m.

Mr. G. H. Chapman (examination continued), from 2.30 p.m. to 3.15 p.m.

Mr. C. T. Nordell, farmer, Eketahuna, 3.15 p.m. to 3.40 p.m.

Mr. F. T. Moore, settler, Johnsonville, 3.40 p.m. to 4.25 p.m.

Mr. David Robertson, engineer, Wellington, 4.25 p.m. to 4.45 p.m.

Mr. G. E. Humphries, builder and contractor, sash and door factory, Wellington, 4.45 p.m. to 6.5 p.m.

The Commission then adjourned.

WELLINGTON, WEDNESDAY, 26TH MAY, 1909.

The twenty-eighth meeting of the Commission was held in the Museum Building, Wellington, on Wednesday, the 26th May, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. A. C. Koch, District Railway Engineer, Wellington, examined from 9.15 a.m. to 9.50 a.m.

Mr. James Mackenzie, Commissioner of Crown Lands, Wellington, 9.50 a.m. to 11.52 a.m.

Mr. James Burnett, Chief Engineer, New Zealand Railways, 11.52 a.m. to 12.25 p.m.

Mr. N. F. Marley, secretary, Wellington Timber-merchants' Association, 12.25 p.m. to 1 p.m.

The Commission adjourned till 2 p.m.

Mr. William Hopkirk, chairman, Wellington Builders' Association, examined from 2.5 p.m. to 3.42 p.m.

Mr. William McKone, secretary, Wairarapa Sawmillers' Association, Masterton, 3.42 p.m. to 4 p.m.

Mr. William Hopkirk made a personal explanation from 4 p.m. to 4.10 p.m.

Mr. J. Reardon, secretary, General Labourers' Union, 4.10 p.m. to 5 p.m.

The Commission then adjourned till 7.30 p.m.

Mr. Reardon (examination continued), from 7.30 p.m. to 9 p.m.

Mr. C. C. Odlin, timber-merchant, Wellington, 9 p.m. to 9.45 p.m.

The Commission then adjourned.

WELLINGTON, THURSDAY, 27TH MAY, 1909.

The twenty-ninth meeting of the Commission was held in the Museum Building, Wellington, on Thursday, the 27th May, 1909, at 9 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

Evidence.

Mr. F. G. Dalziell, chairman of directors, Taupo Totara Timber Company, examined from 9.5 a.m. to 11.15 a.m.

Mr. William C. Kensington, Under-Secretary for Lands, Wellington, 11.15 a.m. to 12.45 p.m.

Mr. T. Ronayne, General Manager, New Zealand Railways, 12.45 p.m. to 1 p.m.

The Commission adjourned from 1 to 2 p.m.

Mr. Ronayne (examination continued), from 2 p.m. to 3.45 p.m.

Mr. J. T. Waterhouse, Clerk of Works, Wellington, 3.45 p.m. to 4.30 p.m.

Mr. Fritz Jenssen, formerly manager, Hawke's Bay Timber Company, Dannevirke, 4.30 p.m. to 5 p.m.

Mr. Joseph Butler, sawmiller, Hokitika, 5 p.m. to 6 p.m.

Moved by Mr. Hanan, and seconded by Mr. Clarke, That the taking of evidence in Wellington be now closed.—Carried.

Moved by Mr. Field, and seconded by Mr. Arnold, That the thanks of the Commission be conveyed to those witnesses who have attended in Wellington and given valuable evidence.—Carried.

Moved by Mr. Leyland, and seconded by Mr. Clarke, That a vote of thanks be passed to all those who have assisted to entertain the Commission whilst in Wellington.—Carried.

The Commission then adjourned.

WELLINGTON, FRIDAY, 28TH MAY, 1909.

The thirtieth meeting of the Commission was held in the Museum Building, Wellington, on Friday, the 28th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

The Commission then went into committee to consider the report.

An adjournment was made from 1 to 2 p.m. and from 6 p.m. to 7.30 p.m.

The Commission rose at 10 p.m.

WELLINGTON, SATURDAY, 29TH MAY, 1909.

The thirty-first meeting of the Commission was held in the Museum Building, Wellington, on Saturday, the 29th May, 1909, at 9.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

In Committee.

After further discussion of the report, it was moved by Mr. Ell, and seconded by Mr. Jennings, That, owing to the volume of evidence adduced during the limited period of the Commission, the taking of which only closed on the evening of the 27th May, and to the necessity for properly considering and analysing the same before reporting thereon, His Excellency the Governor be respectfully requested to extend the Commission for an additional thirty days, so as to enable the report to be prepared and presented.—Carried.

It was decided to adjourn until Monday, the 7th June, 1909, at Wellington, when those members of Parliament on the Commission, together with Mr. Barber, should meet as a sub-committee to draft the report, and that the Secretary should, in the meantime, have the resolutions previously passed in committee incorporated in a preliminary draft for consideration.

The Commission then waited for the Government's approval of the extension, and, this having been received, adjourned at 1 p.m.

Meetings of the sub-committee appointed to draft the report were held at the Museum Building, Wellington, on Monday, the 7th June, 1909; Tuesday, the 8th June, 1909; Wednesday, the 9th June, 1909; Thursday, the 10th June, 1909.

WELLINGTON, THURSDAY, 17TH JUNE, 1909.

The thirty-second meeting of the Commission was held in the Old Parliamentary Buildings, Wellington, on Thursday, the 17th June, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members except Mr. Morris.

The minutes of the previous meeting were read and confirmed.

The draft report was further considered in committee.

The Commission adjourned at noon.

WELLINGTON, FRIDAY, 18TH JUNE, 1909.

The thirty-third meeting of the Commission was held in the Parliamentary Buildings, Wellington, on Friday, the 18th day of June, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

The draft report was further considered in committee.

The Commission adjourned from noon to 2 p.m.

It was decided to obtain further particulars from the Customs Department as to the landed cost of Oregon timber.

The Commission adjourned at 4.15 p.m.

WELLINGTON, SATURDAY, 19TH JUNE, 1909.

The thirty-fourth meeting of the Commission was held in the Parliamentary Buildings, Wellington, on Saturday, the 19th June, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

The draft report was further considered in committee.

It was decided to obtain further particulars of importations and exports of timber from the Customs Department.

It was also decided that the Under-Secretary of Lands be asked to revise the information contained in Appendix B.

The Committee adjourned at 1 p.m.

WELLINGTON, MONDAY, 21ST JUNE, 1909.

The thirty-fifth meeting of the Commission was held in the Parliamentary Buildings, Wellington, on Monday, the 21st June, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

The draft report was further considered, and ordered to be retyped for final revision.

The Commission adjourned at 4.45 p.m.

WELLINGTON, TUESDAY, 22ND JUNE, 1909.

The thirty-sixth meeting of the Commission was held in the Parliamentary Buildings, Wellington, on Tuesday, the 22nd June, 1909, at 10.30 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members.

The minutes of the previous meeting were read and confirmed.

The revised report was further considered in committee, and adopted for final consideration.

It was decided that typewritten copies of resolutions be supplied to members for their information.

The Commission adjourned at 4.15 p.m.

WELLINGTON, WEDNESDAY, 23RD JUNE, 1909.

The thirty-seventh meeting of the Commission was held in the Parliamentary Buildings, Wellington, on Wednesday, the 23rd June, 1909, at 10 a.m.

Present: The Hon. T. Y. Duncan (Chairman), and all the members except Messrs. Hanan and Jennings.

The minutes of the previous meeting were read and confirmed.

Adoption of Report.

It was decided to adopt the report, as revised, and transmit the same to His Excellency the Governor at the earliest opportunity.

Votes of Thanks.

Moved by Mr. Mander, and seconded by Mr. Morris, That a hearty vote of thanks be accorded to the Chairman for so ably conducting the business of the Commission, and in doing so the Commission desires to place on record its appreciation of the patience, tact, and skill with which he presided over its meetings.

The resolution was supported by the other members, and carried with acclamation.

The Chairman feelingly acknowledged the resolution.

Moved by Mr. Mander, and seconded by Mr. Morris, That a hearty vote of thanks be accorded to the Secretary, Mr. W. R. Jourdain, for the able manner in which he carried out the responsible duties intrusted to him, the Commission recognising that he performed his work with much energy, discretion, and business ability.—Carried.

The Secretary expressed his thanks for the compliment paid to him.

The Commission then terminated at 11 a.m.

NORTH ISLAND

(TE IKA-A-MAUI)

NEW ZEALAND

Showing the Areas detailed in Appendices A and B

accompanying the Report of the Timber Commission.

Scale of English Miles

Reference

Cities
Boroughs
Towns
Railways
Roads
Boundaries of Land Districts
Projection—Rectangular Tangential
Forest on Crown land available for sawmilling
Sawmill areas held by sawmillers

RAOUL or SUNDAY I.

MACAULEY I.

CURTIS I.

L'ESPERANCE RK.

KERMADEC ISLANDS

COOK ISLANDS

T A S M A N S E A

M I D D L E I S L A N D

SOUTH PACIFIC OCEAN
TE MOANA-NUI-A-KIWA

Bay of Plenty
Hawke Bay
South Latitude
North Taranaki Bight
South Taranaki Bight
Golden Bay
Tasman Bay
Karamea Bight
Cook Strait
Palliser Bay

172° 173° 174° 175° East Longitude 176° 177° 178°

By Authority: John Mackay, Government Printer

SOUTH ISLAND

(TE WAI-POUNAMU)

NEW ZEALAND

Showing the Areas detailed in Appendices A and B

accompanying the Report of the Timber Commission.

Scale of English Miles

Reference

Cities
Boroughs
Towns and villages
Railways and stations
Roads
Boundaries of Land Districts
Projection - Rectangular Tangential

Forest on Crown land available for sawmilling

Sawmill areas held by sawmillers

T A S M A N S E A

Onetahi Bay

Tasman Bay

Karamea Bight

Pegasus Bay

Banks Peninsula

Canterbury Bight

S O U T H P A C I F I C

(TE MOANA-NUI-A-KIWA)

O C E A N

South Latitude

Stewart Island

FOVEAUX STRAIT

AUCKLAND I.

CAMPBELL I.

REKOHU or WHARE-KAURI

CHATHAM ISLANDS

168° 169° 170° 171° 172° 173° 174°

167° 168° 169° 170° East Longitude 171° 172° 173° 174°

MINUTES OF EVIDENCE.

INVERCARGILL, 27TH MARCH, 1909.

WALTER HORACE BRENT sworn and examined. (No. 1.)

Witness: I am not prepared to make a statement, but I am in a position to answer questions. I have only just returned from the north. I could make a statement on Monday morning next.

Hon. the Chairman: Is it the wish of the Commission that we excuse Mr. Brent for the present? —Agreed to.

EDWARD COOPER LEARY sworn and examined. (No. 2.)

Witness: I am secretary of the association of a few sawmillers, but it is not a registered association. We call it the Otago and Southland Sawmillers' Association.

Hon. the Chairman: We require you to make a statement, and questions will be asked you later.

Mr. Leary: As far as practical sawmilling goes, I can say nothing. I can only tell you about the association. It was formed about July, 1907.

1. *Hon. the Chairman:* How many members were there at that time?—There were eighteen.

2. Will you kindly give their names?—I think it is confidential.

3. It depends upon what the Commission may consider confidential, and I do not think it is breaking any confidence to know the names of the men in the association?—I have no authority from them to give the names, and it might be considered by them as confidential. I have been out of town, and have had no meeting of the association. I have no authority to give this information, but I have not been told not to give it.

4. We will waive that in the meantime?—If called on I may be able to give it later. I may state that they represent about twenty-one mills, and there were seventy-three mills altogether. They represent about twenty-one or twenty-two out of the seventy-three—about one-third. I think there are seventy-three in the Southland District altogether, but I think that includes Catlin's River as well.

5. *Mr. Field:* There are not seventy-three in Southland?—No, I do not think so. The exact information could be got for the Commission without any difficulty. I am not speaking from any list I have had, but merely from memory and from conversations I have had.

6. *Hon. the Chairman:* Are you prepared to answer any questions with regard to the workings of this association?—Yes, I think so.

7. What were the special features for which it was formed—that is, when they formed the association there were some rules and regulations laid down with regard to the disposal of timber and many other things?—Yes, in the notification I got from your secretary last night I was asked to produce the memorandum. There is not a great deal in it, and it is in the same position, because I do not think I should be justified in producing it without the authority of my association unless it was given in committee.

8. I do not want to commit you to anything that would be injurious to your association in any way. We want to get all information possible, and you will be prepared to give it later, I suppose?—Yes, with the authority of the association I am quite prepared to give it.

9. We have power to call for it, but we do not want that?—I am pretty sure the association will agree to it. Of course, I can give it now in committee.

Mr. Barber: We must not allow this to be established as a precedent, because, if we do, it will hamper us throughout the Dominion. Those who constitute the association are well known in the district, and their names should be made public. If we agree to what is suggested, every other association will claim a similar privilege. Of course, I am aware there may be confidential matters which we should regard as confidential. The position of the association is well known, just as there is in Wellington an association, and there is nothing confidential about it.

Mr. Mander: The secretary has come here before he is quite ready. The association is not refusing to give any information we require, but the secretary has not got the authority to do so. We do not want to get the secretary into any difficulty. We had better let it stand over until he gets the authority.

Mr. Brent: I give him my authority. I will take the responsibility on behalf of the association on my shoulders.

Mr. Leary: In that case I will read the memorandum of association.

"*Memorandum of Association, Otago and Southland Sawmillers and Timber Merchants.*

"It is hereby agreed that the undersigned are associated for the purpose of generally promoting and fostering their mutual interests, and to establish and maintain a uniform price for timber, and for the purpose of giving and receiving information which may tend to the general benefit.

"The business of the association shall be conducted by a secretary, who shall keep minutes of all meetings and carry out instructions as may be given by the association in general meeting. The secretary shall have power to investigate any alleged breaches of the rules, and shall report the result of his investigations to a general meeting.

"The minutes of the association as passed from time to time by general meetings shall be binding on all members.

"The first price-lists and trade discounts of the association shall be as per attached printed lists, and shall remain in force until altered by the association in general meeting. Such first lists to come into force as from the 15th July, 1907.

"The cost of administration shall be borne in proportion to the number of mills owned and [or] controlled by each member by levies to be made quarterly. For this purpose each member will be deemed to own or control at least one mill.

"Dated this 14th day of July, 1907.

"P.p. SOUTHLAND SAWMILLING COMPANY.
P.p. NEW ZEALAND PINE COMPANY (per CHAS. RICHARDSON).
THE SOUTHLAND TIMBER COMPANY (per J. HENSLEY).
BROAD, SMALL, AND CO.
N. A. NEIDERER.
MCCALLUM AND CO.
THOMSON, BRIDGER, AND CO. (LIMITED), (J. C. THOMSON, Director).
HOGG AND CO. (LIMITED), (ALFRED M. HOGG, Director).
W. H. BRENT.
J. W. G. MCINTYRE.
MORE AND SONS (LIMITED), (THOMAS MORE, Manager).
H. F. MOSS.
A. AND D. MACPHERSON.
TIMPANY BROS.
G. HOWES."

10. *Hon. the Chairman:* The names you have just read are the signatures ?—Yes.

11. There were therefore fifteen firms or companies who signed when the association was formed ?—Yes.

12. Has there been any alteration in the association since that ?—From memory I think two others joined since that, but I am not quite sure, and I have taken a note of it. I do not think my evidence can be of any value to you in the matter of timber, as I am merely the scribe for the association.

13. Is your association prepared—that is, the millers—to submit all the information required by the Commission ?—I am quite sure that the millers are prepared to give all the information possible. Any one who knows could give more reliable information than I can.

14. *Mr. Field.*] There is nothing to keep back ?—No, nothing to keep back. In fact, I think they welcome the fullest inquiry.

15. *Mr. Barber.*] What penalties are there for breaches of the rules ?—None.

16. You said there was a price-list placed before the association ?—Yes.

17. Has there been any subsequent price-list since the association was formed ?—No, but the prices have been varied from time to time, although there have not been any material alterations.

18. Will you put in a copy of the price-list ?—Yes. [Price-list produced.]

19. That embodies the prices at the time the association was formed, and the variations up to date ?—No, it does not embody the variations—I will put them in.

20. You say there is no penalty for any breach of the rules of the association ?—No. There has been no alteration in the memorandum.

21. As secretary of the association you state that there is no penalty to be inflicted ?—We look upon it as a matter of honour and stick to it.

22. *Mr. Arnold.*] What action has your association taken to get the remainder of the seventy-odd mills to join the association ?—As an association they have not done anything. I believe the members have spoken to outsiders about it, and mentioned the desirability of joining the association, but the association itself has not taken any action.

23. The majority of them have declined to become members ?—I do not know whether they have declined, but the fact remains that they are not members.

24. The mills throughout the whole district of Otago and Southland have increased in number considerably since the formation of the association ?—I think they have, but I cannot speak definitely on those matters.

25. The association should be able to speak better than the individual miller ?—Well, the association keeps no record of that sort at all.

26. Has the association any record or any figures as to the output ?—No, none whatever.

27. Has the association passed any resolution with regard to limiting the output of various mills ?—Yes, there have been resolutions.

28. To what extent has it been limited ?—I think the output has been cut down by one-third. They cut it down more than that by extending the Christmas holidays.

29. Why was that done ?—Because the millers were creating enormous stocks, and we could not dispose of the timber.

30. It was not done for the purpose of raising the prices ?—No.

31. As a matter of fact, have the prices been increased to any great extent since the formation of the association ?—No, they have not.

32. *Mr. Stallworthy.*] I should like to know whether the members of the association are the smaller millers or the larger concerns only ?—I think mostly the larger concerns are in it.

33. Do those outside the association sell their output to members of the association ?—I cannot say that. I do not know anything about that.

34. Can you give us any idea as to how this uniform price is fixed by the association: what guides the association in arriving at these uniform prices ?—I presume the cost of production would guide them.

35. Is there not some basis on which it is fixed ?—The price-list was fixed at the time the association was formed, and has practically remained the same ever since, except for slight variations and discounts.

36. Have there been any fresh awards in regard to the timber-workers' wages in the Arbitration Court since the fixing of the prices ?—Yes, there has been an alteration. I do not know the extent of it, but I know there was one made.

37. And after that award was there an increase in the price of timber ?—No.

38. Does your association act in unity or in conference with other associations throughout the colony in the fixing of prices ?—No.

39. *Mr. Mander.*] Has the cost of production gone up at all since the association was formed ?—I really could not say—I am not a practical man.

40. *Hon. the Chairman :* How often does the association meet to discuss matters ?—Once a month.

41. And you are present then ?—Yes.

42. And minutes of the proceedings are taken ?—Yes.

43. Could they be submitted to the Commission ?—Yes, I think they could. I do not think the millers wish to hide anything.

44. Have you any further statement you wish to make ?—No, except this : that from the questions that have been asked one might think the association is in existence purely for the purpose of maintaining the price ; but the minutes will show that there are many other things gone into, such as the relationship of the employee and employer, and so on. The fact that the prices have remained stationary since 1897 shows that they do not meet only for the purpose of discussing prices.

JOSEPH HENSLEY sworn and examined. (No. 3.)

1. *Hon. the Chairman.*] What are you ?—A sawmiller and managing director of the Southland Timber Company (Limited).

2. Will you make a statement with regard to the production of the timber, and how it is controlled by your company ?—I might say that the company is associated with the association. Dealing with the cost of production, I do not know whether it would be necessary for me to give you an analysis of the cost : the various mills, of course, differ. In each mill the cost of production differs slightly perhaps from the other according to the nature of the country, and probably the various millers arrive at different results as to the cost of production.

3. What is the experience of your company ?—Well, roughly, the net cost of production for all timbers, taking them on the average, is from 8s. to 8s. 6d.

4. *Mr. Field.*] That is landed at the nearest railway-station ?—Yes ; landed on the trucks. That is the net cost, including office charges and everything. Included in that 8s. 6d. is 50 per cent. for wages for the mill, and then there is maintenance, chaff, royalty, depreciation, interest on capital, the cost of laying tramways, and half a dozen other items.

5. *Hon. the Chairman.*] State them separately ?—I can supply a memorandum. The items I have enumerated—depreciation, maintenance, blacksmith's work, tramway work, chaff, oats, and harness—contribute to make from 8s. to 8s. 6d., and included in that is office expenses, accident insurance, fire insurance, oils, belts, files, saws, &c., bad debts, discounts, interest on capital, and foundry-work. That is all included in the 8s. 6d. roughly. In dealing with this point, I will speak from the standpoint of our own mills. That is the average cost of production which our company finds existing at our present mills. Those mills work in the western district—the Otautau district—and a third of the production of those mills is second-class timber, and a fourth of the total production is beech. Of course you are acquainted with the mode of cutting the timber out, and you will have seen the difficulties. One mill is almost similar to the other ; but in some mills the difficulty is intensified with hilly country and bridges, and the cost of production is more. The difficulty the millers in the Longwood have to deal with is that the life of the bush is very short. The cost of production is very high, and it increases every year. As the trams go back into the bush the cost of production gets higher.

6. What do you mean when you say the life of the bush is very short ?—The life of the mill, I should have said. As the tramways get further back into the bush the production, so far as the cost is concerned, is increased, and it becomes a very difficult matter year by year to log the mills. One point in dealing with the cost of production is the forest regulations. We are allowed 800 acres, 200 acres of an area, and 600 acres reserve for each mill. In the Longwood and Western Ranges this only gives an average mill about six years' life, and, of course, to get back our capital, the depreciation on that is very considerable. The cost of the mills is in some respects similar ; a mill getting from 100,000 ft. a month would cost approximately £3,000 to £3,500 ; but, of course, it depends on the size of the mill. Under the present regulations, of course, this mill is exhausted in six years. The bush is practically cut out, and the sawmiller has to meet this capital in the matter of depreciation. I think that is all I have to say on the cost of production.

7. The life of the plant is only six years ?—Yes. There is a value at the end of that time, of course ; but it requires heavy writing-off to get your money back.

8. Can you give us any indication of what that might be ?—I think if the plant was kept in good repair, and was good plant in the first instance, costing the amount I stated, you would probably get £750 to £800 for it at the end of that time. It would cost you £3,000.

9. You do not anticipate that the timber in the vicinity would be cut out in six years ?—No. Of course there is always the probability of your getting another area ; but at the present time the areas are so scarce that it is very often the case that the miller is shutting up his plant on account of there being no more bush in the vicinity.

10. You are aware, I suppose, that after a miller has cut out 200 acres he can apply for another 200 ?—Yes, that is so ; but there are cases where that is not possible.

11. Because other people have already engaged it, I suppose ?—Yes.

12. How do you generally work : do you contract for the bushfelling ?—No, we pay all wages.

13. And you have made out an estimate of what the average cost of the logs at the mill would be ?—We know, of course, in the cost of production what the logging comes to, and what the sawing comes to, and we can take that out and tell pretty well to a halfpenny ; but that is all embodied in the 8s. 6d. In these mills the logging averages from 1s. 8d. to 2s. a hundred feet. The mill-sawing would cost from 1s. 5d. to 1s. 6d. a hundred feet ; the yard-work costs 6d., and the trollying costs another 6d.

14. That is in connection with the logs—in getting the timber to the yards ?—Yes, to the yards. That is sawn timber from the mill to the yards. Then the yard-work costs 6d. a hundred feet to load on to the trucks. Those items constitute the wages practically, which amount, roughly, to about 7s. 6d., and sometimes more. I have here the wages-sheet [produced].

15. Have the prices gone up during the last ten or fifteen years : the cost of production ?—Yes, they have gone up very considerably.

16. Can you state how much ?—I could not say exactly. Of course, it has varied from year to year. It has gone up by anything from 50 per cent. during the last ten years.

17. That is in wages ?—Yes.

18. Can you state what the average selling-price of timber was ten years ago ?—We were not in existence ten years ago, and I do not remember, myself ; but I could get the information for you.

19. Regarding the selling-price of timber, we had a printed price-list setting forth the prices of the various sizes of timber ?—This price-list is only a basis on which the prices are gauged ; they are subject to various trade discounts, which reduce the list price very considerably.

20. The price charged all depends on who you sell to ?—Yes. Take, for instance, the Invercargill price-list. The timber delivered in a yard or on the job is 10s. 6d. We allow 5 per cent. off, bringing it down to 10s. But to bring the timber here it costs 2s. Altogether, we get for that timber from 7s. 6d. to 7s. 9d.

21. You get that at the mill ?—Yes, at the mill.

22. *Mr. Field.*] What is the 2s. for ?—Freight and cartage.

23. *Mr. Ell :* At the railway-siding, 10s. 6d. ?—Speaking of Invercargill Town, we deliver for 10s. We pay freight and railage, and we really only get from 7s. 6d. to 7s. 9d. at the mill. Of course, the price is correspondingly less for second-class timber. Of course, the price varies according to the town in which the timber is sold and the customer to whom it is sold. We sell timber in Ashburton, and we allow as much as 25 per cent. off the wholesale list.

24. *Mr. Leyland.*] The price is different ?—Yes, we have to meet the competition at a large port like Timaru, and we allow anything from 25 to 35 per cent. off the 9s. 6d.

25. *Mr. Mander.*] What for second-class ?—From 5s. to 6s. 6d. or 7s.

26. *Hon. the Chairman.*] In the case of any one taking the risk of sending from Ashburton, Timaru, or Oamaru, would your company load it at the railway here at 7s. 6d. ?—No ; we load it at the mill. We charge our railage from Riverton. We charge, say, a contractor from Ashburton 9s. 6d. wholesale, and we allow a contractor anything from 20 to 25 per cent. off the 9s. 6d.

27. *Mr. Leyland.*] Delivered at Ashburton ?—No ; of course he pays the railway freight.

28. *Mr. Ell.*] You charge 9s. 6d. at Riverton ?—Yes, less various trade discounts.

29. *Hon. the Chairman.*] Is your company in the association ?—Yes.

30. And that would be general ?—This is the price we all stick to. I do not think that the average we get, taking all our timbers, is more than 9s. to 9s. 6d. for the net selling-price.

31. *Mr. Field.*] For timber of all classes ?—Totara, matai, and all classes.

32. *Hon. the Chairman.*] What is the difference between the prices ?—About 4s. difference. Matai is 12s. and totara 16s.

33. *Mr. Field.*] What class of timber is that ?—First class.

34. *Mr. Mander.*] That is your selling-price ?—Yes, less trade discounts. That is the basis. All these prices are subject to trade discounts. That is all I can say about the selling-prices.

35. *Hon. the Chairman.*] Have you anything else you would wish to say ?—I would like to say, about the birch-millers in the Longwood country : The birch in very many areas comprises 25 to 40 per cent. of the whole. That birch or beech is not so saleable as the red-pine, and a large majority of millers, especially in the western district, have to contend with it. The timber has not come into very general use ; the sale is very small ; there is only one grade ; but the production is great. That is a difficulty the birch-millers have to contend with, and it is a very grave one. There are a few orders for first-class beech or birch ; but practically no orders for second-class or second-grade. It is all clean stuff that is wanted, which reduces the price of this timber very considerably.

36. *Mr. Hanan.*] When was your company formed ?—1902.

37. What is your nominal capital ?—£5,000.

38. Your paid-up capital ?—£5,000.

39. Have you any objection to stating whether your company has been a payable concern or not ?—Oh, it has been a payable concern.

40. Have you any objection to say what your dividends have been ?—Well, I would mention it in private.

41. On the whole your company has been a prosperous one ?—Not altogether prosperous. I have to look ahead and get bush to feed our plants.

42. It has shown a fair interest on the amount invested ?—Yes ; fair.

43. How many timber areas have you not worked out in Southland ?—Two.

44. How many have you worked out ?—Four.
45. What have been the prices paid in royalties in regard to what you worked out or which you now hold ?—The price per 200 acres ?
46. Yes ?—I have it here. They vary very considerably. This is one area, 462: £84 10s. royalty.
47. Where is that situated ?—Aparima.
48. How many miles from here ?—Twenty-six.
49. How many from the railway-station ?—Four miles.
50. What others have you got ?—There is an area, 441: £127 10s. royalty.
51. *Mr. Mander.*] Two hundred acres ?—Yes.
52. *Mr. Hanan.*] When was that bought ?—1900.
53. Is that worked out ?—Yes. Then there is an area, 441c: £144 10s.
54. Worked out ?—No.
55. How many miles from the railway ?—At the same place: they are all part of the reserve.
56. How many mills do you own or control ?—Three.
57. Are they all working now ?—Two.
58. Why is the other not ?—The timber is almost cut out.
59. Where is that ?—Makarewa.
60. How many hands do you employ altogether at the three mills ?—When fully working, from forty-two to forty-five.
61. What has been the class of timber you have been obtaining in this bush ?—In Aparima, principally beech.
62. And the others ?—White-pine and mixed timbers.
63. Since your company has been formed, what increases in regard to the sale of timber have taken place ?—They have undergone one or two changes. The last rise in the selling-price was in 1907. I do not remember the one prior to that.
64. Can you give the percentage of the increase ?—The last rise was, I think, about an average of 9d. a hundred feet on the timber.
65. All around, what percentage would you say ?—Somewhere about 10 per cent.
66. Comparing the wages with that, what percentage in proportion ?—The wages are very much higher.
67. What is the proportion of increase of wages as compared with the increase in prices ?—The wages would be very much higher than that.
68. To what do you attribute the increase in the price of timber during the last five years ?—The selling-price ?
69. Yes ?—Of course, what has caused that has been the cost of production.
70. How do you make it up ? Give me the main items ?—The main items in the cost of production are the wages.
71. Is that the first ?—That is the chief point. That comes to from 4s. 6d. to 5s., as I mentioned before. Then, of course, there are other items I have enumerated.
72. Will you state same ?—Royalty and survey fees, tramway-material, horse-feed, horses, and harness, blacksmiths' work, blocks, &c., foundry-work, oils, saws, files, and the replacement of horses that get killed occasionally, rents, taxes, fire and accident insurance, office and travelling expenses, management, bad debts, discounts, interest, depreciation, &c.
73. You have followed up the sawmilling trade and taken an interest in it ?—Yes.
74. To what do you attribute the slump, from your standpoint, in regard to prices ? Or, what is the increase due to ?—The increase in prices is certainly due to the cost of production entirely.
75. Is it due to the importation of any timber into this country ?—No, I am speaking for Southland.
76. So far as Southland is concerned the increase of prices or shutting-down of mills has not been due to the importation of any timber to this country ?—I dare say it has been a factor in it, because every hundred feet of foreign timber that comes into Southland means a corresponding reduction in the quantity of red-pine disposed of here.
77. To what extent has the imported timber come into Southland ?—I do not think that it has affected Southland to any appreciable extent.
78. It would not affect the successful working of the mills in Southland ?—I do not think so.
79. There has never been a complaint from your association in regard to Oregon pine ?—No, except on account of Dunedin, because Oregon pine is a factor against red-pine.
80. On what do you base that ?—The fact that we know that the timber comes in.
81. To what extent ?—I am not prepared to say to what extent the jarrah and the Oregon pine affect it.
82. Have you passed any resolution to protest against the importation of Oregon pine ?—I am not sure; I could not say.
83. Was it at the suggestion of any outside people you made this complaint you have referred to ?—I could not say.
84. So far as you are concerned, you are not affected to any appreciable extent ?—Not in Southland, but we are in Dunedin. Dunedin is a big centre for all our timber, and every thousand feet of jarrah or Oregon pine that comes in affects our red-pine.
85. You cannot give us any direct information ?—No, I am not up in the Oregon business. Mr. Massey will be able to tell you.
86. You referred to birch. I understand there is a complaint that in consequence of the new Federal tariff New Zealand birch is practically excluded ?—That is so.

87. Do you think the matter is sufficiently important to have representations made on the subject to the Federal Government ?—Yes, if the Federal Government would take off the tariff it would help the beech-millers.

88. Would you suggest some system of reciprocity—remove the timber duties, or just request to have the timber duty removed so far as it affects birch ?—That is so.

89. Do you know how the Federal tariff affects New Zealand timber ? Has it been for the export of New Zealand timber, or has it kept the timber out ?—The Federal tariff has certainly kept the beech out, because we have hundreds of acres of it, and we must find a market for it. The trade was a bit lively on the other side, but the tariff has killed it.

90. There is very little export ?—Yes. I was doing a fair amount, and other millers also.

91. How far do you rail the timber from your mill ?—Ashburton and sometimes Christchurch.

92. Have you any complaint to make against the present railway freights on timber; are you satisfied that they are fair and reasonable ?—Yes. I would like to give a little more consideration to that matter. I could not answer that very well.

93. How far has the reduction recently made by the Government in railway rates affected your industry ?—It has not affected it at all—it has not affected the Southland sawmillers to any extent.

94. Do you think you would be justified in coming to that conclusion, seeing that it is only a short time in operation ?—Yes, it only affects the Christchurch market.

95. Does the consumer or the buyer benefit ?—The buyer benefits. It does not matter one penny to the sawmiller what the reduction has been.

96. Do you supply dairy associations ?—No.

97. Mining associations ?—Occasionally.

98. To any extent ?—Yes, a fair amount now and again.

99. What is your opinion as regards the wages paid to the men. Are they fair and reasonable ?—Yes, they are good wages.

100. Are the hours reasonable ?—Yes.

101. Can you say if there is any tendency to increase the prices ?—No tendency at all.

102. Have you any knowledge of the timber-areas in Southland ?—A fair knowledge.

103. How long do you think it will be before our pine and totara are cut out ?—I would have to make a calculation.

104. Roughly speaking, how many years would elapse before the pine is worked out ?—I would have to give that a little more thought.

105. Have you any knowledge of the bush in other parts of this country outside of Southland ?—No.

106. Have you any knowledge of the plant and machinery in other mills ?—Not outside of Southland.

107. Can you say if our machinery is up to date ?—Yes, so far as Southland is concerned.

108. Do you not think that the tightness of money has something so do with the alleged trouble in the sawmills ?—Undoubtedly it has something to do with the lessened sales. That is one of the items affected.

109. Do you not consider that the prices of timber are high ?—No, when you consider the cost of production, and the cost in other places, they are not too high.

110. Will you produce your company's balance-sheet in a confidential way ?—I do not mind.

111. Can you give us any particulars as to the award recently made in the case of the workers and the sawmillers ?—No, you could get the report of that.

112. *Mr. Jennings.*] What is the output of your chief mill in the district ?—One mill produces about 100,000 ft. per month.

113. With regard to royalties, they go to the Crown ?—Yes.

114. Do you deal with Maori bush land at all ?—No, we do not.

115. You say the Oregon pine has not affected you at all ?—Not in Southland. It has in Dunedin.

116. Is there any connection between your association and the other associations throughout the Dominion ?—No, none whatever.

117. You do not attribute the decrease to the stringency in the money-market. Are building operations as great here to-day as twelve months ago ?—Oh, no ! They have slackened off considerably. I should say they are one-third less, and more than 50 per cent. in other instances.

118. You say that the increased cost of timber is based to a very large extent on the payment of wages ?—Yes.

119. Can you give us any information as to what was paid ten years ago as compared with to-day ?—Not unless I look it up.

120. Will you kindly furnish it ?—I will endeavour to do so.

121. *Mr. Field.*] I should be glad if you would look through this list [handing witness printed list] and say whether it is complete, or whether it includes too much—it was prepared by a well-known sawmiller up north, and the Commission wants to know whether it meets with your views as a practical man ?—You mean the items ?

122. Have you anything to add to it, or is there anything you think ought not to be there ?—It is practically what I mentioned to you in the analysis. It is almost a similar statement to what I have given you. There is one thing that he has put in which I omitted to mention—he allows 33⅓ per cent. for loss in regard to the timber actually cut. Out of every 1,000 ft. of logs we only get 600 ft. of sawn timber. In other respects it is absolutely similar to my analysis. I do not think I have left out one of these headings.

123. You think that would be safe to go upon ?—I do.

124. Is it all Crown land that you are milling upon ?—All Crown land.

125. Regarding the royalty paid on timber, what are you paying ?—The rate is 2s. per hundred on totara and black-pine, 6d. on rimu and white-pine, and beech 6d., which is the minimum.

126. Do you not think that is rather a heavy royalty ?—Yes, it is.

127. Now, with regard to the increased cost of production, what have you to say ?—Everything has gone up in price.

128. You told us that the cost of wages, as far as production was concerned, is about 4s. 6d. ?—Yes.

129. What do the other items amount to. I want to get at the gross profit ?—This gives the whole of the items. It shows the gross cost of production at about 8s. to 8s. 6d. We get an average of about 9s. or 9s. 6d. That is, roughly, about 1s.

130. Do you think that a fair profit for millers ?—No. We have risks. I think it should be fully 2s.

131. Would it be overestimated at 3s. ?—I would not say that it would be overestimated at 3s.

132. Regarding this question of railway freight, are there not some anomalies existing ?—Yes.

133. Is it not a fact that the railway freight to Dunedin from here is or has been less than the railway freight from here to a station nearer than Dunedin ?—Yes, there is a special rate to Dunedin, the rate being less than that to Mosgiel by about 4d. per hundred.

134. Do you know the railway freight from the Baltic and also from Puget Sound to here ?—I understand it was about 3s. or 3s. 6d.

135. What is the railway freight from here to Dunedin ?—2s. 10d., which is the special rate.

136. The railway freight from here to Mosgiel is about the same as from the Baltic ?—Yes, something about the same.

137. The distance is only about a hundred and fifty miles from Riverton, whereas from the Baltic to here the distance is about fifteen thousand ?—Yes, but I do not know much about Oregon pine.

138. Have you any fear of Oregon pine here ?—I do not know. I am not sure, although it looks as if they could sell a lot of it if they get cheap cargoes in and it is pushed. We cannot sell our timber at a lower price and live.

139. If Oregon pine comes in in increased quantities and competes successfully, what would be the result ?—We should have to close down.

140. For how long would you have to close down ?—I cannot say. I may say I have had cargoes of Oregon offered me at considerably less price than I could supply red-pine in Dunedin.

141. Would it be fair to ask either the Crown or private individuals to hold timber areas indefinitely—perhaps a hundred years or more ?—I do not know about that. I do not think the timber areas in Southland will be opened by new mills. There is no reason for opening those areas.

142. Suppose you are the owner of an area of timbered ground here which was fit for growing grass, and you were faced with this position : viz., that you were likely to have to hold on to it as timber land for perhaps fifty years : what would you do with it ?—I cannot say.

143. Would you not put it into grass ?—I would mill the timber. I would not burn the timber, because I have got too much respect for the use and value of timber.

144. From a commercial aspect, what would you do ?—I would keep it. I would not burn it.

145. About this difficulty in beech, what is the area in the Longwood district covered with this timber ?—There must be, roughly, five or six thousand acres of it. It may be more ; I am making a rough guess.

146. We were told yesterday there was a very much larger area than that ?—Yes.

147. You have not any suggestion to make to get over that difficulty ?—No. I cannot help the Commission in the matter.

148. I suppose you have not given any attention to our afforestation. You do not know what would be good trees to plant ?—No. Of course the main thing is in respect to the kind of timber to plant—that is, the timber that will grow rapidly. I cannot give an opinion as to the best timber because I am not a forester.

149. We see here large areas covered with Canadian thistle and ragwort, and we are told that it will cost more to clear the weed than the land is worth. Could this land not be planted in trees ?—Yes, if they could get the right kind of trees. I do not think it is possible to grow pine-trees on it.

150. Do you know anything about the threatened decrease in our butter-box-timber industry owing to a composition that may come into use in Australia ?—I heard something about it ; but I do not attach much importance to it. I think the butter-box timber can be sold just as readily as it has been.

151. You say that any reduction in railage that has been made has gone to the benefit of the consumer and not to the sawmiller ?—Yes.

152. You said that the railage might fairly be reduced ?—No. The Government has already made a slight reduction benefiting the consumer.

153. Have you had any occasion to compare the railage on timber with that charged on other classes of goods upon New Zealand railways ?—No.

154. You cannot tell whether it is true that, in proportion to the minimum trouble and risk to the Railway Department in the matter of timber, the freight thereon is very much higher than on other goods ?—No, I cannot say that.

155. Is it true that millers in this district have been paying more than the award rate of wages ?—Yes, it is customary, and has been for some years, to pay an average of 50 per cent. over the award wages.

156. Then, the millers are generous employers of labour ?—Yes, that is so.

157. You talked about the dividends made by your company. Were any such dividends unreasonably large ?—No ; they are not unreasonably large.

158. *Mr. Leyland.*] In fixing the cost of production, which you say is from 8s. to 8s. 6d., I take it that that is an average of the whole cost of the log ?—Yes, irrespective of classification.

159. Although you did not mention the fact that you had 40 per cent. less in conversion, that has been allowed for ?—Yes, that is right.

160. Your production is 1s. 3d. second class: what is the price of first-class beech ?—First-class beech is 1s. less than first-class red-pine, which is 8s. 6d.

161. And yet it costs more to produce ?—They have no sale for the second class, and consequently the loss in conversion must be greater than in rimu.

162. Can you tell us the percentage of first-class heart of rimu fit for joinery, &c. ?—In Southland here we do not pay any attention to the heart, except in rare cases. We very rarely have an order for heart-wood. We just cut the log up.

163. Do you find a difficulty in supplying heart ?—Yes.

164. Have you allowed for the whole of depreciation in the estimate ?—Yes, we have. We have allowed a sinking fund at the rate of 6d. per hundred for depreciation.

165. I think you would find it difficult to tell the Commission what would be a fair proportion of interest for depreciation in the matter of maintenance, accidents, for felling as distinct from cutting or sawing, &c. You do not keep your books so as to give that information ?—No, we could not give you that.

166. With reference to the importation of timber, do you know the amount of Oregon pine that has been delivered at Dunedin ?—No.

167. Do you know the amount of New Zealand timber sent into Dunedin ?—No, I have no idea.

168. Do you think it is 5 per cent ?—I could not say.

169. Now, there is the tariff: if we adopt the policy of reciprocation shall we not be losers ?—The New Zealand Government imposes a tariff of 2s. per hundred: would it be beneficial to New Zealand to do away with the 2s. duty imposed in order to get federal duty removed from beech ?—I would not like to say that the birch is of such importance as that.

170. In reference to the falling-off in the demand for timber, do you not think that this is chiefly due to the falling-off of our exports, and not to the importation of timber ?—I would not like to say that. It is due, I think, to half a dozen causes.

171. Bearing in mind that the importation of timber is less than 5 per cent. of our output, how do you think it affects the millers ?—Speaking personally, it does affect them.

172. It cannot affect them more than proportionately ?—Yes, that is so.

173. Do you not think it is a small factor ?—Yes.

174. So you think it is infinitesimal as a factor in producing the present falling-off ?—I am not prepared to say, as I have not made a study of Oregon. It does not seriously affect us in Southland.

175. Will you tell the members of the Commission what you were offered Oregon pine at ?—I think it was 7s. 9d. f.o.b. Dunedin.

176. Suppose you had a yard in Dunedin, it would have to be taken to your yard ?—Yes.

177. The first cost would be wharfage ?—Yes; which is 6d., I think.

178. That brings it up to 8s. 3d. Then there is 2s. duty, together with the cartage and stacking, which would cost another 1s. or 1s. 6d., bringing the total up to 11s. 9d. ?—Yes. We sell red-pine in Dunedin at 11s. 4d., less 2½ per cent.

179. It is not quite correct then that you had it offered at less than you were prepared to supply rimu in Dunedin ?—In Oregon there are big widths.

180. Coming to the butter-box question, do you think the importation of Oregon has had any affect on that ?—I could not say, because there is no analogy between the two timbers.

181. You stated that the capital of your company was £5,000, and the cost of one of your mills was £3,000; consequently the item of interest is an important point ?—Yes, that is so.

182. Therefore, although your output has fallen off, the item of interest is continual ?—Yes.

183. You say you paid a dividend ?—No, I did not say so. We reserved our dividends.

184. Would it be criminal to pay a dividend ?—No; it would delight their hearts.

185. *Mr. Clarke.*] I should like to ask you with regard to your orders: do they come mainly from timber-merchants or from builders ?—Both.

186. Do you charge exactly the same price to builders as you do to timber-merchants ?—No; there is a considerably bigger discount given to them.

187. Then, supposing your customer, who is a builder, is sound in finance, does he pay more than the timber-merchant ?—Yes.

188. With regard to the item of decreased freight, you thought the customer got the benefit of that ?—Yes.

189. Has the retail price been reduced to the general public ?—No; prices are the same.

190. In what way then does the consumer get the benefit ?—The freight three months ago was 5s.; probably it would be 6d. or 4d. less now.

191. Is that 4d. taken off the retail price ?—No.

192. Then it is simply the middleman who gets it ?—No; the customer at the other end gets it.

193. Roughly, could you give the Commission any idea how much per hundred the cost of machining and moulding runs into ?—I should think it would run from 9d. to 1s., ordinary dressing, per hundred feet.

194. Can you supply long lengths of timber for such purposes as beams, &c., at short notice ?—What would you call "long lengths" ?

195. Anything up to 30 ft. ?—Yes, we can supply them.

196. *Mr. Morris.*] You mentioned that the cost of logging is from 1s. 6d. to 2s. ?—Yes.

197. Does that cover the total cost of putting logs into the mill ?—Yes, but not tramways.

198. It struck me that your estimate of 1s. 6d. to 2s. did not cover all the items ?—The tram is separate.

199. You mentioned that the reduction in the tariff has not benefited you ?—No.

200. Have you not received any increased orders ?—No ; we received one or two small orders, but nothing to speak about.

201. Have you any timber in this district suitable for railway-sleepers, as I notice that there is a tremendous quantity of imported sleepers here ?—The Government, of course, take white-pine creosoted.

202. I think we ought to keep the money in our own country and spend it here for the benefit of our own industry ?—Yes ; I agree with you. I should like to say that the Government charge us 2s. for matai ; but it is difficult to sell. We did cut a few sleepers, but the Government refused to take matai as sleepers, and yet they charge us 2s. a hundred for it.

203. Do you think the area allowed the miller is sufficient for a first-class plant ?—No, I do not. I think the area should be increased according to the horse-power of the mill, on the Tasmanian principle. A mill with 20-horse-power plant should receive so many acres of bush, and correspondingly increased as the horse-power of the plant is greater. Eight hundred acres is inadequate for a mill.

204. *Mr. Barber.*] With regard to the timber areas, you said you considered the area allowed was too small. You say you are allowed 200 acres, and then a reserve of 600 acres ?—Yes.

205. And that it lasts six years ?—The whole thing lasts six years.

206. That is by utilising the reserve as well ?—Yes.

207. Now, with regard to the price, you say the timber costs you 8s. 6d., and that includes everything ?—Yes.

208. And you mentioned a certain price at which you sell the timber ?—Yes.

209. You charge a different price to the builder as compared with the timber-merchant ?—Yes.

210. You say the average net selling-price is 9s. to 9s. 6d. : is that to the merchant or builder ?—That is the average price to builders and merchants.

211. And do you classify the timber before you sell it ?—Yes ; we have graders.

212. That is the total average for the lot ?—Yes.

213. In getting 9s. 6d. for the timber you say there is a very small profit ?—Yes.

214. And then you told us that in fixing your prices you have provided for a dividend in the 8s. 6d. ?—I do not think so.

215. You said it included the interest and capital ?—Yes, that is right.

216. So that the 1s. is over and above the net cost ?—Yes.

217. Can you tell us the price you are charging for ordinary red-pine to the merchant, for instance ?—We sell it to the merchant at about 7s. to 7s. 6d.

218. And have you any idea what he is charging ?—No ; he has to charge in respect to the towns. Dunedin rates are something similar to Invercargill rates.

219. Is that on the train ?—On the truck at Riverton.

220. You mentioned 7s. 9d.—Yes.

221. That is to the timber-merchant ?—No, not to the timber-merchant. The timber-merchant averages from 7s. to 7s. 6d. We can give the timber-merchant any discount ; he gets very often 25 per cent. off the list.

222. Can you tell me at what price this timber that you are selling to the merchant at 7s. is being disposed of to the consumer in Invercargill ?—The merchant in Invercargill sells timber for 10s. 6d. less 5 per cent.

223. So that he is making a very much larger profit than the miller according to your figures ?—We get 7s. 9d. on the trucks—that is, to the Invercargill builder, not the merchant. From the Invercargill merchant we get considerably less, because we have to give him a considerably larger trade discount. We supply to the merchant at 10½ to 12½ per cent. off the price-list. That is the basis, and we pay railage and cartage on that.

224. Do you consider the timber-merchant is justified in charging from 14s. 6d. for ordinary building red-pine, and for selected red-pine up to £1 6s. ?—Of course, if a builder sells timber at 14s. he does not get any bigger profit, because he has to pay the miller an increased price. The price I gave was for rough timber—for scantlings.

225. That does not apply here ?—No.

226. You charge 10s. 6d. delivered in Invercargill ?—Yes.

227. Have you had an order for timber to be delivered at Wellington : have you ever sent any to Wellington ?—I have sent beech to Wellington.

228. And you are not confined only to timber-yards ?—We will supply anybody who gives us an order.

229. Really, your association is not altogether a close corporation—not a tied house ?—Oh, no !

230. You supply any one ?—Yes.

231. *Mr. Ell.*] What is the railway freight per hundred to Christchurch ?—5s. 8d. That is the new rate.

232. And you are prepared to supply timber to anybody in Christchurch whether a builder or a timber-merchant at the same rate at which you supply anybody here ?—Yes.

233. And they pay railage ?—Yes.

234. You have no restrictions in regard to your customers ?—Oh, no !

235. Have you any restrictions with regard to supplying people in Invercargill ?—No.

236. Anybody can get the timber ?—Yes.

237. At those rates ?—A builder can get the timber at 5 per cent., and a merchant will get it at from 12 to 15 per cent., discount, but the private person does not get the benefit of the 5 per cent.

238. But supposing a builder in Christchurch is not in any builders' association, will you supply him with timber ?—Yes.

239. At the discount rate ?—Christchurch is a free port for us. We can give him, I dare say, 10 per cent.

240. Supposing a builder in Christchurch is not in the builders' association, will you give him the same discount as a builder in the builders' association ?—In Christchurch ?

241. Yes ?—Our association does not extend to Christchurch, and neither does our trade discount. We do not make any distinction between the builders in Christchurch and the builders in Dunedin—we have no trade discount. We can make our own bargain with the men in Christchurch.

242. Then, in regard to the timber-merchants in Christchurch ?—It is the same way. We can give the timber-merchants in Christchurch 40 per cent. discount if we wish.

243. Now, you have a builders' association here ?—Yes.

244. If there is a builder outside the association, and he is a good mark and prepared to pay you cash, would you give him the same discount you would give to a builder in the association ?—We are supposed to acknowledge the builders' association and just give them the discount, but I do not know whether that association is in existince now.

245. What I wish to understand is this: Are you prepared to supply timber to a builder outside the builders' association, giving him the same discount as you would to a man in the association ?—Yes, we are.

246. What objections do you find to the sale of beech or the use of beech ?—The objection they have, of course, is that it twists, and it is not so suitable for framing and for general housework as red-pine. They certainly think very highly of it for manufacturing work—chair-work and cabinetwork.

247. Are you aware it is very largely used in New Zealand for manufacturing into furniture ?—The use of it is growing.

248. Have you known it used in building houses ?—Yes, to a small extent.

249. Have you any evidence to show it is durable ?—We have the evidence of Kirk's "Fauna and Flora of New Zealand." It all depends on the class of the timber. There are different classes, and one is diametrically opposite to the other.

250. I understand, if beech is cut in the summer-time it is more likely to warp than if cut in the winter ?—Yes.

251. Is your beech cut in winter ?—No, we cut every month.

252. Is not that creating a certain amount of loss in cutting it at a time not suitable ?—We cannot stop the mill. If we did that we should have to close the mill up.

253. Then you are not restricted by the Forestry Department as to the time of the year you should cut the timber ?—No.

254. And they allow you to cut it at a time when it does damage to the timber ?—Yes.

255. It certainly does damage it to cut it in the summer-time ?—Yes.

256. And there would be less loss if cut at the proper time ?—Yes.

257. And you would get a better price ?—Yes; and it would not warp so much.

258. And it would get a good character in the market ?—Yes. It has only a good character in the market according to the grade, and there are men who know how to cut it and stack it. The market has been shut out in Australia.

259. Have you found that if it has been seasoned and properly cared for it is liable to warp ?—No, not if seasoned properly.

260. If it is properly cared for and properly seasoned then it is a useful timber ?—Yes, it is a splendid timber—as good as any timbers we sell.

261. Do you not think it means a national loss if it is not properly cared for and seasoned ?—Yes, certainly.

262. You say the sale of timber in Invercargill has fallen off considerably ?—Yes.

263. Is that due to the falling-off in building operations ?—Yes, not only in Invercargill, but in Canterbury and Otago. It has fallen off considerably—there is absolutely nothing doing.

264. And the shutting-down of your mills is owing to your not being able to get a market for your timber ?—Yes. There is a further falling-off, and if it gets as bad as it was weeks ago we shall have to close again.

265. *Mr. Arnold.*] With regard to the last statement you have made, that the cessation of building operations has caused a falling-off in the sale of timber, may it not be the other way about—that the increased price now for sawn timber has been the cause of the falling-off in building operations ?—I do not think for one moment that that is so. The price-list has been in force for nearly two years, and it is rather late nowadays to talk about the price of timber. And then, supposing the price were increased by 1s., the difference in the price of building a cottage is not an appreciable one: it would not stop a man from building a cottage. The difference would be only about £12 or £14 in a small cottage, and if a man was anxious to build a home for himself that would not stop him from building. The other requirements in a house are much dearer than sawn timber. People talk about a house containing 250 pounds' worth of timber, whereas the timber only costs perhaps £100, and the ironmongery, &c., considerably more.

266. So that, while the price of other requisites may have increased, and have something to do with the present cessation of building operations, the increase in the price of timber has not ?—It certainly has not.

267. *Mr. Stallworthy.*] Your firm is one of the largest timber-merchants in Southland ?—No, not by any means.

268. You had a hand in fixing the price of timber in connection with the association ?—Yes.

269. Are the prices satisfactory to you ?—Yes.

270. Have the prices been complained of by other millers as being too low ?—Yes, there is a general complaint now and again when a depression comes on, and when prices are not satisfactory; but there is no possibility of getting a rise in prices—we are not anticipating that.

271. In framing that uniform list of prices, were there not some members of the association who thought the prices fixed were rather high ?—I do not think so. I dare say some lines when under discussion would be remarked on, but the prices were agreed to by the associated millers as satisfactory.

272. Have you adopted any improved methods of bush-working which would reduce the cost of production in recent years ?—No. Had improved methods been used it would have led to a lessening in the cost of production ; but it has not done so.

273. You say that your mill, which cost £3,000, at the end of six years is reduced in value to £750 ? —Roughly, £750.

274. In allowing for depreciation do you wipe off entirely the cost of that mill ?—Oh, no ! We wipe off in that mill from £300 to £350 a year ; it is very necessary to do that.

275. How are the trade discounts regulated ?—By the association.

276. In what way—by what system ?—The system is that the various towns are considered, and the question of position is considered with those towns, and we make the trade discount, which is satisfactory to the builders in those parts of the district. In ports like Oamaru, Timaru, and Christchurch, where other timbers come in, we leave it open.

277. Do the Southland millers outside your association cut your prices at all ?—Yes, very considerably so.

278. They keep you in check as it were ?—Yes, keep us in a state of irritation.

279. What was the extent of your beech-export before the Federal tariff ?—Per year ?

280. Yes ?—Of course it was not much. I should say we sent away three trucks a week. It is a very small quantity, but you cannot get a bottom for it—you must put it into the Union Company's boats.

281. What is the value of the year's export ?—It is worth about £40 a week—about £2,000 a year.

282. Can you supply us with a list of the wages paid to the different sawyers and workers in your mills ?—Yes, I have a list here.

283. How much timber do you get off an acre ?—About 7,000 ft. to 8,000 ft.

284. And you allow 6d. per hundred feet for depreciation ?—Yes, it averages that.

285. And on the 800 acres there would be £40 ?—Yes. It comes to an average of £300 for the six years.

286. Do you think there are too many sawmillers in Southland ?—I do, at the present time.

287. Have there been any failures amongst them ?—No. One or two small men have failed.

288. Have you any idea as to how many mills are now idle in this district ?—There are about eight or nine associated mills idle, and a considerable number of unassociated mills.

289. *Mr. Mander.*] How much timber does it take to build an ordinary workman's cottage—a five- or six-roomed cottage ?—From 15,000 ft. to 16,000 ft.

290. And at 1s. a hundred that amounts to what ?—£7 10s.

291. Do you think an extra shilling a hundred would prevent people from building cottages ?—Certainly not.

292. Then you do not attribute the stagnation in the building trade to that ?—No.

293. The principal cost you think is in the other details ?—It is in the contractor's price and the ironmongery.

294. You spoke of 800 acres altogether not being sufficient to build a mill for ?—Yes, it is not sufficient.

295. Would it not be sufficient in some cases where the timber stood very thickly ?—It would be sufficient in clean bush.

296. But in some instances it requires a great deal more ?—In country such as we were looking at yesterday in the Riverton district it would be too little.

297. Do you not think the Government should extend the area ?—It was proposed to be extended. We approached the Government, and made a representation to them to give us larger areas, and it is under consideration now.

298. You spoke of your mill being worth £700 when your bush is cut out. Do you mean to say that the mill is worth that on the ground ?—Yes, on the ground.

299. Without any cost of labour at all ?—Yes.

300. Do you think it would be so at the present time ?—Yes, the main thing is the engines. They practically cover the greater part of the cost, and if they are good engines they are generally saleable. As to the other part of the gear there is not much in it.

301. *Mr. Ell.*] You say you think the timber areas ought to be allotted according to the value of the mill and plant ?—Yes, the horse-power and the value of the mill plant.

302. If a man put up a very large and costly mill plant he could claim a considerable area ?—Yes.

303. That would give a monopoly to the man with the large amount of capital ?—It would not be in the nature of a monopoly, because a man would not be foolish enough to put up a large plant in hilly country such as we were looking at in the Riverton district. That would be a matter for the Government. I do not think the regulations provide for an excessive amount to begin with.

304. You say you have supplied a considerable amount of timber from time to time for mining purposes. What for ?—For flooring, stoping, and shafting work.

305. What kind of timber ?—Beech.

306. What mines have you working in this district ? — The Nightcaps — that is the principal mine.

307. Any others ?—Kaitangata.

308. And those mines need an annual supply ?—Yes, all coal-mines do.

309. All beech ?—Or some suitable timber.

310. And if the suitable timber is not obtainable in the district it would have to be imported ?—Yes. Sometimes they use blue-gum.

311. Is it not desirable to have some permanent supply of timber for the use of the mines ?—Well, there is nothing to prevent miners taking beech, matai, and red-pine. The coal-mines vary : one man will swear by beech and another will want pine.

312. What about getting it without having to import it ?—They can get it at ten days' notice.

313. How long will it take you to cut out your timber in the Longwood district ?—It would take us about six years for 800 acres.

314. Different mills ?—Different mills. Of course I could not tell you how long. I do not know the areas. I should say an 800-acre block at any mill would not last longer than six years.

315. So that we are within measureable distance of cutting out our timber ?—Yes, in the western beech district.

316. *Mr. Hanan.*] I should like to ask in regard to mills shut down. There are eight or nine closed now ?—Yes.

317. Recently ?—Some since December.

318. Where are they situated ?—On Longwood, Orepuki, Otautau, and other parts, and in Stewart Island, I think.

319. Can you give names ?—McCallum's, Glenburn. The other members can give their own mills. I do not know the names ; but I believe the Sawmilling Company has got one closed down.

320. What have been the main reasons for their having been shut down ?—The trade has fallen off—over-production.

321. Are any mills flourishing in the neighbourhood where these others have been shut down ?—No, no. All are in a struggling condition.

322. Is it on account of the class of timber they have been producing or unable to produce ?—It is on account of the hardships in getting timber, and the difficulty in selling when you get it.

323. When were these mills started that were shut down ?—Some had been in existence several years.

324. Can you say if the owners are in good positions financially.—Yes.

325. Are there any other mills in the neighbourhood working successfully ?—No ; the mills all work under reduced production.

326. Referring to the mills in the Longwood district cutting beech that are supposed to be affected seriously by the Federal tariff, are there any others closed ?—Yes, five altogether.

327. Are they larger mills ?—No, the same size.

328. Do you know the mills that the Commission visited yesterday ?—Yes.

329. Are there any mills close to these mills ?—Yes.

330. No larger mills ?—No ; all smaller adjoining those.

331. Do you know if they are complaining in respect to this beech, too ?—Yes ; all are complaining.

332. Can you say if it is the intention of the other mills to close down ?—Yes, I think some will close very shortly. Judging by what they say regarding orders, there are absolutely no orders to be had.

333. Taking things as they are in regard to the timber-supply, there is every probability of the price of timber being increased in the next five years ?—No probability at the present time.

334. How long will that obtain ?—I do not think there will be an increase for several years.

335. *Mr. Field.*] How many workers are employed in the sawmilling industry in Southland ?—About seven hundred—roughly, seven to eight hundred.

336. *Mr. Arnold.*] Following up that question, can you give us an idea of what is the aggregate amount of wages paid ?—About £7,000 a month : more than that—£7,000 to £7,500.

337. *Mr. Barber.*] Give us the number of mills in Southland District—associated mills, and those not connected with the association. These will practically absorb the whole milling area available in Southland ?—About seventy-odd in the district, and perhaps twenty in the association.

338. Considering that each will work out an area in six years, at the end of that time the milling will cease ?—No, because there is other bush available.

339. According to the returns on the table, these will absorb all the Crown lands available ?—No ; there are Crown lands in the vicinity not taken up.

340. There cannot be very much ?—Not very much ; but still there are areas.

341. If there are the number of mills, and each have 800 hundred acres, there will be practically nothing left ?—Yes.

342. So that in six years the timber industry in this district will not be a material consideration ?—No, it will not.

343. *Mr. Leyland.*] Do you think, as a national policy, it would be wise to prohibit the importation of Oregon pine in view of the fact that in six years we should have very little timber left ?—I should like to see what the Government would have to say.

344. In view of the fact that we are within measurable distance of exhausting our milling resources—as they will not last more than ten years—do you think it is wise to stop the importation of Oregon pine, from a national point of view ?—Of course, ten years is a good way to look ahead.

345. Do you not think it is wise to encourage it—to take the duty off altogether ?—No, I do not say that. You look upon it, I suppose, in the way that " Sufficient for the day is the evil thereof."

346. *Mr. Jennings.*] Would you favour having timber from the North Island, where almost inexhaustible supplies exist, in preference to timber from another country ?—I should prefer to take it from the Dominion.

HORATIO ARTHUR MASSEY sworn and examined. (No. 4.)

Hon. the Chairman.] You are a sawmiller ?—Yes, living in Invercargill.

1. *Mr. Barber.*] You are a sawmiller and timber-merchant combined ?—Yes.

2. *Hon. the Chairman.*] Will you make your statement similar to the last witness ?—With regard to the cost of felling, we have divided ours into the cost of—tramway first (tramway-construction precedes everything)—I would put down 5d.; bushfelling and log-hauling, say 1s. 3d.; trolly, excluding horse-feed, 5d.; mills, 1s. 5d.; yard, 6d.; horse-feed, 2d.

3. Do you base that on 1,000 ft. of timber ?—On 100 ft. Perhaps I should exclude horse-feed, which is not labour. I have got 4s. for labour.

4. These other figures are above that ?—Yes. Royalty and survey fees, 6¾d. to 7d. Tram-material, 1d.; horse-feed, horse-losses, harness, &c., 6d.

5. *Hon. the Chairman.*] How many hundred feet would you cut in the day ?—Every mill is different. One mill would cut nearly seven thousand feet, another five thousand, another four and a half thousand, another four thousand, another three, another one and a half thousand.

6. You do not mean to say that it would cost 2d. per hundred feet on 5,000 ft. to feed your horses ?—Yes, and more. It is only 8s. 4d. per day.

7. *Mr. Arnold.*] How many horses would you have ?—Thirteen or fourteen. Then there is blacksmithing, dogs for the logs, blocks, chains, and sundry things, 2d. per hundred feet. Foundry-work, breakages, &c., 2d.; oil, belts, files, saws, and sundries, 2d.; rents, taxes, &c., ½d.; fire insurance, 1d.; accident insurance, 1d.; office expenses, 3½d.; travelling, 6d.; management, 2d.; bad debts, 1½d.; discounts, 3½d.; interest, 7d.; depreciation, 2d.; sundries, 1½d. That is all that I have got.

8. *Mr. Leyland.*] What is the total ?—About 8s. 1½d.

9. *Hon. the Chairman.*] That is roughly the cost of the timber ?—On trucks, I have got the face selling-price and the inch selling-price. It is about 8s. per face, and 9s. 9d. for inch timber.

10. *Mr. Leyland.*] You call that actual measurement ?—Yes, actual. With regard to the selling-price, supposing we sell to a builder, we take 7½ per cent. off, and the consumer gets the benefit of that, because the builders compete with each other, and reckon upon getting 7½ or 10 per cent. off the price. The consumer gets that difference. Of course, now we have different prices in different districts. Say, for Invercargill, we get 10s. 6d. delivered on the job; but we take 7½ per cent. off that, and then we cart it. That costs about 6d. from the railway-station on to the job, and the average railage costs from about 2s. 2d. to 1s.—say, 1s. 6d. on an average—leaving 9s. 9d. Therefore, the customer pays 7s. 9d. to the sawmiller. In the case of the merchant in the town, we take about 12½ per cent. off; but the merchant has to compete with the sawmiller, so that he gets no more for his timber than the sawmiller gets. If a man has a yard in a town he has to sell timber on the job at the same price as the sawmiller; but we give him an increased discount. The merchant gets no more for his timber than the sawmiller gets; he sells at the same price. With regard to Dunedin, we take 10 per cent and 2½ per cent. off the list price to the builder in Dunedin. The same thing happens there. The consumer gets the benefit of that. Twenty, we will say, compete for a job; they each compete with the other; they know they get that off the list price, so that in making up their tender they calculate that.

11. *Mr. Jennings.*] They have no combination ?—They are supposed to have a combination; but it is something like ours—more honoured in the breach than in the observance. We do not at all distinguish between the ordinary builder and one in the combination.

12. You sell to all ?—Yes, regardless of what he is. I know they had an association in Dunedin, and I think they had one here; but I know there are plenty outside the association in both towns. With regard to the merchant in Dunedin, we can sell to the merchant at any price we like. I am now speaking of the association; but the non-associated sawmillers sell at the best price they can get. We have to compete on the mainland here with the sawmillers of Stewart's Island and Waikawa. Our average railway rate to Dunedin is 2s. 10d. The freight from Stewart Island and Waikawa is 1s. 9d. to 2s. They have an advantage of about 10d. per hundred feet. The merchant in Dunedin is not going to give us any more than to them, so that we have to allow that. With regard to the selling-price down here, the merchant sells at exactly the same price as the sawmiller. Of course, he can get no more. No man going to build a house will give any more. And the same applies to Dunedin. He buys from Dunedin yards at exactly the same price that he pays to the sawmiller. The price to the middleman and consumer is exactly as Mr. Hensley gave you. The further we get up north, the less we have to take for our timber, because we come into competition with the West Coast. In Ashburton and Rakaia we sell for anything we can get. We are selling for 6s. 6d. per hundred feet in Ashburton, Timaru, and Rakaia.

13. *Mr. Mander.*] Not delivered ?—No; the railage costs 5s.

14. *Hon. the Chairman.*] Instead of 2s. 10d. ?—To Dunedin, yes. That is 6s. 6d. we are selling at, and we are selling at the same to the merchants in Dunedin.

15. *Mr. Field.*] What is the railage to Ashburton ?—I think it is 5s. 4d. Over a quarter of a century ago, when I started, we got 5s. for our timber, with the timber right at the mill.

16. *Hon. the Chairman.*] And sometimes 4s. 6d. only ?—It fell even less than that—to 4s. and 3s. 9d.—and half the sawmillers in Southland were ruined.

17. *Mr. Field.*] How long ago is that ?—Twenty-five years ago. With respect to the wages, I cannot really tell you what the increase is. I know that twenty-five years ago they fell in consequence of the depression, and since then they have risen considerably. We have an award now; but I should think that in about 33 per cent. of instances we pay more than the award. There is the same competition for labour which applies everywhere; but we may not pay less than the award. I heard one gentleman speak in regard to improvements in machinery. I think, in our little way we have improved as much as we can. I have been all through the United States and Canada, and undoubtedly in very many instances they are ahead of us, because there is no limit to the area of bush they have got there,

and it pays them to spend from £50,000 to £100,000 on machinery. Our bush is very limited. It pays them to put up machinery to save even a penny per hundred feet. They can produce timber, I am quite satisfied, at less than half what it costs us to produce it here.

18. *Mr. Hanan.*] As to Oregon pine ?—I am inclined to think that Oregon pine has come to New Zealand to stay. It will always be here, and I am inclined to think also that it always should be here. Of course, I know that if you increased the duty to-morrow it would benefit me enormously. If you remove the duty it will injure us. We are buying Oregon in Dunedin now, and we are buying it largely in place of kauri, and for long lengths. It is difficult to get long lengths, 50 ft. and upwards, in red-pine; still we have got lengths of 50 ft. in rimu, and we could get them to-morrow, but it costs very much more to get those lengths. Oregon is lighter to handle, but I do not think it is more durable. Where we have seven or eight thousand feet of timber per acre, I have seen 250,000 ft. of Oregon timber per acre. With regard to the wages paid on the Pacific Coast, I have here an American journal, which, they say, is the biggest journal on earth. It describes the wages paid in British Columbia, and states, "From one-half to nine-tenths of the entire pay-roll is made up of Orientals. Graphic demonstrations of this fact may be found in another column, where pictures are shown of Hindoos and Japanese at work in Canadian mills. But it is not necessary to depend upon pictures. The evidence of those who are familiar with British Columbia and who visit the province frequently is in the same direction. There are some mills that use no Orientals; but there are many others who employ a majority of Orientals, and comparatively few that do not employ some of them. These men are Chinese, Japanese, and Hindoos chiefly. They all work for less wages than the native labourer of either the United States or Canada." The same journal points out that on the 26th December last a cargo of 3,000,000 ft. was being loaded for New Zealand. This is from Portland, Oregon. I may say that the average-sized mill over there will cut 200,000 ft. a day. Here is a picture of a train-load of logs coming in, which perhaps the Commission would like to see. I dare say it is not generally known that they work longer hours over there.

19. *Mr. Jennings.*] What is the difference ?—They work from nine to ten hours—ten is the general thing. The freight is 3s. per hundred feet from Puget Sound to New Zealand, and similarly from British Columbia. It varies, however, very rapidly. We had a cargo of Baltic landed in Dunedin the other day from Sweden. It came fifteen thousand miles, and the freight was 3s. 6d. in a sailing-vessel with a million feet on board. The total freight was about £1,750, and I understand it paid them very well. Now, our railage from Orepuki to Dunedin is 3s., a distance of about 170-odd miles, so that the freight on timber from Puget Sound is about the same as railage from Orepuki to Dunedin. Several millions of Oregon have been coming into Lyttelton, and it is also coming into Timaru. Not much as yet has come into Dunedin—probably only half a million or so: but if the Oregon displaces red-pine in Lyttelton it follows that the West Coast will suffer. Then the West Coast will look for markets in Timaru and Oamaru, and also in Dunedin, so that our competition will be increased very largely, and we shall inevitably suffer because of the pressure from up there. Again, if this should eventuate, the wages on the West Coast will fall for a certainty. I think that is all I have to say with regard to Oregon. I should like to say that red-pine—rimu—is cheaper here than in any other town in New Zealand. The railage from here to Mosgiel is more than to Dunedin, although Mosgiel is nearer, the reason being that the railways have to compete with shipping at Dunedin. There are about seventy sawmills from the Catlin's southward. I think there are about twenty-three mills in our association—or so-termed association. Catlin's is in Otago. We have no difficulty in good times when there are plenty of orders in adhering to our price-list, but immediately there is a depreciation in trade you will see that it is extremely difficult to get even our members to adhere to a stated price. I may say that the last advance that took place was about eighteen months ago, and it applied only to certain places. From the Dunedin merchants we got the same price four or five years ago. We are selling now to Canterbury at about the same price as three or four years ago. We send timber to Christchurch from here, and also to Oamaru and Timaru by boats, which is cheaper than by rail. The rate to Christchurch has recently been reduced I think. It is about 5s. 8d. now. We could send it much cheaper by water than that, but the difficulty is to put it on board, which costs about 2s. At Colac we had a mill, and we had a large jetty. The jetty cost £1,800 to £2,000, and we have abandoned it. That money is gone. With regard to timber per acre down here, the average bush will run about seven or eight thousand, but I have some that will not go more than four thousand. I have seen in the North Island fully a hundred thousand per acre. Our best bush down here has been cut out. Here is a sawmiller's list in competition with us delivered in Dunedin. His price is 7s. 6d. He lives at Orepuki. Our mills are in different localities.

20. *Hon. the Chairman.*] How many mills are you interested in ?—Six.

21. Where do they range from ?—Woodend, Gorge Road, Mabel Bush, Waianiwa, Colac, Grove Bush. One was burned down twelve months ago at Ruahine.

22. What about the output on the average at present when working full time ?—We have never worked any of our mills full time.

23. You are always ahead of your orders ?—Yes, always. Our biggest production is about 8,000 a day at one mill, another about 6,000, another 4,500, another 4,000, and another 3,000.

24. Then, what is your production just now—is it much less than that ?—Yes. I only gave you there an average production. It has been much greater than that at times. Now, it is about, in one mill, 7,000, and in the others respectively 4,500, 4,000, 3,000, and in one 1,500.

25. Have you received orders sufficient to consume your present output ?—Yes.

26. *Mr. Hanan.*] Do I understand you to say that it would be in the interests of the individual sawmillers of New Zealand, but not in the true interests of the Dominion that Oregon timber should have a duty on it ?—That is a very big question, Mr. Hanan. If I were a Free-trader I should oppose the duty, but if a Protectionist I should say, Put the duty upon it.

27. What is your opinion ?—I am inclined to free-trade.

28. I take it that you think it is in the interests of the Dominion that Oregon should come into New Zealand free ?—I am inclined in that direction. It would injure me enormously. I am speaking from the standpoint of the Dominion and the future needs.

29. You would not favour it coming in the bulk free and a duty being put on the sawn timber ?—I think that would be very much better, as it would employ labour in cutting it up.

30. Can you give us any information of the number of hours worked by men engaged in milling Oregon timber ?—Nine or ten hours—some run two shifts a day.

31. Can you say what are the wages paid to the men ?—I have printed evidence. The Hindoos, Japanese, and Chinese get about 3s. 4d. per day.

32. In New Zealand what are the wages paid to the men ?—From 8s. to 12s. a day.

33. And what are the average hours worked ?—Eight hours.

34. As to getting the timber to market at sea-ports, how do we compare as regards the cost with Oregon pine ?—I am satisfied they can put it on board ship at half the price we can put it on the truck—in fact, at less than half the price.

35. Do you export timber ?—We send perhaps a truck a month away.

36. What is the class of that timber ?—For making broom-handles—white-pine.

37. You did do a big trade in exporting timber at one time ?—We did once, but not very much—we are handicapped here by our railage to the Bluff. The North Island people can put it straight on to the boat, but we cannot.

38. What has been the effect of the duty imposed by the Federal Government on New Zealand timber ?—It has very much injured our birch trade.

39. And as to the red-pine ?—Well, we have never exported red-pine, but they have done so from the West Coast.

40. And totara ?—We have never exported any—we have none to export. Not 1 per cent. of our timber is totara.

41. What timber do you obtain from other places that is imported into New Zealand ?—Jarrah, ironbark, blue-gum, Baltic, Oregon, yellow-pine, sugar-pine, and several others.

42. In respect to what class of timber is imported timber displacing New Zealand timber ?—I dare say you saw yesterday a great many jarrah sleepers stacked up alongside the railway, and for every jarrah sleeper that is used it means a creosoted sleeper less. The Government have up to last year bought considerable quantities of white-pine, red-pine, and miro for creosoting. Of course, if they use jarrah in its place it means so much less native timber, but I do not say that they should not import jarrah sleepers, because jarrah sleepers hold the dog much better than our red-pine, or white-pine, or miro. I do not think it costs much more than a creosoted sleeper.

43. *Mr. Jennings.*] Is that after creosoting ?—Yes.

44. They do not hold so well then ?—Yes. I think on the straight it is not so bad, but on the curves you can see the momentum of the locomotives and trucks, and it is apt to displace the dog.

45. *Mr. Hanan.*] You do not urge any export duty on jarrah sleepers ?—No.

46. Or on any other imported timber ?—I cannot do that.

47. Or on anything else so far as timber is concerned ?—No.

48. Are your mills paying ?—Yes, but there is one that is losing money every day.

49. Where is that situated ?—I prefer not to mention it.

50. What is the cause of it ?—Bad trade, extraordinary depression, and difficult country to work.

51. You find the conditions vary considerably in your mills in regard to the cost of production ?—Enormously.

52. You have seen the mills in the North Island ?—I have.

53. How does the cost of production compare there with that in the South Island ?—You are speaking apart from kauri, I presume.

54. Yes ?—With new mills starting, if they are alongside the railway they can produce for much less than we can. Many of us are a great distance from the railway and we are handicapped in consequence.

55. Can you produce timber here cheaper than they can ?—I do not think we can, because their bush is infinitely better than ours.

56. As to the machinery and plant, how does that in the North Island compare with that in the South ?—In the North Island so many of them have larger areas than we have that they can afford to put in a better plant, which enables them to produce cheaper. Our areas are in many instances so limited that it will not pay us to do so. Then, again, our bush is so sparse that mills have to be put down that are capable of being removed after one place is cut out. The mills have to be moved a mile or a mile and a half further on. For instance, the mills you saw yesterday at Riverton are larger than some of them, but in rough country a portable engine would be more suitable, where they can move it two miles or so. Of course, that all means expense, but still you have to adapt the machinery to your areas and the topography of your country.

57. Now, in regard to the West Coast ?—I know the West Coast fairly well.

58. How does the cost of production compare there with that here ?—They have many disadvantages on the West Coast. They have in some places very rough country, but perhaps not as rough as ours. Against that they have better bush than we have and very much cleaner timber. By "cleaner timber" I mean there is more timber that you can dress; and they produce nothing like the amount of second-class timber that we do. Their timber is grown in a milder climate—a warmer climate with more moisture, and it is grown more rapidly than ours. Therefore it is cleaner and softer. I mean by "cleaner" that it is freer from knots, and it is taller than ours, and more regular in size and more even. Of course, they are very much handicapped there on account of not having the regular trade that we have. When I say "regular trade" I am speaking of Dunedin as being in our locality, and all along the line. They have to ship five-sixths of their timber, if not more, to Wellington, or Christchurch, or Timaru; so if they have some advantages they also have their disadvantages.

59. Do they sell cheaper than you do for the same class of timber ?—Not to the same people. We are selling to the Canterbury merchants at about the same price that they are selling.

60. Would you say they have a greater profit than you have down here ?—No, I should not say that. I think many of the mills on the West Coast are like many of the mills here—they are existing only. I am quite satisfied of that.

61. It has been said that our timber will be cut out in Southland in about six years' time : do you agree with that statement ?—Certainly not.

62. How long would you give it, in your opinion ?—I think there will be timber cut down here in thirty-five years' time.

63. What do you base that opinion upon ?—My knowledge of the country.

64. Is not the red-pine rapidly diminishing ?—To the extent of the cutting, yes, but not anything like so rapidly as it was twelve months ago.

65. Is there anything like the amount of red-pine obtainable here now ?—Yes. Immediately you increase the price even 6d. it brings other areas to the market and increases the means of communication. Boats will go to a place to-morrow, figuratively speaking, but they will not go to-day, and the railway is being extended. The Catlin's Railway is being extended straight through the bush now, and it will go right through the Tokonui and other bushes.

66. Taking the Tokonui Bush, what class of timber is to be obtained there for milling purposes ? —Red-pine and miro. There are about 3,000 acres in that.

67. And you give the life at about thirty-five years ?—I think it is a most difficult thing to say. I can only tell you that twenty-five years ago Professor Kirk told me that kauri would be cut out in fifteen years. My opinion is that they will be cutting kauri in thirty years, and I think it will be the same with red-pine. When I started down here red-pine was to have been cut out in fifteen years, and I have been here for over a quarter of a century now. I shall never see it cut out if I live an average life. The hauling-engine has trebled the life of the sawmilling bush. Then, the Government are constantly removing their forest reserves, taking the reserves off areas which, when I started, could never be opened to the public for sawmilling purposes, otherwise I should have been out of the timber business ten years ago. They are extending the railway up the Waiau district, and there is a large area of timber west of the Waiau River which would be tapped.

68. What did you pay for the bush to private owners twenty years ago ?—I paid up to £2 10s. an acre twenty years ago, and also £1 an acre, and some I bought including the land and bush at something like 12s. 6d. an acre twenty-four years ago.

69. What have you been paying during the last three years ?—Well, I bought very little land three years ago.

70. Do you know what prices have been paid ?—I think some as high as £3, £4, and £5 an acre. It depends upon the situation so much. Some bush is cheap if it is alongside the railway at £6 an acre, and other bush would be dear at £1 an acre—it depends on the quality as well as the locality.

71. Do you send much timber to Christchurch and Dunedin ?—Yes. Six times as much to Dunedin as to Christchurch.

72. Is the demand decreasing or increasing ?—Decreasing in Dunedin enormously.

73. Are you being put out of the market there ?—There is hardly any market. I do not think it is due to increased competition, but due to the extraordinary depression. There is not half the building going on in Dunedin that there was nine or twelve months ago.

74. So far as Southland is concerned, what is the position here ?—A great falling-off, but not to the extent up yonder.

75. Do you expect there will be an increase in the price ?—No ; I do not anticipate any increase in the price in the next ten years.

76. Do you think there well be any decrease, from what you can see ?—I think there will be.

77. What do you base that on ?—Because of the increased competition—there are so many more mills. Nine or twelve months ago we had a very good time, and many more mills were put up in consequence. The demand has fallen off enormously now, and we are now faced with the increased number of mills.

78. Do you think the tendency will be for prices to go down ?—I do. Indeed, if they go down, as one gentleman remarked, what can you expect when we get £4,000,000 less for our exports ?

79. Can you say who is getting the benefit of the reduced freights on timber recently made by the Government ?—The consumer, of course. We have nothing to do with the freights—the consumer at the other end pays that. If he can get it at 1s. a hundred less he benefits. Competition reduces all those things.

80. Do you advocate that the freights on the railway should be reduced ?—I do not think so. I do not think it is more than paying now. I do not see that it is paying them ; because the trucks go from here loaded with timber, and two out of three come back empty, because there is no return freight.

81. Can you tell us why these other millers have not come into your association that were referred to ?—I think our association is an association and it is not an association.

82. Do you find that the association stands to the price ?—Yes, when there is a good demand.

83. But at times there are failures to observe the agreement ?—At all times.

84. Why did you form that association ?—Because a contractor would come into our office and ask us the price of timber, and we would say, for instance, the price was 6s. He would then go to another sawmiller and ask what was the price, and they would probably also say 6s., and the contractor would then say, " I have just left So-and-so and he has offered it to us at 5s. 6d.," and we could not prove he had not, and in self-defence we were bound to have some understanding amongst ourselves.

85. Would you say that a cutting-down of the price of timber would lead to a reduction in the wages of the men ?—It would inevitably have that tendency.

86. Would you say that the sawmilling industry of Southland is in a satisfactory and prosperous condition ?—Certainly not now.

87. Are the majority of millers paying their way or losing money ?—At present ?

88. For the last twelve months ?—They did twelve months ago—many of them; but even some of them would find a great difficulty to live.

89. Some of them lost money ?—I think twelve months ago several of them would make no money at all. The idea was that you only had to get into the timber business to make money, and many of them have gone out of it in sorrow.

90. Would you say the majority of them are losing money ?—I am sure some of them are losing money now.

91. But the majority ?—I cannot say. I do not know the working-conditions of all the mills, and I know that so many of them never allow sufficient. The end of the year comes and they do not know how it is they have not done better, and not one out of a dozen of them allows sufficient for depreciation and accidents and all sorts of things of that character.

92. Have the mills increased in Southland in the last four years ?—Tremendously.

93. To what do you attribute that increase ?—The general prosperity. Things were very good some years ago, and there was more demand for timber, and timber was at a better price.

94. Do you look forward to more mills being shut down during the next three or four years ?—I certainly do.

95. For the want of orders ?—Nothing else, or for the want of a better price.

96. *Mr. Jennings.*] You have been engaged in sawmilling in this part of the Dominion for a number of years ?—Yes.

97. And you know the country thoroughly ?—I think so.

98. And you are quite satisfied with your answer given to Mr. Hanan about the non-cutting-out of the bush for a long number of years ?—Yes, quite satisfied.

99. Have you any idea of the available bush lands in the district, roughly speaking ?—It is all timber district.

100. In regard to the destruction of bush by fire, have you had any experience of that ?—Yes, I have, to my sorrow.

101. Are you familiar with the Waimarino district ?—Yes; I have been through it.

102. There is one mill there that turns out about 34,000 ft. per day—that is a million feet per month; and their cost of production is very much less than that of a mill turning out 4,000 ft. a day ?—Yes; look at their production and their life!

103. Are you acquainted with the Powell process of preserving the timber ?—I was reading about it with great interest.

104. Would it not be a valuable process for your birch and other soft-wood timbers here ?—I think it would. Using it afterwards for furniture purposes.

105. No, for building purposes ?—But would not the cost be too great for building ? That is what occurred to me. The majority of people, if they can save 1s. a hundred will do so.

106. What is the average per acre paid to the Crown down here ?—From 10s. to £1 per acre, or something like that.

107. That is considered in the royalty ?—Yes.

108. That is cheap as compared with Maori land at £10 an acre ?—Yes, but look at the land. We have not 1 per cent. of totara. Look at the hardwood they have, and we have none here.

109. If you follow out your opinion of free-trade importation of timbers, what would be the result of the Manchurian timbers coming here ?—I am frightened of the Manchurian timbers coming in here.

110. I assume your are a Britisher ?—I am.

111. If a tax be imposed against us in regard to sending our products to America and other countries, is it fair to let them dump their timber here ?—I see no reason why we should injure ourselves. They are injuring themselves if they attempt to injure us. If we can get an article cheaper from abroad I think we should do so, and the labour that would be absorbed in producing that article here could be directed in some other channel which would benefit us all the more.

112. *Mr. Field.*] I judge from what you say that you are a Free-trader by conviction ?—Yes, I think so.

113. In everything ?—Yes.

114. On all classes of goods ?—Yes.

115. But assuming you are running a country with a protective policy and we are protecting some of our industries in this country, do you not think it logical that we should protect our other industries ?—You mean, if we do wrong in one thing, why not do wrong in other things. It is a very big question.

116. At any rate, if it is logical to protect one industry it would be logical to protect another ?—It would appear to be logical.

117. In reference to the questions put by Mr. Jennings as to the treatment of our goods by the Americans: They, of course, put a heavy tax on our wool, a very severe tax on our best quality, and naturally one which completely shuts out our inferior wools. Then, notwithstanding that, you would not adopt a policy of retaliation ?—I think not.

118. You have travelled pretty extensively in Canada and the United States ?—Yes, I have lived there.

119. You have seen the timber produced there ?—Yes.

120. And seen the timber forests themselves ?—Yes.

121. Are you quite satisfied that their timber is practically inexhaustible ?—Yes. The Douglas fir, which we call "Oregon" here, I should certainly think to be inexhaustible.

122. Is it not true that they mill only their larger trees ?—Yes.

123. And leave their smaller ones, which mature much faster than our trees ?—Yes, long before they go to any other forest they will be ready for milling.

124. From that you claim that their Oregon timber is inexhaustible ?—Yes.

125. So that it is useless waiting for their export to this country to cease ?—Oh, yes !

126. There would be no sense in that ?—No sense.

127. Supposing you were the owner, as you probably are, of a piece of land here or in the North Island which was carrying good milling-timber and which would be also fit for farming, and you had no hope of milling it profitably for thirty or forty years to come, what would you do ?—I think I should clear it and put it into grass. You would be losing fifty years' profit, and that with compound interest would be an enormous amount

128. It would pay you to put it into grass at once ?—Yes.

129. With regard to these railway freights, you say you do not think the Government can very well afford to carry timber at a lower rate ?—No; I think the rate is very reasonable. Of course, I am not speaking as a customer, but I do not think we have any reason to grumble.

130. You do not think they are charging more on timber than on any other goods ?—I do not think they are. As I say, two-thirds of the trucks that go away full of timber have to come back empty; they cannot get return freight.

131. Is that so throughout the Dominion ?—The timber is so bulky they cannot get goods to fill the trucks in which it is sent away.

132. You have taken into consideration that the railway people have not to handle it at all ?—I have taken that into consideration, and they have recently reduced the rates to a small extent—to Ashburton, 1s. 8d.—perhaps from 6s. to 4s. 4d.

133. There is no reason, if it is true, as I understand it is, why we should pay more on timber than on any other class of goods ?—No reason whatever. Indeed, I trust we are not doing so.

134. Do you know anything of the class of Oregon pine that comes here ?—It is the ordinary merchantable timber.

135. Does the first-class come here ?—Some first, some second, and some third. The ordinary building-timber is what we call merchantable—floor-joists and suchlike. They have two classes below that again. From what I have seen in Wellington, Christchurch, Lyttelton, and Dunedin, it is the ordinary.

136. Have you seen any first-class landed in Wellington ?—I think I did. The bulk was ordinary merchantable timber. I think I saw some in Stewart's yard.

137. You did not see shipments on the wharf ?—Yes.

138. Did you examine them ?—Yes.

139. How did they strike you ?—As ordinary.

140. As compared with New Zealand timber, how did they strike you ?—Do you mean in houses or in the ground.

141. I mean above ground ?—I am quite sure that rimu will last at least as long as Oregon pine for flooring, and make a very much better floor—it is not so rough.

142. Do you know how much Oregon has come into the country recently ?—I think, within the last twelve months, from fifteen to seventeen millions of feet.

143. And what is our total output in the colony, roughly ?—I think it is getting on for 400,000,000 ft. of all classes.

144. You say that the Oregon is affecting Southland as far as the trade with Christchurch and Timaru, and to some extent Dunedin, is concerned ?—The Southland sawmillers are affected if it comes into Dunedin. A cargo of inferior Oregon was landed in Timaru, and was sold as low as our red-pine, and West Coast red-pine at the same price.

145. You anticipate that the importation of Oregon is going to affect our ordinary trade down in South Canterbury ?—I say, "down to here."

146. The immediate result would be that the West Coast timbers would have to come further south, and affect you. Will not the continued importation result in driving you out altogether ?—We are in hopes that Oregon will increase in price. I am in hopes that it will. But that was a very selfish expression, because the increase in price will affect the Dominion.

147. Then it will not come at all ?—That will be to the disadvantage of the people, will it not ?

148. You admit it is good to have it in large pieces ?—Yes, very long lengths and large sizes. We are importing Oregon into Dunedin now, because the kauri we bought formerly at 8s. 6d. is 18s. 6d. now. It has gone up 10s. in fourteen years.

149. If you were building an ordinary building, and you could get rimu and Oregon at the same price, which would you take ?—I produce rimu.

150. Putting yourself outside that fact—assume that you were an ordinary individual for once ?—I do not think that you should ask me a question of that sort. If I put it in the paper it might influence people.

151. I do not put it offensively ?—I know that you do not. I pulled down a portion of my house last year; it has been up forty-five years, and the rimu in it was as sound as the day it was put up, but some white-pine I pulled down had got the borer in it. There were some rimu scantlings all sap-wood, and they were as sound as those of all heart.

152. How long have you been importing Oregon into the country ?—The Government imported Oregon sleepers twenty or twenty-five years ago, but they abandoned that because they did not stand in the ground.

153. How long have you been using Oregon timber in the ground ?

Hon. the Chairman: I used some of it over forty years ago.

154. *Mr. Field.*] Did you have experience in Australia as to the life of Oregon there ?—No.

155. I was informed that they found there, from the point of view of durability, that Oregon was not equal to our white-pine ?—I wish they had. I do not believe it.

156. *Hon. the Chairman.*] I do not think the borer would affect it as soon ?—I do not think so.

157. Have you given thought to the question of afforestation ?—Yes, I have.

158. Do you think anything would be gained by planting with timber-trees any of our land ?—I told some gentleman yesterday that I had seen in Germany a forest planted eighty years ago, and I am sure they could not have produced a larger piece than an eleven-by-three out of the largest tree. I am sure it will pay us if we get 1s. per acre rent for land. Take that at compound interest for, say, eighty years. Then the question arises, if Oregon reproduces itself, and there are such tremendous forests in Siberia and other countries, as to whether it would pay us. Then, the rabbits would destroy the young timber. Then, the great risk of fire. I am under the impression that it would not pay us. I think it would pay us to import timber. It depends upon the land. If you can get land that will produce timber and nothing else, such as the pumice country in the North Island, or that cold kauri land, then it might pay.

159. Do you think it would pay to plant those areas infected with noxious weeds ?—Are you speaking of bush or of open country ? Open country can get rid of weeds.

160. *Hon. the Chairman.*] It is doubtful whether you can get rid of Californian thistle ?—If they do not let it above ground for a couple of years they weaken it.

161. *Mr. Field.*] What do you say is the increase in price to the sawmiller of ordinary milling-timber ?—Perhaps it might be 1s. 6d. ; but I could not say.

162. Is that more than would be justified by the increased difficulties of getting timber and increased cost of labour ?—I do not think so.

163. You think, in view of these facts, that it is a pretty moderate increase ?—Yes, I think competition has reduced it to that.

164. What do you think would be a fair thing for the miller, in view of all the risks he runs—a fair profit for him to make on his timber over and above the cost of production ?—I should think 3s. per hundred feet.

165. You think that would not be out of the way ?—Yes, because it is only one crop, and he runs such risks, and there is such extraordinary depreciation in plants. If it runs to 8s. in cost, I think 11s. for him would not be out of the way.

166. I suppose you would not think it would be fair to subsidise steamers that run timber from Oregon to here ? That is what we are doing now ?—Are we ?

167. We are giving them £10,000 a year ?—But that is not to bring over Oregon timber. We are establishing a trade that will pay us more than £10,000. If that is so, it will pay us to do so.

168. If it does not—if the stuff that comes back is Oregon timber, and very little goes from us ?—That is another matter.

169. About losses by fires : I want to ask about insurance ?—We have got an average clause. They compel us to insure to the full extent, for they suffer so much through fires ; and unless we pay right up they only pay proportionately. If a mill costs £1,200 and we only insure £800 on it, they only give us two-thirds of our loss.

170. What about their premiums ?—Seven per cent. per annum.

171. When you were asked as to whether the mills were paying, and you said that some were losing money, it is quite certain, I should think, that those gentlemen who closed those two beech-mills must have been losing money ?—Of course they were.

172. What did those cost ?—Does that include any tramway ?

173. Yes, a fair proportion of tramway ?—I should think that first mill—of course, this is only a rough statement—cost £3,000, and the other mill, I should say roughly, about the same. That has nothing to do with that long tramway to the railway. That is only for bush tramway.

174. And all that money is lying idle and their machinery is depreciating ?—Yes.

175. About the relative cost of producing here and in the North : you said the cost was about the same, speaking generally, because of the better class of bush there ?—Yes.

176. Did you see the millers working there and the difficulties they had to overcome ?—When I came through, there were very few working. I saw a mill at Taihape, and one at Taumarunui. Then at Kakahi there was a Government mill, where they were cutting sleepers, &c.

177. *Mr. Leyland.*] In you evidence you said that timber-merchants were allowed discounts of from 12 to 12½ per cent. That would mean a difference of 7½ per cent. in favour of the timber-merchant ?—Yes.

178. The timber-merchant has to cart the timber to his yard ?—Yes.

179. And measure it out again ?—Yes.

180. And apart from the cost of labour, rent, taxes, &c., our experience is that it takes 5 per cent. to measure a cargo out ?—I quite believe it.

181. That is 5 per cent. gone ?—Yes.

182. The cartage would be 5 per cent. : then there would be nothing left ?—Yes. Invercargill cannot do it for 25 per cent., but the merchant here cannot help himself, as he has to compete with the sawmillers in the district. I want to correct some of your impressions with reference to the cost in America. As you are aware, I have been to many of the places before your visit and since your visit, and I may say that, apart from wages, the cost of production in the mills, from evidence given before the United States Commission, owing to the rate war makes it considerably less. This letter I hold is a letter from the New Zealand Government Agents at Vancouver. There was another sawmiller who came, and who had very different impressions from my own, and I sent to the New Zealand Agents. They say that at the recent freight-rate fight in the United States, before the Inter-state

Commerce Commission, it was shown by figures from 400-odd mills that the average cost of producing lumber was, I think, $4·22. I think this is the exact figure: any way, it was something over $4.

183. That will be per thousand?—That is about 1s. 9d. Do you mean putting it on truck?

184. I mean the cost of sawing?—That includes the timber and sawing.

185. No. In cases they pay $9 for logs at the mills?—That includes royalty.

186. With reference to wages, you quoted from the *American Lumber Journal*, published in Chicago?—Yes.

187. They are competitors in our markets, and in other markets with the British Columbia people?—Of course they are.

188. The evidence they produce may be taken with a grain of salt as to the wages. This letter is dated the 20th January, 1909—the last mail before we left Auckland. That includes wages?—Yes. He goes on to say, "Quite a lot has been said about the low cost of labour in Canadian and American mills, but the following may interest your readers. Sawyers receive £1 0s. 10d. per day, and the wages per day run down to 10s. 5d. for all white men, with the exception of one or two labourers. Loggers supplying timber from the bush receive £1 0s. 10d. per day, and the head camp-men as much as £1 9s. 2d. and £1 13s. 4d. per day. Shingle-cutters are paid by piecework, and make 11s. 2d. per day and upwards. It is to be noted that the latter are Asiatics. In Canadian mills the majority of yardmen are Orientals, and you will find Chinese, Japs, and Hindoos working alongside each other. Their pay runs from 4s. 2d. to 6s. 3d. per day; but, then, they do not get through the same amount of work as white men. Let no person run away with the idea that the mills wish to employ Oriental labour: they are forced to do so. The question naturally arises, why are they employed in Canadian mills? The reason is simple. It all rests upon the unreliability of the white man. The miller wants white men, but when trade-conditions improve, and larger wages are available in the country districts, they will go out in a body and leave the mills without labour. It is, therefore, a matter of the mills choosing the lesser of two evils. They know it would be more to their advantage to employ white labour; but the white man will make use of the mill only so long as it suits him. The Asiatic, on the other hand, although not such a good worker—which fact necessitates about double the number being employed than in the case of his white friend—will stand by the mills in and out of season. I may say that our Chinese labour runs from $1·35 up to as high as $4 a day. We have no white labour in our employ at less than $2·25, and our average wage-list is a fraction over $30." I also wrote and sent paper-cuttings to the gentleman who was President of the Board of Trade, Mr. William D. Wheelwright, a man who is respected on the whole of the Pacific Slope. He is President of the Pacific Export Lumber Company. He says, "It is true that a good many Japanese are employed in the British Columbia mills, but very few on this side of the line, and low wages, even for Orientals, is a thing of the past. In this country the price of available stumpage is generally $2½ per M ft., and the cost of labour averages about $3 per day for ten hours." It was my privilege to meet a good many of these American lumbermen. I examined the wage-books, and found that to Orientals the wages paid were from $4½ per day upwards, which is really about the same as stated in the letter quoted. But they would prefer to pay 10s. 5d. a day to white men. They found that they saved a considerable number of cents in the cost of labour thereby. Two white men would do as much work as four Orientals.

189. From the paper your quoted it would appear that there was a cargo of three million loading for New Zealand?—That is quite true.

190. That was not handled by Oriental labour: it was not carried on the bottom of subsidised steamers either?—No.

191. The hard woods imported here are imported for purposes for which our timbers are not very suitable. Do you not think it necessary to allow hard woods to come here?—Yes.

192. Are you aware that there has been an increase in the price of timber throughout the world?—Yes; I think timber, on the whole, has increased; but there has been a decrease in Oregon. That is exceptional. It has decreased very much in the Baltic.

193. Do you know the cost of Siberian timber delivered in the log in Australia?—I heard from a Melbourne timber-merchant who was over here a fortnight ago that it was 8s.

194. Do you know the quality of it?—It did not impress me very much.

195. You do not contemplate any serious competition, if it costs 8s. to Australia and it is inferior timber?—No.

196. You know the United States is a country that follows a high tariff?—I do, well; and I am aware that Oregon and Washington compete with British Columbia.

197. Do you know the duty imposed by the United States against British Columbia on sawn timber?—I saw that the other day. I have it in some of these journals.

198. Well, the duty is $2 a thousand. We already impose a duty of £1. With reference to the larger trees, did you visit any of the forests they were working?—I did.

199. Did you notice that it was cutting on the face?—Yes, I did. I saw them cutting it on the face there. It was nearly all large timber.

200. They took it on the face there?—No; they left some of the small timber.

201. Did you notice the logs in the booms? They went down to very small logs, did they not?—No; in one bush I was in I do not think I saw anything there under about 2 ft. in diameter. On the Mississippi I saw them take logs down to 15 in. in diameter.

202. Would it surprise you to learn that in evidence given before the British Royal Commission, just published, by the United States Department of Agriculture it is stated that the annual consumption of timber is three or four times as great as the annual increment to their forests?—It would surprise me, because you must take into consideration the area of British Columbia.

203. I am speaking of the United States?—That still would surprise me, and I should doubt it.

204. Would you be surprised to know that prior to 1904 the United States paid to Canada, for ten years, $13,000,000 per annum for timber ?—No; because in certain districts it pays them to bring it over the border.

205. Would it surprise you to know that, whilst, twenty years ago, of the timber exported by Canada to the United States and England, 40 per cent. went to the States and 60 per cent. to England, to-day these figures are reversed ?—No, it seems reasonable.

206. A few years ago, your output was 25,500 ft.: to-day it is 20,500 ft. I have arrived at this by adding up the different mills. So that the falling-off in your output is not so very great ?—Our red-pine has fallen off 20 per cent.; but, then, half of our mills are cutting red-pine entirely.

207. There is depreciation in white-pine also ?—Yes, there is. We are selling it now for less than we sold it ten years ago.

208. Do you not think that this is owing to overproduction ?—Of course it is.

209. Have you seen the Customs returns as to white-pine export ?—We do not export a foot of butter-box timber here. Everything is the same. It is no wonder. I, for one, may say I never expected for a moment that the state of things obtaining last year would continue. I expected this to come long ago.

210. Seeing that our imports of Oregon have been seventeen million, and comparing this with our output, do you think it has anything to do, or has it very much to do, with the present depression ?—It has not very much to do with it. It certainly has something, but not very much.

211. Can you tell us the price of Oregon to-day if you wish to buy ?—I should think, about 81s. c.i.f.

212. Eighty-one shillings as a basis ?—Yes.

213. Then, if you made out a specification, including long lengths and different sizes, how much would you exceed 81s. ? Would you be 20 per cent. higher ?—No.

214. Would it be 15 per cent. ?—I do not think it would be 10 per cent.

215. I have worked it out, and it works out at 15 per cent. on the basis of the E list ?—So that would bring it over 90s.

216. There are exceptional reasons why Oregon pine was so very cheap ?—We get it in Dunedin at about 70s.

217. There was a financial crisis ?—Yes.

218. The only revenue open was the export ?—Yes.

219. They had to cut it and sell it for what they could get; and is it not almost impossible that these prices can be maintained ?—I think so.

220. Now, in reference to the kauri at 8s. 6d.: there are special reasons for that ?—Yes, I know.

221. An effort was made by Mr. Broad to crush the other mills ?—I do not know that.

222. You know that logs are costing 10s. per hundred feet ?—I cannot understand them costing 10s.

223. It is exceptional to say that it is sold at that price ?—I know it was exceptional. I may say we bought it for two years at that price. We bought it from Mitchelson, from the Kauri Timber Company, and from Matthews.

224. You think 3s. is a fair profit for a miller ?—I think we ought to have 3s. down here. It should be 50 per cent.

225. Then, idle mills in Southland are not due to the importation of Oregon pine ?—I do not think so. It is a factor, but a very small factor.

226. *Mr. Clarke.*] I think, Mr. Massey, you stated you considered the supply of Oregon was practically inexhaustible in North America ?—Yes, of Oregon.

227. Do you consider that this is so in view of the fact that the United States have reported very much in the opposite direction—would that influence your view ?—Yes, it would certainly influence me, because they should know more about it than I. Of course, I spoke of the whole of the Pacific Slope, and not of the United States only.

228. I should like to ask you, as a man who has had large practical experience in bush-work throughout the Dominion, whether you do not think that considerable harm would be done to the country by the complete denudation of the forest, in the way of injury to the country from climatic and other points of view ?—Certainly. All experience proves that, when hillsides are denuded of their timber, very great damage is done. France, Sweden, Norway, and other countries are suffering from that. In regard to the question as to whether it affects the climate in the way of rainfall, that is an unsettled question which is very much in dispute.

229. With regard to the larger amount of timber that may be expected, or that may be available, from Manchuria, is there any good evidence that there is such a large quantity there ?—I think there is. You may remember reading before the war that the Russian Grand Dukes had acquired very large interests in timber land on the Yalu River, dividing Korea from southern Manchuria. I understand that was one of the causes of the war. Of course, I do not altogether accept that as an authority, and I should require confirmation before I attached much importance to it. There are, nevertheless, large areas of timber in eastern Siberia. I should think, and I believe, that it will cost a very considerable sum to get it on board to compete with us.

230. You know that China is suffering a great deal from the complete denudation of her forests ?—Yes, I know that.

231. Relating to local matters: In respect to one of the reasons for establishing a Sawmillers' Association here, I think that about the only answer that was given was that a man would come and say, "What is the price of timber ?" and he would be told 6s., and he would then go somewhere else and say, "I have just been quoted 5s." Is that not the main reason for the association ?—I would not say it was the main reason. I am quite satisfied it was one. I think the object in starting it was that timber was very, very low at the time, and I am satisfied that that largely promoted the association by three or four of us. It is, as a matter of fact, a very harmless association.

232. *Mr. Morris.*] I want your opinion as a sawmiller whether you consider it in the interests of this Dominion that cheap foreign timber should be allowed to flood the market ?—Looking no further than my personal interests as a sawmiller—not looking at it in a general and comprehensive way—I can only say that I should like decidedly to increase the duty. I am quite sure that the West Coast is suffering from the Oregon.

233. You must bear in mind the great amount of capital involved in the industry, and also recognise the large source of employment resulting from it ?—I do, indeed. You have my sympathy in that matter.

234. Generally as to the question of area allowed to sawmillers, I should like to have your opinion ?—Eight hundred acres is allowed here in one lot, but I think they are increasing it to 1,200 acres. I think there are new regulations about to be issued allowing a sawmiller to take up an area in proportion to his horse-power. I have not seen the regulations, but I understand they are about to be issued.

235. I take it that you recognise that if we had more liberal conditions in regard to the area of bush timber in some cases it would enable a man to produce cheaper goods ?—Yes, undoubtedly I do. That would lessen the cost of the timber to the consumer.

236. There are only some twenty-three mills here in what you call the nominal association ?—Yes.

237. I presume that the forty-seven mills outside that association practically control the price ?—Of course they determine the price.

238. Seeing that, they are in a big majority ?—They are.

239. Then, the association cannot be accused of increasing the price to the public ?—Oh, no ! How can they ? We try to get the highest price we can, and but for the forty-seven outside mills I have no doubt we should get a better price. That is just our trouble at this moment.

240. Do you export much timber from here ?—No—if you mean, export out of the colony.

241. I think your policy for years back has been to conserve your timber ?—Myself, personally ?

242. Yes ?—No, not at all. I should be glad to cut my timber in six months and get out of it. It would be the greatest mistake to spend my life here.

243. You have got a number of mills in which you are interested, and I presume you are able to keep them working at a small margin of profit owing to the fact that you are a merchant ?—Yes.

244. Otherwise they would be closed up ?—Most certainly one would be, or we should reduce the output immediately.

245. *Mr. Barber.*] You stated that the Southland mills were supplying cheaper than any other mills in the colony ?—I think so.

246. And yet you are milling under very great disadvantages—you have very inferior bush in the first place, and yet you are able to supply timber cheaper than those who have fair bush to mill in. Can you explain the reason of that ?—No. I dare say some of the other mills in the North Island are further away from the railway, or they may have some other disadvantages. I think it is the competition down here, for one thing.

247. With regard to the association, you said there were twenty-three mills in the association, but there are a larger number outside ?—Yes.

248. And you said just now that the price of timber was controlled by the non-associated millers. Well, in your opinion, if a legally formed association were established in the district, with penalties for breaches of the rules and no one outside the association, would that be, in your opinion, a reason for keeping the price of timber up ?—I think they could keep it up that way ; but I do not say it would be a good reason.

249. If they had not the conditions which you have here it would increase the price of timber ?—I think so.

250. As to the quantity of milling-timber available in this district, you said you were sure that milling would go on in this district for over thirty years ?—I think so.

251. The Crown Lands Department in their report stated that the milling-timber on Crown lands, State forests, and forest reserves in the Southland District only amounted to 102,000 acres ?—Yes.

252. So that if you divide that by 800, and the life of a mill in one of these areas is only six years, and if these reports are correct, the life of the bush in this district cannot last more than six years, and the whole timber area will disappear. That is in the report of 1906-7. In a later report it is said with regard to Southland that as there is not a very large supply of standing timber remaining in the district it is probable that the sawmill trade will gradually decrease, and at a not very distant date, judging from the present output, will cease to be an important factor in the industries of the province. Had you read that ?—No, I had not.

253. You said that as a sawmiller you thought it was not a good thing that this Dominion should be swamped by cheap foreign timber ?—Speaking as a sawmiller.

254. Now, do you consider that ordinary building sawn timber, undressed, sold at 17s. 6d. is a cheap foreign timber ?—No, I certainly do not.

255. You think that a very fair price to pay for building-timber ?—I think it is a very big price.

256. You said you did not think that it was fair that this colony should be swamped with cheap foreign timber ?—Only as a sawmiller.

257. Now you say as a sawmiller that you do not think timber sold at 17s. 6d. is a cheap timber ?—You did not mention Oregon.

258. The man who wants to build a house has to pay 17s. 6d. for this foreign timber, which is called cheap timber, and some millers are afraid it will come into competition with our home product ?—If they get 17s. 6d. for it, I do not think they need be frightened.

259. *Hon. the Chairman.*] But is any one getting that for it ?—We in New Zealand use it for the factory or for very long lengths.

260. But are you getting 17s. 6d. for it ?—Yes.

261. *Mr. Ell.*] With respect to the supply of New Zealand timber for milling purposes to which Mr. Barber referred, the report of 1906-7 says that, as a result of systematic inquiries made by the various Commissioners of Crown Lands, timber experts, and Crown Lands Rangers belonging to the Department of Lands, they have been able to supply certain information: do you not think they are now in a better position to judge—seeing that they made a survey and investigation—than the late Mr. Kirk could possibly be in?—Yes, I think so.

262. So that the information obtained by the Lands Department is more reliable than the report of Mr. Kirk?—I should certainly think so.

263. It covers the quantities of milling-timber on private and Native land and Crown land in New Zealand, and they say it will not last more than seventy years at the outside from the year 1907. Do you think we should be justified in accepting that as fairly reliable?—Yes, I think so: that is the best way we can get at it.

264. The report further states that in Taranaki and Hawke's Bay the mills have gone out of work, and that they are diminishing in this district?—I do not think the mills are.

265. According to the report they are?—I do not think they take into account the mills on private property.

266. Yes, the report says so. I should like to know whether you think it advisable that the export of timber should be limited, seeing that we are dependent on the outside world for our timber-supply?—It is such an immense question. It is too big a question, and I should have to consider it well, and I have not sufficient data to go upon, and I do not know the conditions prevailing. I know exactly what you mean, and quite recognise it.

267. The whole point is whether we should preserve a supply for our local needs?—I should certainly say not if we can produce it at anything like as cheap as we can import it.

268. *Mr. Arnold.*] Of course, you know that this Commission has been set up in consequence of the unsatisfactory condition of the timber industry at the present time?—I do.

269. You recognise that the condition is very unsatisfactory?—Yes.

270. Especially from a milling point of view?—Yes, and from the merchant's point of view also.

271. We have had evidence to show that the millers are paying a higher wage than that set out in the arbitration award?—That is so, absolutely.

272. So that you do not suggest that any improvement can be made by a reduction of wages?—I do not suggest that.

273. And neither do you suggest, I think, an increased import duty: you do not think that would remedy the conditions?—As a sawmiller it would perhaps benefit me; but I am looking at it in a more liberal light.

274. But that would relieve the conditions to some extent?—It would somewhat, because I know they must be suffering on the West Coast. If they suffer there it will inevitably react here, and we must suffer. We shall have more men coming from the West Coast to this district.

275. Do you think it would be possible for the Government to relieve the position by offering a bonus on the production of timber—giving the sawmillers a bonus on so-many thousand feet?—I could not say at all.

276. Would you suggest that?—No. That is an idea that has never occurred to me, and I could not say.

277. I understand you to say that you do not think it possible to increase the price of timber for many years?—I do not think we shall get an increase for many years.

278. So that from your evidence I gather that you think the position might be relieved slightly by a duty, and that, if the area of 800 acres per mill was increased, that also would be something towards it?—Certainly.

279. Now, as a practical miller and as a practical timber-merchant and expert in every way, have you any other suggestion you can give this Commission which will enable them to come to some decision for the purpose of relieving the present position?—I think the present position is almost entirely due to the depression. I think that is 95 per cent. of the whole trouble.

280. The Commission cannot relieve the depression?—No.

281. And you have no other suggestion?—No.

282. *Mr. Stallworthy.*] You told us that the cost of production was 8s. 1½d.?—Yes.

283. And that a fair selling-price would be 11s.?—Yes.

284. Yet I understand that you are selling timber in Ashburton at 6s. 6d.?—Yes; that is ordinary building-timber.

285. It refers to the same timber which costs you 8s. 1½d.?—8s. 1½d. is the average price of all sorts of timber.

286. Is not 6s. 6d. the average price, too?—No, that is for big lines—not for dressed timber or totara.

287. It pays you to sell in Ashburton at 6s. 6d.?—We do; but there is not much in the 6s. 6d. We are selling some at Timaru at less than that—at 4s. 6d., and so on. It is a very difficult thing, and seems very confusing. There are so many descriptions of timber; but that is one of our big lines—the ordinary inch timber.

288. I think you said that you did not consider the wages too high, or that the wages now being paid were harassing the industry in any way?—I do not think they are harassing the industry. Good men always deserve their money.

289. You gave us a statement in reference to the wages in America being very low?—Yes.

290. You agree that if you employ the cheap labour—the Orientals—you have to employ more of them to get the same amount of work?—Yes, and I do not advise it.

291. So that the low wage is really not a low wage?—Yes.

292. Do you import Oregon timber ?—Yes.

293. And sell it in Dunedin ?—Yes.

294. What is the price landed in Dunedin ?—I think a number of merchants in Dunedin divide up the cargo. It was 7s. 8d. a hundred feet, and the duty is 2s. That is the one quality, like ordinary timber I am speaking of at 6s. 6d. Then, the harbour dues are 6d. ; putting it into the yard will cost another 6d. ; and stacking it, something more. Most of the Oregon we had in Dunedin we used in the factory, substituting it for kauri largely.

295. What did it cost landed, or, say, put into the yard ?—11s. 9d. perhaps, roughly. That is for the ordinary quality, not the selected quality.

296. What does it range up to for higher qualities ?—I thould think two or three shillings more.

297. And is 17s. the highest price you get for long lengths ?—No, we get more than that. The greater the length the more it costs.

298. What is the selling-price of Oregon in Dunedin—from what to what ?—I think about 17s. upwards.

299. Is 17s. the lowest price ?—No, it is not the lowest.

300. What is the lowest ?—Perhaps 15s.

301. Up to what ?—I should think up to £1 3s., or £1 2s. perhaps.

302. You pictured a somewhat depressing consequence to the West Coast if Oregon importation increases. Have you any remedy to suggest ?—No.

303. Do you know of anything to prevent such a disaster ?—I do not.

304. Is there anything that you know of in America that would prevent the importation : is there anything to prevent the export of bulk Oregon ?—I do not think so. I distinguish between balk and log—I mean squared.

305. Is there anything in the freight or otherwise to deter a New Zealand merchant importing Oregon in the large size rather than the small ?—I do not think so. We used to bring kauri down from the North in balk.

306. Is there any advantage in importing it sawn ?—Not in freight.

307. In any way at all ?—No, because we can saw it up to the desired sizes.

308. The present position is that New Zealand is importing Oregon in sawn ?—Yes.

309. What is it prevents the New Zealand merchant getting it in the balk ?—He would have to pay for the sawing, and there would be the waste in the sawdust and conversion.

310. You think the wages in this country would be dearer than the wages in America ?—I am sure they would be.

311. There was an importation into Australia of beech, which has ceased on account of the tariff ?—Very largely indeed.

312. What is taking the place of the beech in Australia ?—I cannot say.

213. Are they doing without it altogether ?—I do not think they are doing without it altogether. I think the depression over there has affected matters over here, too; but I have no doubt that the increased duty on beech has affected it, and probably they are using home-grown timbers.

314. I notice that the branch lines in this district are rather numerous ?—They are.

315. Do you not think that the extraordinary development of the railways has tended to bring the bush to the market perhaps faster than is really a good thing to do ?—Well, I do not know ; but it has certainly tended to bring it into the market sooner than otherwise.

316. A reduction in price, you said, would tend to lower wages ?—It would do, undoubtedly.

317. Would it also cause you to give your horses less feed ?—No ; that would not pay. It does not pay to starve the horses.

318. A man could have less feed, but not a horse ?—I would not say that for a moment.

319. Where have the new millers come from that have increased the number so much in Southland recently ?—I think, round the district, like every other business.

320. Men who have been workers have become millers ?—A few of them, not many; but many others want something to do.

321. Have these come from the capitalist class for a speculation more than anything else, or are they those who have desire to find better employment ?—I think there are all classes.

322. *Mr. Mander.*] You consider it good business on our part, considering that the Dominion is suffering from a rather severe depression at the present time, to allow our difficulties to be increased in that direction by allowing Oregon timber to come here free ?—There is a 2s. duty.

323. Considering that there is a severe depression at the present time, and that the millers are suffering severely in consequence, do you not think it is wise to protect ourselves, and not allow America to make a dumping-ground of our country ?—I think it would benefit the people.

324. Do you not think it would be better for the general public to give a little more for material and have enought to pay for it than have cheap timber and no money to pay for it ?—It is the same old question of free-trade and protection.

325. We put our railways through the country to get out our timber. One of our principal arguments was to get the timber out ?—I remember it well.

326. Do you think it is wise, considering that we have opened up that vast area of country, to allow the industry to suffer and the timber to be destroyed ?—I think it would be very hard upon the sawmillers after you have given them to believe that there would be no reduction in the duty on Oregon —I think it would be a very serious thing to remove the duty from Oregon. I think it would be very wrong indeed.

327. Then, there is the question of fire. Of necessity the timber has to be cleared off the land, and it would not be right to allow it to be cleared in consequence of other timbers coming in ?—If the timber-supply was inexhaustible, I think it would be justified ; if limited, I think it would not.

328. Do you not think it would be far better to conserve our timber while we have got it, considering we can get all we want from outside ?—I think it would be very wise.

329. According to reports, it is estimated to last seventy years ?—I suppose that applies to the whole colony ?

330. *Hon. the Chairman.*] That is problematical, because increasing population will shorten the time ?—Yes; that is, at the present output.

331. I always think it is impossible to get at these estimates ?—I know it is impossible, because you cannot survey this country, and I am in hopes, and believe, that the quantity in New Zealand will be very much greater than the estimate.

332. There is just one point here about what you think is little enough for the sawmiller for profit. You said 3s. over and above what it costs to produce the timber ?—Yes; and contingencies, and bush-fires, and one thing and another.

333. But you provide in your estimates for insurance ?—You cannot provide for bush-fires, extraordinary accidents, &c.

334. If you go by your evidence you will think so. It appears so to me. In your enumeration of what the sawmiller has to charge before coming down to horse-feed, it includes insurance for fire and suchlike ?—Yes.

335. Do you not think 3s. is rather too high for profit ?—No, because you only get one crop of timber.

336. But that was not used till you purchased it ?—A bush-fire comes and sweeps away a lot of our timber. You cannot provide against that. Then, you make perhaps an enormous bad debt, or kill two or three men.

337. I do not think there would be many debts lately ?—I think nowadays it would be greater.

338. Your output from one of these mills is 7,000 ft. a day ?—Yes.

339. And from the others 5,000 ft., 4,500 ft., and 3,500 ?—Yes.

340. Putting that all together, it would be about 12,000 ft.—say, 14,000 ft. per day ?—Yes.

341. To give you 3s. on that every day, you would be a millionaire very soon ?—But what about the big depreciation that comes ? I have two mills that will be cut out very soon, and 21½ miles of tramway that will not be worth a snap of your fingers. I shall feel it badly as I have got the largest number of mills down here.

342. *Mr. Hanan.*] How much have you sunk ?—Thousands.

343. *Mr. Clarke.*] With regard to future supply, you think there will be more than the Government returns here. Is that based on actual experience of Government land you have taken up ?—Yes; I know that in bushes where they thought there was very little available timber more has been discovered since, and they have turned out better than was expected. I do not think that in that estimate they have reckoned upon lots of places I know of where with better means of communication they will find timber they have not reckoned upon.

344. *Mr. Field.*] Take our timber that is growing: assuming that it cannot be milled profitably, what is the inevitable result ?—They are burning it, and grassing the land.

345. By so doing we are losing railway freights, capital, milling, and labour ?—If that land produces a crop every year it does not matter. If it is capable of feeding sheep or lambs you are getting something.

346. But take the sawmiller: he has to close his mill up, and he loses his mill; the men are thrown out of employment, and the railway loses its revenue ?—Yes.

347. Then we are thrown entirely on the foreigner for timber ?—Not for seventy years.

348. But assuming that this is done ?—Yes.

349. What I want to know is this: We hear of Harvester Trust monopolies—if we destroy our timber, are we not in the hands of monopolists again ?—No, that cannot arise, because you are in the hands of the whole world. There is the whole world to draw supplies from, and it is beyond the most remote possibility. I do not think there is the slightest reason for apprehension on that point. They have discovered immense areas in the Philippine Islands and Java, and I am convinced that there are millions of acres in Siberia.

350. *Mr. Morris.*] Is there any land being disposed of for settlement containing milling-timber ?—Some has been disposed of.

351. At the present time, I mean ?—I do not know of any now. But I think that where land is very sparsely timbered, and would not pay for a sawmill, it should be disposed of.

352. The reason I mentioned this matter is that in our district during the last twelve months timber lands that contain very good milling-timber were advertised for settlement under the lease in perpetuity. I wrote to the Crown Lands Commissioner, and he went and visited it, and it was withdrawn, and he wrote me a very nice letter thanking me for the information I had given him ?—If he discovered there was milling-timber upon it he would sell it to the sawmiller.

353. They had no sawmiller very convenient ?—That is what they do here.

Hon. the Chairman: I gave general instructions not to sell any bush that was fit for sawmilling in any part of New Zealand, and if there was any bush land advertised for settlement it was overlooked in some way. When they opened land without being surveyed, a man that was pretty knowing might include a portion of bush land in his application.

Mr. Jennings: If that was carried out in its entirety it would block settlement in these Islands.

Hon. the Chairman: I must compliment you, Mr. Massey, on the straightforward way in which you have given your evidence to this Commission. On behalf of the Commission I beg to thank you.

INVERCARGILL, MONDAY, 29TH MARCH, 1909.

WALTER HORACE BRENT sworn and examined. (No. 5.)

1. *Hon. the Chairman.*] Are you prepared to-day to give evidence and make a statement regarding matters you consider of importance in connection with this inquiry?—Yes. The position of trade in Southland, so far as timber is concerned, is this: Some twenty or twenty-five years ago the timber trade was in a very bad state. Then, following that, owing to the prosperity of the country, the timber trade improved as well. At present, I am sorry to say, the timber trade is in a very bad state, and naturally we look to find the causes. The chief cause of the present depression is the tightness of finance—viz., the want of money in the Dominion. Of course, the importation of timber has always been a factor, and when, added to that, money becomes tight we feel more than ever any timber that comes in. I am aware that Oregon has been coming in for a long time, and lately it has been on the increase. When it takes the place of red-pine, in times of depression, we feel it very acutely. Another factor is that the cost of production has been going up all the time. Wages have increased: the bush has got farther back, has become more inaccessible, and therefore necessitates large and more expensive tramways. It is true the areas we have to work are of the same dimensions they were years ago, but then the bush was much better, on practically level country, and we had the same area to work on. We now want the *quantity* of bush, and that is the thing I should like to impress on the Commission. In granting sawmill areas to sawmillers the quantity of bush should be the factor, and not the number of acres. My company took up 200 acres with a reserve of 600 acres, but we found we could only work out 150 acres, for the reason that the remainder was inaccessible and we had to leave it. That class of thing did not exist at all in the old days; then you could work every square yard of it. The cost of tramways in the early days was much less than at present. At that time one could map out his lines in the office, but now experienced surveyors have to be employed in the construction of our tram-lines. Mill articles are generally more expensive at present: for example, saws, files, and many other things have gone up in price. There is a general rise all round, which, of course, affects the price of timber. When the cost of production is greater and the selling-price of timber has only advanced proportionately the miller receives no additional advantage. As a matter of fact the sawmiller was better off ten years ago than he is to-day. Indeed, there was much more profit in the earlier days. Then I would like to point out that depreciation is a very great factor in the cost of production. In the early days you could get an area which would last you ten years, and therefore you would have that ten years in which to write off your depreciation. Now, where an area may not last more than five years, there is only five years to cover the depreciation, which is consequently doubled. We acquired some bush about five or six miles from the railway-station. We had to put a tramway across a swamp to get at the bush, which tramway cost us £1,200, because the swamp had to be ditched. I would now take half-a-crown for that tramway as it stands, and yet it cost us £1,200, and that amount has to be written off before we can show any profit at all. Where we are working now the same principle holds good. In one place we have had to get a private siding from the Railway people, in connection with which we had a huge amount of difficulty with the Department before they would move. It cost us £250. The Department allows you to pay for it, but when you are done with it they will not permit you to take the rails away. So the whole of that amount has to be written off. They charge us rent for the stacking-accommodation. I think these are the chief items that have gone to increase the cost. One thing that I want to lay special emphasis on is that the Government should be induced to grant extended areas to sawmillers, which would give a longer life. We do not care in the least how many acres we get. We merely want a certain life for a certain mill, because if we get a long life we can reduce the cost. Depreciation is a big item We have to put up accommodation for the workmen, construct mill, shed, stables, blacksmith's shop, and moulding-sheds. These things are worth nothing after the area is cut out. Sometimes they rot, and sometimes the settlers offer us a trifle for them. On Saturday, whilst listening to the evidence, I noticed that the question of conserving our forests down here was discussed. I would like to point out that the sawmiller is benefiting the country, because unless the mill goes ahead of settlement the settler must cut down the bush and burn it. In the absence of the miller, and if we wish to settle the land, the timber must be burned down altogether. Some of the finest bush in Southland has been destroyed by the settlers. I remonstrated with them, and they replied, "What can we do? We must live." We have got a good deal of bush from settlers, and they are only too glad to sell it. Immediately they get the money they put it into improvements. At one time here the Commissioner of Crown Lands would not allow a settler to sell his timber, but he could burn it. I made representations to Wellington on the subject: they saw the absurdity of the position, and either the law or the regulations were altered in that respect. Since then we have had no trouble, and the Commissioner of Crown Lands grants us a good title. We pointed out to him the benefit it would be to the settler and to settlement to have the sawmiller cut off the big timber instead of the settler sending it up in smoke. It would be absurd to try to conserve our bush here at the present time, because we cannot live without the farmer, who is the backbone of the country. To have the farmer cultivating his land, producing crops from year to year and increasing the value of his land, is surely better than to lock up that bush for an indefinite time. The bush must be sold some time, and if we can import timber now we can do so just as well ten or twenty years hence. I say, use the timber you have and let the farmer get on to the land. Then there is the question of sleepers, of which there is an immense quantity coming into this country. I can supply any quantity of them. I would like to get an

order for 10,000 kamahi sleepers. This wood ranks amongst the best of sleepers, and there was a great quantity of this timber at Seaward Bush. It would pay the whole of the Dominion better to use our own timbers for railway sleepers rather than to import them even if they are not quite so durable. We are all prepared to admit that probably jarrah is a better-standing timber, but every penny paid for jarrah goes out of the country. So also in respect to Oregon, which can be laid down here at a cheaper price than we can produce red-pine for; but we should not forget that every penny paid for Oregon goes to another country, and it can be shown that more than half the cost of the production of red-pine goes to labour here. Indeed, I should say the bulk of it goes to labour in some form or other. Surely that is for the benefit of the country. The production of timber here benefits the farmer in the way of horse-feed, whilst it employs all forms of labour, either directly or indirectly. As to the figures supplied regarding the cost of production, I have checked them with ours, and I find the evidence given by Mr. Massey in this respect fairly correct. I have some trollying that costs me 3d., and I have some that costs me 2s. 6d., so that it is difficult to give an average. Mr. Massey, however, was very correct in his figures—as an average he was near the mark. If the Commission would like any information with regard to the association, I shall be glad to give it, as I am the chairman. In that connection I should like to say that this is a complete list of all the mills working in Otago and Southland. They were cited before the Arbitration Court. There are fifty-two millers, and only thirteen of these are in the association. These were cited before the Arbitration Court on the 2nd September, 1908. [Copy of the award handed in to the Commission.]

2. *Mr. Field.*] We heard there were seventy-odd mills?—Some have more than one. There are only thirteen millers in the association, but they have more than thirteen mills. The association was formed to arrange for uniformity of price; but the price is merely a standard, more than anything else, just as they have in ironmongery establishments. I am honest in telling you that we get as high a price for our timber as we can, and I would be quite willing to take a shilling more if it were possible to get it. The price, however, has decreased since the association was formed, owing to trade discounts. The builders get from 5 per cent. up to 17½ per cent. All builders get a trade discount. We make no distinction whatever, and the members of the association will supply to any one no matter who they are or what they are. If a farmer comes for timber to build a house he gets it at wholesale price (no trade discount), but less 2½ per cent. cash discount.

3. *Hon. the Chairman.*] What discount would the farmer get?—The farmer would get no discount, because he is not in trade.

4. *Mr. Jennings.*] Have you building societies here?—Yes, but we do not deal with them at all.

5. If a member of a building society wanted to build, would he get from you the same as a farmer?—A building-society man would have to pay the list price. We only give a discount to the trade. We recognise that a builder should get some concessions. The merchant gets a greater discount because he has to cart and stack it. We allow a discount for cash to every one, the farmer included. The farmer very often lives close to the mill, and if he does so he can back his cart in and take it away at wholesale price. Very often, however, there is some timber about the mill that is not first-class, and when the farmer comes along he will ask, "How much do you want for that?" and he is very often enabled to take it away at a very great reduction. I am satisfied that the tightness of money is the chief factor in the present depression. When money is tight the building trade falls away, and then there is overproduction. The mills have increased very largely in number, although when things were good there was plenty for them to do. I would like to point out how the present condition of things affects the cost of production. The cost of production goes up with the slackness of trade, and the reason is that we have to reduce our output. After Christmas we held a second meeting, and it was arranged that we should all reduce our production, because we had no orders. It was reduced by one-third. It is much cheaper to work a mill full-handed than with reduced hands—that is, proportionately cheaper. The trollyman, for example, has to attend to his horses whether he is idle or working, and his pay remains. Also rents and other charges run on. These are the chief factors which go to show how the cost of timber has gone up steadily. We are in hopes that the demand will increase a bit now that the harvest is over. As far as I am personally concerned, I do not think we have any reason to fear a slump of long duration. I think we shall get out of our troubles soon, and meantime, when there is depression on, as there is, the best way to meet it is by public and private economy. If I were asked, as a sawmiller only, how to meet the depression I would say, "Borrow two or three million," because that would give us temporary relief; but if I was asked as a citizen of the Dominion, I would say that borrowing in such a case was not a wise course. I do not believe in borrowing in the colony, because I fancy that a good deal of the depression is in consequence of borrowing in the colony. The money that would have been lent to trade and business concerns has been borrowed, and it is not available. The private man cannot go to the London market the same as a Government can.

6. *The Chairman.*] I see here that the discount allowed Timaru is less than that allowed to Ashburton and Geraldine?—Yes, that is so. The reason for that is, we have to arrange our discounts according to competition to a great extent. Timaru is a seaport town. When the Government make a concession in railage the customer reaps all the benefit, and not the sawmiller. We naturally want to make as large a market as we can for our timber.

7. And there is a seaport at Oamaru, too?—But Oamaru is a free port for merchants—we do not do much there. McCallum and Co. have a yard there.

8. They really do most of the trade?—Yes. You will notice on the discount-list that the further we get from Invercargill the higher the discount. That equalises the railage, but they do not get the timber cheaper. In fact, I do not suppose any one would get it cheaper than Invercargill.

9. *Mr. Field.* You meet them a little way to equalise the railage?—Yes. There is no doubt we sell timber at a loss sometimes, but the other places make up for it.

10. *Mr. Hanan.*] What would you say would be the difference in the cost of production per hundred feet between level and hilly country?—From about 1s. 6d. to 2s.: it depends on the hilly country.

11. The nearest mill in cut bush in Southland is how far situated from Invercargill?—It is a good distance from where the actual mill is cutting.

12. I should say the bush where they are cutting. I want to get at how far they have cut out in the radius from Invercargill?—I should say within twenty miles, at any rate.

13. What percentage of the Southland mills is sold here, and what percentage goes out of the district?—That is a difficult question. By far the greater output goes out of Southland—there is no doubt about that.

14. Would you say 75 per cent.?—I should say quite that.

15. Have you any information as to the railway returns?—Am I correct in saying that the output of the Southland mills, according to the railway returns, was for the year to 31st March, 1904, 29,443,500 ft.; 1905, 29,364,300 ft.; 1906, 28,244,250 ft.; 1907, 27,805,950 ft.; 1908, 27,520,100 ft., showing a falling off since 1904 of two million feet?—I am satisfied that is correct, because I looked that up the last time the Arbitration Court was sitting here.

16. And notwithstanding the production has been falling off there has been a substantial increase in the number of mills?—Mills have increased and the production has decreased.

17. Do you know anything about the conditions of the working on the West Coast?—Well, no. I have been through the West Coast mills, but I have not made a special study of them. I have seen them working.

18. You have seen a good deal of the machinery used in the sawmilling?—Yes, throughout New Zealand.

19. So far as being up to date in advanced principles, how do you compare in Southland?—I am quite satisfied we are equal to anything in the Dominion. I have learned nothing. They have some different methods, but the question is whether there is any advance.

20. Now, in regard to the size and quality of the bush here as compared with places in the North Island, what is the position?—The bush here is very inferior in quantity to what it is in the North Island, and also on the West Coast. The West Coast carries far more timber to the acre.

21. Well, am I right in saying that your machinery is as good as that which obtains elsewhere?—Yes.

22. But so far as the bush and quality is concerned, it is better elsewhere than in Southland?—It is better elsewhere.

23. Am I also right in saying that in so far as Southland is concerned the rate of wages paid is better than in other parts?—I cannot answer for that. I think they are as high, and probably higher, bacause, although we have an award, we pay a higher wage than the award provides for. We have never stuck to the award at all: we have always given good men the highest wage we can.

24. Have you formed any opinion as to what percentage of the number of mills in Southland there are compared to the bush areas not worked out?—When you say the number of areas not worked out you mean not touched at all.

25. Yes. In other words, how many mills have we now?—We have got seventy mills now.

26. Are they likely to increase?—You mean, are there seventy mills untouched?

27. Yes?—That would be impossible to say, because there is a lot of bush not opened up at all. Take Waiau District: there is a lot of bush over there which may be opened some day. We are told about the illimitable bush in the Catlin's District. I cannot say from personal knowledge, but I have heard statements made that there is enough timber there to last seventy years.

28. But they want the railway?—Yes.

29. Now, comparing the price of Oregon with the price of red-pine in Southland, what is the position?—Oregon does not come into competition in Southland, but it does come into competition in Dunedin, which is one of Southland's best markets.

30. Do you know anything about the quality of Oregon timber?—Oregon is more durable than red-pine.

31. What is the Oregon used for mostly?—For large beams chiefly. It is lighter than red-pine to handle, and stronger. Contractors much prefer to use it for heavy beams.

32. Does it shrink?—No, it is very light and durable.

33. It is used very largely for door-sashes and window-sashes?—Yes, very largely for that, and I have also seen it used for scantlings in houses. I have been told by our representative that he has seen a number of houses in which it is used for scantlings, and it is supplanting red-pine.

34. For certain purposes you would say we cannot very well do without Oregon pine?—Certainly—we must have it for some purposes.

35. It is desirable to have it for certain purposes?—Yes.

36. Do you suggest an increased duty on Oregon pine?—It would certainly be an advantage to the sawmiller.

37. But take it from a national standpoint?—Yes, from a national standpoint I think it would be an advantage, and for this reason: that if by increasing the duty we can stimulate our own industry, then we are spending more money in producing more of our own article, in wages, and in having more artisans and workers, and there would be more settlement.

38. But are you not increasing the price of the building to the worker who wants timber?—To a very small extent. A workman's home as a rule is a five-roomed house which takes about 15,000 ft., and at 1s. a hundred feet that only amounts to £7 10s., and timber cannot come down more than that. It is a very small item.

39. From 1901 am I correct in saying that the millers' prices have increased by something like 300 per cent.?—Certainly not.

40. Well, 30 per cent.?—No, not even that.

41. Well, what percentage?—I should think about 20 per cent., although I am not quite certain what the prices were in 1901. I should say about 25 per cent.

42. As regards the wages of the workers, what has been the increase since 1901?—The wages of the workmen have gone up about 15 per cent. I should say 20 per cent. probably, because we are giving more than the award.

43. At what mill do you pay the highest wages in Southland?—No mill pays higher than another that I know of.

44. What price did you pay for bush that you have bought from private persons within the last five years?—We pay equal to the Government royalty of 6d. It comes to about £1 15s. an acre. We generally estimate it on the quantity.

45. Do you find it difficult to obtain bush?—Yes, very great. It is very very difficult to get bush now.

46. Something has been said in regard to increasing the areas of bush—what is your opinion on that point?—I think it is most important from the sawmillers' point of view. We cannot get enough area, and we should have at least from 1,200 to 1,500 acres, instead of 800. They really want double the area, or more than that.

47. Are you aware of any reason that is likely to increase the price of timber?—I am sorry to say it is the other way about. In fact, the tendency has been to reduce it. The prices have been reduced since the last price-list came out.

48. As regards the wages of the men, would you say the tendency would be the same?—It should be so, of course. That should follow suit, there is no doubt about that.

49. *Mr. Jennings.*] What is the length of the lease granted by the Crown to the sawmillers in this district?—Two years for every 200 acres.

50. That is the time given for cutting it?—Yes.

51. Then does it revert back to the Crown?—Yes.

52. Who re-lease it again or sell to the farmer?—Yes. The sawmiller has no right at all to the land. He has a surface right only to remove timber during a specified time.

53. You never sublease?—No.

54. Have you any knowledge of the amount of bush that has been destroyed by fire?—No, it is impossible to get a record of that. I have been through great quantities of it

55. You have seen where the timber has been destroyed?—It is visible to-day—beautiful logs charred up and destroyed.

56. *Mr. Field.*] We have heard a great deal at Riverton and also here about the loss some millers were being put to on account of the duty of 2s. 6d. on beech timber in Australia: will you give us your opinion on that?—There is no doubt it is a real grievance. From the point of view of the sawmillers it would be very advisable if reciprocity could be arranged with the Federal Government; but from the point of view of the Dominion it seems to me we should lose by it.

57. The fact remains that a number of mills have been built for the purpose of pushing this trade, and they are now idle?—Yes, it is a serious hardship for them. I think they have built these mills on the understanding that they were sure of a market for birch.

58. What do you say about beech for the purpose of manufacturing furniture?—It is a splendid thing.

59. Does it take the grain and polish?—Yes, a beautiful polish.

60. Assuming this trade with Australia ceases, what is going to become of this beech timber?—It seems to me to be absolutely useless. It will probably be burnt and the ground cleared.

61. Except for the small quantity used here?—Yes, for broom-handles; but the demand is very small. It would mean a big loss.

62. You say you were paying about £1 15s. per acre for timber—you are buying timber only?—Yes, timber only.

63. How many feet to the acre is such land as that?—Say, about 6,000 probably, or slightly over. It varies, sometimes only 4,000. We have bought it from 10s. up to a few years ago. Say, from £1 5s. to £1 15s.

64. How is it that the association here does not rule the prices for timber in this part of the country?—They cannot.

65. From that we are to understand that the competition from outside is keeping the prices down?—Yes, competition from our own millers themselves, and also from outside. There is a heap of competition.

66. Even if more mills joined the association, would it be possible to fix the prices?—No.

67. Have you had any experience of Oregon pine?—Very little. We have never dealt in it at all. I have seen it in the yards and in buildings.

68. It does not affect you seriously here?—Yes, it does most decidedly. I have just returned from up north, and the question I asked our representative was why he did not get more orders, and he gave the reason that the Oregon was the cause of it, and that if the Oregon was not here the red-pine would have been used.

69. What is the indication—that Oregon is on the increase or decrease?—On the increase.

70. Do you know as to whether the supply is very large and inexhaustible?—Only from hearsay. I have been told it is inexhaustible.

71. Assuming that Oregon pine largely supplants our timber, what is going to be the result to our rimu-timber bush?—Then we cannot afford to cut our timber, and it would have to be destroyed, because I presume the land would have to be cleared. In twenty years' time Oregon may be just as cheap as it is now.

72. What would you say as a practical business man, assuming you had an area covered with rimu timber which was not capable of being felled at a payable price and you wanted the land for farming?—Undoubtedly, I should burn it.

73. Do you think that would be the result with the whole of the privately owned land?—Absolutely no doubt at all.

74. What is to become of the sawmillers' capital put into this class of bush?—Absolutely lost.

75. What about the men employed in the mill?—They would have to find work elsewhere or emigrate.

76. Would you consider the loss to the railways heavy also?—Most decidedly. That is a very big factor. All the timber produced here is carried by our railways, and they make a good profit on it, and I understand some lines here pay chiefly on that account, such as the Orepuki line. All the other timber goes by vessels.

77. There is the further factor that the money goes out of the country?—Yes, that is another big factor.

78. How do you compare the cost of ordinary-building rimu and ordinary-building Oregon pine as landed, say, in Dunedin?—I saw a quotation for ordinary Oregon landed in Dunedin of 8s., c.i.f., and there is 2s. duty and 6d. landing-charges, which comes to about 10s. 6d.

79. What could you land rimu in Dunedin at?—About the same price. The cost of rimu, roughly, is about 8s. 3d. to 8s. 6d., and 2s. 10d. railage.

80. Assuming that the Oregon came in by ship at one price and you could put your rimu in at the same price, which would get the market first?—In one way the Oregon, as it is in wider boards and longer lengths, which we cannot look at at the same price.

81. You admit you must have Oregon in long pieces?—Yes.

82. Do you think it would be a fair thing to put a heavier duty on small pieces and lighten the duty on large pieces?—Yes, I think so.

83. How many feet of timber would there be in an ordinary five-roomed workman's cottage?—About 15,000.

84. And an increase of 1s. per hundred would be £7 10s.?—Yes.

85. What proportion does timber bear to the total cost of a house—about one-fifth?—Yes, about that. The timber would come to about £75, and, I suppose, the cottage would cost, say, £350.

86. In regard to the increased cost of building a house, is it only the timber that has increased in price?—No, everything has increased.

87. And at the same ratio as timber?—Yes, I think quite as much, if not more; everything in the house has increased, including labour.

88. The increase in the cost of timber is only a fraction?—It is a mere bagatelle. They talk about a wooden house and think it is all wood, but the wood is a very small proportion.

89. In regard to the timber-merchants in the cities, do you know whether there is any fraud practised on the consuming public by the timber-merchants buying at a certain price a lot of timber and then proceeding to grade it, selling the lower grades at a full price, and the higher grades at too high a rate. Do you know anything about that being done?—No, I do not. When a merchant buys timber it is graded before he buys it: he pays for the first-class or second-class.

90. And, so far as you know, he sells it as it is graded?—Yes.

91. What is a fair advance on price for the timber-merchant to get over the price he pays the sawmiller for the yarding, handling, carting, and so forth?—He would want 20 or 25 per cent. The trouble of the timber is the handling—it is most expensive to handle it. A retailer very often wants it resawn. I have seen a contractor come in and want, say, 18-feets of 4 by 2, and the timber-merchant says, "I have no 18's; I have only 20's," and if the retailer takes them he will only pay the price of the 18's. In some towns there is a great deal of thieving going on in the yards.

92. Splitting by the sun?—Yes. I had some experience in timber-yards some years ago, but not lately. There is a great loss in that way, and 25 per cent. is not an unreasonable profit at all.

93. If a timber merchant paid 10s., he would not be charging too much at 12s. 6d.?—He would not, after having stacked it in his yard.

94. What do you think would be a fair thing for you to get over and above the actual cost of production?—From 2s. 6d. to 3s. would be little enough considering all the risks, and not only that, but we are cutting out our assets all the time.

95. What, as a matter of fact, do you get?—About 1s. 6d. or 1s. 9d. It varies, sometimes going as high as 2s.; but it would never touch 2s. 6d. We cannot look at it as over 1s. 6d. to 1s. 9d.

96. *Mr. Leyland.*] Speaking of wages, and the statement that higher wages are paid here, I suppose you are guided by the award?—I mentioned that it was a difficult question to answer, because so many of the workers get more than is provided under the award.

97. The same obtains all over the country?—Yes, it is difficult to know.

98. A good man is paid good wages?—Exactly.

99. In fact, it is the last thing to economize with a good man?—Yes.

100. Are there any working under the award of the Court?—Yes, I have the award here.

101. That is not an award mutually arranged?—No, that was contested.

102. Speaking of the cost of timber in 1901, do you think that the sawmillers in this district are now getting a larger net profit than in 1901?—I think that they are getting a smaller net profit. The selling-price has increased, but the net profit is not larger.

103. You mentioned that the wages had increased 15 per cent., but the cost of everything else in connection with the mills had also increased?—Largely.

104. So that if the selling-price has increased 25 per cent., the cost of production has also increased 25 per cent.?—More than that.

105. With reference to the importation of Oregon pine, you think the amount will be larger this year?—I am judging by the shipments that are coming in. They seem to be coming in much more frequently than a year ago.

106. But the shipments are for orders that were given months ago, before the depression set in. They are not likely to be repeated?—No, the depression would have the effect of reducing them.

107. As a matter of fact many merchants are trying to get out of their obligations. The banks are holding about 1,500,000 ft. now in Wellington, and timber-merchants are unable to meet their obligations?—Yes.

108. Do you not think that the depression that has affected the rimu will affect Oregon pine?—It should.

109. And that Oregon-pine owners have a drug in the market just like the others?—Yes.

110. We have been fixing up giants in order to knock them down as far as Oregon pine is concerned?—I said that the general opinion was that when a general depression comes it will affect red-pine as well as roof-iron and everything else in connection with the building trade.

111. But the impression was conveyed that Oregon pine was being brought in in larger shipments?—What I intended to convey was that Oregon pine had been increasing all the time.

112. There was an exceptionally low rate from America, and now that that has been altered it will probably be prohibitive?—Yes.

113. Now, with reference to grading, is it not a fact that the timber-merchant loses in the grading? He buys at one rate and has to sell at a lower?—It depreciates in the yard, but when he buys he gets the grade he buys.

114. But he frequently finds timber that should be graded a little lower?—Still, if he were a smart man he would reject it straight away.

115. If he has not got the grading he has asked for he loses?—Exactly.

116. In making out the estimates of the cost of production the item "Insurance" appears, but that only refers to sawn stocks in the mill?—To insurance on the mill plant also.

117. It does not refer to standing timber in the bush?—No, we cannot insure that, yet it is a very important item.

118. *Mr. Clarke.*] There is one little matter that wants clearing up: With regard to increased cost in the price of production, you said the increase in the value of a house was a mere bagatelle. Can you tell us to what extent the selling-price has increased in the last twenty years? What was the price then and now?—That was before my time. I think Mr. Massey answered that. I was not in the timber business twenty years ago, and I could only speak from hearsay. It has fluctuated a good deal during that time—sometimes up and sometimes down.

119. You said that the cost of labour had gone up 15 or 20 per cent. since 1901?—Yes.

120. Then, as labour has been estimated to have increased about 15 per cent. in the cost of production, only the increase in the price equal to 15 per cent. must be put down to increased cost of labour?—I do not think that was said.

121. Assuming the statement was correct that 50 per cent. of the cost of the timber landed on the trucks is for labour: if labour has gone up 15 per cent., then has your price increased by that amount only during that time, or have the prices increased by more than 15 per cent. during that time?—Yes, the cost of the timber has increased, and wages is one of the factors; but fully half the cost is outside labour altogether. We will say one-half for practical purposes, and one-half for other charges. If labour has gone up 15 per cent., other charges have gone up, too. What I would like to show is this: that, although wages have gone up 15 per cent., it does not follow that wages are only 15 per cent. more than then, because the country is so very much rougher that more men have to be employed. If you could get ten men to produce a certain quantity ten years ago, it might take fifteen men now to produce the same quantity at higher wages.

122. With regard to the proposed increase of area, that is a very important matter for Southland?—It is very important for Southland.

123. Would not that have a tendency to reduce competition and therefore to place existing holders more in the position of commanding the situation?—I do not think so. It would encourage sawmillers to put up better plants. What we want is, when the depression is on, to produce as cheaply as possible, and if we can get larger areas we can put up better plant.

124. You instanced the case of a tramway that cost £1,200 that you would be glad to sell for 2s. 6d. I presume you have allowed for all that under depreciation?—Yes, we allowed for all that.

125. With regard to the question of the conservation of timber, your evidence amounts to this: that it would be the best thing to clear the bush?—Most decidedly.

126. If that were carried to its logical conclusion it would mean all the bush. Have you considered what the effect would be on your own business if we cleared off the bush?—Yes.

127. Would there be any sawmilling in New Zealand in twenty-five years? There would be no bush to cut?—We could import Oregon. We have a splendid farming community to follow on the sawmilling.

128. Then, in fact, the policy advocated there would be to hurry on to a finish?—You might just as well say that gold-mining would stop the production of gold because it would work out the mines very soon, and there would be nothing for the miners to do.

129. *Mr. Morris.*] What basis would you work upon in asking for an increased area for the millers? Would it be on the increased cost of the mill or horse-power?—On the life of the mill. If you put up a small mill that could only cut 2,000 ft. a day, I would give it a very much smaller area than the mill that would cut a very much larger amount.

130. Probably that is regulated by the demand?—Probably. That is another matter. With the present regulations a man can put up a little mill costing £200 or £300 and he will have the

same area as a miller whose mill cost £2,000 or £3,000. That is the point I put to the Commissioner of Crown Lands. The small miller can hold the same as the man working on a business-like system. It seems very unfair that the small mill should hold the same area as the large one. But I would limit the area that any miller could hold to a certain number of acres. For instance, I would not allow a man to hold 10,000 acres. I would limit it to, say, 1,500 acres.

131. *Mr. Jennings.*] It is only the Maoris who can give unlimited areas?—That is so. As it is now, the life of a mill is too short. It is only five or six years. I had a mill working on 1,600 acres, and it cut it out in that time. Owing to the configuration of the country it is impossible to know what the life of a mill is. There is no land surveyed, and you often find places that you cannot work by reason of their inaccessibility. It would cost 9s. or 10s. to produce the timber at all.

132. *Mr. Morris.*] Do you think 1,500 acres would be enough for a mill that would cost £5,000?—I am sure it would not be.

133. You are satisfied that the miller would never recoup himself?—I am certain he would not be able to.

134. Are there mills that cost that much?—Yes, but they were erected when there were larger areas—private bush and larger Crown areas, and they were able to secure both.

135. Do you not think it would be better to grant an area according to the money expended?—That is practically what I suggested; but there ought to be a limit: I think there should be a maximum area.

136. You mentioned in your evidence that Oregon was more durable than red-pine?—Yes.

137. Have you had experience of that?—I have seen it in buildings, and it seems to be a very sound timber, and to stand better than the red-pine.

138. Have you had any experience of red-pine in buildings exposed to the weather?—It all depends upon when it was cut. If it is cut in the winter it will last, but, unfortuntely, a great deal of it is cut in the summer, and gets dry-rot. The advantage of Oregon is that it all comes here seasoned.

139. *Mr. Mander.*] Is it all cut in the winter, too?—I do not think so.

140. *Mr. Morris.*] I do not think your experience is the same as that of the country it comes from. They only give it a life of four years?—I have seen it here for over four years: that is our own experience.

141. You can obtain that information from the Canadian Handbook?—We know that that is not correct. If it were correct, I would be very glad to have that fact advertised.

142. Do you not think that the increased cost of building is largely due to the improved style of the buildings erected recently compared with the buildings of twenty years ago?—Of course there is no doubt about that.

143. Has not our style of architecture improved in the last few years?—Take two buildings of similar construction, and at a rise of 1s. per 100 ft., it would be an increase of £7 10s. in that house.

144. As a matter of fact, your reply is altogether on the question of rough timber used in the building?—Yes.

145. I suppose to-day there is five times as much fine work put into buildings?—There is very much more. Mouldings were conspicuous by their absence in the old days.

146. *Mr. Barber.*] How long has the depression been experienced?—It has been experienced now for, I suppose, nine months at least. It has been coming all the time, but seems to be more acute now than before. We do not feel the depression in the timber trade immediately, but it is when we accumulate stocks and they become unsaleable that the depression is felt.

147. You think it has come on simultaneously with the financial depression?—I think there is no doubt about that.

148. Would you be surprised to hear that people with capital say they refrain from spending on account of the very high price of timber?—I should be very much surprised to hear it. I have made inquiry from business people and solicitors lending money—that is the best criterion—and I would take that a long way before a newspaper report.

149. With regard to arriving at the retail price, you have not told us that?—The average price is, I think, about 10s., taken all the way round.

150. If you were selling it, is that after being stacked in the yard or straight from the mill?—Straight from the mill.

151. Your secretary said 8s. 6d. for providing the cost of production and interest on the capital?—Yes, about that.

152. So that if you are getting 10s. at the mill you are getting 1s. 6d. over and above the outlay?—That is an estimate. Of course, every mill varies. You have got two or three mills, and every one is different. As far as we are concerned, we are getting about 1s. 9d. without interest. We do not charge them any interest at all. There are really no solely-timber merchants in Invercargill. All the timber-yards here are owned by people who have mills of their own, and they combine both the occupations of timber millers and merchants. We ran a yard here for some years, and I closed it up because we were losing money on it.

153. Does any one want red-pine run up to £1 6s. a hundred feet?—I am sorry to say No.

154. Do you think that is an exorbitant price for red-pine?—I could not tell you, because I have no idea what it costs in Wellington. They may have to grade it there.

155. Could you deliver red-pine in Wellington?—What size?

156. 4 by 10 by 1, all heart?—I could not supply it at all. It takes the best of our log.

157. You do not think £1 6s. per hundred feet is too dear?—Very likely not. It is a very special timber, and takes very special getting.

158. What about 8 by 1 ordinary building-timber?—I could supply that a great deal under £1 6s., and would be very glad to get an order for it.

159. Would you think 18s. an exorbitant price for it?—Of course, I do not know anything about the Wellington market. It seems a very good price, but they have to store and grade it. If they are selling it for that I do not see how it is, seeing it is such an open port, and there is such competition; but I do not know anything about Wellington.

160. You said that 1s. per hundred feet in the price of timber would mean a difference of about £7 10s, in a small cottage?—Yes.

161. Considering that it has gone up over 100 per cent., the cost in the erection of a building is very considerable?—It has gone up very little here. If it has gone up that much in Wellington it is news to me.

162. That is one reason why the argument has gone out, because timber has increased the cost of building, you cannot calculate it on a building?—You can here. I do not know anything about Wellington.

163. *Mr. Field.*] These are timber-merchants' prices?—I can only say if the timber people can get these prices they are in a very fortunate position, if the cost is no greater than ours. Is not that subject to a trade discount?

164. Only a very small discount?—Do they deliver at that price?

165. No?—I am not aware of any of these figures, so I cannot answer that question.

166. With regard to timber-milling in this district, how many men are employed?—It all depends. Say, an average of twenty men to a mill. I suppose that would be the average, and there are about seventy mills.

167. If this land were used for farming, it would not employ as many?—Twenty men to 600 acres?

168. Not small farms?—But they would be small farms. A farmer would never employ anything like that. An ordinary farm, I suppose, of 600 acres would employ half a dozen, except at harvesting.

169. The bush area is pretty well taken up in this district, according to the Crown Lands Report?—The open bush is taken up, but there is a lot not taken up.

170. If the area allowed to timber-millers is increased, as has been suggested, by a very large number of acres, is that not likely to create a monopoly, considering there is such a small area of timber land available in this district?—No. The position now is that millers are compelled to take up two or three acres, and they have therefore to put a mill on each.

171. Under existing conditions an individual can get more than 600 acres?—Yes. You can take up another area—that is, three or four people in partnership can each take up a separate area.

172. I do not quite understand?—Suppose I am in partnership with two other men, each may obtain 600 acres, and work it as a partnership. The rules and regulations compel you to put up a mill on each of them. We want to produce timber cheaper, and that is against us. Our mill would be quite sufficient for the 1,800 acres. What is going on is an entire waste of capital.

173. If you did that, the area would last longer?—Yes.

174. You would postpone agriculture for a number of years?—Yes.

175. You say that you would not conserve the forests?—Yes. It is all a question of demand in the matter of timber.

176. You want the life of the mill extended?—Yes, to make cost of production cheaper.

177. You are delaying the time in which that land would be brought into profitable occupation for farmers?—No, not at all.

178. You delay it for fourteen years?—Only that particular area. If the demand in any year is ten million, whether you cut that ten million with twenty mills or one mill is immaterial from a point of settlement, because you are not delaying the land being opened up. You can only cut the amount of the demand. It does not matter how many mills you cut it with, for the reason the quantity of timber taken off is exactly the same.

179. *Mr. Ell.*] You say you are opposed, as a matter of public policy, to have any forest reserves at all?—Yes.

180. Then, you consider all the other countries of the world, ages older than this, are entirely wrong in their policy of providing national forest reserves as a constant supply of timber for local needs?—I think other countries are in a different position to us. We are a young country. We want to turn our assets into cash. Put the cash into the land, which has the effect of increasing our national assets.

181. But you said just now, in answer to Mr. Field, that if there was not a market for, say, a lot of rimu growing in a certain area of land, sooner than wait ten or fifteen years you would burn it?—Certainly I would do so, as a practical man.

182. You would leave the industries of the country entirely upon foreign importation?—Yes, we are doing that now, and, in any case, it is only a question of ten years' time.

183. You urge the destruction of the timber if we cannot use it in ten or fifteen years?—No; I would not urge it from a national standpoint. Personally, from a private standpoint, I would not keep timber for that time as a business man. I would turn the land into profitable use.

184. Then, you do not deny that the State is right in preventing the destruction of valuable timber?—Quite the contrary. I think they are right in conserving it.

185. I entirely agree with you. The policy of the Land Department should be to prevent the destruction of timber?—Most decidedly. I have made many complaints about farmers destroying timber.

186. Such a policy of destruction has been a national loss?—Yes.

187. With regard to kamahi, you say that it is good for sleepers?—Yes.

188. Can you give me any idea of its life?—I understand the Railway people regard it as satisfactory.

189. I examined some of these trees in the bush, and I was told that it was useless for ordinary building purposes?—That is so. It is good enough cut in short lengths for sleepers. It is very good. There are great quantities of it, and it would provide for a good deal of labour. Although it is not illimitable, we are always coming across it.

190. With regard to the time allowed in the matter of timber areas, if you take up, say, 600 acres, are you allowed two years if the market should be glutted and you have no sale?—The Lands Department have discretionary power. They do not turn you out of the mill. They have power to do it, but they have not done so. They are very reasonable. We have no complaint.

191. With regard to land covered with timber and put into the hands of settlers beyond your mills, is that a policy carried out in your district?—Yes, it has been carried out for a long time past. It is still being carried out.

192. You say that land containing timber is placed in the hands of settlers, and they have no option but to destroy it?—Yes, up to quite recently. It may be so now, but I do not know. I consider it wasteful in the extreme.

193. When you have secured land from settlers for the mill, have you found the Lands Department reasonable?—The limit the Department gives us is ten years. That is time enough in some cases; but if you want to look ahead it is not sufficient, because the farmer may want to sell, requiring the money to buy cattle, and the mill might not actually want the timber for a considerable time.

194. If it means ten years before the timber can be cut off the land, would it not be better to retain that land rather than give it to the settlers for farming purposes?—Yes, certainly.

195. With regard to beech, we have considerable quantities of it, and it is used for furniture-making in Germany?—Yes.

196. Has it been used for any other purposes?—I cannot say.

197. Some time ago I asked an experienced builder in Christchurch to tell me the cost of building a four-roomed house, including scullery, 12 by 12 passage, and 12 ft. stud, based on the price-list of 1897 and 1907, and I was supplied with the following particulars, and I want to know if you consider it a fair valuation: 1897, match-lined, £79 16s.; 1907, £91 14s. If rough-lined in 1897 cost £72 18s., and in 1907 £84 3s., in your experience, as a supplier of timber, what do you think of the difference in the cost?—It seems a big proportion.

198. You told Mr. Leyland that the Oregon found a ready market because it was of wider boards and of greater length?—No, I did not exactly say that. The question I was asked was, if Oregon could be laid down at the same price as red-pine the competition would not be so great. I answered that Oregon had wide boards, although the prices were the same.

199. I have here a statement of Mr. W. H. Bennett, President of the Builders and Contractors' Association, Wellington, in which it is stated with regard to Oregon that 32 ft. lengths cost 19s. 6d., and that rimu of similar lengths cost £1 14s. 3d?—That may be quite correct, because the handling of that rimu is very expensive.

200. In the interests of the building industry of this country, do you think the Commission would be justified in imposing a heavy duty on Oregon?—Yes, on the small sizes.

201. Notwithstanding that it is necessary to our building operations?—I would advocate no increase of duty on the longer lengths.

202. *Mr. Arnold.*] With regard to this importation of Oregon, if an order was required for some heavy timbers now to be seasoned, how long would it be before the millers here could supply red-pine?—Almost at once. The large beams do not require much seasoning. The shrinkage of a beam is in width, and red-pine does not shrink so much in length.

203. You think it is not a fact that in connection with one of the buildings that is now being erected in Invercargill it was found impossible to get this timber within six months, whereas Oregon could be procured at once?—I do not think so. It might possibly be so. It is not to my knowledge. I have been out of town for a fortnight.

204. You spoke of the Catlin's River bush—have you been through it?—I do not know the bush. I only mention it as an example. It has been mentioned that our timber-supply is nearly exhausted.

205. If the timber found in Catlin's was without much birch and chiefly pine, would it not be more valuable?—Yes. That would be the most valuable timber we have.

206. With regard to your association, I suppose you confirm what the secretary said on Saturday: you do not really fix the price of the timber, and you are not a close corporation?—We fix a basis and that is all, and we vary the discounts. We want to get uniformity in selling.

207. You have no penalty?—No, there is none whatever, beyond the moral obligation. There is nothing to hinder any member from retiring to-day.

208. We were told a few moments ago that there is no competition in Wellington. You have it here?—Yes, very strong and very big.

209. I understand you have a builders' association. Is there any relationship?—None whatever. Absolutely none.

210. It has not instructed you with regard to the supply of a certain builder?—There was some proposal which fell through. I do not discriminate in any way. I do not know if my customers are in the association.

211. You do not think any millers here discriminate?—I am sure they do not.

212. *Mr. Stallworthy.*] As regards varying discounts, I am not quite clear about that. What are your discounts?—This list will explain it. [List handed in.]

213. What are the discounts in Invercargill?—Five per cent. and 2½ per cent. for cash.

214. I mean trade discounts?—There is a trade discount allowed to merchants of about 12½ per cent., and there are practically no merchants here. If they call themselves "merchants" they are entitled to 12½ per cent.

215. You mentioned that in laying down a siding the Railway Department will not allow you to remove your rails after you cease to have further use for the siding: is any use made by the Government of these sidings afterwards—do they become railways?—They probably use them. We had one at Orepuki, and they laughed at me when I asked for the rails. I suppose they used them for shunting purposes. Certainly, the rails would be worth lifting.

216. In view of the depression you stated that both public and private economies should be practised: would that not throw a lot of men out of work?—Not necessarily. I mean, when speaking privately, in the matter of luxury. Of course, a public policy of economy might throw men out of work.

217. Would that not increase the real depression of the country?—On the other hand, by borrowing money we might temporarily relieve the depression, but I do not think it would do any permanent good.

218. You advised from a national point of view the increase of duty on Oregon: are you sure that this would not lead to an increase in price in local timbers?—Quite certain of it—absolutely no chance of local timbers being increased.

219. Taking out the competition of Oregon, you say it would not tend to raise the price of local timber?—All the mills now are working shorthanded. There is too much competition amongst ourselves.

220. You advised the granting of larger areas up to 1,500 acres to a mill on the ground of utility: would it not be advisable to make one area, one management, and that the State?—That is socialism.

221. No. I am asking you the question following on your own lines—one area, one management, and that the State. Is that not the logical sequence of your own proposal?—It is a big question.

222. It is logical?—Yes, there is a certain amount of logic in it.

223. *Mr. Mander.*] Have you seen this list of the cost of production [handing it to the witness]?—Yes, I have seen that. Mr. Massey produced one somewhat similar.

224. Does that item include bank interest only, or interest on capital invested in the concern?—In our case it does not include interest on capital. Our profit, whatever we show, is profit of business without any interest on capital at all.

225. Would you suggest any reduction in railway freights as a means of reducing the price of timber?—I think so. I was a little disappointed in the last reduction. Anything that tends to reduce the cost of timber tends to increase the demand.

226. In estimating the quantity of timber a mill should have, do you not think it would be wiser to base the estimate on quantity rather than on area?—I do. I have always advocated that.

227. Are there not in some cases large areas of land with very little timber on it indeed?—Yes.

228. Consequently a man taking up 600 acres may only get half the quantity?—Yes. We say we want so much timber—we do not care about the land at all.

229. Do you find it more expensive to work scattered timber than timber lying close together? Yes, and in that way it hugely increases the cost.

230. A man holding a large area of scattered timber would find it more expensive?—Yes. I gave you an example of 2s. in the cost of production, and it is all that.

231. Do you find the increased interest on money has hampered you and put up the cost of production to any great extent?—It has put up the cost of the material a good deal, but it has not hampered the sawmillers to any great extent, because it is a cash business to a great extent, but it has no doubt increased the price of commodities.

232. You stated that your sawmills here were quite up to date with the rest of the Dominion?—Yes, the red-pine sawmillers—I am not referring to the large kauri mills—they are in a different position.

233. Do you not think it would save a great deal of sawdust by having finer saws in your mills: not cutting so much with your large circulars?—I do not think the timber is large enough for gang-frames.

234. In some of our mills we have gang-frames in which you put the whole log through, and bring the timber out at the other end in the form of boards, and all that means that a great deal of saving is effected in the sawdust, instead of putting these twin circulars through the log and wasting a quarter of an inch in the cut?—Yes, but in recutting we have a smaller-gauge saw. We go down in gauge to three different grades, and in recutting we have a very fine gauge.

235. Do you find that the introduction of the Oregon into this colony has reduced the price of the timber to the builder?—I do not think so.

236. Do you think it likely that the timber-merchants dealing in other classes of timber will allow the price of Oregon to reduce the price of timbers in New Zealand by the competition?—I do not think they have a say in the matter. Oregon can be imported by any one. It has been imported by those who have nothing to do with timber. Mr. Stead brought a shipment to Christchurch, and he had nothing to do with timber.

237. Do you find that you get the same results from your workmen now that you did fifteen or twenty years ago per hour: do they throw the same energy into their work?—They complain that the work is harder and the bush is harder to work at the present, and I have no doubt it is.

238. Do you find the workmen give the same results per hour as they used to?—No, I do not think they do.

239. That would be an additional cost?—Yes. I gave similar evidence to that before the Arbitration Court not long ago. We have some very good men, but, taking it all through, it takes more men now to produce a similar quantity of timber than it did some years ago. I have no doubt the timber is harder to work.

240. Do you not find that also comes in in putting the timber through the mill?—Yes.

241. Have you any experience at all in regard to Oregon?—I have not dealt at all in Oregon.

242. Do you know if it takes the dry-rot at all?—I have heard so, but I have heard the builders in Dunedin say it stands better than red-pine.

243. You have had a great deal of experience in regard to red-pine?—Yes.

244. How long have you known it to be in a building?—Forty years.

245. And would it be rotten in that time?—No, not if in a good position.

246. I mean inside the building in a dry position?—Yes.

247. *Mr. Field.*] I want to put a price-list into your hands. Mr. Barber referred to the price of 17s. for rimu. Look through that price-list and tell me if you think it is an unreasonable price-list?—How is this timber delivered?

248. Delivered out of the yard.—And subject to trade discounts?

249. *Mr. Barber.*] Yes, there is a very small discount. There is no discount to any one unless they are in the association—the general public have no discount?—Yes. The prices contained in this price-list do not seem to be unreasonable out of the yard, when you consider the expense of the yard. When you consider that it has been railed probably a considerable distance and stacked in the yard, and the loss there, I do not think it is at all unreasonable.

250. Look at the price for Oregon pine in that price-list: do you think the price charged there is a fair price?—Apparently so.

251. According to that you must take the price of 17s. 6d. charged for Oregon pine as a good price?—Yes.

ANDREW BAIN sworn and examined. (No. 6.)

1. *Hon. the Chairman.*] What are you?—Chairman of the Builders' Association.

2. Will you make a statement?—Well, Mr. Chairman and gentlemen, I have been asked to come here as a builder, or, at least, as President of the Builders' Association, and I will be as brief as I possibly can in my remarks. Our principal object, of course, is to oppose any increase in the duty on Oregon pine. That matter has been before two conferences of builders in the Dominion, and in the interests of the general public they consider that if there is to be any change at all it should be in the way of reduction, so far as Southland is concerned. Really, it does not affect Southland very much, because we cannot get Oregon in here at anything like as cheap as they can in the North Island. I do not think there has been any Oregon, or very little, brought in here under, say, about £1 1s., and I think the sawmillers here have very little to fear so far as that price is concerned. There have been various advantages in regard to the Oregon that has been used here as compared with the local timber: it has been principally used for flooring-joists and beams, especially in two- or three-story buildings, where it is much superior and much preferable to the local timber. One reason, of course, is that you get it dry, which you cannot possibly do with the local timber, and I, personally, and others can really get it in large sixes from Melbourne and Sydney quicker than you can from the local mills. One great fault with the local timber for joists is that you get it green from the mills. It is put into the building, and by the time that the contractor gets clear of his job, if the work is defective up above, he is very often called on to do some extra work in regard to some shrinkage. In some cases it will go pretty well an inch—the floor being away from the skirting.

3. End way?—No, sideways. For lath-and-plastering work I believe Oregon is superior. Of course, in long lengths and wide joists it becomes cheaper than what we can get the local timber at, because the present price-list of the local combination is really like a Chinese puzzle. It increases as you get up. As soon as you reach or go over 8 in. it starts to increase on the width, and as soon as you get over 20 ft. in length it starts the other way. If you have a price-list here you will see that for yourselves. I think you have been told that the increase in the price of timber here is only 1s. Well, I have had timber delivered to me, after being carted six miles, at 3s. 9d. per hundred in Invercargill, and better timber than I am paying 10s. 6d. for now.

4. What date?—About twenty years ago, and dressed timber 5s. 9d. and 6s. That used to be the regular price here at one time, and you were not limited to any width or length—from 6s. to 6s. 6d., so that you will see by the difference in the calculations that it means a very large increase during that twenty years. I worked out two lines on a job I have just finished—just for comparison. On the two lines I have used—that is, T. and G. flooring and T. and G. lining—the difference in the cost now and what it was then is £194 more. The total cost at the present time is £338, and I could have got it then for £144, so that on those two lines alone, if you compare the whole building, it must mean a fairly large increase. In regard to the increases in workmen's cottages that you have been told about, they are altogether out of proportion, because I think in the twenty years it has increased pretty well three times the amount you have been told. I think that that has affected the rents a good deal here—the increase in the building-material. They also charge now for the feathers in the T. and G., which they did not do twenty years ago: it is only recently that has been done. I do not know if they could invent any other way of increasing it at all, but there is a price-list here which used to be a general one. [Price-list produced and put in, marked "Exhibit B."]

5. What was that?—In 1889. Rough timber carted, 4s. 3d.; dressed, in all classes, 6d. 3d.; and weatherboards, 5s. 9d.; 8 in. by ½ in. was 3s. 3d., for which they now charge 8s., and I have here various old lists showing that this was not one special quotation. I have had totara carted six miles for 9s. 6d., red-pine scantling 3s. 9d.; T. and G. 4 in. by 1¼ in., 6s.; 4 in. by ⅝ in. T. and G., 5s. 9d.; dressed 8 in. by ¾ in., 5s. 9d.; 13 in. by 1½ in., 10s.; 6 in. architraves, 6s.; margins, 5s. 6d. And I heard it stated here to-day that on account of the class of buildings that were put up now—improved buildings—they cost a good deal more than they did some time ago. Well, my experience is entirely different to that, because the finish inside the majority of the buildings now

is not so good as it used to be. The cornices used to be got here at 4d., 4½d., and 5d. per foot which you have to pay 11d. for now, and so the poor working-man has to dispense with that luxury now. Cavettoes you could get for 2s. 6d. and 3s., and I think they now charge about 10s. for 2 in. and 11s. for 2¼ in., so that the prices have risen very nearly three times above that of twenty years ago, because you will see there are some lines, when you come to wide stuff, that cost a considerable amount. For instance, 12 in. by ½ in. costs 13s. 6d. now, compared with about 5s. and 5s. 9d.; and 12 in. by ¾ in., 15s. 6d.; 16 in. by 1 in., 17s. 6d.; 18 in. by 1 in., 19s.; and 10 in. by 1 in., which was a very small size, 14s. 6d., and then for 2 in. by 1 in. they charge 10s.

6. You are speaking now of rimu?—Yes, that is the principal thing we use here. 20 in. by 1 in. is £1 0s. 6d., and so it goes on. That used to be all supplied here at the same price, about 6s. 6d. In getting timber for a job there was nothing really extra in the way of charges, and at that time you could get lengths up to 24 ft. without any extra charge, and odd lengths for beams at the same price. Then they started increasing and reducing the lengths, and it came down to 22 ft., and if you wanted a 11 ft. stud you were charged for the odd length. The builders, to get over that, used to order at that time 22 ft. and cut them in the centre; but now they cannot do that, because the sawmiller beat them—he limits them to 20 ft., so that they were beaten in every way.

7. Could you give the Commission the difference in the cost of a workman's cottage of five good rooms during that period?—I have not taken that out, but, compared with twenty years ago, I should say there would be a difference of £50 or £60.

8. About £10 a room?—About twenty years ago we reckoned £40 a room, but now you can scarcely do it at £100 a room here. That is, if they are well finished.

9. *Mr. Arnold.*] But could you give the difference in the price of the timber—according to the higher rate of the timber?—I have given you the difference in two lines I have used. Those two lines are in general use on one job I have just done. If I had had time I could have taken out the lot and shown the actual difference.

10. Do I understand you to say that it is £12 per room difference in the price of the timber?—It would be about that.

11. *Mr. Hanan.*] Comparing the prices of timber obtaining to-day with those obtaining in 1901, what do you say would be the percentage of increase?—I do not know exactly what it was at that time; I think it was about 6s. 6d. or 6s. 9d. from memory.

12. And to-day?—It is 10s. 6d. with all increases.

13. Now, in regard to the labour in the building trade, can you give us any idea as to the percentage of increase of wages, comparing 1907–8 with 1901?—So far as the timber branch of it is concerned, there is very little difference.

14. Do you think the wages are as high to-day, or the same as they were ten years ago?—There is probably in some cases a difference of 1s., but with good men they are just about the same.

15. Do you find a difficulty in getting men at the present time?—No, unfortunately not, because there is very little doing at the present time; but twelve months or two years ago there was a difficulty in getting good men.

16. Do you find the men as expert to-day as they were ten years ago?—Well, some of them.

17. Speaking generally, what is your opinion?—I do not think we can get hold of so many good men at the present time.

18. To what do you attribute that?—Well, I think one of the reasons is the awards—at least, that is one of the conclusions I have come to. Of course, you are barred under all the awards from employing youths—you have got to bind them; and there is not room to employ all boys in that way, and it has been the means of forcing a number of youths to tender in the market themselves before they have learned the trade. First of all they tender for small jobs—fencing, and the like, and work up that way. Well, that has really barred any one employing labour from being able to get that class of work. I think it has had that effect.

19. *Mr. Hanan.*] What increases in wages have been made under the Arbitration Court?—Under the award here, of course, the ordinary carpenter gets 10s. per day. Previous to that they were getting 9s.

20. Do you know anything about the effect on the bricklayers?—They have no award here.

21. What are you paying bricklayers here?—Various prices—a good man gets 13s., and a leading man 14s. per day.

22. Painters?—They are under an award.

23. Do you know what their award is?—I do not know exactly what it is.

24. You do not know if the wages have increased in the last ten years for them?—They have, slightly.

25. Plumbers?—They have got no award.

26. What are you paying them?—The plumbing is generally sublet.

27. What are the prices ruling? Would you say they are good? What is the position of the building trade? Is it in a good condition? Is it flourishing or going down?—At the present time it is very quiet.

28. What is that due to?—It is due to the depression, I take it—tightness of money.

29. Do you attribute the falling-off in the building trade to the prices charged for timber?—Well, I cannot exactly say that, although it has a tendency that way in this respect: as the cost of buildings increases, the rents are bound to increase, and that has a tendency to make two families live in the one house.

30. Comparing brick with timber, how do the prices stand in regard to a five-roomed, a four-roomed, or a six-roomed house?—Well, there is very little difference so far as that is concerned here, because a brick house is really a brick shell. It would be about 20 per cent. more.

31. To build in brick than in wood at the present day?—Yes.

32. Can you speak as to the other items as apart from the mere building of the structure—ironmongers' charges—nails, and so forth?—In some lines—in fact, I think most have gone up, but not to the same extent as the timber.

33. Sashes and doors?—They have gone up; they are affected by the timber-rise.

34. What has been the increase?—I could not state the difference in regard to those.

35. Can you state the difference in regard to iron?—Not at the present time. I do not think there would be much difference on what it used to be.

36. Have there been substantial increases made in wages by the Arbitration Court during the last ten years?—Only 1s. per day, so far as we are concerned.

37. In your opinion, was that increase warrantable?—Well, I dare say it is a fair wage; but the question arises that those who are employing men are handicapped to a certain extent: two or three workers go together and tender for a job—it was done by some of those who had been agitating for the award—and employ no labour. Of course, they had an advantage over those under the award, because they were not bound by the award. So far as their own time was concerned, they could work harder and for longer hours, and probably not get any more than we had to pay a man working less time.

38. Has the effect of the award been to make better tradesmen?—I do not think so.

39. Has it had the opposite effect?—It has, so far as I know.

40. *Mr. Arnold.*] If you are going to open up that question, we must have evidence from the employees cited. I do not know how far you are going to extend that.

Hon. the Chairman: I think we shall have to go into the prices.

Mr. Arnold: I shall have to call the evidence of some of the men.

Witness: So far as labour in the cost of production is concerned, I think, so far as my memory serves me, twenty or twenty-two years ago the whole cost of production put on the trucks, let by contract, would be about 2s. 2d. Trollying and all was included. No doubt, if you ask some of the sawmill employees' witnesses, when they are here, they may be able to give you that information.

41. *Mr. Field.*] Covering everything?—The mill that was referred to to-day was four miles distant.

42. *Mr. Hanan.*] But twenty miles from here to where they are cutting?—That is so.

43. Can you give us in the order of importance the causes to which you attribute the increased cost of building in Invercargill or Southland? First, you take the increase in the price of timber?—That has increased very largely.

44. Would that be the main factor?—Yes, that was the first combination that started here.

45. What do we understand by "combination"?—Well, the association.

46. Did increase the price?—Well, the price has gradually raised since the association was formed in 1907. There had been an association in existence a good many years before that, and it was through the formation of that association that the timber rose from 5s. and 6s. per 100 ft. to 10s. 6d. Of course, I believe that at that time there was a bit of a split on, and it was re-formed; and, I suppose, that is the reason why they made a statement that it was formed in 1907. They had a combination before that, and a price agreed, but some of them used certain ways of selling under the price at certain times. At that time some of them found a difference, and there was a split. I remember one particular instance: there was a church job; a company was going to tender for it, and, of course, the sawmillers were working to get the order. The church people were keen to get a donation, and the millers, I believe, told them that they could not give them a reduction, but if they were satisfied that the timber ought to be taken from them that they would give them a good donation. That was one way of getting out of it, and I believe that was the means of breaking up the combination. But they found it a matter of mutual advantage to agree again, and then they rose the timber again.

47. Do you say that the price of timber is too high?—I think it is, personally.

48. Having regard to the rates payable now—having regard to rents, cost of living, and other factors, do you think the cost of building is too high in Invercargill to-day?—Well, if you go into the ordinary building of a cottage here for the purpose of letting, I am satisfied that it would not pay. I have a few cottages myself, but then, of course, I do not build them in the ordinary way that the general public would.

49. What do you mean by quoting in the ordinary way?—I mean employing an architect, getting plans drawn, &c. Of course, what I mean by myself is that I very often have odd lines which I cannot use up in any other way, but even then I can assure you it takes me all my time to make them pay. I have close on a dozen cottages, and to get 7 per cent. out of the buildings, and to pay rates and insurance out of that, I do not think there is much in it for anybody.

50. You have taken the increase of price, first of all, as a main factor: what is the next?—Well, bricks are a little dearer, and the other materials also—lime, and so forth—all have gone up.

51. Where would you put wages? Would you regard that as a small factor?—As a matter of fact, so far as building operations are concerned, working it out at per hundred, you can get very little more now that ten or twenty years ago.

52. *Mr. Jennings.*] Is it fair to contrast the present position, so far as building is concerned, with what existed in 1889 when there was a great depression all over the colony?—I am not contrasting it.

53. You gave us the price in 1889?—Well, I consider about that time. It may have been before that time or after; it was probably before and after.

54. Was there much building going on at all in the year you quote?—More than now—as much any way; I could get more, at all events.

55. That was the time of the exodus?—I know that.

56. There is a Builders' Association here? What is its object?—Well, the principal object of forming it was, of course, to defend the trade in the Arbitration Court when the award was fixed. That was really the reason why it was formed.

57. Not for the purpose of putting up the price?—We cannot possibly do that. I wish we could, the same as the sawmillers have done. We should only be too pleased to do it.

58. You stated that the increase in the cost of timber has gone up to the extent of £12 per room?—Roughly, I should think it would amount to that.

59. That on a seven-roomed house would amount to £84?—That is what it would be.

60. Making a total of £370? There are the outbuildings?—It all depends on the size of the house.

61. I have worked it out?—I reckon about £50 or £60 of an increase in a four- or five-roomed house compared to what it was.

62. *Mr. Field.*] Covering everything?—No, timber only.

63. *Mr. Jennings.*] Timber at that time was 3s. 9d. and 4s. per hundred: have you any idea with regard to cost of chimneys, painting, paperhanging, &c.?—There is a general rise all through.

64. But you were very clear as to the increase in cost of timber?—I have given you two or three lines I recently worked out, and there is a difference of £194 on these two lines alone.

65. *Mr. Field.*] This increase has been apparent for twenty years?—I think the greatest has been in the last ten years.

66. Can you give us an idea in regard to the last eight years?—I think the ruling rate was about 6s. 6d. and 6s. 9d. for rough timber.

67. And now what is it?—10s. 6d.

68. An increase of 4s.?—Yes.

69. How many feet of timber would be in one of those cottages you speak of?—About 16,000 ft. or 17,000 ft.

70. As much as that?—Yes.

71. *Mr. Jennings.*] 20,000 ft. for a seven-roomed house?—It all depends on the size.

72. *Mr. Field.*] And what do you say the difference would be in that class of house for 16,000 ft.?—I think between £50 and £60. I have not gone into it closely, but I should say about £60.

73. An increase of £50 or £60 in a house of that size would show an increase of considerably more than 4s. per 100 ft. in the timber. If the increase was £50 or £60 in a house of that size, it would amount to considerably more than an increase of 4s. per 100 ft.?—It is an increase of from 3s. 9d. to 10s. 6d.

74. You speak of twenty years ago?—Yes, I am quoting from 3s. 9d. time.

75. But the increase in the cost of the building, if the increase of timber has only been 4s. per 100 ft., could not be £50 or £60 on such a building as I have mentioned?—Of course not.

76. In the last eight years it would be less—something like £32?—Just about half the money.

77. We desire our figures to be directed very largely to the occurrences of the last seven or eight years. That is why I mentioned eight years, and the sawmillers have mentioned eight years?—That would be the increase here during that time.

78. Does your Building Association get any more discounts than an outside builder?—No, just the same. As a matter of fact, it is only since this last rise that we got that discount.

79. We have had it in evidence that it costs something like 8s. 6d. per 100 ft. to produce this timber?—Yes.

80. Do you think, in view of the cost being that amount, the 10s. 6d. is an exorbitant price to ask?—It all depends on how they work it out. To my mind, it seems a fair profit on the rough timber. Then you have got to consider the dressed lines. There is an enormous increase in them and the mouldings, which must bring them considerably more profit, to my mind.

81. Taking the rough timber only, and the cost of production, do you think 2s. per 100 ft. will be too much profit?—I take it from the evidence given that the 8s. 6d. per 100 ft. covers depreciation and everything else. The other was fair.

82. No, it did not represent the interest on capital?—I understood it did

83. We had the evidence of the last witness?—He said his firm in a general way.

84. I think you will find that there is no intention whatever of suggesting that this figure covers interest on capital?—What does the 4s. 6d. cover? That leaves 4s. 6d. to them.

85. Look over that list and see?—I am not a sawmiller.

86. At any rate we have sworn evidence that the cost of production is 8s. 6d, and that it does not cover interest on capital. Two shillings includes interest on capital. That is their profit. Would that be too much?—I do not think it would be if the other lines were cheaper.

87. Did you say that Oregon was a better timber than our rimu?—I did not say so, but I think it is.

88. More durable?—Yes.

89. Can it be used for all purposes?—I do not think it can.

90. For what can it not be used?—It would not do so well for some finishing work.

91. Would you agree with this statement by the chairman of the Wellington Builders' Association in a deputation to the Government some time ago, that Oregon was not suitable for work exposed to the weather?—I have not had experience. We do not use very much of it.

92. You do not use much of it?—Not for certain classes of work.

93. We have had it in evidence that it costs to put Oregon in Dunedin—to land it in the yard—about 10s.?—Not quite so low as that, I think.

94. We had it in evidence from witnesses that on board ship it costs 7s. 9d. per 100 ft.—some said a little less or a little more, but 7s. 9d. seemed quite certain. You have got to pay 2s. duty;—that brings it to 9s. 9d.; but there is some 6d. or so cartage and wharfage that brings it up to 10s. 3d.?—These figures are right.

95. *Mr. Leyland.*] Wharfage alone is 6d.?—I do not suppose I could put into the yard at less than 12s.

96. *Mr. Field.*] We had it in evidence that you could land it at something like 11s., and that you could put ordinary building rimu in Dunedin at about the same price—rather less, 6d. or 1s. less?—I do not think you could if they charge the same as we are being charged here.

97. Apparently there is not more than 1s. difference between the cost of landing Oregon and rimu in Dunedin?—I do not suppose there is.

98. Would you think that Oregon is worth 1s. per hundred more than rimu taken all through?—It is worth more than that for certain classes of work, even for joisting. You can do with one-third less in size for strength, which reduces the cost.

99. Of course, we all admit we must have Oregon here in large sizes, but, putting the two side by side, you say there is more than 1s. difference between them?—For certain classes of general work, I should say it would pay a builder to give more than that.

100. Do you not think, if that is so, that Oregon would be more largely used to supplant our rimu?—In certain districts it will, but if you have got to rail it it will not. You have still got a handicap there. As well as the duty they charge rate and a half to rail Oregon, so that you can only land it at that price at probably four centres in the Dominion, where they can bring direct shipments.

101. It comes direct to Timaru, I understand, and other smaller ports?—It may there, but they could not land it here.

102. Is it your opinion that it is never likely to compete with our rimu?—Oh, it will, because the rimu will get scarcer. That is what the large increase in the cost means.

103. Have you any knowledge of what is going on north?—I know that there is more Oregon used there than here.

104. You have seen it used?—I have seen it, but I have not been using it myself.

105. You say it is affecting our rimu trade here?—Very little.

106. Not even in Wellington?—It is the quiet times that are affecting it.

107. Do you not think that that is the very time our industry wants protecting?—You see, the times are very quiet all over, and the 2s. duty upon it would not stop it from coming in. If things are going bad on the other side, they have got an immense output, and they have got to send it away somewhere. It is better to send it away than keep it stacked until it gets rotten. It would be far better if some millers emptied their yards instead of keeping the timber stacked till it gets rotten.

108. Assuming that we have had it in evidence that Oregon is going to largely affect our sawmilling trade, what is going to become of our rimu trade—what are we going to do with it?—It is quite evident that we have not got much of it about by the evidence you have got.

109. I mean in other parts of the country?—It is increasing rapidly.

110. You will be cut out in fifteen years' time?—A good deal of it has been burnt down in the north?

111. What is going to become of it?—If they cannot produce it at a reasonable price, what are you to do?

112. Better to burn it?—Then tax the whole community for it. If you have to increase the cost of building operations you are taxing the whole community, and it affects the worker.

113. I am not an advocate of timber going up in price. Do you not think it will be a great misfortune if our rimu timber were burned?—Well, I think that if instead of being burned it were supplied at a cheap rate it would be all right.

114. If it cannot be milled profitably?—It becomes a luxury then.

115. *Mr. Leyland.*] You tell us that you paid twenty years ago 3s. 9d. per hundred for rough timber carted six miles?—Yes. I might explain that a little bit fuller. There was a mill there—one of McCallum's. They also had a mill at Longbush. They took one wagon-load of timber from Invercargill to the site, and then went for the second load from their Longbush mill, making two loads a day.

116. What do you estimate it was worth?—I am giving you the time, the time it would take to do two trips. He carted his load in the morning from the town mill, delivered that on the job, and then went from the job to Longbush mill, and brought back a second load, and then came on with the wagon. That was a day's work.

117. You are not charged for the tongue or feather, nor for the timber that was planed away in dressing?—No.

118. You got that for nothing?—Well, I cannot say Yes to that, because I suppose they reckoned that when they quoted the price.

119. You tell us you got the feather, which was not measured in?—It has not been measured in until the last rise, two years ago.

120. You have always had that given to you for nothing as far as measurement is concerned?—Yes.

121. That would be cheap enough for you?—Yes, 3s. 9d. was cheap enough at that time.

122. Do you think that 3s. 9d. was a fair price with cartage six miles?—I did not tender for it. It was given voluntarily. They thought it was a fair price when they gave it to me. From what I can make out, they did not lose any money at that time.

123. They did not get standing timber for nothing?—They had to pay 3d. per hundred at that time.

124. Can you tell us the difference between a five-roomed cottage then and to-day?—About £50 or £60, but I have not gone into that.

125. Do you think it is any wonder that a rise has taken place in twenty years?—I think the rise has been too much.

126. You do not think timber ought not to have risen?—I believe it costs more, but I do not think it costs the amount that they state.

127. In building cottages in those days, were ranges put into the cottages?—In a good many of them, as far back as twenty years ago. As a matter of fact, the timber in those days in the cottages was heavier than now, because at present there is a scheme to make framework as light as possible.

128. So the sawmiller to-day has more sawing?—Yes, it is his own fault, through increasing the price.

129. Could you have kept the price down to 3s. 9d.?—No, I do not say so. I do not say they should not be allowed a fair increase on those prices. You cannot call from 3s. 9d. to 10s. 6d. a very small rise.

130. You tell us, on your cottage property you got about 7 per cent. only, and out of that you had to pay rates and taxes: do you think that a fair return?—No, but you cannot get any more.

131. Do you think the sawmillers have earned that?—I think they have and more. Some of them are reputed millionaires out of it.

132. What do you think, considering the short life of our business and risks, would be a fair return?—I have not had any experience.

Mr. Leyland: I wish to put in evidence the actual cost of producing New Zealand timber, under special and favourable conditions.

Hon. the Chairman: I will ask you for that later on. You can ask him questions.

133. *Mr. Clarke.*] Dealing with the question of prices there has been reference made to the increased cost of a building containing, say, 15,000 ft. of timber; 1s. rise on that would amount to £7 10s. in timber only. I notice in your prices a good many lines have risen very much, more in proportion than the others. For instance, from 6s. 6d. to 10s. 6d., while others are quoted at 14s. 6d. and up to £1. There will be a large proportion of the timber in the ordinary building that would be included in those higher prices?—All the dressed lines, of course. For instance, in that statement I made about the difference in the cost of two lines in the job I have finished—close on 50,000 ft. of dressed material—there is £194 difference, and I think, even if any of you like to work that amount out on an average of twenty men on a mill, you will find that there is a very fair margin of profit over and above everything.

134. Allowing for the greater increase on raw material generally, if you take for the last ten years, where it is allowed that the price has gone up 4s. per hundred, that would not represent the real rise or the average rise of all timber used on the building?—Nothing like it. Some have gone up a good bit more. That only applies to rough timber, and on rough timber up to 8 in. in width—over that it increases 6d. per inch.

135. The average increase would be more than 4s.?—I should not be a bit surprised if it would not amount to nearly double that.

136. At 1s. per hundred on 15,000 it would make a difference of £7 10s.—if we say 4s. per hundred, that would make £30, but that being nearly double, as you say, does not the cost further increase, and would not the difference be £60 instead of £30 in a house of that size?—It would follow if you worked it that way. You would have to include all mouldings, &c., which have gone up enormously. The timber-merchants state that was their average cost on the whole of their output.

137. Have you found any inconvenience in the matter of lengths? Have you been able to get long timbers for your work?—You can bring them from Sydney and Melbourne quicker, and then these are drier.

138. Then, with regard to lath-and-plaster work, have you any by-laws in this borough dealing specially with this or as to seasoning certain classes of dried timber?—No, I do not think it applies in that respect. There are by-laws in the inner area, but they do not specify the class of timber that is to be used.

139. What do your architects do when they are specifying this class of work?—Architects here are generally giving up lath-and-plastering altogether on account of the plaster breaking away.

140. That would be the result of using timber which was unsuitable?—I think so.

141. Then, with regard to future supplies, as a builder you would be glad of anything that would tend to procure future supplies for the work, and not to find our timbers worked out too quickly?—As builders we want to get the timber as cheaply as we can, because it would tend to increase work.

142. If Oregon can be used to take the place of some of our local timbers for some of the finer work and for work that is painted, would it not be preferable to use Oregon in rough work, and use our better timbers for better work?—It would if it was all good timber, but of course I understand there is a large proportion of milling-timber not fit for dressing. In fact, the timber we are getting here now and paying 10s. 6d. for is not nearly so good as the second-class we used to get. It is graded very fine.

143. *Mr. Morris.*] You told us you were opposed to any reduction of duty on Oregon pine?—No. I am opposed to any increase of the duty. You can reduce it as much as you like. There is very little used here, because it is too expensive.

144. It does not concern you very much?—It concerns us in this respect: that previous to this late importation we had to bring it from Melbourne and Sydney, and the cheapest that you can bring it from there is £1 2s. If it is landed in Dunedin we can get it round here direct at about 15s. or 16s., which would make a difference to us. If you take the duty off it would be reduced by 2s., which would help us.

145. You state that Oregon is very much stronger and superior to rimu for joists?—For the same size, all engineers agree that that is so. I have not tested it myself personally, but there are engineers in this town who state they can do with a third less in thickness.

146. You might be surprised to hear that the architects in Wellington specify for a larger size in Oregon in cases where they use it instead of rimu?—I should be surprised.

147. Rimu of equal quality with Oregon has stood under hydraulic test 33 per cent. more pressure?—I am still surprised.

148. I have seen it done?—I am surprised. They use lighter Oregon here.

149. You made some reference to the cheapness of timber in 1889. Can you tell us anything about the conditions at that time—that is, were the people in a prosperous condition, or were they merely existing?—I found them better than they are now, as far as I am personally concerned.

150. You also stated that you knew that some men put timber on the trucks for 2s. 2d. per 100 ft. at Woodend twenty-two years ago?—I stated that the contract was let, and from memory I believe that it included all labour. It was either at Woodend or a mill down there, and I believe the price was 2s. 2d. from memory.

151. You are doubtful?—I am not doubtful about the 2s. 2d. I said it included all labour. I said that you would have some sawmill union representative here who would probably be able to tell you more.

152. It is impossible to do it?—Well, it may be information, but I am giving you the information I had at the time.

153. If it refers to cutting timber after the logs are put into the mill you may be right?—No, including bushfelling and everything else.

154. You tell us that on some houses you have you only make 7 per cent. Did you build these houses when timber was at 2s. 2d. or 3s. 9d. per hundred?—No, I did not. I did build some of them at a cheaper rate than I can now.

155. You have left an impression on the minds of the Commission, I think, that this Sawmillers' Association is responsible for the increased price that you are now paying for timber?—To a large extent I believe they are.

156. With regard to the other forty-seven mills outside the association, why do you not deal with them?—I think you are misled in that. From what I heard to-day there are so many mills in the district and so many millers?—Three mills out of fifty-two millers. A number of these small mills very often sell their output to the association miller.

157. Can you not buy cheaper from the big merchant?—Every one knows that a small mill costs more proportionately to run than a large one. If these small mills can get the same price as the association, they will not refuse it.

158. I understand trade is slack?—It is slack all over the Dominion.

159. Are the millers fully employed?—No, I understand they are not.

160. The men who are not perhaps working half-time would be glad to supply you with timber?—I question that. If they supplied me with it at half-price, though I am not doing very much now, I would stock some.

161. You are not very certain yet whether 2s. 2d. was the net price of cutting timber in the mill?—I believe it is the whole of the labour in connection with the production of timber in Woodend. I will not vary that. I was a member of the Southland Trades and Labour Council at that particular period, and it was there that I had my information.

162. You tell us also that the cost per hundred feet of timber for labour runs about the same as it was fifteen years ago?—Very little difference.

163. That means that you are trying to leave an impression on our minds that the increased cost of building is owing to the increased cost of timber?—No, other material also, to a certain—not timber only.

164. *Mr. Barber.*] You are, of course, aware of the large number of trades that are concerned in the erection of a building?—Yes.

165. Such as bricklayers, plumbers, painters, and paperhangers?—Yes.

166. Do you think that the slackness which has been experienced not only in this district, but throughout the Dominion, is due to the high price prevailing for building-material?—I do not think so; I think it is owing to the money-market.

167. You said just now that if you got timber cheaper you would soon start building?—No, I said "stock" it.

168. You said that under the present conditions with regard to erecting dwellings, you were only getting 7 per cent.?—Yes.

169. Well, do you think that that small percentage under ordinary building-conditions deters the capitalist from investing money in the building trade?—There is no doubt it does, because it will not pay him owing to the large increase in the cost, and you cannot possibly get rents out of it.

170. If it influences the capitalist, do you not think that the slackness in the timber trade is increased to a large extent by the high price of the materials themselves?—It would have a tendency that way.

171. Mr. Field, in asking you a question, mentioned that the price charged by the millers did not include interest on capital. The managing director of the Southland Timber Company said the cost of production was 8s. 6d., and included in that was interest on capital. Then I asked him the question—"You said it included the interest on capital?" "Yes, that is right." "So that the 1s. is over and above the net cost?" "Yes." Mr. Field rather contradicted him, and said that amount did not provide for interest on capital, and the witness was quite clear that the amount of 8s. 6d. did cover interest on capital?—Yes. Mr. Brent only dealt with his own firm.

172. Are you aware that a concrete building can be erected for about the same price as the present price of timber in Wellington?—It all depends on the cost of the gravel and cement—you can scarcely do it here.

173. Cement may be cheaper in Wellington, but gravel is dear; but in regard to a workman's cottage, a concrete house was erected for the same price as a wooden house there, and you

say that cannot be done?—It has not been tried here. I question very much if we could. Our timber is cheaper than it is in Wellington, but the cement would be more.

174. In quoting the price of timber twenty years ago, are you quoting the same figures as those given by Professor Kirk in the report published by him?—I was not aware of his report.

175. He published a report on the timber of New Zealand, and he quotes in this district the same prices as you have quoted, going down as low as 4s. 6d. and 3s. 9d. in one case?—He did not get his information from me.

176. I understand that the information you have given us is your own practical experience?—Yes, and I have shown the quotations that I have here.

177. It coincides exactly with the official report of Professor Kirk on the same subject?

178. *Hon. the Chairman.*] His report was obtained from stamped receipts?—The secretary has a copy of the quotations I gave.

179. *Mr. Barber.*] With regard to the extra price for the erection of a five- or six-roomed cottage, you said that it cost about £60 a room?—An increase of about £50 or £60 on the timber.

180. Mr. Field, in calculating the additional cost in proportion to the number of feet that was used in the erection of a building, referred to ordinary building-timber?—Yes. Mr. Clarke, I think, asked the question.

181. It seemed to me that 4s. was the increase for the last ten years on ordinary building-timber?—I think if it was worked out that all the increases would very nearly double that.

182. *Mr. Ell.*] With regard to the cost to the timber-merchant in yarding his timber, how is it there is timber rotting in the yards here?—The way it is stacked at the mills—no air gets to it.

183. It is due to the way it is stacked?—Yes, the bottom of the stack.

184. Could that be put down to carelessness in management or incompetence?—No, I do not think it could. They stack it that way when things are good, and they get it away before it gets rot; but at the present time when things are slack the stocks are getting larger, and naturally they take off the top, and the bottom is left till it gets pretty bad, instead of selling it at a lesser price, which I think would pay them.

185. You think the loss and waste in yarding may be minimised or reduced considerably if more care was exercised in storing it?—I think they might.

186. So that it is due to want of care in that respect?—When things are slack, mostly.

187. How is the timber stacked in the yards here?—In the yards in town there are generally roofs for them, but the bulk of the timber here comes direct from the mills, and not from the yards.

188. You said it would be far better for the timber-merchants to sell at a lower price than to hold on to their lots of timber?—That is at the sidings.

189. Then, you mean the millers and not the timber-merchants?—They are practically the same here.

190. Then a miller at the siding or the timber-merchant loses a great deal in carelessness in not taking proper care?—I do not call it want of proper care. It is the stacking and holding the stocks to keep the price up. I believe they could deal with a good deal of that at a lesser price.

191. Then, surely the waste consequent upon the method of stacking would be saved if stored in a better condition?—Yes, that would mean more money. It would pay them better to sell it direct from the mill at a lesser cost.

192. But I want to get at the waste, and see whether we cannot adopt some better method and put a stop to it?—Yes.

193. You say you have a difficulty in obtaining seasoned timber for building purposes?—Yes, at times. So far as joists are concerned, we do not get it seasoned.

194. Why not?—Because it comes direct off the saw to us.

195. And do the timber-merchants never store it a sufficient length of time to get it seasoned?—The general way here is that you may sign a contract to-day, and you have got to have all the timber stacked on the ground within so many days. Probably the whole of that timber has to be cut and run at the mill before it is delivered there.

196. Is that likely to help in the timber lasting if it goes into the building in a green state?—No, it has the opposite effect.

197. What is the effect of putting green timber into a building?—It makes a wonderful difference to the building: you have shrinkage over the building, and that is where the Oregon pine is a great advantage in roof-work, because if you have it dry the joists are good, whereas the local timber comes away.

198. A building of four or five rooms erected with good seasoned timber—would that last longer than a building erected with green timber?—Well, I believe it would.

199. Then, in your opinion, if timber was better seasoned it would mean a public gain?—I think that would mean more money—they would want more money for it.

200. You have to stand the racket?—We have to stand the racket, and we put everything on to the builder. If the stuff is all green it is the builder's fault—the architect looks to the builder.

201. Why is not beech used down here for building purposes?—Well, I have not had much experience in beech. It twists about too much, I think, for ordinary building purposes. I have seen it used up in the lakes district for weatherboards, but you have to be very careful with it, because on a warm day you may lay a board down and go and have lunch, and when you come back it would have turned a circle.

202. That is why you do not use it?—I take it that is the principal reason that it is not allowed to be used.

203. If properly seasoned would it curl like that?—I have not had any experience with it. It may be all right if cut at the proper time in the log.

204. Have you got any price-list issued by the local timber-merchants covering dressed and ordinary rough building-timber?—There is a combination price-list.

205. What is the latest or earliest you have covering all classes of building-timber?—The last one was issued in July, 1907.

206. What is the earliest one?—At that time there was no printed list: you simply went to the various millers and got quotations.

207. *Mr. Arnold.*] Has there not been one out within the last eight weeks?—I am not aware of one.

208. Following up the last question put by Mr. Ell, how long do you think the timber should be kept by the miller before it becomes thoroughly seasoned?—That is a question I do not think even the millers themselves could answer.

209. What is a rough guess?—It entirely depends on the timber. I have seen timber stacked under cover for two years, and you could then cut more off with the plane on it than some timber you get straight from the mill.

210. So that you cannot depend upon it?—No.

211. Would you say twelve months on the average?—For ordinary work twelve months should be sufficient—there is no doubt about that. We do most of our work with a great deal less—we have got to. We have to stack it on the job, and use it before we are done.

212. Have you formed any idea as to what extent the various millers would have to increase their capital to if they were to stack all their timber for twelve months?—I have not.

213. They would have to do so, would they not?—They would have to work it out and see what it was going to cost them. I know it would be a big item.

214. As a matter of fact it would be almost impossible for the present millers to do so?—I do not think they could do it—it would be asking too much.

215. And if it was so the increase in price would be considerable?—Yes, I think it would increase the cost considerably.

216. Now, with regard to the question of timber rotting in the yard: have you any idea what percentage of the timber becomes useless?—No, I have not.

217. Would it be very slight?—There must be a good deal of it, because it discolours very quickly at times.

218. Do you think it would be 1 per cent. of the output?—I could not say.

219. Do you think it would pay the millers to erect coverings for the timber stacked at the sidings?—I do not think it would make much difference so far as the timber is concerned, because it is all stacked green, and the sap itself is sufficient.

220. If the percentage was so great that it would pay them to erect a covering and stack it differently, do you not think they would do a better business?—You would naturally think so, but still they are satisfied with the way they are doing. They get enough out of it, and probably more than if they did it the other way.

221. *Mr. Stallworthy.*] You said that your association opposed the increase in the duty on Oregon pine. Would you be as much opposed to an increase in the duty on small Oregon sizes in order to free the larger sizes?—I think, personally, the duty ought to come off the lot of it, but in any case I think it would be better if the duty was taken off the larger sizes if not off the lot: bring it in in junk. There is a very small percentage of small stuff. By doing that it would all be cut up here, and it would employ a portion of the labour that is talked about as being idle on account of the mills closing.

222. Is the merchant from whom you bought timber at these low prices twenty years ago still in business?—Yes, and worth a good deal of money.

223. We have been told that one reason for the formation of the Sawmillers' Association was that builders would go to one miller and inquire the price and perhaps be told it was 6s. a hundred, and then go to a second miller and be told the same price, but would reply that So-and-so was selling it cheaper; and therefore, because the millers were being blackmailed, if I may so term it, they formed the association. Is there anything in that?—I do not think the association was formed for that purpose at all.

224. Was it the practice of the builders to do that?—Not to my knowledge. I do not think there was very much of that done.

225. *Mr. Mander.*] Do you think it is fair to go back twenty years ago and compare the prices then with the prices of the timber produced to-day?—I think it is with a fair allowance.

226. Do you think it would be fair to go back forty-five years?—Then it would be dearer.

227. I suppose you are aware it was £2 5s. then?—Yes, and twenty-six and twenty-seven years ago it was 6s. and 6s. 6d., and came down for a long time.

228. Do you think the sawmillers made any money when the timber was 3s. and 3s. 9d. per hundred?—I have no doubt in my own mind that they did.

229. Was the timber standing right alongside the mills in those days?—Pretty close—not very far away.

230. Are you aware that the difficulties of getting timber now are very much greater?—Yes, but they have got better facilities in the way of improved plant.

231. Is the quality of the timber as good now?—No, it is not. Second-class timber in those days was better than first-class now.

232. Do you not think it was an advantage to the miller?—Yes, no doubt.

233. Do you think that if the Government took the whole business over they could produce it at a cheaper rate than the private individuals?—Well, it is questionable whether they could. They might see a very good thing in it and have a monopoly, and then they would be in this position, of course: that there would be no question as to the duty on Oregon, and they would increase that if necessary. They would have the whole business in their own hands.

234. Would the introduction of Oregon here reduce the price of other timbers?—As far as this part is concerned it would not, because we cannot get it delivered here as quick as in the main centres.

235. Do you think it would in other parts?—I think it would, but in the centres where they have the railway only I do not think it would, much.

236. Seeing that the timber-merchants who handle other timbers in this country would be the principal persons to handle Oregon, do you think they would introduce Oregon and bring down the price of other timbers?—That might apply up north, but those handling the timber here are the sawmillers themselves. They are all interested practically in the mills here, and evidently there is a smaller profit in one than in the other, otherwise they would have handled it.

237. Do you not think the other people would handle Oregon?—Yes, some of them would, no doubt.

238. Have you ever known of any Oregon coming out to this country in the log?—Not in the log, but spare in the junk—sawn timber. We get it up to 16 and up to 18 by 18.

239. *Mr. Leyland.*] There is a difference between a hewn log and sawn?—Yes.

240. *Mr. Mander.*] Do you think it would be an advantage to insist on the Oregon being delivered here in the log to give the workmen employment?—Yes, I think it would.

241. You complained about rimu timber being delivered on the job green: is it not a fact that the builders prefer that?—I do not know who does—I do not.

242. I understand there is no difficulty in driving nails in when it is green?—I have not found that.

243. Have you known any timber-miller in this district making out of timber a million of money?—We have got one here who is reputed to be getting that way.

244. Made out of timber?—Yes, out of timber.

245. Out of the 3s. 9d. per hundred?—He is getting more than that.

246. How many minimum feet must you have for a profit?—There was one miller who is not here now, but who was selling at this price, and he said to me in Wellington not many months ago that he had cleared over £25,000 out of one mill.

247. Do you know his name?—I know his name, but I do not think it fair to state it.

Mr. Field: If you have got the name of that miller, if he is about, I would like to call him.

Hon. the Chairman: He lives in Dunedin.

EDMUND RICHARDSON WILSON sworn and examined. (No. 7.)

1. *Hon. the Chairman.*] You were an architect in Invercargill?—Yes. I may say that the question of Oregon pine does not affect Invercargill very vitally. The only local use we have for it is for heavy beams, such as joists and suchlike. Beyond that, we use Oregon very little indeed.

2. Will you just state to the Commission generally your impression with regard to the questions we are inquiring into? You do not know anything about the cost of production in the mill?—No.

3. You know more about the builders' part of it?—Yes.

4. Could you tell us anything in that way?—With regard to the increased cost in building I think the statement that the increase amounts to something like 1s. per hundred feet is not quite correct, because, as the last witness pointed out, there is an increase on larger sizes—larger lengths; also there is a very great increase on what the timber used to cost, but of course the increase in the cost of building is not entirely due to the rise in timber. For instance, in brickwork they were sold ten years ago at £1 8s. per thousand. The same bricks now cost from £1 17s. to £2 per thousand. Bricklayer's labour was also very much less then. It was 8s. or 9s. a day, whereas now they are getting about 12s. Plasterers are also getting an increased wage, but I think the main cause of the increase on buildings is the timber: that is the largest item. In addition, people now demand a very much better class of building than they had before. If you go back ten years, very few houses of five or six rooms had bathrooms. Even a pantry was more or less of a luxury, whereas the same class of houses have bathroom, pantry, and scullery now, with hot and cold water and a range. Ranges nine or ten years ago were mostly low-pressure, whereas now they are high-pressure. Again, the majority of the washing used to be done out of doors. Now people have a wash-house as part of the building, and the coalhouse is also part of the building. The general finish also, I think, on the whole, is better than it was ten years ago.

5. Could you tell us what the difference in price is between then and now?—Well, I could not tell you accurately, but I should think that, say, a five-roomed house would now cost from £100 upwards more than ten years ago.

6. And a large proportion of that increase is due to the increase on the timber?—Yes, undoubtedly; but it is almost essential that we should have Oregon pine here for heavy joists and work of that nature. It has been stated that we cannot get heavy red-pine timber here dry. I do not know what the stocks are lying at the sidings, but I know that the timber is now growing in the bush for actual contracts that may be let. Of course, timber takes a long time to season. If it is not properly seasoned, it means that the upper floors draw away from the walls. It means a considerable amount of trouble and cost. You have your employer complaining about it. By using Oregon we get the stuff on to the building seasoned, so that a good deal of that trouble is obviated. Then, when it comes to getting very heavy stuff for large props, Oregon is the only timber that is fit; but I do not think that Oregon will ever be very greatly used in Invercargill, unless red-pine were greatly increased in cost, because we have got to face the haulage from the Bluff. Only small boats can come to our port; big shipments have to be landed at the Bluff. Then, of course, the Railway Department charge for bogie-trucks for long lengths. I worked out recently what it would cost to put a roof of a 60 ft. span over a certain building, and I came to

the conclusion that it would be cheaper to use a steel truss than to use Oregon for the heavy stuff, and red-pine for the lighter.

7. *Mr. Hanan.*] Do you think it is desirable to increase the duty on Oregon pine?—No, I do not think it is.

8. You think it is not in the interest of the Dominion?—If any alteration were made, I think, if anything, it should be reduced on the heavy stuff, because the Dominion cannot produce large balks of timber. If any alteration were made, heavy Oregon should rather be reduced. It may be that on small sizes it would be advisable to make some small increase, but I think to increase the duty on heavy stuff would be a great mistake. We must have heavy timber for certain classes of work, and it is practically admitted that the mills cannot supply it.

9. *Mr. Jennings.*] You mean local millers?—I am speaking, of course, of local millers.

10. *Mr. Hanan.*] You think an export duty should be placed on our timber?—I am strongly of opinion it should be on red-pine and totara, and I think the whole trouble is caused by our timber being given away in past years. I cannot give you the returns, but we all know it was shipped very largely to Australia up to the time that Oregon came into competition. Our birthright was given away for very little return, and we have undoubtedly to pay for that in the increased cost of the timber. As regards increased production, that is easily understood, because originally all the flat country around Invercargill was under bush, but it has all been cut out. Seaward Bush was the last; that has all been cut out, and we are not getting the same class now. It was cleaner timber for rough purposes, but what we are getting from the western districts is far more durable, and is beautiful timber. Take the mouldings in this room: we would not take such mouldings now for a job; we get beautiful figured timber all around Invercargill. That is due to going to the hilly country; it is more durable, and we get a more beautiful grain, but I certainly think there should be an export duty on our timber to keep it in the country. I think also it would be a wise thing to provide for replanting wherever it is cut out. In Germany, Norway, and Sweden the law enforces planting for every tree that is cut, and I want to see that done here. There is a timber shortage all over the world, and the cost of timber is greatly increasing. The main supplies in England now are being taken from America in place of Norway and Sweden. Californian redwood is undoubtedly better than Baltic for some purposes, and will come into competition with New Zealand timber in the near future. It is already used for venetian-blinds; it will not rot, and will not burn; and if you put it into the ground between wind and water it is durable. It is very little lighter than Oregon, and of a good colour, but is not suitable for heavy work. For building-work we shall see more of it used for sashes and doors. It is practically unshrinkable even if it is wet.

11. What woods do you find affected by the borer?—The borer, as we know, is peculiar to white-pine. I have never known a case of any other timber being affected by it except where it was in the vicinity of white-pine. I know one case of a mahogany piano being practically destroyed because it was in a house which had been built of white-pine. Of course, we often hear talk of dry-rot, and forget that it is common to nearly all timber under certain conditions. The white-pine borer is not the ordinary dry-rot at all. So far as I can learn, it is peculiar to that timber, but it will go into red-pine and other timbers if they are in the proximity of white-pine that has been affected.

12. Do you know of any methods or means that have been found satisfactory to destroy the borer?—Sometimes I have heard of turpentine being used. There have been one or two patent mixtures, no doubt, but the proper way to avoid the borer in a building is not to use white-pine, and it is not being used now.

13. Do you know of any effective destroyer or preservative?—No.

14. Have you much difficulty in getting red-pine here?—No serious difficulty for finishing-work; but, of course, we get timber now for rough purposes of an inferior class. At the time of the Seaward Bush we never got strips of bark of considerable length. At that time you saw all heart of totara, but it is scarcely procurable now; you do not get it.

15. What is your opinion regarding the importation of hardwoods?—As regards competition with local timber, I do not think that hardwood competes with local timber to any extent, unless it might be in railway-work. Of course, we should never use it for any ordinary work here; but the cost of totara is now so great that we would use jarrah in preference to it, because it is a far better wood in every respect. The only trouble with jarrah is that it takes two years to season for rough purposes and five years for joinery. Generally speaking, we prefer it to totara, and occasionally we specify it for totara.

16. Do you think all these hardwoods should be allowed to come in free?—I am hardly in a position to say that, but I do not think they should be increased in cost anyhow.

17. Is the building trade generally in a prosperous condition?—It is quiet just now—in some cases decidedly slack. Cottage-building has fallen off; it has almost stopped. At present it does not affect me very much, but I see many men idle.

18. There has been a boom in the building trade in Invercargill?—I do not think you can fairly call it a boom. We have very seldom had works stopped for want of men. There has been tightness of money and scarcity of labour. Things have not been prosperous, and you could not say more than that for them.

19. As to the workmen, how do they compare with those of ten years ago?—I believe there are fewer good joiners amongst the younger men, and I attribute that mainly to factory-work. Now, very few builders are in the habit of making their own sashes, and they scarcely ever make a door. At one time they had to make all that work and all the ordinary joinery. Such work is done almost entirely now by machinery in factories. Even builders are putting in machinery for mortising, and the effect among the workmen has been that you do not see so many competent men.

20. So there has been a falling-off all round?—I am speaking particularly of carpenters and joiners. I do not think there has been a falling-off otherwise.

21. In the case of a building, say, of ten years ago, what would be the difference in the cost of the timber?—I should say about 2s. per hundred all round would be pretty near the mark.

22. As regards the work of construction — carpentering, painting, plumbing, &c.—what is the increase?—Of course, there has been a decided increase. You may take one trade—plastering. Mr. Bain mentioned that architects specified little plastering, because they were afraid of shrinkage in the timber. Personally, I would not use plaster for a ceiling, and there is a dreadful scarcity of plasterers. We are having to pay 15s. per day, and sometimes as much as £1 per day, and even then we cannot get the labour. Of course, architects have protected their clients by using a minimum amount of plaster.

23. Coming back to the cost of getting a six-roomed house, you mentioned timber: what about carpentering, painting, &c.?—I doubt if there is any increase on painting and framing. I believe the men get rather a better wage, but it has made no difference. Of course, now we have got better drainage and better sanitary arrangements, and the by-laws insist upon these things being put in. If you go back ten years ago, the regulations were quite different. In farmhouses the drainage-pipes have been put in with ordinary agricultural tiles. I even had a case the other day where a farmer thought they were good enough to take his kitchen-slops and the drainage from his sinks away. That used to be very common in the towns. Now, of course, they are getting much better. The Health Department is insisting upon keeping people up to the mark. Of course, that means better sanitation, but, on the other hand, increased work.

24. As to iron?—Iron is about the same, I think.

25. What is the difference in the cost of a six-roomed house compared to now and ten years ago?—I know of one case of a house built about fourteen years ago which cost about £400, and the same house now would cost £700. The increase has taken place gradually ever since. Then you have to remember that timber which was bought for something like 5s. or 6s. per hundred will cost more than that now, while the men during the depression were working for something like 5s. per day. If you go back even ten years you are in the middle of the time of the depression. At that time carpenters would club together and work for a mere pittance. It was pitiable to see them working for so little, and in many cases I am sure they did not get enough to eat.

26. What would it cost to build a five-roomed good house to-day?—If it were a good class of house—with a bathroom, pantry, scullery, and laundry attached, concrete foundation, proper drains, and proper sanitary arrangements—it would cost you from £550 upwards, according to the class of finish in the building.

27. In brick?—About another £100 in brick.

28. Take a six-roomed wooden house, what would that cost?—Probably about another £50.

29. In brick?—You see, it is not a fair way to talk about the cost of a house being so much per room. The cost of a four-roomed house must work out heavier than a five or six roomed. Even for an eight- or nine-roomed house, you must have the same conveniences in each case.

30. Given a seven-roomed house?—I cannot say in that way.

31. Generally speaking, what would a seven-roomed house cost?—About £650 or upwards, according to the class of finish.

32. As to the architect's fees, what are they?—The same as in any other part of the colony—6½ per cent.

33. *Mr. Jennings.*] According to your answer you are the only profession that has not got any increase?—It means an increase to us. The more work we put through and the larger buildings we put up, the more we benefit.

34. You are apprehensive about the scarcity of timber in the future?—Yes.

35. You are aware that steel and concrete are very largely used in large buildings?—Yes.

36. Will that not be a factor in determining whether our supplies will last?—Of course, to build in steel or concrete—steel is out of the question in this Dominion, except in earthquake towns. It is only a fad to talk of putting up steel buildings.

37. What about Wellington?—Wellington is an earthquake town. I am speaking of the South Island.

38. Do you know anything about the processes that tend to increase the life of cut timber?—No, I know nothing about different processes. All I know is that natural seasoning is generally reputed to be about the best method of prolonging the life of cut timber. All rapid seasoning is detrimental to the durability of the timber.

39. Not according to the investigation of the Society of Architects in Western Australia quite recently?—The Royal Institute of Architects bears out my statement.

40. In regard to afforestation, do you know what is being done?—I know that the Government is doing something at Rotorua with prison labour, but how much I do not know.

41. Up to the present time there have been 22,000,000 trees planted?—Yes.

42. That will meet your views?—Yes. Do you not think that the cutting of the forests at present will amount to more than a million a year? Remember, too, the number of years we have been slaughtering timber. Look at the North Island where they have destroyed it wholesale by burning.

43. There is no necessity for that?—No.

44. Have you any very great knowledge of the bush in the North Island?—Only by passing through as a visitor.

45. *Mr. Field.*] How long have you practised in the colony?—Eleven years. It is about twenty-two years since I started serving my apprenticeship.

46. You said it was wrong to say that the increase in timber during the last eight years was 1s., because you had to consider mouldings, &c.?—Yes.

47. I want to point out that the amount stated by Mr. Brent was 1s. 6d., not 1s. On that point I should like to know whether, seeing the comparatively small effect that a rise of 2s. in timber would have on the total cost of a cottage, the quantities and values of sawn timber should be taken into account for the reason that the extra cost of dressing will be enough to account for the difference?—I really cannot say.

48. Is that a fair way of looking at it?—I do not know. My reference to the increase in price is with respect to mouldings.

49. We are talking of sawn timber only. In view of that, 1s. 6d. would be a moderate amount?—I think it is within the mark even then—even a little more than that. The cost increases as you rise in size.

50. You say that 2s. per hundred for all classes of timber would be a fair thing for ten years: would it not be fair to assume that 1s. 6d. would be a fair thing?—Yes.

51. You would not contradict on that point?—I would not without data before me to go into it.

52. Putting the cost of timber alone, in ten years at 2s. per hundred, that means an increase in the price between now and ten years ago, and makes £15 difference in a house of five rooms?—I think I would modify my former statement. It would not include mouldings—excluding mouldings it would be that approximately.

53. You told us how houses can be dearer than they used to be. Numerous items were mentioned by you. Houses are better-finished than they used to be. There is the bath, pantry, wash-house, &c.?—Yes, they are better-finished and of better construction.

54. Are mouldings more in use now than ten years ago?—I do not think so. It is very much the same in that respect—that is, in the class of house you refer to. Of course, I do not speak of four-roomed cottages built to let.

55. I am talking about workers' cottages?—I was referring to the better class of workers' cottages.

56. You think they have at least as many mouldings in their house now as they had before?—Yes, every bit. Mr. Bain was speaking of workers' cottages. He has them to let; but they are cheap cottages. People do not go to architects for that class of work. People who go to architects want good buildings.

57. How does that agree with the large stocks of timber that we see?—There is a slump in trade. Generally, you cannot buy seasoned timber here at all.

58. Do you use shingles?—We do not use shingles.

59. You are a believer in our afforestation?—Decidedly.

60. Can you see any good reason for private individuals being asked to keep their timber lands for an indefinite period rather than use them now?—Most men who take up land do so to make money out of it.

61. Would it be a fair thing to ask a business man to retain it?—I do not think so.

62. Of course, you agree that it would be a good thing for the State to have large forest reserves?—It is a work I think for the State to undertake. It may pay individuals in certain cases, such as those who have poor land suitable for afforestation.

63. Do you know anything about the class of timber that would grow here?—No, I am not prepared to make any suggestion on that.

64. On this question of Oregon pine, we are told that we must have the large pieces and encourage their admission into the country; but, on the other hand, in regard to the smaller pieces, seeing that they are competing severely with the red-pine of this Dominion, would it not be a fair thing to increase the duty? I understand that you are in favour of that?—No, I did not say that. I did not say it would be advisable.

65. What about those other timbers that you mentioned—viz., Californian redwood, Manchurian, and any other timbers which might enter into competition with us?—I know nothing about Manchurian timbers. We cannot fall back on Baltic. It is America we have to look to. Oregon pine is not used much in America, except in the Western States. The haulage is too great. It is simply sent where it can be most easily shipped.

66. It behoves us to watch those things in the matter of imported timber?—I doubt if it would affect our trade unreasonably.

67. The duty of 2s. per hundred on Oregon pine was put on a good many years ago?—I am aware of that.

68. That was at a time when millers were suffering under the same trouble as they are now?—Yes.

69. Now that they are in distress there would be more reason for increasing the duty rather than reducing it?—Yes.

70. *Mr. Leyland.*] You have told us clearly where Oregon is most suitable for constructive purposes. Is rimu not more suitable for flooring and ceiling work?—For such work it is no doubt far and away preferable to Oregon.

71. It is our custom to season rimu in the north. Would it not be better if it was seasoned before it was matched or machined?—You mean, in the mill.

72. Cut to the size and then seasoned before it was put through the machine?—It might be a better job. I could not say. Of course, it would shrink again then.

73. With reference to the increased duty on large sizes of Oregon, I just want to point out that when we are told that Oregon can be landed at a certain price what is stated in the following quotation. It will not be a waste of time if I may read a quotation here. The prices are fixed or quoted on a basis of the E list—that is, a basis of $15, f.o.b.

74. Now we turn to the price-list, and we find here that it is only the small size and the short lengths that carries the 15-dollar basis, and some of the sizes of the same quality cost as high as $25.

75. Bearing in mind that the long lengths and the heavy lengths cost more than the quoted price, and that it costs very much more to handle, and it has often to be taken in to the saw and resawn, do you not think that handicap is quite enough without putting any duty on the extra sizes?—I do not think any duty should be added to the heavy stuff at all. Quite the reverse.

76. If the duty was increased on the small size, seeing that the cost to the merchant will be very much greater on the large sizes, do you not think the large sizes should come in free?—No, I do not think so. I think, in the majority of cases in New Zealand the Oregon is sought for for heavy work. It would never be used except for heavy work and for framing. It is quite unsuitable for flooring and ordinary finishing.

77. It is suitable for joists, &c.?—Yes.

78. The small sizes are competing with the rimu. If more duty is put on the small sizes, do you not think it would be a fair thing to take some duty off the large sizes?—I think, if anything, the duty should be reduced on the heavy stuff.

79. You are aware as an architect that the cost of timber has increased all over the world?—Yes.

80. Probably you have not had a chance of reading the last report of the British Royal Commission on this question, in which it is estimated that timber has risen 50 per cent.?—I am not surprised.

81. During the next ten years it is estimated it will increase 50 per cent. again?—I should hardly think it would increase so much as that.

82. You are not surprised that there has been a rise in the cost of timber in New Zealand?—No.

83. Now, in using rimu for joists, you would prefer heart to sap?—Yes, anywhere.

84. Are you aware that a group of rimu-millers who are working in the King-country and the Waikato have very carefully tested the percentage of first-class heart, and have found that there is only 6 per cent. of first-class timber?—Only 6 per cent.?

85. Now, Oregon is sent out all heart, and I want you to tell us if, in your opinion, all-heart Oregon is not superior to timber that may be partly heart and partly sap?—Yes, if it were all heart; but I know from the best Oregon authority that Oregon varies enormously throughout the States in quality. Its defect is that it makes such a large growth that the wood is very stringy. For rough framing I believe that in the majority of cases Oregon would be preferable. I do not think it would be so good for weatherboarding.

86. Are you aware that No. 1 merchantable, for shipping to the colonies, has to be passed by an inspector before shipment, and it is the custom to condemn any timber that contains sap in that grade?—Yes.

87. If it is a bit under that grade it is rejected?—When you reflect that the Oregon tree is often 6 ft. in diameter, you cannot wonder that the heart is so great.

88. Is it not a fact that it is better than rimu owing to its being all heart?—It does not follow. The sap of one timber might be better than the heart of another.

89. Do you not think it would decay quicker?—I would rather take my chance of red-pine weatherboarding

90. Speaking of afforestation, no doubt you are aware that the increase in consumption, from evidence gathered recently, has been out of all proportion to the increase in population?—That is so.

91. Whilst the population of the United States has increased 53 per cent., the consumption of lumber has increased 94 per cent.; further, are you aware that, whilst in 1895 in New Zealand the output was 191,000,000 ft., it increased to 413,000,000 ft. in 1905—more than twice as much?—No, I was not aware of that.

92. Seeing that this is so, do you not think that is another reason why there should not be a prohibitive duty put on Oregon pine?—Yes, I certainly think it would be a mistake to put a prohibitive duty on Oregon.

93. The importation should rather be encouraged?—It should be encouraged in heavy stuff.

94. Speaking of the Crown timber supply, I suppose you were referring to your own district?—Yes.

95. With reference to the burning of timber off lands, do you not think it is the duty of the Government to settle all open lands capable of settlement before putting settlers on bush lands where the bush cannot be used and must be burned?—Decidedly, if the timber can be moved in the future.

96. *Mr. Clarke.*] In answer to a question by Mr. Field, did I understand you to say that you do not connect mouldings with joinery in the increased cost?—Not exactly. I was speaking more of the rise in the timber. We get our mouldings from the mills; but the joinery, such as doors, sashes, and cupboards, is supplied usually by the factories apart altogether from the miller.

97. Is not the term "joinery" usually meant to be manufactured work?—Yes, that is so; but I distinguished, and meant it to be understood to be the general rise in timber.

98. Then, with regard to the future supply, bearing in mind that the report of this Commission will, no doubt, have some influence on the timber-supply of this country, do you not think everything possible should be done to insure a future supply?—Decidedly.

99. And you are aware, of course, from reports published by Departments in our own Dominion, that it is quite wrong to speak of our inexhaustible forests?—Yes.

100. And that practically our supply, assuming that the output continues at about the same rate—that it may last for comparatively few years—say, from forty-five to fifty at the ouside?—Yes.

101. Do you not think, then, that under the circumstances the Government of this country should at very short notice take some steps to see that this Dominion is not left entirely dependent

on foreign sources of supply for its timber?—Yes, decidedly. That is why I mentioned that a tree should be planted for every one cut.

102. You think it should be renewed?—Yes, it should be renewed.

103. *Mr. Morris.*] In regard to this Oregon pine, do you know much about it?—No, I cannot pretend to have had any very wide experience of it. We have used it for the last five years or thereabouts mainly for heavy joists.

104. Have you had any with large knots running through it?—Sometimes, and same shaky, too.

105. Would you call that the top of the trees?—I should say that timber was cut well up the tree in view of the full size of the Oregon tree.

106. And the quality of the stuff?—Yes. It is not all one quality—there is no good denying that. We have had Oregon timber here 13 by 13 which was scarcely worth cutting up—it was so shaken and had arrived from Melbourne in that condition. Of course, the Oregon we use in Southland mainly comes from Melbourne, because it can be landed cheaper from the Bluff than from Wellington.

107. Have you ever tried any of the beech or birch that you have here in large quantities?—Yes, we are using it just now, and also a few years ago.

108. How does it compare with rimu?—I think it is a much more durable timber, but it has got a nasty habit of curling, and shrinks more, but it is certainly a much more durable timber. I saw one building built over forty years ago which had apparently never been painted, and I examined it, and found the plates about the place as sound as a bell. That was in the lakes district, and the timber was red-birch. I am now building a house for a client of mine costing some £1,600 or thereabouts, and he would not have any totara in the building except where I highly recommended it in the way of window-sills—the whole of his place is to be put up in birch. After his own experience he would not have a bit of totara in the job except where it was immaterial whether it split, which, of course, it is inclined to do.

109. In view of the fact of birch being brought into consumption for building-timber, will the timber-supply increase?—I think the timber-supply will be much more useful in the future. If birch is obtainable in Southland it has a future before it.

110. *Mr. Barber.*] In your experience, has the high price of building-materials interfered with the building trade?—Well, I do not think it has really seriously interfered with the building trade, because we have just been through a period of prosperity. Although I dispute that there has been what you may fairly call a boom, still, we have certainly been prosperous. I do not think many people have wanted buildings and had to go without them on account of that; but should we get a lengthened period of depression, I am quite sure that the largely increased cost of building will be seriously detrimental to the building trade. That is where we shall feel it. So long as we are prosperous I do not think it will make any great difference. I have not heard of people here being herded up in confined quarters or being inconvenienced by present prices. Money has been cheap, and things generally prosperous. I think it is too soon yet to say, but probably the slackness is due to that, as well as the scarcity of money.

111. You mean the scarcity of money or the high price of timber?—Both.

112. And, of course, you realise that if the timber industry or building trade is slack a large number of the artisans are unemployed?—Yes, and it is very far-reaching.

113. Do you not think that when the timber was very plentiful here that was the time to put the duty on the imported article, and now that the timber is getting scarce and very difficult to obtain, do you not think that that is a reason why we should be a little more reasonable in our restrictions with regard to the imported article?—Well, of course, while timber is plentiful it is cheap.

114. *Hon. the Chairman.*] Not always?—It is practically so with us. While timber was plentiful with us it was on the flat country, but now they have to go to the hilly country, and very soon will have to go to the mountain country.

115. *Mr. Barber.*] Do you not think, as the timber here is getting scarce, and as you say the imported article is equal to the local timber, that we should allow the imported article to come here?—Well, of course, if you can do it without crippling the local industry it would be all right. It has to be shown whether it would really be fair to the local industry.

116. Do you think that, if the cost of timber is high owing to the disadvantages of procuring it, rents are to be kept up to an exorbitant price and the building trade restricted?—I do not think it has come to that. If it went any higher, I say Yes. I think it is as high now as it can fairly stand.

117. Have you any reason for believing that it is at the maximum height?—No; I think it is more likely to rise again in the future—it stands to reason it must. When they go out beyond Waiau in this district there will be greater haulage, and that is not its limit then.

118. Do you think that if timber is likely to go any higher it would be fair to impose this additional cost on the workers who pay the rent?—It would be simply a question which affected the major number of people from a national point of view.

119. *Mr. Ell.*] In your experience as an architect, is any of the imported timber taking the place of the rimu and kauri for the inside work?—No, I do not think so. There is no timber at a reasonable price that would fairly take its place. They work more easily, but not more so than kauri: but we use very little kauri. I think we can land Oregon cheaper here than kauri.

120. Of course, kauri is practically cut out?—Yes. Of course, rimu is better than Oregon for finish. It is firmer altogether in the grain, and it has a beautiful polish where Oregon has not.

121. And you think no imported timber takes the place of it for that work?—No, not at a reasonable cost.

122. You have no doubt seen the extent to which rimu is used in our furniture-factories?—Yes.

123. Is there any imported timber to come up to it at anything like the price?—I do not think there is. I am personally very fond of rimu. I think it is one of the most beautiful timbers in the world, and I think we greatly underrate its true value for good work. It is often a great pity to see the beautiful figured stuff put into joists and other roof-stuff, and buried in a building where it is absolutely lost—it is a material which is fit for any pianomaking.

124. Having regard to the fact that it is necessary to consider the more permanent industries of the country—that is, woodworking and furniture-making, and so forth—do you think it is necessary that we should make some permanent reserves so as to perpetuate the supply for our standard industries?—I think it would be a very wise thing to do. Such a thing never occurred to me, because the day will undoubtedly come when timber will be almost unprocurable.

125. And you know of no timber so well suitable at the price?—No.

126. Now, in regard to beech. I refer to this because it is the quickest-growing—it will reproduce itself?—You are referring to the red-birch?

127. Yes. Do you think, if it were cut at the right time only—that is, during the winter, when the sawmillers themselves say it is not liable to shrink and warp—that that would help to put it on the market with a better character?—Yes, I think it would. Of course, on the other hand, it is almost impossible and hopeless to expect to get it cut in the winter only. It would not pay the miller to run a mill only for winter cutting. We cut the whole year round, and the only way to control it is for the individual who builds to time his building so that he may get winter-cut timber.

128. But you say that on account of the twisting and warping it is practically useless for building purposes?—No, I do not say so—decidedly not. I told you of two cases where we recently had it used with very gratifying results, but I still say it shrinks and warps more than red-pine does, and it also has a tendency to split in cases like window-sills and heavy material, which, of course, is a serious detriment to the building.

129. If it were properly seasoned, do you think it would?—For ordinary framing-work I think it is suitable and more durable than red-pine.

130. A miller has told me that it is better in damp situations?—Yes.

131. In regard to seasoned and unseasoned timber, speaking as an architect, is a building likely to last longer built with seasoned timber than a building built of green timber?—Yes, decidedly. That is common knowledge.

132. And it lengthens the life of a house?—In the case of ordinary cottages you get your timber on to the job and up-end it, and it is generally sufficiently seasoned when you come to construct your building.

133. How long does it take to season the timber?—It varies according to the season. With large joists it takes longer. What I said applied to 4 by 2 for the construction of framed houses. Such stuff seasons quite sufficiently, and you would never detect the shrinkage if it is a given a fair chance.

134. You told us that in this town, as large as it is, you found a difficulty in obtaining 1,000 ft. of seasoned timber?—Yes, very difficult. It would not be so at this moment, but that would generally be the case. At this moment there is a slackness.

135. The millers do not seem to cater for the demand for seasoned timber?—I understand it does not pay them with the double handling.

136. I have here price-lists of experienced sawmillers and timber-merchants in Christchurch, and the difference in the price of seasoned southern red-pine is 1s. per hundred feet?—That is in Christchurch; but then you are not in a timber-producing district there—they have to store it; and this is a timber-producing district. It is like going to the Bluff to buy fish. You cannot buy it retail: it is sent away in big orders, and it would not pay them to hold it, and likewise it would not pay our millers to stack the timber and season it here. I have given you the reason why the architects do not insist upon its being bought seasoned. It is not necessary, and the clients will not wait. They come to you and want a building put up. You have to hurry and get it done; and the stuff is growing in the bush. You know the heavy joists will shrink and give trouble, and our only way is to use one timber for the purpose.

137. And from a public standpoint it is a matter of economy to use Oregon as against green timber?—Yes.

138. I find that the difference here in red-pine 6 in. by ½ in. unmatched lining is 6d. per hundred feet?—That is between seasoned and green.

139. Do you think it is too costly for timber-merchants to season timber in view of the small difference there is between the two?—You are quoting Christchurch.

140. Why should it cost more to have it seasoned here?—Because here they do not stack it, but there they have to. They must stack it or it is detrimental to the timber.

141. But if it only costs them 6d. there to season it, why should it cost more here?—Because they have to stack it there. The fact remains that we do not do it. A miller will stack the timber for you, but I understand it is a matter of arrangement between the two to save the builder the trouble of putting it on another site.

142. Evidence has been adduced here to try and show that timber-merchants cannot afford to season the timber properly?—Yes, I do not think they can in Southland.

143. With regard to preserving our timber-supply and the export duty, the quantity of timber exported in 1895 was 191,000,000 ft., and in 1907 432,000,000 ft. In view of that increase in twelve years, do you think, with the increasing demand for timber as the population increases, that the industry should be put on a better footing?—Yes, I think so. It is a pity it was not done twenty years ago.

FRANCIS LEVI VICKERY sworn and examined. (No. 8.)

1. *Hon. the Chairman.*] What are you?—A builder, and secretary of the Builders' Association. I may say that I am in favour of the duty being reduced on heavy Oregon on account of the utility of the timber for use here. It was mentioned before the Commission that Oregon timber would not stand more than four years. Well, I lived in America, and worked amongst timber for two or three years, and also worked amongst Oregon timber, and I never heard of it only lasting that short time. It has always been considered to be a lasting timber. There is a class of timber grown in Canada and North America, a sort of sugar-pine, which would only last perhaps four or five years. I might say that I have a straight-edge made of Oregon: I have had it in use for twelve years, and it is in good condition now, and has been lying about in the grass at various places. Then, in regard to the cost of building, I quite agree that the cost of building is about 40 per cent. more, at least, than it was fifteen years ago. I have a list of prices here that I paid for timber in 1887, obtained from Mr. Massey, delivered at West Plains. Ordinary red-pine, 4s. 4d.; 8 in. by ½ in., 3s. 3d.; rimu, 4s. 4d. delivered on the job, and totara, 9s. 6d.

2. What distance had it to be carried?—He had a mill at Makarimu, and he delivered it on the job four or five miles distant at that price. The price of timber, all lines, was 6s. 3d.; 10 in. by ½ in., 5s. 9d.; 3½ in. T. and G. without the tongue, 6s. 3d.; 6 in. by 1 in. T. and G., 5s. 9d.; 6 in. architraves, lineal measure, 8s. 6d.; and 3 in. ogee milling, 5s. 9d. Then I have the later prices (1895) of the Excelsior Timber Company—rough stuff delivered in a town, 5s. They have a very small forest now about cut out. Then the Excelsior Timber Company was in partnership with a man named Dawson. The prices were, for that year—rough timber (rimu), 5s. per 100 ft.; dressed weatherboards, 7s. 3d.; 7 and 8, 6 in., 7s. 6d.; ditto, 4 in., 8s.; black-pine, 10s.; T. and G., 3½ in. by ⅝ in., 7s. 9d. That is subject to only the usual 2½ per cent. discount; but I have some quotations here that were subject to 12½ per cent. McCallum's rough stuff in 1900 was 6s. 9d.; 4 in. by 2 in. ordinary rimu—first-class, 6s. 9d.; second-class, 5s. 3d.; dressed stuff, 6 in. by 1 in., 10s. 3d.; 12 in. by 1 in., 10s. 9d.; and there are various other things in proportion. This was subject to 12½ per cent. discount, and 2½ per cent. extra on payment of the account—making 15 per cent. altogether. But timber went up shortly after that. A combination was formed, and the price went up to 8s., I think. The cost of building must be more now, as the price of timber grew higher.

3. *Mr. Clarke.*] There is one question I wish to put to you with reference to the formation of the Sawmillers' Association. A statement was made in evidence the other day which had some bearing on the Sawmillers' Association of Invercargill. It was stated that the association was formed for certain purposes, and I want to know if you agree with the witness when he said that it was formed in self-defence, because a builder would come to the office and ask for a quotation. He would be told it was 6s. per hundred feet: he would then go to another sawmiller and ask what was the price, and would probably be told the same thing. The contractor would then say, "I have just left So-and-so, and he has offered the timber at 5s. 6d." Consequently they were bound to have some understanding amongst themselves. Do you agree that that was the moral tone of the builders of Invercargill and Southland at that time?—No; but I admit that the sawmillers used to cut against one another: they gave different quotations, but the builders are not in the habit of explaining their tenders to another man.

4. *Mr. Field.*] That is in Mr. Massey's sworn evidence?—It may be, I do not know.

5. *Mr. Clarke.*] With regard to the increased cost of timber, it is not very long since the increase went up from 6s. 9d., less 12½ per cent., in 1900, to its present price, and the main bulk of the increase has been within the last nine years to 10s. 6d., minus 5 per cent.?—About 4s. per hundred, roughly speaking.

6. That in itself would largely account for the increased cost of building within the last nine years?—It would account for 33 or 40 per cent.

7. Not only with regard to sawn timber, but do you not think that there has been a great proportion of the increase in the cost of manufacturing milled stuff—timber run into mouldings? Has not that increased at a greater rate than the ordinary sawn timber?—I think so. Take 1½ in. nosing, which used to be sold at 2s. 6d. per hundred, and now I believe it is 9s. 9d.

8. Do you not consider that is good evidence of the increased cost of building-material?—It is very much used. And cavetto is also high. I think the sawmillers might come down on these lines.

9. You think it would not be fair for them to say they are only making a reasonable profit when they are selling stuff at £1 10s. per hundred which they are making for 10s. 6d.?—I do not know much about their cost, but it stands to reason that their profit is great on small mouldings.

10. If it has been admitted that it costs them 10s. 6d. for the timber, and 9d. extra to run the stuff into mouldings, would you not consider £1 10s. rather high for stuff that has cost them about 11s. 3d.?—Taking the cost of production into account, it does seem rather high, I admit. The buildings that are being erected now, especially residences, do not have as much timber in them as they used to have. Therefore they do not get quite so permanent a job. They may have a more finished job, but the permanency of the job has suffered. There are lighter timbers used now, and the rafters are further apart. For instance, they used to be 18 in., now they are almost 2 ft. centres; and sarking I used to put on 1¼ in. thick, and now the timber used is lighter and second class, mostly 8 in. by ¾ in.

11. With regard to the difficulty of conserving your timbers, do you not think it would be advantageous to restrict the use of red-pine as far as possible to inside work and to joinery, and not use it for rough work any more than is possible, so that we could have a greater supply to go upon for finished work?—It think it would be. Red-pine is certainly a very good timber and

well figured. It is a very pretty and very valuable timber. In fact, in any part of the world you would not find a better timber in appearance.

12. Do you not think we should have full liberty to import Oregon, not altogether from the effect it would have on the sawmiller, but with a view to conserving the Dominion's interests and use of its own natural products? Should we not do all we can in that direction by using foreign timber where we can get it at the same or a lesser rate?—I think so. Of course, we must take into consideration our industry a little, but I think it would be wise to import Oregon and conserve the red-pine, as it is getting very scarce; and if building goes on at the rate we had during the last two or three years the local millers will not be able to supply us except they stick on a high price and go further for it. I think it is essential to the building trade of the colony to import Oregon.

13. With regard to the so-called injury to our interests, do you think this generation has a right to use up all the timber without any consideration for the future?—No, I think we should look to the future.

14. Do you not think it would be wise to protect the sawmillers against themselves by not allowing them to destroy the industry within the next thirty-five years?—I think it would be a wise thing to conserve some forests for the future, and not allow the whole of them to be cut out.

15. Would you be in favour of a policy which would insure replanting on some scientific and systematic plan?—What would you replant?

16. I am not saying what to plant, but that would be a matter to be decided by those competent to determine. Would you be in favour of taking immediate action to secure a constant and permanent supply of timber for this Dominion and within the Dominion itself?—I would.

17. *Mr. Morris.*] Have you had any experience of the conversion of logs into sawn timber?—No; I have seen it. But my opinion is that if Oregon was imported free in bulk or junk it would keep the labour in the country.

18. Then, of course, you have no idea as to whether our native timber would answer for the purpose Mr. Clark is anxious to conserve this timber for?—No.

19. I am leading up to this question: What is the sawmiller to do with the whole of the timber that comes out of the log if you want to restrict him to the sale of stuff fit for dressing purposes only?—Well, the sap-wood is wanted sometimes for inside work, and it sometimes makes very good moulding, but would not do for polished work.

20. You should know that the cleanest part of the timber is next to the bark?—Yes, and the sappiest, too.

21. What percentage would turn out marketable for present purposes off of a log?—Well, I suppose it depends on the kind of log. You get hold of some that would produce more than others. I suppose you would get about 50 per cent. out of a good log.

22. You would be lucky to get 50 per cent. altogether?—Run it into mouldings—the sap-wood.

23. I think about 30 per cent. is as much as you would be able to work up. Then, what are you going to do with the balance?—There is a great demand for second-class timber at the present time from the farmers, and the millers get good prices for it. The farmers prefer second-class stuff.

24. You admit that we have to sell it somewhere? We cannot cut the outside off the trees and leave the rest?—The sawmillers will find some means of selling it.

25. Some members of the Commission were advocating the use of rimu for inside work: that is the only place you can dispose of the rough timber of the rimu. It is all contained in the centre of the tree, and is the best timber for bottom plates?—The timber used here for that purpose is totara or black-pine.

26. You made considerable reference to the difference in price now and some years ago. Do you think the Sawmillers' Association in this district is responsible for the rise in price?—It is to a certain extent.

27. Why not buy from a man not concerned with the association?—I am told that a good many not in the association are under the association.

28. Then, they are in the association?—No, but the association members buy their output, and in a good many cases they are men of small means and are anxious for the cash. I have heard of such being the case, but, of course, I do not know for a fact whether it is true or not.

29. Is not the usual experience that when trade slackens prices come down?—But the timber is not coming down.

30. Is it not evident that it cannot come down much more and leave any margin of profit for the man working it?—I suppose they have got some reasons on their side, but on the other side, if it were to come down, it would increase our building trade.

31. After the evidence that we got from Mr. Wilson as to the improved quality of the buildings in recent years, do you attribute the cause to the increase in the price of timber?—Not altogether. The price of bricks has gone up, and also of labour. In addition ironmongery has slightly gone up.

32. Is it not very largely due to the fact of the increased conveniences put into houses built to-day as compared with ten or twelve years ago?—There is something in that. Houses now have hot and cold water, wash-tubs, and under the sanitary by-laws of the town we have to put in inspection-chambers. All these things add to the cost of a building. Of course, it is much better for the owner and occupier, but it adds to the cost.

33. Then, this bogey that is put forward that the increased cost of buildings is due to the increased cost of the timber is not quite true?—Not altogether, that stands to reason.

34. Is it not more largely due to the improved style of the buildings?—But the cost of the timber is the biggest item.

35. What does it amount to—20 or 25 per cent.?—It all depends upon the kind of building. Here in my own hands now I have one with a 4½ in. brick wall outside.

36. I mean a wooden building altogether?—Weatherboards? It all depends on the size of the building. Do you mean a four-roomed house?

37. Say the average cottage building for a working-man, with four rooms, a scullery, and bathroom?—You must have a bathroom now according to the by-laws of the town. Say from £90 to £100

38. What would be the value of the cottage when finished — the building alone?—£350, probably.

39. That is not much more than 25 per cent. when all is said and done?—The average cost of the timber on a wooden building is about 30 to 33 per cent.

40. *Mr. Barber.*] Do you mean increased cost?—No, the total cost of the timber. The rest is taken up by ironmongery, bricks, conveniences, piping, and so forth.

41. You say that the conveniences that are insisted upon by the municipality add to the cost of the house?—Yes.

42. But, comparing the price of timber to-day with what obtained ten years ago in regard to style, would there be any increase in the cost of erecting it?—They did not have those by-laws then.

43. But supposing you were asked to erect the same style of cottage where the by-laws did not prevail?—Yes, I had an experience of that kind twelve months ago. For the same plan of fourteen years ago I made it £400, and at that time it was £227 for the same style of house. I did not get the job all the same.

44. Do you believe that slackness of trade in the building line is due to the high price of material?—I would not say that. Of course, you know the money-market is a bit tight; people cannot borrow so easily, and living is a bit higher.

45. They can borrow, but they have to borrow more to build a house?—And they have to pay a higher rate of interest. In some cases unless they are very good marks they might have a job to get the money.

46. Do you think it is a good investment to build houses with the present material?—There are some. I met a man some time back with plenty of money, and I asked him if he was going to put up any more houses. He said things were too high now. He did not say timber, but he meant that the cost of building was too much money.

47. *Mr. Ell.*] With regard to the price, you were saying just now that you thought millers could come down on certain lines of timber?—Yes.

48. I want to know whether the prices here have gone up the same as in Christchurch?—No.

49. Take glass doors?—Of course, doors have increased very much in value during the last ten years.

50. Glass doors in Christchurch in 1894, 2 ft. 8 in. by 1¾ in., was £1 2s. The price now is £1 10s.?—Well, I know that about sixteen years ago I had as much as 25 per cent. discount on doors, and the prices are much higher now.

51. What is the discount on doors now?—5 per cent.

52. Ordinary glass doors in Christchurch, 2 ft. 6 in. by 1½ in. kauri, cost 9s. in 1894. In 1904 they cost 15s., or an increase of 6s. The builders can make them very much cheaper themselves.

53. You do not think that difference is altogether justified?—It is justified with kauri doors, as kauri is much dearer nowadays. But it seems a very high advance.

54. Flooring, 7 and 8, 6 in. by 1 in., in 1894 was 11s. 9d. a hundred, now it stands at 18s. 6d. for red-pine. In your experience do you think that increase is justified?—Not so much as that. In 1895 it was 7s. 6d. for other lines, and now it is 15s. There is one thing I notice —the sawmillers stock their timber here, and they charge 1s. per hundred for seasoned timber.

55. They charge 2s. per hundred for seasoning in Christchurch?—Yes.

56. With regard to seasoned or unseasoned, what is your opinion?—Of course, I prefer the seasoned timber.

57. What would be the difference in the cost?—It would pay a man to have seasoned timber every time.

58. I understand you to say that the difference in the cost is not very much?—Not very much.

59. How many thousand feet would you require for a four-roomed cottage?—It would take fully 10,000 ft. of timber. I think it would be wise on the part of an owner to have thoroughly seasoned timber.

60. It would be thoroughly economical?—Yes. Even if you scrim and paper over rough work you will find the scrim bagging, whereas if it were dry timber that would not be so, and it would last.

61. Would it be a good thing in the interests of the public to do anything in the way of enforcing the seasoning of timber?—It would be for the benefit of the public if the architects were induced to specify that all timber be seasoned thoroughly. It would be more satisfactory to the owner and also to the builder.

62. Have you any difficulty in obtaining seasoned timber in this town?—We generally get it direct from the mill, and stack it as soon as possible.

63. *Mr. Arnold.*] It is not the usual thing to specify for timber to be seasoned?—No, only for certain work.

64. When it is not so specified, and tenders are called for, are they supposed to put in green timber?—No; they are supposed to give it as long a chance as they can.

65. The point is, if there is a difference of £5 in the cottage owing to the seasoning?—Well, it all depends on the conditions. It a man puts in a tender, and intends to put in thoroughly

seasoned timber, unless he mentions it the architect would not know, and the other man gets the advantage.

66. So that any desire to use seasoned timber only, which is not likely, I presume, is for the proprietor to specify?—Yes, that would mean that the sawmillers would have to keep fairly large stocks. There is no doubt that a lot of timber has been wasted at the bottom of the stacks, because they always take the top of the stack and the bottom is left.

67. Everything is taken from the raw without being thoroughly matured?—It is so with regard to timber, I know. In regard to furniture, I think they season it very well.

68. Is it not a fact that the only cure for this would be by a very much larger output and larger stocks, and much larger capital than at present?—Yes, unless they become a monopoly and bump up the prices as high as possible.

69. Could the small mills afford to stack the timber for one or two years?—I think it would pay them at 1s. per hundred.

70. Everything would depend on the specification?—Yes. If a man was to order seasoned timber we should have to supply it.

71. Can you give us a suggestion as to how to bring it about?—I think the people want to be educated up to that kind of thing.

72. Would municipal by-laws cover it: do you suggest municipal interfering?—That might interfere with the liberty of the subject. It is different from a question of sanitation. Of course, it could be done by municipal control.

73. *Mr. Stallworthy.*] How long does it take to season red-pine for building purposes?—It ought to be twelve months, but it would dry very well in three or four months.

74. Could a man not get the timber himself and have it seasoned—that is, keep it on the job for a time seasoning?—There is nothing to prevent him. Builders do not like that, however, although there are plenty of ways to do it. They have only to pay an extra price. I have known people to get the timber on the ground for six months before the house was put up.

75. *Mr. Field.*] You told us the cost of rimu in 1900 was 6s. 9d. Then you said, in nine years it had gone to about 9s.?—It is 10s. 6d. now.

76. You said, just after 1900 there was a sudden rise because of the association. Therefore in 1901 it was selling at more than 6s. 9d.?—It was 8s. 6d., I think—it went up by a big rise.

77. I want to show that Mr. Brent is right?—Two years ago there was a little bit of a split with the sawmillers, and we got the benefit of it by a 12½-per-cent. discount. It was only 9s. 6d. then.

78. Mr. Clarke, in asking you a question, suggested that the millers were getting £1 10s. for what cost them 10s.?—I did not work it out. It is easily worked out.

79. What would they be worth now?—Two-inch dado moulding, 11s.; rough timber would cost them about 1s. 9d. It certainly counterbalances the small profit of 1s. a hundred.

80. *Mr. Leyland.*] How much do you estimate for the running—for 100 ft. lineal?—I do not suppose it costs very much to run through that—say 9d.

81. In 100 ft. super. there are 6 ft. running?—This 100 ft. is solid lineal.

82. You told us before it would come to £1 10s. super.?—It would come to more than that—it would come to £3.

83. *Mr. Field.*] Would you as a builder pay 2s. a hundred more, or any other sum, for seasoned timber than for timber just cut?—Only 1s. a hundred is required here.

84. Would you be prepared to pay 1s. a hundred?—If I were building a house for myself, yes.

85. But if you were building a house for me, and I did not contract for seasoned timber?—I would do the same as other people—get it as dry as I could.

86. You said you believed in conserving the timber. Supposing you are the owner of 500 acres of timber country, and it is fit for farming as well, and for some reason or other you are forced to conserve it, what are you going to do if you are a poor man and you are forced to tie it up?—I do not think that is likely to occur. It should be a State job.

WILLIAM STEAD sworn and examined. (No. 9.)

1. *Hon. the Chairman.*] What are you?—A furniture-maker. I do not think I can give you much information in connection with what the Commission really wants to know, because Oregon pine does not affect our trade, and the various prices you have been told about by the sawmillers. There has been a slight increase in the price of timber to what it was a few years ago. I suppose, in the furniture trade it is from 10s. a hundred up to 18s. The increase has been mostly in wide timber. I am speaking from memory when I say that 12s. 6d. was a good price for 12 by 1, and 18s. 6d. dressed.

2. Do you think that was too much?—We have got used to it, and it is the ordinary price. Of course, we would much prefer it to be lower, but the quantity I use is not extra great, and with the combine in the timber business it means you cannot get it any cheaper, and therefore you have to pay it. The association fixes the price, and if you can get it at the mills outside the association you will get a discount of 15 or 17 per cent. off.

3. Can you get it at the outside mills at a cheaper rate?—Sometimes. The last lot I got cheaper than from the association..

4. Then the price is not ruled by the association?—They practically charge the same as the association charges, except that they take off 17½ per cent., including 5 per cent. for cash. The prices for the other timber for making furniture are fairly high, and I do not think it will compete with the local timber—I refer to the walnut and oak. I cannot say that we have used much birch here—it is nearly all red-pine. I do not consider the timber we get now is as good as we

used to get. In ordering an amount of red-pine you get a proportion of miro in it, which is not as good as red-pine. Red-pine is being used for chairs, and a fair amount of beech is being used for furniture in Christchurch. We are getting birch now at 1s. less than red-pine. The Oregon does not affect us in our line—we do not use it at all.

5. It would not affect you in any way, whether the duty was increased or reduced?—It would not affect us, because I do not think it is a timber that we would use in the making of furniture unless it was cheap. You may use it for inside work, but not outside. We are debarred by the borer from using white-pine. There are imported woods that do affect the New Zealand wood, one being the American three-ply, and they are importing that largely just now for the inside of drawers and other inside work, such as the backs of mirrors.

6. *Mr. Clarke.*] What about the American clear-pine?—We very seldom use it. I believe they use nothing else but the three-ply in Dunedin and Christchurch.

7. *Mr. Hanan.*] How do the prices for locally manufactured furniture compare with the prices which obtained five years ago?—The locally manufactured furniture runs about the same. The difference has practically come off the profits. You do not get any more for the furniture, although you pay more for the timber. The labour used to be 8s. a day, but now it is 10s., and that makes the difference.

8. Do you think that that is the chief factor—the increasing wages—in accounting for the increase in the price of furniture?—Yes, and this has to be taken into consideration also: that the furniture made now is much higher in quality than what it used to be, so that you could scarcely compare the price of the furniture now with what it used to be. Nearly every house now has its duchess chest and washstand.

9. But the increase in the price of timber has not contributed to the increase in the price of the locally manufactured article?—Scarcely.

10. I do not know whether it is relative to the inquiry, but do you find that imported furniture is increasing in this country?—I think it is. There are travellers around now pushing the Home furniture, and you can get it fairly reasonable—such as oak or walnut—and you could scarcely compete against that. If you get the oak and walnut made here you could not compete against the Home article, because of the timber being so dear.

11. *Mr. Jennings.*] How do you find the class of workmen now as compared with fifteen or more years ago?—Taking them as a whole, they are better now, because the class of work they have been doing has been different. Of course, I could not speak for any place outside of Southland. For tradespeople it is fairly good here, equal practically to what they have in Melbourne.

12. And you find the timbers here suitable for the manufacture of furniture?—Red-pine is: I do not think you can beat it if it is seasoned. I have used a great deal, but the trouble is to dry it. A great waste is in the drying, as very often you have a very good board that splits right up and makes a lot of waste.

13. *Mr. Field.*] Would you call this an accurate statement made by a well-known North Island architect the other day: that for first-class building-timber he would only put one timber ahead of heart of rimu, and that that was English oak?—I would not like to say that, because I do not know the durability of Oregon. Of course, red-pine is very good as long as it is kept dry, but I do not think it would stand anything compared to oak.

15. You say that timber has gone up from 10s. 6d.: that is, of course, heart of red-pine?—They charge us more if we order it figured.

16. It is good stuff, of course, or it would not be fit for furniture-making?—Yes.

17. It has gone up from 10s. 6d. to 18s. 6d. during a few years?—Not in a few years—I am speaking of when it was cheap. Of course, as I say, you could buy timber from 5s. upwards, grading from 8 by 1 up.

18. In what period has it gone up from 10s. 6d. to 18s. 6d.?—Twenty years.

19. And you say you have been able to get it as low as 17½ per cent. off 18s.?—That is not the general thing: it is taking advantage of pushing it, because things have been low perhaps.

20. You pay 15s. for a particular grade. In this case it has gone up only 50 per cent. in twenty years, or if you put it down at 18s. it has gone up 75 per cent. in twenty years?—Yes, about that.

21. In view of the fact that timber all over the world has gone up 50 per cent. in ten years, do you regard that as a serious increase in cost?—I do not think so. Of course, we know that timber is getting further away, and getting scarcer, and the extra cost must be borne.

22. How wide were the boards you were getting for 18s.?—18 by 1, not dressed.

23. That is 18 in. wide?—Yes.

24. Have you been up to the timber-mills here and seen the class of timber they are moulding?—I have not been particularly to the mills.

25. You know they are not very big trees taken all through: the timber is only big here and there?—Yes, big trees are scarce there.

26. Do you not think it is a very reasonable price?—I dare say it is cheap, but when you are used to getting it much cheaper you do not think so.

27. But in view of the increased cost of labour and the fact of having to go further back?—I think it is a reasonable price, because I understand it is very hard to find a mill in this country that is making a profit. I understand they have lost money, but I only heard that in a conversational way.

28. You have not come here to suggest that these millers, as some other people would have us believe, are rascally people?—Well, some of them seem to be doing very well, and I would not mind changing with them. There is an explanation: that in some instances a man has secured a forest and bought a long way ahead, and he is not paying the same royalty as the others.

29. I am speaking of the average miller who is taking up Government property, and paying 6d. per hundred in advance?—I say the advance they are paying on that is reasonable, because

the timber is much scarcer. The only thing is that they are cutting trees now that they used to pass at one time; they have to do it. Where an area has been cut out they have started and gone through it again, so that they may make a little there.

30. Do you regard this beech as a first-class furniture-making timber for chairs?—I do not think you can beat it for chair-work; it is equal to walnut for durability and standing. Of course, the beauty of it is that it stands beautifully, and looks almost like walnut.

31. *Mr. Clarke.*] You said nothing could beat red-pine for furniture: by that you mean rimu, I presume?—Rimu when it is thoroughly seasoned. If it got the same course as the Home timber it would be equally as good.

32. By red-pine you mean rimu only?—Yes.

33. You say that in some of those orders they were selling a good proportion of miro?—In 2 by 1 and 4 by 1. You do not get any of that in 16 size.

34. Is that where the rascality creeps in—in sending you miro for red-pine?—When you get a little you do not mind, but it is a very hard timber, and you cannot drive nails in it the same way.

35. With regard to the suggestion that you are not bound to deal with the associated millers, do these people ever approach you seeking to do business, or do you have to approach them—those who do not belong to the association?—I do not know that they do. See, it would not pay them to go to bothering us, because we only take, perhaps once a year, about 20 pounds' worth or so, and it is eighteen months perhaps before you can use it.

36. You mostly deal with the associated millers?—Generally with them.

37. *Mr. Morris.*] You have just told us that you only take about 20 pounds' worth per annum?—At certain times—generally about the winter—and stack it up. That keeps us going.

38. When you can get it you want rimu chiefly for your work?—We do not order special timber now, because trade is different—because it is all mostly stained wood—in fact, we order it without figuring. There is not the demand for figured stuff there was.

39. You do not expect that the timber will be cut out in your day for all you require?—Not for the furniture, but I expect it to go much dearer.

40. It will be very difficult to get?—The further it gets away, and, of course, they are getting pretty far away now, and the part of the country is very rough—getting back to the hilly country.

41. Knowing the cost, you will select the class of timber for your work, and no rough timber at all?—No rough timber at all. It is all cut up and hand-dressed, and you must have the best.

42. You buy it green, and season it yourself?—Yes. Of course, we pay a little extra.

43. *Mr. Barber.*] You said the timber had gone up 8s. in twenty years?—Yes.

44. What knowledge have you got of the price twenty years ago?—The fact that I bought it.

45. At Invercargill?—Yes.

46. Do you know that a witness this afternoon produced stamped receipts showing that he had bought it for 4s. or 3s. 9d.?—I believe that.

47. And do you know that good timber was much easier to get then than now?—By a long way.

48. If the ordinary timber was 3s. 9d. twenty years ago, the timber you require for your work would be about 10s. for the 18 by 1 you require for your work?—I think it would be about that.

49. Do you know what Professor Kirk says about timber twenty years ago: He says first-class rimu for building purposes was loaded on railway-trucks at 4s. per 100 superficial feet. Do you think you really did pay 10s. 6d. for it twenty years ago?—Yes, I think so.

50. Therefore it seems that the difference then was a great deal more than the difference now, because ordinary building-timber was £1?—I think so.

51. Do you find any difficulty in competing with imported furniture?—Not unless they go in for the same kind of timber. The people are better off, and some of them like to get an oak or a walnut, and perhaps they are willing to pay a bit more for it. I think, in the ordinary run of things, the difference does not affect us.

52. You said that the increased price of production was caused by the rise in wages?—That is natural.

53. What machinery do you use?—I use machinery.

54. You have no more machinery than you had twenty years ago?—No.

55. Speaking on behalf of your trade, what machinery is used in Invercargill?—There are three factories here, and they use a large lot of machinery. Nearly all the ordinary stuff we get from the factory.

56. Is it not a fact that, in consequence of the machinery that is used to-day, the amount spent in labour, although there is an increased wage, is very much less proportionately than it was twenty years ago. I am speaking of the trade as a whole?—I could not say that.

57. Would you be surprised to know that it is so?—Of course, machinery puts it down, and gives you stuff we could not produce. I have not been into any of these up-to-date places. We could not make the stuff for the money. I am not surprised at what you state.

INVERCARGILL, TUESDAY, 30TH MARCH, 1909.

CHARLES ALBERT PIPER sworn and examined. (No. 10.)

1. *Hon. the Chairman.*] What are you?—I am Traffic Manager of the railways in Invercargill.

2. Will you just give to the Commission a statement as to the traffic in timber, the railage according to distances from the bush to here and from here to the distributors?—To give you a statement of the various charges from all stations now would cover pages, but I could have a printed statement produced.

3. *Mr. Leyland.*] What are your minimum charges for certain distances, and your charges for certain distances above that?—I will read out the charges, say, for the first ten miles, and every ten miles after that. White-pine is charged one rate, then red-pine, and then Oregon pine is charged at rate and a half.

4. *Mr. Barber.*] What about totara and matai?—That is taken the same as red-pine. Well, ordinary rates for timber up to 10 miles is 8d. (one mile would count the same as eight); for 20 miles, 1s. 4d.; 30 miles, 1s. 8d.; 40 miles, 1s. 11d.; 50 miles, 2s. 2d.; 60 miles, 2s. 6d.; 70 miles, 2s. 9d.; 80 miles, 3s.; 90 miles, 3s. 1d.; and 100 miles, 3s. 2d.: and now you can take it for 20 miles after that—120 miles, 3s. 5d.; 140 miles, 3s. 7d.; 155 miles, 3s. 8d.: and it was after 155 miles that the last reduction was made, in January. Now, from 155 miles the rate is taken in groups of five miles. In fact, it is practically taken in groups of ten miles. These rates are made up in the Head Office: 155 miles, 3s. 8d.; 165 miles, 3s. 9d.; 175 miles, 3s. 10d.; 185 miles, 3s. 11d.; and so on right up to 400 miles. Now, those are the ordinary mileage rates for ordinary timber.

5. That also applies to logs as well as sawn timber?—Yes. Of course, we have no log traffic down here. These are the ordinary rates for mileage so far as this part of the railway is concerned, less the reductions which were made to the Southland mills on timber to Dunedin and beyond.

6. *Mr. Ell.*] You said there was a difference in white-pine?—The charges I have given are for the ordinary timber.

7. They are general?—Yes. I will take white-pine separately. Those rates which I have given you are subject to a reduction as follows: We had, I might explain, an old rate up to December, in which timber from the sawmills in Southland consigned to Kensington or Dunedin was charged 1s. less, and stations between Pelichet Bay and Orari 9d. That regulation has been altered, and the sliding scale has been made to keep it in uniformity with the new rates.

8. *Mr. Jennings.*] When was that alteration made?—At the beginning of January. Now, those reductions, I might explain, only apply to sawmills in Southland sending timber to Dunedin and north; the same distance going anywhere else would be subject to the ordinary rates. Timber from sawmills in Southland consigned to Kensington and Dunedin will be charged 1s. per hundred superficial feet less than the classified rates, and the further reduction for distances beyond Dunedin is as follows: Not exceeding 160 miles, 9d.; 220 miles, 8d.; 230 miles, 7d.; 235 miles, 6d.; 240 miles, 5d.; 250 miles, 4d.; 255 miles, 3d.; 260 miles, 2d.; and 270 miles, 1d. Then the reduction exhausts itself, and you come back to the original rate.

9. *Mr. Leyland.*] There was a sliding scale in January?—Yes.

10. And that applied generally?—Yes.

11. And are those rates less than that?—Those are reductions which are to apply to all timber consigned to Dunedin and stations north of Dunedin from Southland only.

12. Do you know if there is any similar arrangement in Waikato?—I cannot tell you that offhand—it will be in the regulations. I should say, speaking without the book, that there are local rates.

13. *Mr. Jennings.*] Do you have differential railway rates existing throughout the Dominion?—Yes. These reductions here are entirely on account of water competition.

14. *Mr. Hanan.*] The difference in the railage to Dunedin and Mosgiel is on account of the water competition?—Yes. If our rates were 5s., and the steamer would take the timber for 3s., we should have to cut into that.

15. Take Invercargill to the Bluff?—The same thing.

16. *Mr. Arnold.*] What station do you term "north of Dunedin"?—You start at Pelichet Bay.

17. But Pelichet Bay is in Dunedin?—It is not in Dunedin so far as we are concerned—you must make a start somewhere. Well, that is really all there is to be said so far as the ordinary rates are concerned, and so far as the reduction is concerned to the stations starting from Dunedin north. Now, with regard to white-pine, the rates are 8d. per 100 ft. up to 20 miles; 22 miles, 9d.; 24 miles, 10d.; 26 miles, 11d.; 28 miles, 1s.; and then, up to 32 miles, 1s. 1d.; 38 miles, 1s. 2d.; 44 miles, 1s. 3d.; 50 miles, 1s. 4d.; 56 miles, 1s. 5d.; 62 miles, 1s. 6d.; 68 miles, 1s. 7d.; 74 miles, 1s. 8d.; 80 miles, 1s. 9d.; and after that it is $\frac{1}{8}$d. per hundred feet per mile up to 180 miles, and beyond 180 miles it is $\frac{1}{10}$d. per mile. That is to say, you go ten miles for 1d. The difference in the rates between red and white pine, taking 25 miles, is as follows: 25 miles—red-pine 1s. 6d., white-pine 11d.; 50 miles—red-pine 2s. 2d., white-pine 1s. 4d.; 70 miles—red-pine 2s. 9d., white-pine 1s. 8d.; 110 miles—red-pine 3s. 3d., white-pine 2s. 2d.; 180 miles—red-pine 3s. 11d., white-pine 3s. 2d.; 300 miles—red-pine 4s. 11d., white-pine 4s. 2d.; 400 miles—red-pine 5s. 9d., white-pine 5s. The rates on red-pine are subject to the reduction

I have already mentioned. The reduction means 4d. per hundred in the case of Timaru—that is, taking from Riverton to Timaru; 1s. 8d. off Ashburton, and 2s. 4d. off Christchurch. I have given you that rate from Riverton because it is the ruling rate and applied down here.

18. *Hon. the Chairman.*] And does that apply to Oamaru?—No, not Oamaru. The rate 4s. is the same as before.

19. *Mr. Mander.*] Why not Oamaru?—Because the reduction was made to what the Head Office thought was sufficient to meet the case. There is not so much timber going along there—they use a lot of stone.

20. *Mr. Hanan.*] Is there not a distinction made between the rates on the railways on imported timber and local timber?—Imported timber is all charged rate and a half.

21. Can you say if the rates you have mentioned on timber pay the Department?—Well, I do not know if that is a question I should answer—it is hardly within my province—but, speaking unofficially, I should say they will not stand any further reduction.

22. Are you in a position to say whether that last reduction which was made on the railway rates for timber is paying?—Well, it has not been in operation long enough to properly test it. I should say, generally speaking, that the fact of reducing it the longer distance will give the merchants down here an opportunity of cutting into the trade north of Oamaru and Timaru more than they have been able to do, and when you get to Christchurch the reduction is fairly heavy. The quantities, in fact, that have been going to Christchurch have been a mere bagatelle.

23. Do you know if the rates on firewood have been increased?—Firewood rates have not been altered for many years—it is charged for by the truck. Firewood, posts, and fencing-material are charged at the same rate, and they are carried by the truck, which is supposed to hold 6 tons.

24. Would you say that is the bed-rock charge that is being made now?—If you take fifty miles it is £1 3s. 6d., and if divided by six it only comes to 4s. a ton.

25. Does not the same remark apply to carrying timber?—You could not possibly carry firewood long distances—it is out of the question. So far as Southland is concerned, you cannot do any firewood business in Dunedin, because you have the Catlin's district in between. If the rates were cut down it would not pay us, and would not do any good to them. If you take 140 miles to Dunedin it is £2 6s. a truck, and if that were reduced where would the Catlin's River people come in? We should have to carry their stuff for nothing.

26. Can you give us any figures showing any increase in revenue on account of the timber carried in this district?—I cannot give you the total, but I can give you the figures of what we have carried during the last three years. I may tell you before giving the figures for Southland that the total quantity of timber carried on the Hurunui–Bluff Section, from Culverden right down, in 1895, was 36,000,000 ft., in 1900 it grew to 58,000,000 ft., and last year it was 89,000,000 ft.

27. *Mr. Ell.*] Native timber only, or all classes?—That is all classes, but the proportion of imported timber to that is not very large.

28. Have you got the proportion?—No, I have not. I can give you the proportion of our local stuff, and this is simply a general statement. Now, coming to Southland, our figures for the year ending the 31st March, 1907, were 28,300,000 ft. That, of course, includes all timber that goes through our books. For the year ending 31st March, 1908, it was 28,400,000 ft., and for this year ending 31st March, assuming that this month will be the average of the preceding months of the year, the total will be about 28,080,000 ft., a drop of about 400,000 ft. for the year. If you wish the figures for the various districts I can give them to you, only I should like to explain here that, owing to our method of book-keeping, we do not show each siding and station separately. Where you have a number of stations such as at Riverton, where you have Longwood, Oraki, Colac, Wakapatu, Ruahine, and Pahia, they are all accounted for at Riverton. The timber from Orepuki and those places beyond it up the Waiau would be shown under the heading of Orepuki. These are the figures for the year ending 31st March, 1908: Kelso, 19,350 ft.; Gore, 118,100 ft.; Mataura, an average of 200,000 ft. for the last three years; Woodlands' average is about 1,600,000 ft.; Invercargill, including Longbush, One-tree Point, West Plains, Wallacetown, and the stations on the Waimahaka Branch average for the three years 4,500,000 ft. Of course the original Seaward Bush is nearly cut out; I suppose the drop there during the last four or five years is 3,000,000 ft. a year. Waimahaka averages 300,000 ft.; Makarewa, roughly, 1,000,000 ft.; Riverton, up to 8,000,000 ft.; Orepuki, 5,000,000 ft.; Fairfax, 1,500,000 ft.; Otautau, 2,250,000 ft.; Winton, 1,500,000 ft.; Centre Bush, 400,000 ft. These are the main districts from which the timber is sent. Of course, there are a number of smaller ones which cut a matter of thirty or forty thousand feet, but they are not worth taking into account. The total forwarded from this district for the three years past amounted to 84,780,000 ft. As regards imported timber, the total quantity imported during the last two years at the Bluff was, for 1907 838,400 ft., and for 1908 1,089,124 ft. The quantity shipped in 1907 was 446,000 ft., and last year 756,000 ft.

29. *Mr. Ell.*] That is all native timber shipped away?—Yes. Including the imports there are about 60,000 ft. of kauri in each year; the great bulk of the balance is Australian timber. So far as I can learn, from the Bluff during the last two years there has only been one small lot of 15,000 ft. of Oregon imported.

30. *Mr. Hanan.*] You cannot say what has been the quantity of Oregon railed?—No, it would be simply charged up as timber; but it could not come in through other places than the Bluff—it is hardly likely to come from Dunedin. In addition to the timber which I gave you, there is an item of 6,800 tons of hardwood sleepers—roughly, about 130,000 or 140,000—imported by the Government last year. I may tell you that, last year, of the total quantity imported, 475,000 ft. was for the Harbour Board for wharves.

31. What was the class of the timber?—Hardwood timber for the Bluff Harbour Board; in fact, you can say that actually one-half of the total quantity imported is general, and the rest Government. With regard to the timber exported, it is difficult to find out where it has gone to; but as far as I have been able to learn you can pretty well divide it into thirds—between Melbourne, Lyttelton, and Wellington. That deals with practically all that I have to say. I have a list here of the total number of mills in Southland. The total number that are actually erected is forty-five, and some of these are not working. The great bulk of these mills, of course, are cutting what is generally called ordinary building-timber. There are two or three small mills that deal almost exclusively with what is called "factory" timber, but they are comparatively small.

32. *Mr. Morris.*] I presume these are the mills connected with the railway?—Oh, yes! I am not touching the Waikawa or Stewart Island mills. These I have mentioned are all on the railway.

33. *Hon. the Chairman.*] Do these take in any in Otago?—No, nothing on the Catlin's River. Purely south of Gore.

34. *Mr. Jennings.*] Do you know how many mills there are on Stewart Island?—No, I do not know. Taking the total of the output as 28,000,000 ft., so far as I can find out from my figures the approximate quantity of white-pine included in that is 5,000,000 ft.—that is, 5,000,000 ft. of white-pine and 23,000,000 ft. of red.

35. *Mr. Hanan.*] Is sawmilling machinery carried at a reduced rate?—Oh, no! Just charged as machinery.

36. As to dairying machinery, is that carried at a reduced rate?—No.

37. As to building-material going from the town to the country, is there a reduced rate on that—say, iron?—No.

38. *Mr. Jennings.*] Do you know if differential rates exist in other parts of the railway service?—Oh, yes! they do.

39. Local conditions would apply?—Differential rates exist in many places to suit local requirements. We have a reduction here for Dunedin and beyond.

40. And do these apply to second-class timber?—We make no distinction between ordinary and second-class timber: the only difference is between red and white pine. All that is not white is red as far as we are concerned. Of course, Australian timber imported is charged at rate and a half. I do not think the sawmillers in Southland, as far as I can learn, have any complaint with regard to the rates; in fact, the last reductions please them very much—they reckoned that they would give them a chance of cutting into the West Coast trade in Canterbury.

41. *Mr. Field.*] So far as railway charges on our timber are concerned, you have only two classes—white-pine and all the rest?—That is so. Of course, white-pine is principally used for fruit and butter boxes, cheese-cases, soap-boxes, and so forth.

42. Is that the same all over the Dominion?—Practically. There may be some special rates, but I think it applies generally to the whole lot.

43. The Main Trunk line I am speaking of?—I tell you that white-pine is common to all New Zealand, except where special rates obtain.

44. The concessions were on the other class: then, there has been no alteration recently in white-pine?—Well, I have not looked into that question. There is a special rate for timber consigned to Dargaville for shipment. There is also a special rate spread over a large number of stations in Auckland—to Newmarket, Mount Eden, Auckland, and Onehunga Wharf. These rates are, I suppose, arranged for local purposes.

45. Are there any special concessions in the Wellington district?—There is a shipping rate on timber for export outside New Zealand.

46. That is only for export?—Only for export.

47. Comparing timber with other classes of goods, weight for weight, do you not think that, even with the reduction you refer to, timber is charged for rather heavily?—The basis of railway carriage is supposed to be the value of the article. The basis of this book of rates is that you are supposed to get as much out of your traffic as the thing will stand. There are some things you must carry at bed-rock—you must balance them.

48. The balance would be more favourable to white-pine—it would be much cheaper than other things?—You have got to take into account the use of our trucks. You cannot return a truck in less than five days from here. If it goes to Longwood and then goes to Orari, it takes generally a week.

49. Does not the same apply to other goods?—No; in many cases there is no handling at all.

50. Generally, you think that, compared with other goods, the charges on timber are reasonable?—I think so.

51. Have you any special concessions here to compete with seaborne traffic?—Only so far as I have said here.

52. They are for that purpose?—Yes; they were started twenty years ago.

53. What was the object of it?—To compete successfully with the vessels.

54. Do you think that is a good policy?—It is not for me to say.

55. *Mr. Morris.*] Do you send timber for fruit-cases from here to Christchurch free?—Fruit-cases go free; there is no limit to distance.

56. Do they have to come from Christchurch first before you return them?—I think you mean the timber for the fruit-cases. Here is the regulation: "Shooks of New Zealand timber consigned to fruit-growers for manufacture of cases to be used for carriage by rail of New-Zealand-grown fresh fruit will be carried free."

57. *Mr. Leyland.*] You have to carry the fruit, or do not carry cases free?—We carry the fruit very cheaply so far as that is concerned.

58. *Mr. Morris.*] I have got an extract from the *Gazette:* the rate is 4s. 7d.?—Then, you have to take the reduction off that. You will find another slip in the same *Gazette.*

59. I suppose this was also made in the interest of the West Coast?—Oh, yes! we have an interest in the West Coast. I do not think it has very much to complain of.

60. *Mr. Barber.*] Do you think the timber traffic in this district is likely to last very long?—Well, I do not know. Seaward Bush is getting cut out, and they have to go further back. There is a large quantity back of Orepuki and on the other side of the Waiau, but how long it will last I do not know. We have maintained an average of 28,000,000 ft. these last three years—that is, roughly, four or five millions less than some years ago.

61. Would it be a serious thing for the railway traffic if the timber traffic were to cease?—Oh, I do not know; most of the land is good. It is different to the West Coast, because you can make some use of it when the timber is gone.

62. Do you think 75 per cent. of the land would be useful without the timber?—Oh, yes! The land beyond Orepuki is beautiful.

63. Tell me the freight on imported timber from the Bluff to Invercargill?—1s. 11d.

64. Do you know what the wharfage is?—I think 1s. per thousand feet, but I am not quite sure about the wharfage.

65. The wharfage is only 1d. per hundred feet—that is, 4s. of a tax on imported timber to compete with the timber of this district?—Yes, putting it that way.

66. *Mr. Ell.*] When you say "rate and a half" what do you mean?—Rate and a half on whatever the initial rate is.

67. You are not taking into consideration the distance to be allowed for?—Rate and a half on the initial timber rate.

68. I suppose you cannot give us information with regard to the kind of timber used for sleepers?—I could not give you information about that.

69. The Engineer would be able to give that?—Yes.

70. *Mr. Stallworthy.*] Have you noticed any increase in the haulage since the reduction of the rates?—No, not yet. These reduced rates came into operation in January, and things were pretty slack down here at that time, and have not improved very much yet. Going back to February, the number of feet forwarded was 2,263,500, and for the previous January 1,337,850. We have not had time yet to see the effect.

71. How many branch lines have you got in this district?—Nine.

72. How long have they been laid down?—Some of them long before I was here: I could not give you the dates offhand. The line to Riverton was laid down about twenty-five years ago.

73. *Mr. Mander.*] Considering the fact that only 252,000 ft. of timber has been exported from this district during the last year, do you see any urgent necessity for an export duty on timber?—The export of timber is confined chiefly to birch and white-pine. About one-third of it has gone to Melbourne. It does not concern us very much. It is used in the furniture business.

74. You consider there is no urgent necessity for an export duty on timber?—I do not think so.

75. *Hon. the Chairman.*] With regard to the export of timber for furniture, do you think there is any falling-off in the export of that?—No, it is growing.

76. Are you aware that a duty was put on lately in Australia?—No. In 1907 we exported 446,000 ft., and last year it went up to 756,000 ft. The bulk of that has been used for furniture, and it is chiefly birch and white-pine.

77. *Mr. Hanan.*] Are you aware that at one time here the merchants put on wagons for the purpose of carting their stuff to the Bluff in opposition to the railway?—I am not aware of that.

E. H. WILMOT, Commissioner of Crown Lands, sworn and examined. (No. 11.)

Hon. the Chairman: We want you to tell us specially, as far as you know, respecting the quantity of land as leased for sawmilling, the average quantity of timber on these leases, and the quantity of timber and timber land held by the Crown unleased, with the distance from rails, together with other and general information of that class?

Witness: I am not in a position to supply that information just for the moment, but I will go and get the papers.

Hon. the Chairman: Very well, we will take your evidence later.

JAMES LEGGAT sworn and examined. (No. 12.)

Hon. the Chairman.] We want you to tell us specially, as far as you know, respecting the timber industry?—I am not quite sure what the Chairman would like.

Hon. the Chairman: The Commission would like to know with regard to the prices and cost to the miller.

2. *Mr. Hanan.*] How many years have you been engaged in the trade?—As a sawmiller only two years, but I have been connected with the business for about forty years. I have taken out four or five months of last year before the end of the year, and I find that, so far as wages go, they run about 4s. 10d. per hundred feet for wages alone, and that covers all wages only. I expect that my cost per hundred feet would be a little higher than some millers, who have perhaps better and more easily worked bush. With the conditions such as were given here the other day, and with which I agree, it makes the cost just over 8s. per hundred feet, including everything—interest, rates and taxes, royalty, and upkeep of machinery, and so on. Our selling-price is 9s.

3. *Hon. the Chairman.*] Do you tell the Commission that you have a profit?—If we sold our timber for less than that we should have to close up. On some timber we get more, and on some less. I sold some six weeks ago for——.

4. What class?—There was some first and some second, for 4s. 6d. per hundred feet.

5. *Mr. Ell.*] At a railway-station?—No, at the yard.

6. *Hon. the Chairman.*] In Invercargill?—No, five miles from Invercargill. Some stuff gathers on your hands, and we have to sell it and take what we can get for it. The average for the two mills that we own is just a fraction over 9s.—about 9s. 0¼d.; that is the average selling-price. The average cost of production is just a tick over 8s. I just mention these facts to show that 1s. per hundred in my case is nothing at all like a fair return. We have one mill about five or six miles from here which has only a life of about two years and a half from the time we started, and the same initial expense must be incurred in starting all mills. We are leaving several miles of tramways costing hundreds of pounds, and they are not worth a penny to us, and so they are left there. Members will therefore see that 1s. per hundred profit is a mighty poor return for the expenditure of capital in an investment of that kind. The trouble is, of course, that you cannot get the sawmilling area within a reasonable distance, otherwise we should have taken a larger area in preference to a smaller one. I see there was something said, according to the paper this morning, about the extra cost per room for timber supplied for a house. One witness said it would average about £12 a room. I have just supplied a seven-roomed house in which there was about 22,500 ft. of timber, costing £123. If you assume that statement to be correct, that man could have bought that timber for £39.

7. This cost you are quoting may be exceptional?—That is an average of nearly 12s. per hundred. It was a good house, and well finished, quite up to, and, in fact, rather beyond the average standard.

8. *Mr. Mander.*] The total cost was £123?—The seven-roomed house was a specially well-finished house. There were 1,850 ft. of mouldings in it, showing that it was much above the average for a house of that size.

9. What would the total cost of that house be?—From £550 to £560; I am not quite sure It was a contract work.

10. *Hon. the Chairman.*] What was the amount you said the timber cost for this house?—£123.

11. The builder got the balance?—Yes, of course. I notice there was a good deal said about how cheap timber was some years ago; and, of course, it was much cheaper. If I give you the price of some contracts let some years ago, it will give you an idea how the discrepancy arises. Twenty years ago we were letting contracts as follows: Bush-work, 9½d., which put the timber on trollies; then there was haulage to the mill and haulage to the yard. The bush-work included the cutting of tracks, felling the timber, the bullocks, &c., 9½d.; the mill-work—that is, simply cutting the timber at the mill and putting it on the trollies—8½d.; the yard contract was 3d. per hundred. Eight years ago we were letting contracts at 2s. 8d. per hundred, and that meant felling, hauling, sawing, and delivery in yard, but not including yard-work, of course. I may say that I was managing one of the largest firms in the South Island, and that is how I have all these things at my finger-ends. I have only been sawmilling myself for two years.

12. *Mr. Ell.*] You are not relying on your memory for these statements altogether?—Well, I am speaking from memory just now, and I may say I had the handling of the money all the time.

13. *Mr. Field.*] You could not have forgotten it?—A few years ago, when I left the firm I am referring to, we asked for tenders for the same work, and they wanted 4s. and 5s. By the way, the first contract I referred to as being 2s. 8d. did not include second-class.

14. *Mr. Morris.*] What did you pay for the second-class?—We paid the contractor nothing at all at that time. Second-class timber was not dealt with. The contractor did not have a right to sell it himself.

15. *Hon. the Chairman.*] What became of it then?—It was sold by the miller.

16. What proportion would you reckon was second-class timber?—It depends entirely upon the kind of bush you are in; one place might give you 50 per cent. of second-class, whilst another place would not be more than 25 or 30 per cent. In letting the contract you vary according to the nature of the bush.

17. What do you suppose they tender for now?—As I said, before I left this firm three years ago we called for tenders for a certain mill, and they asked 5s. per hundred for it.

18. It has not gone up any since?—I really do not know. That was a firm that did more contracting. Since I left them I do not know so much about that part of the subject.

19. Do you think the men contracting for those low prices were better up to their work than the men contracting now?—They were certainly good men, and they worked hard.

20. They did not confine themselves to eight hours?—Their men did. The contractor himself might work, but his men would keep to the eight hours.

21. *Mr. Hanan.*] Do you favour increasing the duties on Oregon pine? If not, what are your views on the question of import duties on foreign timber?—It is rather a biggish question, and my convictions and my interests perhaps clash somewhat. As a miller I think we should be quite reasonable in asking for an increased duty on Oregon timber. If it can be shown that jarrah is a much better timber than we can get here, then I do not think it would be a reasonable thing in that case to keep that timber out by a duty. If, on the other hand, it is timber we can supply here ourselves, it is reasonable to have a duty on it.

22. Take Oregon, what do you suggest in the way of duty, on balk, small sizes or large sizes?—Principally large sizes.

23. What duty do you suggest?—I do not know; I have not gone into it sufficiently to say. The price of Oregon has varied, and what may have been a reasonable thing to ask six months ago may not be a reasonable amount now, because the price has gone up.

24. Why do you say there should be a duty imposed on Oregon?—Well, there are various reasons. It is coming in here in fairly large quantities, and competing with the timber we have

in our own country. If we import it with a small duty and they have an inexhaustible supply, which we are told they have, and they can bring it here as cheap as we can from Orepuki, well, the question is where it is going to end. We have five or six thousand men employed in the industry here, and if that inexhaustible supply is coming in here, it may be a very serious thing for the men employed in the business, unless it can be shown that the country really requires it and cannot do without it, and I do not think we have reached that stage yet.

25. You said you were speaking as an individual sawmiller: now let us have your opinion from a national standpoint?—I put it this way: I am a Free-trader by conviction, and I think I am not at all inconsistent when I say that the Government ought to consider us a little in this matter just now; and I will tell you why. The increase in the cost of production has been caused a great deal by the increase in wages, the restrictions in regard to the carrying-on of our work, double royalty, and so on, and it seems to me that, if the Government passes these laws and restrictions, and increases the cost in various ways, even as a Free-trader I could not be charged with inconsistency very much if I said you have considered one side and we are entitled to consideration too.

26. What percentage of the increase that has taken place do the wages bear to the increase in prices during the last ten years? I take it you have considered that question in coming to your conclusion?—No, I have not thought that out. I know there is a large increase. We were paying 8s. to men twelve years ago, and we are now paying 12s. and 13s.

27. To what class of men do you pay the 13s?—To the sawyers.

28. What is the average increase in the wages of the men?—It must be at least 20 per cent.

29. What is the average increase as regards the price of timber?—Nine years ago timber was selling here at 8s. 6d., and it is now 10s. 6d., less 5 per cent.

30. Do I understand from you that the increase in wages has been the chief factor in contributing towards the increase in the price of timber, or a small factor?—It is a considerable factor, but I would not like to say it is the chief factor.

31. What do you say is the main factor?—Of course, there is no doubt at all that eight or nine years ago 80 or 85 per cent. of the sawmilling was carried on in flat country with good and easily worked bush, as compared nowadays with 80 per cent. of the sawmilling being carried on in hilly country.

32. Am I right in saying that the main factor has been the cost of production as regards the working hilly country?—Yes, of course.

33. Is it not a fact that two-thirds of the mills in this district are working in the Longwood district?—More than two-thirds in the hilly country.

34. Can you give me the cost of labour for producing 100 ft. in the Seaward Bush as compared with the cost of producing the same quantity in the Longwood Bush?—The lowest price is in the Seaward Bush, and the highest price in the higher country. Of course, you must bear in mind the fact that it is not only the hilly country, but the bush is better.

35. What is the quantity of red-pine in the Seaward Bush as compared with that in Longwood?—There were large tracts in the Seaward Bush.

36. Am I right in putting down the Seaward Bush at 90 per cent. red-pine and Longwood at 50 per cent.?—I do not think you are far out. In the Seaward Bush there is about 85 per cent.

37. And Longwood?—It is very hard to say. The bush does very well in hilly country—you get large tracts, and in flat country it is practically the same all over. You come to one patch in hilly country where there are great tracts of one class of timber, and perhaps half a mile away you find a different kind. My own experience has been that at least 60 or 65 per cent. is red-pine.

38. Am I right in saying that the class of bush worked now is inferior to the class worked ten years ago?—Yes, infinitely—no comparison.

39. As regards wages, I understand there is a difficulty in getting men in Southland: that is the reason they are paying higher wages?—There has been up to perhaps now.

40. Are you a member of the association?—Yes.

41. Suppose that the association were broken up, would it follow that, with the cut-throat competition which would ensue, the mills would have to shut up?—I should say it would be certain to have that effect on some of the mills.

42. Which is your most profitable market?—Dunedin is our best market.

43. Is it a better market than Invercargill?—Yes.

44. How many mills are working in Longwood?—I am not quite sure—I think sixty or sixty-seven altogether, but I do not remember for certain.

45. How many mills have you?—Two.

46. Where is your bush?—At Oraki, beyond Riverton, and another at One-tree Point, thirty miles away.

47. I think you were with McCallum and Co.?—Yes, I was with them thirty years ago.

48. What was the location of the mills thirty-five years ago?—The bulk of them were in the Seaward Bush then. There was one at Woodlands and one of McCallum's at Longbush, and working right round the edge of the bush was another big mill.

49. Now what distance, generally speaking, would the mills be from Invercargill on an average, say, twenty-five years ago?—Eleven miles from Woodlands.

50. To-day how many miles back?—Mine is one of the closest, thirty-one miles.

51. So that you would say the bush has gone back during the last twenty-five years—how many miles?—Four time the distance.

52. If it has gone back in that time, does it not stand to reason that with less bush they will go back further in another twenty-five years' time?—They are bound to.

53. Does not that mean an increase in the price of timber?—I should expect that certainly.

54. Because it is further away, and more difficult, and the bush is not so good?—The bush is more sparse, and inferior in quality generally. In fact, we have no bush at all now like the Seaward Bush.

55. And that was one of the largest forests in New Zealand?—Yes.

56. And it is now practically cut out?—Yes.

57. As to firewood slabs, what is the price charged at the mills?—You get about 3s. a load.

58. Has there been any reduction in that class of timber for firewood during the last few years?—I could not say. At McCallum's it was 3s. a load then.

59. That is twenty-five years ago?—Yes.

60. Do you know if it has substantially gone up in price?—No, I do not think it has.

61. *Mr. Jennings.*] Do you pay men by a day-wage or take contracts?—By day-wages.

62. *Mr. Field.*] In estimating the cost of production, do you provide for interest on capital or interest on bank accommodation when you say the cost was 8s.?—I want to explain this to you. I could not undertake to produce a list such as I saw here—I do not think any one could do so. The only way is to take the profit at the end of the year, and the difference between your wages and the profits must be accounted for in interest and expenses—you cannot apportion everything.

63. Still, if you spent £3,000 on the mill, you must get back at least 5 per cent. on that?—Yes, apart from depreciation and everything else.

64. In addition to that. Interest on capital is not your profit. Anybody can get interest on capital without exerting himself at all?—Yes.

65. Must you not get something besides that to pay you for all the risks you run?—We should get it.

66. We have had it in evidence that it is a fair thing to ask 2s. or 3s. over the cost of production to pay for the risks that are run—would that be too much?—No, I do not think so. In my own case I have had to do with less. The length of my mill is about two years and a half altogether from the beginning to the end, and when you shift your mill of course you take what you can get, and if there is a market you may sell your plant for half its cost, but there are always hundreds of pounds' worth of tramways which are not worth one penny to you.

67. One witness stated that in a four-roomed cottage the difference in the price of timber had gone up in the last twenty years from £50 to £60: he said it used to be £40 a room and now it was £100 a room. Is that a fair estimate of the increased cost of the timber?—It is not my experience at all.

68. We had it, I think, in evidence yesterday that some years ago a man could buy timber from the miller, including cartage for six miles, at 2s. 2d.—would that be a fair thing?—I should like to know what that includes.

69. We also had it in evidence that twenty years ago rough timber could be purchased here at 3s. 9d. and 4s.: were you cognisant of that state of things at that time?—I think it is a mistake.

70. We had it from Mr. Massey that at this particular time half the millers in the district went bankrupt on account of the low prices of the timber?—Quite a number did.

71. Is it true to say that men were making large sums of money out of sawmilling at that time—at 4s. 6d. a hundred?—They simply could not do it.

72. What proportion of the millers have made a big thing out of it—say, several thousands of pounds out of it?—I do not know the whole business very well. I should say, from my knowledge of the district, that not more than two have made a good thing out of sawmilling, and these men have done it because they have had every advantage; they have had bush of the best quality, and flat country, and everything in their favour. Now you get a sawmilling area with miles of tramway and hilly country. Not long ago I went up some hilly country behind six horses, and it took the six horses all their time to haul two empty trollies up. You have also bridges to construct, and all that has to be considered as against working in flat country.

73. Do you find the combination, as it is called, has been a benevolent combination or hurtful? Has it had the effect of putting up the prices unreasonably on the consumer?—No, it has not.

74. And it was not formed for that purpose?—One reason was to get prices. At that time prices were such that the millers had either to get a better price or close up. The prices were such that they could not live.

75. What are you getting at the present time per hundred feet in excess of the cost of production?—Somewhere about 1s. to 1s. 3d.

76. And how much has the timber increased during the last eight years?—Eight years ago it was selling at 8s. 6d. in Invercargill, and it is now selling at 10s. 6d., less 5 per cent.

77. And I suppose the increased cost differs in different places?—Yes, there are no two sawmills run at the same cost.

78. And is it fair to say the increased cost in some cases is less than 2s.? We had it in evidence in one case that it was 1s. 6d.—I mean the increased price in eight years?—That is really less than 2s.—it is 2s. less than 5 per cent. It costs them 10s. now, and eight years ago it cost 8s. 6d.

79. Have the builders got anything to complain of in regard to the sawmills not filling the orders with promptitude?—I suppose once in a while it may happen that a sawmiller is a bit busy and has orders coming for 12,000 ft., and he cannot expect to supply that next day. If a man comes in and leaves an order, and we find it is a job which must be done in a certain time and the timber has to be supplied early, we do the best we can. I think a man could be supplied with the timber for a big job in ten days.

80. Has the increase in the price of timber had the effect of restricting building operations in Invercargill?—I do not think so. If a man was going to build and it was going to cost £15 or £20 more I do not think it would stop him.

81. We had it from Mr. Bain yesterday that sawmillers were in the habit of piling up stacks of timber and letting it rot rather than sell to the builders at a certain price. Do you know of any timber that is rotting in that way?—I suppose we have been foolish often, but not so foolish as that. Of course, once in a while you have biggish stacks in a yard, and sometimes you find the bottom pieces have gone rotten.

82. It is a mere bagatelle, I suppose?—Yes.

83. We had it in evidence yesterday that mouldings or scotias which were costing millers 10s. were being sold for £1 10s.?—I think the highest-priced scotia is 10s.

84. Do you know of any class of timber which is costing 10s. and being sold for £1 10s.?—There are certain mouldings, but those are three-member mouldings, and we are getting £1 10s. and more for them.

85. Is there any class of timber for which you are getting three times the cost of production?—It is so hard to say. You cannot very well tell, because in a particular order for timber there are fifty or a hundred different sizes.

86. I wanted to know, in the interests of the sawmillers, whether they were getting these big profits on any class of timber?—I simply could not say. You cannot take any one line out from fifty or sixty or a hundred and say that costs so-much.

87. Have you any recollection of any line where there is a large profit like that?—None that I know of.

88. Would the sawmillers in this part of the country do what the sawmillers in the North Island and the West Coast have promised to do if necessary—namely, mill their timber and sell it at prices to be fixed by the Government?—It is quite a new idea—I never heard of it before. It is a very difficult thing to say what would be a fair price. The man in flat country could do with a very much lower price than we could do with in hilly country. A fair price for those on the hilly country would be a big price for those on the flat, and a fair price for those on the flat land would not pay those on the hilly country at all.

89. No doubt there would be differential prices?—How could there be differential prices—you are dealing with the same market, and must sell at the same price.

90. Do you think the sawmillers would be prepared to admit the principle?—I should not like to say.

91. Now, about this importation of foreign timber: do you know much about Oregon pine, or any other foreign timber?—Do you mean the quantities coming in?

92. And how far it is affecting or likely to affect our industry?—I understand that about 17,000,000 ft. came into the colony last year. I do not speak of my own knowledge, but if it is so that means the cutting of seventeen of our ordinary mills down here. They do not cut on an average more than a million feet a year.

93. Assuming that Oregon can be sold at the seaports of this country at as low as 11s. per hundred, is it likely to affect our rimu industry materially?—Most certainly it is. Every foot that comes from outside means so much less New Zealand timber required.

94. And I suppose it would particularly affect it in bad times when there is not so much building going on. Would it be true that in these times of depression many mills could keep open and get along but for the use of Oregon pine—that the importation has just made the difference between their being able to keep going or not?—I could not say for a fact, but it is very probable. Of course, if you cut off 17,000,000, the quantity that comes into the country, it means 17,000,000 less required here.

95. What is going to happen to timber-covered land if the milling-timber on it becomes unprofitable? What would you do if you held land of that class and could not afford to keep it—pay interest on it, on a heavy mortgage, and pay rental, and so forth? What would you do with that class of country?—It is very hard to say; I think I should try and clear it.

96. Put it into grass?—Yes. It seems a shame to destroy the timber, but if a man could not do otherwise he must destroy it.

97. Is it correct to say that these results would happen in the case of a piece of bush of that kind as a necessary consequence?—I think it is perfectly reasonable to assume that.

98. That a man would lose his capital in putting up a tramway, and so forth, and the men be put out of employment?—As mill hands, at all events. They might get work of some other description.

99. As a result of clearing the land of timber which would be burnt, valuable timber would go up in smoke?—Yes.

100. And railway freights for carrying that timber would be lost?—Yes.

101. And the money spent on timber would go out of the country?—That is quite clear.

102. Have you got any feeling on the subject of keeping some of our timber-covered country for use in the years to come? What views have you got on that subject?—Of course, again, I am speaking as a somewhat biassed witness. As a sawmiller I should say, "Cut as long as there is a demand for it."

103. *Mr. Leyland.*] With reference to the production of mouldings, in the first place, when you are going to run mouldings you have to get selected timber?—Yes.

104. And it involves a certain amount of waste in cutting. You have to cut it into the size for the machine?—Of course, you do that when you are cutting your log down.

105. If you have a piece of cavetto you would not cut 2 by 1 or so for mouldings?—Oh, yes! We shape it with a saw as far as we can, and make the small cut with the machine.

106. That means that you increase your loss in conversion. Are you troubled with timber warping?—Yes

107. Then it is unsaleable?—Practically unsaleable.

108. When you go to the machine do you not find that a percentage has to be thrown out because it is cross-grained?—Plenty.

109. And are not mouldings often in stock for a long time?—Until you have to make second-class of them.

110. So that comparing the cost of mouldings with the cost of ordinary first-class timber does not give a fair comparison. It practically means that you make less on some mouldings?—Yes.

111. You assume, if we could sell Oregon at 11s., that it would interfere with red-pine. Do you know any one who can afford to retail Oregon at 11s. if it costs 11s. 9d. in the yard at Dunedin?—No, I should think not.

112. We had evidence this morning that only 15,000 ft. of Oregon has come into Southland and Invercargill. Do you think our mills here are in much danger from that?—That must be a mistake. I bought ten or twelve thousand myself, and I am in a very small way.

113. What royalty do you pay on rimu?—Sixpence.

114. If you bought 4,000,000 ft. of rimu you would give the Government £1,000?—Yes.

115. If you imported 1,000,000 ft. of Oregon you would give the Government £1,000?—Yes.

116. As a matter of fact, so far as the Government is concerned, they give nothing in return for the 2s. duty?—That is so.

117. *Mr. Clark.*] With regard to the building of a four-roomed cottage, are we not in the centre of the town?—Yes.

118. How many four-roomed cottages are there within eye-shot of this place?—None at all.

119. What proportion would you assume that the standard four-roomed cottage has in regard to the whole value of the building industry of a city?—There are always a few going up, especially in the suburbs.

120. But it would be a very small proportion?—I should think it would be.

121. In that case, to quote everlastingly a difference of £7 10s. per room in the cost of a four-roomed cottage does not convey any adequate idea of the rise in value of building-materials in a city as a whole, but only in regard to four-roomed cottages?—That is so, so I took a seven-roomed house as an instance; I gave my evidence on the basis of a seven-roomed house.

122. With regard to the increased cost of production owing to the burden of the recent laws and regulations—with regard to the Arbitration Act, you stated that it was one of the causes of the increase?—Yes.

123. Do you not think that of necessity that extra cost must fall on the consumer? As a citizen, in the sense of what the public has to pay, is there not enough burden already imposed on the public by the operation of these laws without further burdening them by increasing the Customs duties?—That is more a question for a politician than a sawmiller.

124. With regard to the cost of production here, you spoke of it being increased owing to the continually receding sites of the sawmills. Is it practical wisdom to put a sawmill in an impossible situation and expect it to pay the increased price?—Some of the mills were placed near the bush when they started, and the timber has shifted back—in some instances, four or five miles.

125. In an enterprise of that kind do you not expect your returns to be a little decreased as against a more favourable situation?—That is so.

126. With regard to importation and the constant question of the money going out of the country, is it not a fact that it is only a changing of values?—That is so.

127. Whenever we get 17,000,000 ft. of Oregon do we not get value added to the country?—As a political economist you can reason that very nicely. If you were a working-man out of employment in the country you might argue from a different standpoint.

128. Is it not a fact that the labour on the timber has only just commenced when it arrives here—the finished product as against the raw material? What is the economic value of a stock without conversion, if left there?—As a matter of fact, I would say that the bulk of the labour had been done when it reached here; the bulk is in the bush when cutting and getting logs to the mill.

129. I mean with regard to its ultimate value to the Dominion—to the consumers of timber? A stick of timber on this wharf if left to remain there—would it have any value at all? Would it not be an encumbrance?—You are assuming a log laying there. I cannot agree with you.

130. *Mr. Morris.*] Did you say that one of those contractors cutting on 1s. 9d. per hundred feet twenty-six years ago was able to pay his way?—The time I refer to it was cut under three different contracts—the bush, the mill, and the yard, and they made a do of it.

131. I would like to get your opinion on the area allowed for mills under our present regulations: are they sufficient or too small?—That is another question that cannot be answered Yes or No. They are all right in certain places. Where the bush is good I would say 800 acres is enough for a sawmill, but where you get two, three, or four thousand feet to the acre, the area may not be half so valuable.

132. Assuming 10,000 ft. to the acre, that would be 8,000,000 ft. of timber?—Yes.

133. Do you think that is sufficient to warrant a man in erecting a mill at 1s. per hundred feet?—No, I would say in my case that 3s. would not be enough.

134. You stated you were a Free-trader by conviction, but think that the Government should protect our local industries?—I said I thought I could not be charged with very much inconsistency if I asked the Government to impose a tax.

135. You think we should look after ourselves before the Americans?—I think it is human nature.

136. We were told yesterday that it is the practice here of men in the association to buy timber from mills outside the association in order to cut down competition so that the prices may not be interfered with?—Some do buy from those outsiders.

137. Do you buy any yourself?—I do not think I do myself. Of course, I am only a very small potato. If they do, it is because it is the best thing they can do with the timber. It is not so much the big running after the small, as the small running after the big.

138. The impression was that the big bought from the little to prevent them from competing?—That is not right.

139. The price is not due in any shape to the association?—I said that that certainly was part of the reason for the association being formed; the prices were so low—they were only starvation prices.

140. And you cannot control these small mills outside of the association?—Not at all.

141. They sell for the best price they can get?—Yes, and even where they supply the larger sawmillers they also supply outsiders.

142. So that the public are not being injured by the combination at all?—Oh, no!

143. *Mr. Barber.*] You say you are a member of the association?—Yes.

144. How long has it been in existence?—I think about sixteen years.

145. We were told that the association was only formed in 1907?—In a sense, it was a reconstruction. That was it.

146. There was an original association previous to the present one?—Yes.

147. So that the statement as to the rise of prices during the existence of the association only applies to the new association, or does it apply to the old association?—I could not say what they meant when they made their statements.

148. You say there are some millers in the association who contract for the whole output of the small mills?—There have been.

149. You say that, although they had a contract to supply the large miller, yet they sold to private individuals?—I am not saying that they do it now; but it has been a fairly common practice in the past.

150. That reduces the number in competition outside the association?—Yes, if they go and sell it. It has been done.

151. With regard to the 22,500 ft. you supplied for £123, where did you supply it?—In Invercargill on the job.

152. Some years ago you say the cost of milling timber was 8½d.?—That is for the bare work in the mill only.

153. How much does it cost to-day?—It is hard to say. I suppose it will cost something like 1s. 2d. or 1s. 3d.

154. What is the reason for the increased cost in the mill?—That is a question which is hard to answer. There is no doubt that increased wages is a large item, and there is no mincing matters that we do not get the same return from a man that we used to get.

155. Wages have gone up 100 per cent. then in a mill?—How?

156. From 8½d. to 1s. 2d. there is an increase of 5½d.—75 per cent., at all events?—I did not say simply on the wages paid.

157. You do not mean to tell me that the machinery is obsolete?—No, it has improved.

158. What else in the mill adds to the charges?—First of all, we pay a man higher wages for his time, and he takes longer to do the job.

159. Do you mean to tell me that with the improved machinery in the last twenty years the cost of production has gone up from 8½d. to 1s. 2d.?—No, but at that time we were working on tip-top bush.

160. That does not make any difference when you have got your logs at the mill?—I beg your pardon, it does very much—you have easier-cut timber and less slabs.

161. The cost was 8½d. twenty years ago. I want to see whether the workers are getting any advantage out of the increased cost?—I think I have answered you fairly well—that the wages have increased, but men take longer to do the work, and that the bush is not so good.

162. You say you are paying something like 14s. 6d. to a man in wages?—I said 8s. to 12s. and 14s.

163. Will you produce your wages-book?—I did not say that I was paying 14s., but that some millers are paying that; I am paying 12s.

164. With regard to the importation of Oregon pine which you say will be detrimental to the sawmillers, do you know the wharfage on Oregon pine at the Bluff?—No.

165. Are you aware that the railage from there is 1s. 11d.?—I know that.

166. Then there is 2s. duty, so that without any wharfage at all you have an advantage of 4s.?—We have not got any advantage. We have to pay freight to here, as well as they do, from the Bluff.

167. But the freight you pay is not 1s. 11d.?—It is 2s. 3d. or 2s. 4d.

168. Do you not think that the 4s. is ample protection without anything further?—There is no 4s. protection at all, because we pay more than that.

169. If you want to have the total cost, you want to add steamer or sailing freight, which is over 2s. 6d. Add that to the cost of wharfage and railage, and do you think it is right that a further levy should be imposed on those compelled to purchase timber—because it is a levy?—It is a levy in protecting highly priced artisans and workers.

170. You said you were a Free-trader by conviction, but a Protectionist when it comes to yourself?—I did not put it exactly that way, but it amounts to that pretty well.

171. With regard to the cost, when it only cost 8½d. what was the price of timber?—I think it was put on the trucks at 4s. 6d.

172. The total cost, I understood you to say, was 2s. 4d. for production?—No, there is horse-feed, &c., to be added to that. I gave the bare cost of labour in the bush, mill, and yard.

173. Do you know that it was put on the trucks for 4s. 6d.?—I know it was about that time.

174. So that there has been a gradual rise in prices up to the present day?—Yes.

175. You say Dunedin is your best mark, and that one reason for the increase is that the mills have gone back, on an average, about twenty miles further from the time you mention. Do you know that the cost of delivering timber is cheaper now although you bring it twenty miles further—that there is no extra cartage?—Of course, that only refers to Dunedin.

176. It refers to your best market?—But that is not the only market.

177. Take the price for delivering in Invercargill, does it not fall on the sawmiller on account of the concessions he has got?—I cannot follow that if the minimum charge was 8d. per hundred and now is 1s. 6d. or 2s.

178. There is no additional cost of railage?—In that one market only.

179. *Mr. Ell.*] We want to get at the cost of felling and cutting at the mill. Say that you put through your mill last year a few hundred logs: you know how many men were employed in getting those logs to the mill?—We all know that.

180. The logs having arrived at the mill, they have to pass through the mill. You know what they will cut into and the charges in connection therewith paid out. Will you show the charges paid last year for logs, getting logs to the mill, the quantity of timber you turn out at your mill, and the wages paid at the sawmill?—I have no objection at all. Do you want to get the whole of the wages paid at the mill, the amount of time in cutting, and all such charges?

181. That will give us something definite?—I would suggest that you get it from some other of the millers. I have broken time: that somewhat upsets me a little bit.

182. There is one more question in regard to Oregon: You say that the duty should be put on the largest sizes?—Yes.

183. We have evidence here from sawmillers themselves and from merchants that it is most difficult to obtain great lengths and large sizes in New Zealand timbers. Then reference was made to the difference in price between Oregon and New Zealand timbers. Do you think, therefore, we should be justified in recommending the Government to put an extra duty upon large sizes?—When I was here I heard a witness talking about the difficulty of getting 50 ft. lengths. Well, I have been about forty years now in the trade, and I have never heard a 50 ft. length asked for yet. So it seems to me that setting up the 50 ft. difficulty is like setting up an absurdity. I have supplied 48 ft. without difficulty. One is scarcely ever asked for such a length. In my experience 30 ft. is a long length, and there is no trouble in supplying that.

184. *Mr. Arnold.*] You say you have two mills?—Yes, that is so.

185. What is your output for the month?—About 180,000.

186. Now, speaking of the cost of labour, in answer to Mr. Hanan you alluded to the contract system of some years ago to show that the cost was very much less than at the present time?—Yes, I did.

187. And you said that those men made a do of it?—Yes.

188. Would you like to see that system renewed?—I certainly should. I think it is the fairest of all systems.

189. Would you like to see men working now for the wages they earned at that time?—I do not say that. I am speaking of the system. I think the wages would have to be higher.

190. There is evidence to show that the millers are paying above the arbitration award. Is that so?—Yes, in many cases.

191. So that the millers really do not complain regarding the cost of labour in connection with milling?—That does not follow. They do not complain about paying good wages to good men, but they do complain about paying a minimum wage to a duffer.

192. Have you got many duffers?—Too many.

193. What percentage?—I could not say the percentage. The men are always changing. You have a duffer, and when you discover this you pay him off and take on Dick, Tom, or Harry, and you find he is no better. People tell you you should not employ them, but my reply is that you must keep the thing going.

194. You spoke of the importation of Oregon: what quantity did you say you used within the last few months?—Nine thousand feet on one job, and over 2,000 ft. on another. Apart from that there is a building in front of my office with 20,000 ft. or 30,000 ft. in it.

195. Did the whole of this timber come *via* the Bluff?—Both of my lots came *via* the Bluff.

196. Have you any knowledge of Oregon coming through from Dunedin?—I know of some that came from Dunedin.

197. If there was a large amount of Oregon imported you say that hands would be put out of work?—I say that would be the natural result of it.

198. When you speak of the consumer, who do you mean?—I mean the man who is building a house.

199. If there is extra cost in erecting a house, is not that cost passed on to somebody else? Does not the tenant pay the extra rent?—Probably he does. A man must get interest on his money.

200. If the tenant pays the higher cost he is either a workman, or else he is able to pass it on through his business to the working-man?—I suppose it will be that way.

201. Well, then, on the whole would it not be better for a few hundred men to find other walks in life than for the whole of the people to pay an increased taxation?—It is hard to say whether a hundred or a thousand were going to suffer. For instance, suppose it meant destruction for ten, but only meant inconvenience for a thousand, I supose you would hesitate before you destroyed the ten.

202. It would not follow that the ten would not find equally good employment?—That might be so. I cannot say.

203. Speaking of the combine, in reply to Mr. Field, your association, you say, as far as Southland is concerned, does not control the prices?—You see yourself they cannot. If there are seventy mills in Southland, and only twenty-three belonging to the association, they cannot control the price. In that I include Catlin's River.

204. If it were possible for the whole of these millers to be brought into one combine they could fix the price of the timber: could they not get any price they wished?—Not any price they wished. Oregon would fix that.

205. You say Oregon shows they cannot do it. Then Oregon would be the means of guarantee to the public that they would get timber at a fair price?—If they required a guarantee. As far as our experience has gone here they do not require it. The combine is sixteen years here, and the price has never gone beyond reason. There is no place in the Dominion so cheap.

206. Have you heard of any other part of the Dominion where there is a combine that does regulate the prices?—I have heard so, but I do not know.

207. If it is possible to have a combine in Wellington, it would be possible to have it through the whole of the Dominion?—I would not say it is impossible.

208. Then, in that event, would it not be well to have some extra competition, such as the importation of Oregon?—So far as I know, the sawmillers do not object to timber coming in from outside.

209. Some of them ask for a very high duty?—I suppose there is a difference of opinion about it. As I said, it is quite true that Oregon might be a guarantee of a reasonable price being charged so far as it competes with New Zealand timbers. I do not see the need for the guarantee. There is nothing in our past history to warrant it.

210. *Mr. Stallworthy.*] Your monthly output is 180,000 ft.?—That is so.

211. You make 1s. per hundred feet on your timber?—Somewhere about that—yes.

212. One shilling a hundred on 180,000 ft. is equal to £90 per month?—Yes.

213. Is that clear of all expenses in connection with the timber?—It is as clear as I can make it up. It is practically about the right thing.

214. There are no other charges to put against that £90?—In the case of my own mill, at the end of two and a half years she is valueless. It might happen, of course, that some one would want an engine, and you could sell it. I know of one lying up here for years, and the owner cannot sell it.

215. Do you also get a timber-merchant's profit?—No.

216. In reference to this mill with two and a half years' life, when you went into it you knew that you made about 1s. profit per hundred?—I assumed that after experience.

217. After forty years' experience in the business you knew when you went into that mill that your profit would be about 1s. per hundred?—Probably, but you are never sure.

218. You thought it a good thing to go in for?—That is not exactly the way to look at it. We found that one mill was not quite sufficient to meet all cases—that is, we could not take a decent-sized order, and we thought the extra mill would help us.

219. The second one you took was the mill with the two and a half years' life?—Yes, it was the second one.

220. *Mr. Mander.*] We had evidence the other day that to build a cottage in Invercargill would cost £100 per room: is that your experience?—I am not a contractor or a builder.

221. You stated this morning that this seven-roomed house cost £560, which you thought was above the average cottage?—That was my impression. I said it was a good cottage, owing to the mouldings, &c.

222. That would be £80 a room. Do you think that a good class of house can be built for £80 a room?—I am quite satisfied in saying so. I know that a six-roomed house has been sold for £600, with a quarter-acre section.

223. What would that house be built for ten years ago?—I could not say. I am a timber-man only.

224. I do not understand your logic about having the higher duty put upon the larger sizes of timber coming from America. Do you not think it would be better to put the duty on the small sizes and a lower duty on the larger sizes that are hard to get here?—You misunderstood me. I said I was in favour of the duty on the larger sizes. I did not say that, if there is a duty at all, the higher duty should be on the smaller sizes.

225. In your experience of many contracts in the bush, did you ever lose money?—Yes, often.

E. H. WILMOT further examined. (No. 13.)

1. *Hon. the Chairman.*] I presume you have now the information we require?—I understand that the Commission requires to know the area that is taken up and held by sawmillers at present in the State forests, and also in Crown forests. I have schedules here which give details of all areas held by millers, the amount held by each, and the total. In the State forests there are 27,482 acres, and in Crown forests 9,271 acres, making a total together of 36,753 acres. The Commission also wishes to know the estimated area of Crown lands still available for sawmilling purposes but not yet taken up. This amounts to 1,132,400 acres.

2. Is there any estimate of the quantity of timber there would be per acre, not in occupation, but still in the hands of the Crown?—I should say, probably, not more than 500 ft. per acre taking it over the whole lot. This return shows the whole estimated area of Crown land available for sawmilling purposes. A great deal of that has very little timber at all.

3. Do you think this return is of any value to us?—It is really only approximate. It gives each district, the number of acres, and the amount of timber estimated thereon; but, as you know, we have great areas in Eglington and other districts that nobody has ever been through at all.

4. Then you are not able to give us any nearer approach to it than 500 ft. per acre?—No.

5. Are you aware of the amount of land that has been denuded of forest within, say, twenty years?—No.

6. Have you any record of what has been denuded during the last twenty years by sawmilling?—Yes, I could get that.

7. We will expect you to get it later on, or send it along?—Yes, possibly any time this afternoon.

8. Is there any other information you can give us in that line?—In respect to this I do not think there is any further information that I can give you in addition to these two schedules. It is all detailed here as to the amount held by each sawmiller, and where it is, together with the distance from the railway-station. In the other schedule the estimated amount is given as to each district, and it is all in detail there. I do not think I can supplement that at all.

9. Can Mr. Collins, who is an expert in timber business, give us what we want later on?—I think he would be able to give you anything you require in addition to what I have supplied. He is thoroughly conversant with all the milling business in this district, and he knows all the localities, as well as all the mills. He can be examined on any point with regard to any of that.

10. *Mr. Hanan.*] Can Mr. Wilmot say what bush has been reserved?—There have been reserves of national parks, scenic and climatic reserves, amounting in the aggregate to 855,600 acres.

11. Do you know where they are located?—The bulk of it is in the national parks.

12. Anything reserved in Longwood?—I do not think there is, speaking from memory and without consulting the maps.

13. Any bush reserved for scenic purposes?—Yes.

14. Where?—From memory, a small piece at Waikawa, and there is one at Pahia.

15. Are there any nearer to Invercargill?—Yes, there are reserves where you were the other day, near Riverton.

16. Do you know of any others?—Yes, at Edendale. At the settlement there there are two small reserves. There are a great many reserves scattered all over the place.

17. Within twenty miles of Invercargill?—That information can be got for you. I cannot speak exactly from memory. I have a schedule here that supplies information as to all those reserves. The scenic reserves have an area of 55,600 acres.

18. Where do you say they are?—They are all over Southland; they range from close handy to Invercargill, Edendale, and they go right down to Pegasus and South Cape.

19. As to the bush burnt off by your tenants under the Board, have you anything to say regarding this destruction by Crown tenants on their holdings?—You mean as to the advisability of its destruction? Well, I have thought over that matter, and it seems to me that when the bush is heavy enough to pay for the sawmiller to go into it, the land should not be opened for settlement. It is a great pity to have good sawmilling bush burnt down and destroyed as it used to be. That, however, does not occur now so much as it did formerly.

20. Has much bush been burned in this district by settlers clearing their property?—In Southland a good bit has, but not so much as in other districts. The place I was thinking of was Otago, especially Catlin's, where a great quantity of valuable timber was destroyed.

21. What does your Board do in the way of preventing this destruction of the bush?—The Board, once it has leased the land, is powerless to prevent the destruction of bush, because the Act provides for the felling and burning of bush as an improvement.

22. The fact of the bush being on the land—is that a material factor in inducing settlers to take it up?—You mean that, if there is a lot of milling-bush on the section, it will be more readily taken up in consequence of the tenant being in a position to sell the timber to a sawmiller? That is so. It is an inducement when they are able to sell the timber.

23. Have your Crown tenants been selling much bush off their property? Do they sell more than they burn?—Well, I think they do nowadays.

24. In your opinion it would be better if the sawmill went in before it was let to tenants?—I certainly do think so.

25. *Mr. Jennings.*] With regard to the land formerly covered with bush, is it suitable for grass-growing, cropping, and generally for practical farming purposes?—The Board has reports respecting all land they propose to open for settlement, and it is not opened unless they think it is good enough to be grassed and cultivated otherwise. A great deal of it, of course, is fit for grass only.

26. Generally speaking, is it good for grass land?—Yes, generally speaking it is.

27. *Mr. Field.*] Have you given any thought to the question of tree-planting?—One experiment that was made down here some time ago was not a success. The position was bad, which might account for it.

28. Are you careful to see, where the bush is being cleared for timber, that noxious weeds are kept out fairly well?—That is a matter for the Stock Department.

29. *Mr. Leyland.*] Are there any areas available for settlement that are not bush lands?—In Southland I do not think there are.

JAMES COLLINS sworn and examined. (No. 14.)

1. *Hon. the Chairman.*] What are you?—Crown Lands Ranger.

2. We wish you to give the Commission some information with regard to the amount of leased land in this district, and the amount of sawmill timber on the unleased land?—Well, there is a return that we made out showing the area taken up for sawmilling purposes.

3. And in occupation under the sawmiller's license?—Yes, both in State forests and Crown lands.

4. Are they sawmilling in the State forests now?—Yes.

5. Will you state to the Commission the quantities?—All the areas taken up are marked in red on the plan [produced]. They are taken up and held at the present time as sawmill areas in connection with different mills and by different sawmillers.

6. Can you give us the number of acres in occupation at present?—27,482. That is all State forests and Crown lands.

7. Under lease?—Yes, and in Crown forests 8,871 acres.

8. Do you know how many lessees you have got?—Twenty-two in State forests, and fifteen in Crown forests.

9. Are you aware how long it would take them to work out the leases they have now in occupation?—Some will be worked out within a couple of years, and others will take, most probably, twenty years or twenty-one years to work out.

10. How much is there that would take the longer term, twenty-one years, to work out?—In Mr. Massey's case, he holds a number of areas under the old Act, and consequently it will take him a long time to work it out.

11. Was there no specified time to work it out under the old Act?—Not specifically mentioned in the Act.

12. Nor in the agreement of lease?—Not in the regulations.

13. And he may be storing that up without cutting for some years to come, may he not?—Yes.

14. If he is not compelled to cut it within a certain time he may be holding it?—I believe that is so.

15. Could you tell us anything approaching the quantity Mr. Massey holds—the area?—I think we made out a list of that also—something like 6,000 acres.

16. And that is not all under the original unconditional leases?—No, not all.

17. How much of it, can you say?—I should say there is about 2,000 acres, as near as I can remember, under the old Act.

18. Do you know if he is working on these leases at the present time?—Yes, he is working in them at the present time.

19. And what proportion with regard to the mill-power on the unconditional leases?—His mill-power on the unconditional leases is about sixty-horse power, and he has got only one mill working on all those areas, under the old Act of 1886.

20. How long has the mill been working on that?—About six or seven years, I should say—perhaps a little more. I really cannot say from memory.

21. Can you tell us approximately what amount of that he has cleared?—I think he has abandoned one area and a part of two. I should say he has abandoned three or four hundred acres.

22. And he ceases to pay rents for those he has abandoned?—He ceases to pay taxes on them.

23. But he is still paying taxes on the balance of the 2,000 acres?—That is so.

24. How long do you think at the rate he has been going that he will be able to work it out to a finish?—I should say it would take him about twenty years, or fifteen years, at all events.

25. Is there any other besides that which Mr. Massey has on unconditional leases?—No, there are no other unconditional leases now in Southland I understand.

26. Can you tell us what has been done with the land he has abandnoed?—There has been nothing done so far.

27. Not been offered for lease to any one else?—No, none of that has been offered for lease.

28. And will it be growing noxious weeds?—Well, there is very little in the way of noxious weeds at the present time on it. It has been sown. There was a fire run through part of it, and the Lands Department here sowed it with grass.

29. And have they not let it to any one after sowing it in grass?—No. We offered it for lease, but, so far, nobody has taken it up.

30. What upset have you put on?—I think as near as I can remember 2d. or 3d. per acre per annum. Those lands adjoining were similarly burnt and sown, and have been let, some at 6d. and some at 3d. per acre per annum.

31. Have you been over these lands recently?—I was over them within the last four months.

32. And has the grass taken well on the portion abandoned by Massey?—Yes, fairly well; but not as well as other land we opened for settlement and properly burned.

33. You did not observe many noxious weeds?—Not very many.

34. Is there any Californian thistle?—There are some.

35. Has there been anything done to keep it from spreading?—Oh, yes! I think the Department has sent men to cut them down.

36. Could you tell us the rents Mr. Massey is paying for this land he still holds?—No, I could not.

37. It could be got from the books here?—Yes, certainly.

38. *Mr. Hanan.*] Your duties take you all over Southland and Stewart Island, do they not?—Yes.

39. Could you give us any information as to what is going on in the way of cutting out of bush in Stewart Island?—Yes. There are three small mills working there at the present time.

40. What areas are held there?—Only two areas. Two mills are working in Crown forests, and one mill in a private forest.

41. Now, at the present rate of milling, how long do you think it will be before our bush is cut out within a radius of thirty miles of Invercargill?—That is a fairly big question. There is Mr. Massey's mill at Gorge Road.

42. How many miles is Gorge Road mill from here?—It is twenty miles from here. It would not take very long to work out the balance within a radius of thirty miles from here, because the Waiau River is something like fifty-five miles from here, and thirty miles would reach something like Colac Bay, on the Riverton line, and I should say Fairfax, on the Nightcaps line. It would not take long to work that out. That would not even include Moore's area.

43. Would you say ten years?—I should say twelve years would work that out within thirty miles.

44. And you would expect timber to increase in price?—No, I do not expect timber to increase in price.

45. Not in face of the fact that you have got to bring it a greater distance, and the extra cost of production in having to operate in hilly country?—Well, they cannot operate in worse country than they are operating in at the present time.

46. But they will be further away?—A little further by rail only—it would mean a matter of a few pence in twenty or thirty miles.

47. We are told it is inferior bush: is that so?—That all depends on what you compare it with. If you compare Southland with the bush in the North Island, it is very inferior, undoubtedly.

48. Well, that bush that has been cut out within a radius of thirty miles?—Yes, it is inferior to bush that I have worked in the Seaward Bush some twenty or twenty-five years back.

49. Is it difficult to get good heart of red-pine?—Well, it is difficult to get red-pine of any sort in Longwood; but good heart of red-pine is quite as plentiful at the present time in comparison to production as ever it has been in Southland.

50. What is your opinion as to increasing the areas of hilly country?—I think the areas should be increased.

51. To what?—It all depends on the size of the mill.

52. Now, as to the royalties, do you think they should be increased or decreased?—I think the royalties are pretty right as they are. I do not see that there is any necessity for a change.

53. *Mr. Jennings.*] How long have you been a Crown Lands Ranger?—For a little over four years.

54. Have you had any experience in any other bushes besides Southland District?—Well, I have been through some other bushes, but not to a very great extent.

55. Are you familiar with any of the bushes in the North Island?—Yes.

56. Waimarino?—No.

57. The kauri forest?—No. I have been into the kauri forest near the Thames, but that is all.

58. What has been your experience in regard to the destruction of bush lands by fire since you have been in the district—have you any knowledge of that?—Yes, I have a fair knowledge of what has been done here by fires during the last thirty years.

59. Has it been extensive in any way?—With the exception of two or three years it has not been extensive. It was rather extensive in one block that was let between Orepuki and Waiau. There was rather much sawmilling-timber burned there or destroyed at one time: it was burned or ruined by the fires and died.

60. When was the extensive fire?—Somewhere about twelve to fourteen years ago.

61. Speaking generally, it is quite possible for a fire to get into the bush and become very destructive—is that your experience?—No.

62. Are you aware of what took place in Dannevirke, Puhipuhi, when fire got into the bush there?—Yes, I can quite understand that in the North Island it may be destructive, but I am referring to Southland.

63. I want to get at it generally?—It may be very destructive in the North Island.

64. You think there is an ample supply of timber further back within the thirty-mile area that you speak of. Have you been further back than thirty miles?—Yes.

65. And you have a knowledge of it?—Yes, part of it; it is not all valuable sawmilling country.

66. Is it possible to get an accurate knowledge of the country that is away back where the timber exists?—It is possible.

67. It has not been done to your knowledge, has it?—No, it has not been done.

68. *Mr. Field.*] You cannot give us any idea of how long it would take to cut out the timber on the Crown lands in Southland—you say twelve years for land within a radius of thirty miles?—Yes, with the exception of Mr. Massey's area.

69. But there is a large area outside that which you cannot say how long it will take to work out?—There is an extensive area to the west which has not been explored yet.

70. You say the milling areas should be increased, but how long do you think it would be a fair thing to allow the mills to run?—They should have at least ten years' life.

71. Is it possible for fires to burn your Southland forests, bearing in mind the fact where the fires have been in Longwood?—It is possible; in a dry year a fire may spread through a beech forest, but in any other forest in Southland it will not reach far in maiden bush.

72. I do not know whether it is your duty, but it seems to me you will probably agree that some attention should be paid to keeping down the noxious weeds in this timbered land as the mills cut it out: is that being done?—Yes, to a certain extent, it has been done. I dare say it has not been quite efficient; but there is a certain amount of work done, at all events, in connection with it.

73. Do you not think that their attention ought to be called to it?—I do.

74. Have you gone into the question of tree-planting?—Yes.

75. Some of this land is so filled with weeds that we are told it would cost more than the land is worth to clear it. Should not that be planted with timber-trees?—No, there is too much old wood lying about likely to destroy the work you would do.

76. But if there is no timber left?—I would advise that it should be planted.

77. Do you think it would be worth considering the question of planting in this district—not our own trees, but foreign trees of a suitable character?—That is my opinion. I advocate planting.

78. *Mr. Morris.*] I would like to get your opinion again about the area a mill should be limited to—say, a ten-years mill, capable of turning out 350,000 ft. per week?—I did not say that a mill should be limited to an area. I said it should have at least ten years' life—say, from ten to twenty years' life.

79. *Mr. Jennings.*] According to its capacity?—Yes; a mill should have an area in proportion to capacity.

80. *Mr. Barber.*] Where is this forest to last twenty years?—Along the Seaward Bush line, in an easterly direction—Oteramiki.

81. It is not part of the Seaward Bush?—It is a continuation of the Seaward Bush all the same.

82. Is it not nearly east of Invercargill?—Perhaps a little to the north-east.

83. We were told that that bush—meaning Seaward Bush—was absolutely denuded of timber. There is still a timber area?—Yes.

84. Do you not think that Mr. Massey had an advantage by having a bush with a life of the extent of twenty years to run?—In sawmilling, you mean?

85. Yes?—Yes, of course, he has got an advantage in sawmilling; but I suppose he has got disadvantages in the expense of holding it so long.

86. With regard to the replanting of these areas, what do you think it would cost to plant, say, 100 acres?—I have never gone into that.

87. You could not say whether it would not be wiser to retain the forests we have at present than go to the expense of planting?—I would certainly say, Retain the forests that you have rather than go to the expense of planting.

88. *Mr. Ell.*] You have had about thirty years' experience in this district?—Yes.

89. During the whole of that period you have only known of one extensive fire to take place in virgin forest?—No, that was with regard to the destruction of timber by settlers. There was land taken up for settlement where they destroyed the sawmilling-timber. I have said that outside of that I have not known of any extensive quantity being destroyed by settlers.

90. You were asked with regard to fires in forests generally. I understood you to say that a beech forest was liable to burn in ordinary dry weather, but an ordinary mixed forest was not?—That is so.

91. That is your experience?—Yes, but not to any appreciable extent.

92. What is your position as Crown Lands Ranger? What are your duties, roughly?—Reporting sometimes on improvements by settlers; but my principal work is as timber expert for Southland—valuing bush lands—the timber on them—and, generally speaking, attending to the sawmilling areas, and reporting on the working of the different mills.

93. Attendance on Crown lands?—Yes.

94. Must you inspect all the different reserves from time to time that are under your control or supervision?—That is so.

95. Are you the only Crown Lands Ranger in the district?—No, there are three of us altogether.

96. Where does your district extend from?—From Chasland's on the coast-line north and north-west to Lake Wakatipu.

97. Is Stewart Island included?—Yes, and from about half-way up Lake Wakatipu in a line about straight west to the coast.

98. So you have an enormous area of country to cover?—That is so.

99. With regard to the beech, can you tell us, from your knowledge of it, whether it grows more rapidly than other New Zealand timbers?—Yes, compared with red-pine, beech grows very much more rapidly.

100. How long would you say?—I would not like to say.

101. What I want to get at is this: I noticed, the other day, a lot of very young trees about a foot long. How long would they take to come on?—I think about a hundred years.

102. Do they grow as slowly as that?—Well, you know, at 1 ft. thick they are almost fit to mill. I mean that in thirty years a tree a foot through would not gain more than 6 in.

103. Take a tree 6 in. through: how long would it take to reach the size of a foot through?—I do not think it would take quite as long.

104. Twenty years?—I should think probably about that time.

105. So that the younger trees 6 in. in diameter would become marketable timber—milling-timber—in about twenty-five years?—I dare say they would.

106. What about the land on which the beech grows? Is it good land?—Some of it is good, but as a rule it is rather indifferent land where beech or birch grows.

107. I want to know whether you think it would be wise to mill out the milling-timber on a large portion of the beech country, and leave the remainder to be used from time to time?—I fear not. I fear that once you allow a mill to go through it you give up all hopes of milling in that country again. In the first place, most of the young trees are destroyed by the falling of the timber in the working of the bush; and, in the next place, the bush takes up a different attitude after the timber is felled: it grows up a lot of scrub and different kinds of trees that prevent the growth of the larger trees.

108. So that you do not think it would pay?—I do not really.

109. I understood you to say that you considered it would be a wise policy to preserve our forests so as to conserve our native supply of timber for various industries?—That is with regard to settlement—not to allow any lands to be thrown open for settlement that contained milling-timber.

110. *Mr. Arnold.*] How many acres are there now in Southland connected with the various mills taken up at the present time?—I think I said something like 36,000 acres.

111. Can you tell us what length it will be before that is worked out?—I should say about twenty years.

112. Have you any experience of the Catlin's district?—Yes, a little.

113. Do you know anything about the area of bush land to be found there?—I cannot tell you the exact area, but there is a considerable extent of country there for sawmilling, if you go down at the back of Tautuku.

114. Two or three thousand acres?—Probably that.

115. What class of timber is to be found there?—Principally rimu,

116. Also black-pine?—Yes, more than we have down here.

117. Any birch at all?—They have got some along the Catlin's River, along the flats; but in the hilly parts there is very little birch, except kamahi.

118. Is there a percentage of the forest good milling-timber—large trees?—Yes.

119. A large proportion are big trees, are they?—Yes, large trees for Southland.

120. Is there very much superior to what we saw the other day at Longwood?—No, I do not think so. Of course, you passed there a lot of birch bush; but I mean, with regard to the area where Moore's mill was working, it (Catlin's) is not equal to it. On the average there is some better bush down towards Otautau, but then as you get back on the hills it is not nearly as good at Moore's.

121. That district does not come under your jurisdiction?—No.

122. Do you know that there are large areas that have been cleared by the settlers and that have been given up?—I do not know about that.

123. *Mr. Stallworthy.*] You said there was an area of 36,000 acres now being worked. Have you any idea of the acreage that has been abandoned as having been worked out?—No.

124. Is it equal to that now being worked?—I think it is more.

125. What is the acreage still available?—Something like 1,132,400 acres.

126. You do not see the end of the timber industry here by a long way?—No.

127. *Mr. Barber.*] You stated that it averaged only about 500 ft. to the acre?—It is very hard to say what it does average, because the greater part has never been explored; but as we are exploring we find that there is a great deal more timber than we had anticipated.

128. *Mr. Morris.*] Is it accessible?—Not at present.

129. *Mr Stallworthy.*] When did Mr. Massey get his last area?—It was in New River. His last grant was about four years ago.

130. There was nothing to prevent a man who already had a large area from acquiring more?—Nothing that I know of.

131. *Mr. Morris.*] Is there no condition as to building mills?—Yes, you must have a mill on the area within six months after it has been rented—a fully equipped mill on the area, or on a site approximate to it.

132. Who is reaping the benefit of the grass on Mr. Massey's areas? Is he grazing them?—No.

133. How long is it since you offered the grazing-rights of those areas?—About twelve months ago.

134. You were asked about replanting. Would it not be more profitable to graze those areas than to replant them?—I think it would.

135. Does the Crown Lands Board open land for settlement with timber on it, or has it given that up?—It does not do it at present, at all events.

136. *Mr. Mander.*] In selecting areas for milling purposes, do you not think it would be wiser to do it by the quantity of timber on the land rather than by the number of acres?—I should say that the life of the mill would be the best means.

137. Do you not find, when you start working bush, and the tops are felled, that it is very hard to keep fires out of it?—That is so.

138. And as a sawmiller you run a big risk of being destroyed by fire?—Quite so.

139. *Mr. Hanan.*] Has the Crown sold any timber areas without fixing a time within which the timber must be removed?—Not to my knowledge. According to the regulations it cannot be done, and should not be done.

140. Is the time fixed by the regulations within which the timber must be removed?—Yes.

141. What time is fixed?—I think, as near as I can remember, in one instance the area must be cleared in four years, and in another in three years; but we will have the regulations in a second.

142. Has the Land Board, to your knowledge, any trouble in connection with the bush not being removed within a certain time?—There are many instances in which the bush has not been removed up to the time specified.

143. *Mr. Mander.*] Extensions are usually granted?—Yes, if there are reasonable excuses for the sawmiller not having the land cleared. Regulation 40 says, "The holder of every sawmill license other than for kauri must within six months of the date of his license provide and fit up, either upon his sawmill area, or upon some other site approved of by the Commissioner, a substantial and fully equipped sawmill, including all the necessary buildings thereto appertaining, which sawmill plant shall be of sufficient capacity and be kept in continuous working operation unless valid reasons shall be given to the Commissioner for such stoppage."

144. The point I want to get at is this: Is there any time mentioned for that license to expire?—There is.

145. The point is this: A license may be given to a man to cut timber; he may keep that for twenty or thirty years and do nothing?—There is a limited time. Regulation 31 says, "The original license for the first area shall be for a period of three years from the date thereof, and the licensee shall not enter upon any additional or reserved area, or cut or take timber therefrom until it shall be granted to him from the surrender of his previous area."

146. Then I take it that if the timber is not cut out in three years that license ceases to have any effect?—That is so, unless there is an extension granted.

147. *Hon. the Chairman.*] That will only apply to that area?—To that area; and then, "For the 200 acres or other area comprised in the original license for the remainder of the term it shall be at the rate of one year for each 50 acres."

148. Do you know of cases where licenses have been forfeited because the timber was not cut out within the time mentioned in the license?—No.

149. What extension of time has been granted—that is, how many years in the way of extra time?—I could not really tell you.

150. Have many been granted?—I think some have been granted, but not many. I think they did not cut them out in the time.

151. You have had no complaints of these areas not being cut out in the time?—I have made complaints myself. I have never had a complaint from any miller about another miller not having his area cut out. I have heard complaints respecting Mr. Massey's areas. The complaint was that he held them too long.

152. That is what we want. When were these regulations made?—In 1900.

153. Previous to that there was no time mentioned?—I could not say exactly. In the Act of 1885 I do not think there was any specified time mentioned in the regulations then existing.

154. *Mr. Stallworthy.*] Does the Land Board grant areas for sawmilling property to all applicants, or have they some system of limiting the output of timber?—There is a system of grading applications. That, however, remains with the Conservator of Forests and the Land Board.

155. *Hon. the Chairman.*] Have you known of any being refused?—Yes.

156. Under what conditions were they refused?—If the man holds rather more bush than they consider he should hold, they would refuse any further areas to him.

157. That would only be until he cut out what he was in occupation of?—Very probably.

158. If the output is more than the market requires, can we blame the Land Board for glutting the market?—I do not think so. The land is there available for the sawmiller. Although one man would be able to make a business pay, another man might not succeed. It is optional for any man to apply for an area if he thinks he can make the business pay.

159. *Mr. Ell.*] You spoke about the kamahi wood just now: is there very much of it?—Yes, there is a good deal of it in Southland.

160. I understand that no use is being made of it at present?—I think that is correct. Very little use is being made of it.

161. Do you know whether it has been used for sleepers?—Yes, it was used at one time.

162. Has it any length of life?—I fear not. I think they found it faulty.

THOMAS O'BYRNE sworn and examined. (No. 15.)

1. *Hon. the Chairman.*] Will you tell the Commission what you know about those sawmillers belonging to the workers' union?—I am secretary of the Sawmillers' Workers' Union—organizing secretary. My duty is to travel through the whole of the mills working under the award, interview the men, gain a general knowledge of all kinds of practical work in connection with their duties, and ascertain the wages paid. We see that the award is enforced. I now hand the Commission a copy of the awards in operation in Southland, Otago, and Catlin's River. [Copies handed in.] It might also interest the Commission to hand in particulars of two disputes before the Court, together with a great deal of information in connection with our Court case which is affecting the Oregon-pine question and the sawmilling industry generally. [Particulars handed in.] During the last seven years the increase, so far as the men's wages are concerned, has added very little to the cost of production. For instance—I am speaking of seven years back—the engine-drivers got 1s. a day rise, the unskilled workers got 6d., and boys over sixteen years of age got 1s. There were several others, such as the yard-workers, who got 6d. a day rise. I should think it would not add much more than 1d. per hundred feet during the last seven years in the cost of production. I might state that the men lost on the average about one day per week throughout the whole of the year, so that a man who was getting 9s. would only average 7s. 6d. per day. That estimate of the loss in wages per week includes wet weather, holidays, breakdowns, &c. I might state that the work is very dangerous and arduous. I think five of our members have been killed during the last eight years. Of course, there are minor accidents happening every day. Within the last week four men came into me maimed in various ways. They had fingers off, knocks in the back, broken legs, &c. I have also to say with regard to duffers, and in reply to the remark made by one of the employers when he said there were a great number of duffers amongst the men, that I have had a great deal of experience with men in various parts of Australia as well as here, and I can say that the sawmill workers of Southland are the finest body of timber-workers in New Zealand. They must be physically strong, and a great deal of skill is required in the industry. As to the remark in reference to duffers, I can only say that the gentleman who made it would not keep duffers very long. I can assure the Commission of that. I was working for that gentleman, and I was doing about the work of a man and a half—close upon sixteen trolly-loads a day. Notwithstanding this he told me he had a man who could do one-third more than I was doing. Of course, I would be classed as a duffer myself. I may say here that he had to give the next man a boy as his assistant. Some employers are never satisfied, no matter how much work is done for them. On the whole, the employers whom I am connected with in the industry are a very fine lot of employers, and treat their men very well indeed. But we have some duffers of employers. The accommodation might perhaps interest the Commission. We have always advocated better accommodation for the timber-workers, more especially in the bush. Men are compelled to stop in the bush. Their huts are waterlogged, and we should be pleased if the Government would do something to put on the statute-book an enactment compelling sawmillers to give proper and sufficient accommodation to timber-workers in the bush. You have a very good law in connection with the Shearers' Accommodation Act. The Commission will note that shearing is done at a fine time of the year and in the open country. Our men, however, have to go into the bush in the winter, and live in waterlogged huts. I think the same legislation should be placed on the statute-book in this respect. Some remarks have been made

about the industry now having reached rough country. That makes it a great deal harder on our men, because we find that the men have to work harder and have to be more skilled. For example, they have to control the hauling-engines, together with a great amount of gear in connection with their work, and the men have to be expert to hold such positions. I wish to emphasize the fact that the work in the bush now is a great deal more arduous and harder on the men than previously was the case when bushfelling was confined to comparatively level country. Some reference has been made to the time the mills last. I may say that some mills in Southland here have been in existence about thirty-five years. I know, as a matter of fact, that the Woodend mill was running thirty-five years.

2. Who was the owner?—Mr. Massey now. The Spar Bush mill ran thirty-five years. The Mabel Bush mill ran there for thirty years. In fact, one employer told me that there were two mills working in the Mabel Bush twenty-five years ago. One of them was burnt down, and they did not think then it was good enough to erect this mill again, but since that there has been one mill running twenty-five years, and there is still a considerable amount of bush there. Then there is the Gorge Road mill—one of Mr. Massey's—that has been running from seven to eight years, and there is bush there for over twenty years. The increase of 1s. a day on the men's wages cannot possibly advance the cost of production more than 5d. per hundred feet—that is, in Southland. In the evidence given before the Arbitration Court it was shown that one man averaged £7 15s. per month, and it was also shown that he had eleven to keep.

3. What was the special work he was engaged at?—Hardest work about the mill, slab-man, at 8s. a day; but his average was only £7 15s. per month, not 6s. 6d. per day. With regard to the tallymen—men who are highly skilled—I notice the rate throughout the colony is £3 per week. Those men have to do manual labour all day, and then they have to do their clerical work after they have done their day's work. The average wages paid for the whole of Southland runs out at about £103 3s. per annum. Coming to the importation of timber, one thing which I find affects the workers here is the importation of a considerable amount of sleepers from Australia—I refer to the jarrah. Just recently I understand 80,000 sleepers were imported from Western Australia. Fifty thousand were sawn and 30,000 hewn. These were examined by New Zealand experts, who condemned 17 per cent. of them. We can supply these sleepers in any quantity. It was formerly a splendid avenue for getting employment for our men. We used to go through the bush and pick up the waste timber that was left behind, but now those men cannot sell a single sleeper. The sleepers were creosoted. White-pine sap and totara, when put through the creosote-works, are supposed to be equal to any timber that comes from Australia. It seems a shame that our men have to walk about idle whilst the Railway Department is importing sleepers from Australia. The timber will only go to waste, and yet if used it would give employment to our men, and I understand it is suitable to the Railway Department. For instance, we have a mill working just close to the works down here—the Tisbury mill. They have had about a hundred sleepers over there, and these sleepers are lying upon their hands because the Government have sufficient sleepers consequent on recent importations. That mill is now idle through want of orders. In going around the mills I find that five have been closed down that were working last year, owing, I understand, to want of orders. They are in rough places, and some are in beech country. I might explain that owing to the import duty placed upon beech by the Federal Government one of these mills is affected by it. The other mills are in rough country, and it does not pay to work them when orders are not brisk. There are about seventy-five mills working under our award. There is close upon a thousand men employed in our industry, and working under our award in Southland and Catlin's. As to the prices, I understand you have had those placed fully before the Commission.

4. Mr. Paape says that twenty years ago wages were higher and timber was half the price?—That is so. The hauling-engine has been the means of tapping timber that otherwise could not have been reached by the bullock.

5. You have had experience in working for Mr. Massey, I see here?—Yes; I have worked for Mr. Massey for about ten years in the bush.

6. What wages were you getting then?—From 7s. to 12s. a day. When I was bringing evidence before the Court he said I was doing two men's work, and he was giving me 12s. a day. That is the first time he admitted it. He did not admit it when I was working for him.

7. *Mr. Hanan.*] You are secretary of the Sawmillers' Union, and also a member of the Southland Trades Council?—Yes.

8. Are you secretary of the Council?—No, just a delegate from the sawmill-workers.

9. Will you give us your opinion as to whether the duty should be increased, or should there be a duty on Oregon pine?—I should think the duty should be increased on the large sizes of Oregon pine.

10. Speaking on behalf of your union, have you passed any resolution to that effect?—Yes, we have passed a resolution in the Trades Council to that effect, and also the union.

11. Can you tell us if the workers, speaking from what you know, consider the price of timber too high?—Yes, that is the general feeling amongst the workers.

12. Do you not consider that in imposing a duty on Oregon timber it would increase the price of timber?—I should say, increase the duty on Oregon timber, and start State sawmills to regulate the price of timber.

13. You believe in nationalising the timber industry?—Yes.

14. Do you believe in forest-conservation?—Yes, as far as possible.

15. Do you think, by allowing Oregon pine to come in it would generally preserve our native bush?—It would tend to preserve it somewhat, but we have at least a thousand men employed in Southland affected, and I think it is the duty of the Government to see that those people are cared for.

16. But do you think it would seriously affect the timber industry in this country—in Southland, for instance—if Oregon timber is allowed to come in free?—I do not think it would affect us a great deal in Southland, because I am of opinion we could compete against it here.

17. Do you believe in an export duty on timber?—At the present time orders are rather slack, and I should not think it advisable at the present time.

18. Would you not favour an export duty being placed on New Zealand timber?—No, except on white-pine, which we should preserve for our farmers for butter-boxes, &c.

19. Do you believe in imposing an import duty on imported timber?—Well, to protect our own men who are employed I would place a duty on timber coming to this country.

20. Have you heard any complaint from the workers about the increase in the cost of erecting homes?—Yes, I have often heard them complaining about it.

21. Have you had any complaints about the prices of firewood?—No, I have not—there is plenty of firewood. Of course, I do not live in the town, and therefore it does not affect us or the sawmiller, because they are always in the country amongst the timber.

22. *Mr. Jennings.*] Is your Sawmillers' Union a local organization?—Yes.

23. Unassociated with sawmillers in other parts of the Dominion?—Yes, no connection. We are talking of federating shortly.

24. In reference to the statement made here by a previous witness in regard to the men not working as they did in former years, I take it that that is a reflection on every one connected with your union. Can you give any answer to such a very strong assertion?—I say the work upon the men is harder now on account of the men having to go into rougher country. The timber is larger, and therefore the work is a great deal heavier upon the men now, and some men are leaving the industry as soon as they possibly can. They cannot stand up to the work—it breaks them up in a few years.

25. Do you think the race has gone back—that they loaf more than they did fifteen or twenty years ago?—I have a good general knowledge of the whole of the mills, and I say the men more than favourably compare with the men, say, ten years ago. I will give you an instance: ten or fifteen years ago at the Woodend sawmill two men had to cut eight loads a day, and to-day two men have to cut ten loads, which shows they are doing a third more, and I know the tallyman there has to do one-third more than he did ten years ago.

26. Are you a practical sawmiller?—Yes.

27. What part of the sawmilling industry were you engaged in?—Bush-work principally, falling, hauling, tramway work, &c.

28. In the event of one of your men being insured, who is a single man and has a father and mother and other dependants, has it come to your knowledge that the insurance companies have not paid out to them on the ground that the mother and father were not dependent upon him?—Of course, according to the Act, if they can be proved to be dependent upon him the company has to pay up. If it is placed in the hands of the union they have to pay the full amount. Of course, if it can be proved that the man has nobody dependent upon him, then he is entitled to nothing further than £20 for funeral and medical expenses. That is according to the Act.

29. Now, in regard to the question of the conservation of our forests, what would be the general result if that were adopted by the Government as the policy of the Dominion?—I think if you were to conserve it very much it would create a good deal of unemployment.

30. Have you any knowledge of the effect of fires through bushes?—Yes; I have seen several patches of bush that have been burnt, but not to a very great extent, and if it is not cut very quickly after a fire goes through it—within a year or so—that timber is no good.

31. With regard to sleepers cut out in the district, what is the life of a creosoted sleeper as compared with the jarrah?—According to experts, if the sleepers are creosoted they will last from thirty to forty years.

32. Then it does not matter what timber it is?—No, so long as it is creosoted.

33. *Mr. Field.*] You said the sawmill-workers were in favour of increasing the duty on foreign timber?—Yes, for the large sizes of Oregon.

34. You understand there is a good reason for importing Australian timber?—Yes, for beam purposes, and Oregon pine for long lengths and beams. It would perhaps be too costly to get red-pine for that here.

35. Why is it that you want to increase the duty on the large sizes?—It is for the purpose of giving work to the men in cutting the large sizes up.

36. Would it not be better to reduce the duty on large sizes, and increase it on the small?—Yes, that is what I mean; I meant that the duty should be put on the small sizes.

37. Would you take it off the large sizes?—I would not say take it off the large sizes, but increase the duty on the small sizes.

38. Mr. Jennings asked you what would be the effect if our mills were closed down. Well, would it not have the same effect if the timber is burnt instead of being milled?—We do not suffer very much from fires.

39. But assuming it has to be put into grass?—That is so. If the farmers are cutting down the scrub and setting fire to it, I should say that where they are going to fire the timber it should be taken away.

40. Do you think it would be a good thing for the State to resume private timber lands, instead of allowing the timber to be destroyed?—Yes, I should think they should if it is going to be destroyed.

41. I do not understand what you mean by the increases of 5d., 2d., and 1d. in the cost of timber and wages?—That is during the last seven years. We have not had more than 1d. per hundred feet.

42. What does the 5d. refer to?—If they have 1s. a day more to pay the men, it would add about 5d. per hundred feet on to the cost.

43. I understand the men and the millers are living here in a state of harmony?—Yes. We work along all right.

44. *Mr. Leyland.*] In regard to wages, they are not the only factor in causing an increase in the cost of production?—No.

45. You say your men have gone back into rougher country; and does not that mean that the miller has to employ extra hands?—Yes, in some cases.

46. Then, not only has the extra cost of wages to be taken into consideration, but also the extra number of hands, in arriving at the cost of production?—Yes, in the bush it takes more hands to get out the same quantity of timber than in level country.

47. That would add to the 5d. considerably?—Yes.

48. Then you say that upon the average the men have lost a day per week. Does that not also add to the cost of production, because the employer has certain current expenses which he cannot get out of on that idle day?—It will make a great difference to the employer, because he makes more profit than us.

49. It would pay the employer to work every day?—Yes.

50. You told us the average wage was 8s. a day for the tallyman?—£10 10s. a month.

51. But you did not tell the Commission that it was paid the day the mill stopped—he gets it whether working or not?—He can claim the full time.

52. I also see that the bullock-drivers are paid by the month, whether working or not?—They are very nearly extinct now.

53. Then, I suppose the clerks would be paid, too, whether the mill was working or not?—The tallying-man is the only clerk at the mill.

54. There must be a book-keeper?—It is generally done in the towns, but he has to be paid.

55. Then the manager has to be paid?—I should think so.

56. Do you think it is fair that the manager of the mill should be a member of your union—do you think it fair to the employer or to your union?—The general managers of the mills are not members.

57. But the man in charge?—He is generally not.

58. You said he was?—I meant the man managing the bush—he is different to the man managing the mill.

59. With reference to the five idle mills, there are, of course, certain current expenses in connection with the mills and the interest, and who pays that expense?—The employer, I suppose.

60. Should not that be taken into consideration in working out the cost of production—the risks and the liabilities?—Of course, the mills are generally running—they are not built for the purpose of standing idle. Of course, when they are standing idle it will add to the cost.

61. You stated there were about a thousand men employed in the industry in Southland: how many of them are members of your union?—Close on nine hundred.

62. Do you favour an export duty on white-pine?—Yes.

63. If the Government put a duty on white-pine it would not affect Southland only, but all the men who were at work cutting the 57,000,000 ft. exported last year?—We have a large farming community, and they will eventually want some preserved for butter-boxes.

64. Would you be surprised to know, with reference to Oregon pine, that in the North we have mills depending on the logs being towed from the coast. We have a hundred men employed; and, when log-supplies fail, through having the Oregon pine we have been able to keep them employed and pay more wages. If you knew that, would you be inclined to modify your opinions?—The importation of Oregon pine has given more of them work.

65. The work would have been stopped were it not for the Oregon pine?—Perhaps we have felt the effect of that down here, because our mills are slack, and on the West Coast the people suffer most, I understand.

66. But there are other reasons, such as the falling-off in our exports?—I realise it is the tightness of the money-market that has been the cause of the slackness to a great extent, but Oregon pine has some effect upon it.

67. *Mr. Clarke.*] With reference to the effect on your union of a continuous supply: you have been asked as to what would happen if the mills were stopped to provide for conservation in any way. Supposing the timber were cut down as rapidly as possible, what would happen when it was all down—where would your union stand then in relation to the sawmills?—They would have to follow up some other avenues of employment.

68. Would it not be in the interests of your union that some movement should be started to maintain a regular supply of timber whereby the Sawmill Workers' Union should be kept in existence for another 150 or 250 years, instead of at the most fifty years?—Yes, I suppose it would make it last longer; but in the meantime we have, as I say, a thousand men employed, with three thousand people dependent upon them, and, therefore, it is only right we should look after those we have here now.

69. Would you consider it right for this generation of sawmill-workers simply to take into account the sawmill-workers now, and not provide anything for the next generation?—When all the timber was cut out you could then take all the duty off Oregon pine.

70. *Mr. Morris.*] Can you tell us the amount the Government receive in the way of royalty and railway charges on timber carried over the railway-lines in this district?—No, I have no information; I think it is a good deal.

71. Do you not think it will average at least the amount of duty levied on Oregon timber now coming into the country?—I should think so.

72. Two shillings per hundred feet?—I should think there would be a considerable amount of revenue received from the railway charges and also for royalties. I do not know much about that question.

73. You said that the sawmill-workers lose on the average about one day per week right through the year down here?—Yes.

74. Is not that due to the fact that you have not sufficient orders to keep them going for the six days?—It had some effect this year, but it is mostly due to the mills—something going wrong.

75. Mr. Leyland asked you whether you did not think it would be advisable that Oregon should be landed in this country, but then there are five hundred men who are not working more than three days a week, and they could supply New Zealand with the whole of the timber they wanted?—I say, look after our own workers.

76. *Mr. Barber.*] Do you know anything about the Sawmillers' Association in existence here?—I know there is an association in existence in Southland.

77. And do you know to what extent they buy up the product of the unassociated mills?—The timber-merchants, of course, take their timber from the smaller mills.

78. Are those timber-merchants members of the association?—Yes, I understand they are.

79. Do you know to what extent the association members purchase from the small mills?—Considerably.

80. They control to a large extent the timber trade altogether?—Yes, control the timber trade.

81. Are they paying the ordinary Arbitration Court award wage?—Yes, and 50 per cent. more. They will come down as they get a surplus of labour—the wages will come down to the union's award.

82. Take that award you have put in—it is rather misleading from the Commission's point of view if 50 per cent. of the millers are paying above that?—Yes, they are paying more. That was gone into when the case was before the Arbitration Court in October last.

83. What is the maximum paid by the association to a sawmill hand?—It would run about 1s. a day beyond the award rates.

84. What are the award rates?—Take a sawyer at 10s., he will be getting 11s.; a bushman at 9s. will get 10s.

85. Do you know of any getting 14s. a day?—I do not know of any here.

86. Are there many in the union out of work?—There are a few; they mostly get other employment. For instance, if a mill closes down they get other work.

87. There are not a great many out of work?—There are a few.

88. With regard to the number of hands employed, you say there are about a thousand?—Yes; I should think that in Otago and Southland we have close on nine hundred in the union.

89. There was a statement made by a previous witness that there are between five and six thousand connected with the trade in Otago and Southland?—In connection with the whole trade there no doubt would be, including those connected with the building industry.

90. With regard to the duty on Oregon pine, do you not think that it helps to make building expensive, and therefore keeps up a high rent?—We have sufficient here to meet all the requirements in New Zealand.

91. But if the price by the exclusion of Oregon is kept up to a figure beyond its value by the association, is it not likely to add to the cost of building and penalise the whole body of the workers in a district by high prices?—I suggested before that the State should start sawmills, and regulate the price of timber.

92. You are here as a representative of the workers, and do you realise that the fact of high building-material is responsible for a large number of artisans being out of work—carpenters, joiners, painters, paperhangers, and everybody else engaged in the erection of a building? If that business is slack, depression prevails throughout a district?—I suppose the high prices would have some effect, but by regulating the price in State sawmills we should get over that.

93. With regard to the losses through wet weather and the losses on workmen, you said it was fair to charge the increased cost: do these occur any more now than when the timber was at a lower rate?—Just the same.

94. *Mr. Stallworthy.*] Are your men paid by the day?—Yes.

95. Do they lose an hour if it is short?—Yes.

96. What price do the Government pay for creosoted sleepers?—To the miller about 1s. 6d. or 1s. 8d. a sleeper.

97. *Mr. Leyland.*] Is that creosoted?—Oh, no!

98. *Mr. Stallworthy.*] You said you favoured a duty on white-pine because you thought farmers wanting timber were well able to pay for it. Would not the same reason make you advocate a duty on rimu?—Of course, the dairy industry is enlarging, and we shall want more white-pine in the future than at the present time.

99. You think the crop we have is limited?—Yes, there is more red-pine than white.

100. Do your mills work double shifts sometimes?—No, never.

101. *Mr. Mander.*] You said there were some complaints amongst the workers in regard to the increased cost of rents of workers' cottages?—I never said that: I spoke of the cost of erecting homes.

102. Do you not think that the increased cost of labour all along the line is a factor in the increased cost of building?—It has had some effect.

103. Not a very large effect?—I do not think so. For instance, the increase that the sawmill-worker has got has not been the means of raising it more than 5d. per hundred feet, while it has gone up 100 per cent.

104. But all those other factors in connection with that would put up the price of the building?—So far as I know of the charges down here during the last ten years, there has not been much of an increase. A painter gets 9s. 2d., for instance.

105. Do you not think that employers are compelled almost to employ incompetent hands very often?—I do not think so. So far as I am aware, if they are not competent they are very quickly put off.

106. But where labour is scarce you cannot always get competent hands, and since you are compelled to employ incompetent as well as competent hands, an employer would not be able to turn them off so rapidly?—You are not compelled to pay incompetent the same as competent hands. If a man is physically unfit or old he gets a permit to work at a reduced wage.

107. But employers usually do not care to pronounce a man incompetent?—Of course, you can get a man who may think he is a very good man, and not be.

108. Do you think there is any probability of Oregon, if it is introduced here in large quantities, reducing the price of timber?—I do not think it will reduce the price of timber much.

109. What would be the advantage of letting it in here in large quantities if it did not reduce the price for the working-man?—If it came in large quantities we should have men out of work.

110. Would it not be an injury without any practical benefit?—Yes, that is so.

111. *Mr. Field.*] You said you thought it would be a good thing for the State to erect sawmills, and so fix the price for timber. Do you not think, if the offer has been made—and it has, by the millers of the North Island and the west coast of the South Island—to put their books into the hands of the Government and mill at its price—do you not think that is a fair offer?—Yes, I think that would be very fair. I was in Wellington when they offered that.

112. *Hon. the Chairman.*] With your knowledge, do you think the Government is competent to fix what would be a fair price to apply to Southland, Westland, and the North Island?—There may be some trouble as far as that is concerned.

113. I see here that in your evidence some time back before the Arbitration Court you stated "Timber had advanced 4s. 6d. since 1896"?—Yes.

114. Do you still believe that that is so?—That is according to the price-list. Of course, there may be discounts, &c., afterwards. I have old accounts here.

115. But the increase of wages you stated only amounted to 4d. per hundred feet?—Yes.

116. So that the worker only got 4d., in other words, out of this 4s. 6d.?—That is so.

117. You still believe that is so?—Yes.

JAMES PERCY RIDINGS sworn and examined. (No. 16.)

1. *Hon. the Chairman.*] We wish you to give the Commission some evidence as to the quantity of timber passing through the Customs?—Well, I have some returns here supplied to the Head Office some time ago when the question of Oregon pine was under consideration. The returns are made up to the 31st August, and I have the returns for the years 1904 to 1908, the quantities, values, and duties.

2. *Mr. Hanan.*] Is that for timber arriving at the Bluff?—Yes, simply at the Bluff. I produce a return of timber imported from the 1st July, 1908, to the 28th February, 1909 [put in, marked "Exhibit A"]; also a return of imports of Oregon timber for the years ended 31st August, 1904 to 1908 [put in, marked "Exhibit B"]; a return of imports of foreign timber during the years ended 30th June, 1907 and 1908, including sleepers [put in, and marked "Exhibit C"]; returns of timbers imported and duty collected thereon, during the years ended 30th June, 1907 and 1908, and returns of sleepers for same period [put in, and marked "Exhibit D"]; returns of foreign timbers imported for year ended 30th June, 1907 and 1908, not including Australian timber [put in, and marked "Exhibit E"]

3. *Mr. Barber.*] What are the wharfage charges on timber at the Bluff?—I could not tell you. I heard the last witness say that the duty on doors was 2s. apiece, but that is not correct—the duty is 20 per cent., and foreign manufacture 10 per cent. additional, making 30 per cent.

WILLIAM ROY RIDDELL, Smith's Factory, Invercargill, sworn and examined. (No. 17.)

1. *Hon. the Chairman.*] You are one of the proprietors?—Yes.

2. Can you give any evidence with regard to the timber-work in the factory?—I do not know exactly what evidence I could give. I certainly have been at it now for twenty years, and I ought to be able to give some idea of it, but I do not know exactly what is wanted. I would be willing to answer any questions.

3. We want to get evidence as to the prices at which you sell to the middleman and to the consumer and the retailer. Can you give us any evidence of that?—The price as sold to the middleman? I suppose that it would be considered that the firm I am connected with would be the middleman. We have a sawmill also of our own, but have purchased largely in the last ten years. So far as the price goes, it certainly has risen a good deal, but the timber is much more difficult to procure. Ten years ago we used to buy timber here, for what costs us now 10s. 6d. less 5 per cent., at a cost of 6s. 9d. At that time we used to purchase the greater part of our supplies from the Seaward Bush, which was a very good bush, the best in this neighbourhood, and the good trees were standing close together like wheat, and you could go into an acre of ground and hew them down, which, of course, made the production cheap. As it is now, the sawmill we are interested in is close on fifty miles from here: you have to go that far back before you can procure bush. The timber there is of a different class altogether; the trees are short, and a long distance between them with a lot of inferior timber in between. Some of it is useful and some of no use, and it has got to be left standing. The consequence is that the price of good timber must rise. On account of the long distance, you have to face that. It costs us railage at the present time 2s. 3d. per hundred feet.

4. What was the railage before?—There was none before: it was delivered right into our yards. We had it growing in our back yard, as it were, and it only cost about 4d. to deliver it in town. We put no siding into our place because it would not pay us.

5. How do you get the timber in?—By carting it from the railway-station.

6. Do you find that that is cheaper?—It is more convenient. We could get a siding. Our next-door neighbours, Broad and Small, got a siding, which costs them £60 a year. It costs us 4d. per hundred feet. We get it generally from 40,000 ft. to 60,000 ft. per month, and then you can get it put where you want it, whereas if you got it on a siding it would have to be handled, and every time you handle green timber it costs you 6d. per hundred feet. In this other forest now there is a much larger proportion of inferior timber than when we got it in the Seaward Bush. The consequence is that that has to be got rid of. There is much more second-class in it and much more of inferior quality. So far as the manufacture goes it is really difficult for us to get sufficient good stuff for manufacture out of the one mill. There is only about one-third of the cut of a mill that is suitable for our purpose. The consequence is that the remainder has to be got rid of in one way or another. We have been in the habit of getting it sent into our yards and retailing it out in small quantities, which means that we get nothing for it. For instance, a man wants 50 ft. of timber; it costs about 1s. 6d. to cart it, and you have got to do it. In a large order you can afford to do it, but in a small order like that it is a loss. The Sawmillers' Association allow us 12½ per cent. That is all the profit we get, and we have to take and stow it into our yards and recart it out in small quantities. Since we have got the mill further off we have been able to buy it a little cheaper, so that we have not as much loss in distributing it. The timber costs us on trucks at the siding at Waihoka from 7s. 6d. to 8s.—as much as 8s. 6d. for wider stuff; then it costs 2s. 3d. railage and 4d. cartage, so that there is really nothing in it. However, you are not charged extra for the good quality of stuff, and the consequence is that we get that for our own manufacturing purposes, which suits us, and it is what we make our living by.

7. Mostly profit on the best class of timber?—Yes.

8. *Mr. Hanan.*] Speaking as the owner of a woodware-factory, do you think it is desirable that there should be an increased duty on Oregon pine?—I would certainly say there should be no increased duty.

9. Do you think that Oregon pine should be allowed to come in free, speaking as a woodware-factory proprietor?—It would suit better if it were to come in free.

10. Why?—Simply because more of it would be used.

11. Will you tell us the main work for which you use Oregon?—There is a big variety of qualities in Oregon. We use a small quantity of it—and we would use more of it if it came in free—for inside doors and all internal fittings for buildings, joists for buildings, and various other works, except outside. We have used it outside, but it would want painting about once a year. It is not very suitable for that.

12. Would you use it in preference to New Zealand timber?—If it were the same price we certainly should.

13. You would prefer it?—Yes.

14. For all kinds of work except outside?—For joists and floors and that sort of thing it would do equally as well as New Zealand timber.

15. You make up window-sashes and doors?—Yes.

16. Has there been much increase in the price during the last seven or eight years?—Yes, there has been a fair increase, principally during the last four years—in fact, since they began to raise the kauri. Kauri has got to be used for them at the present time; it is the most suitable. We use our local timber occasionally, but it is much more expensive to work, and there is a prejudice against red-pine amongst local people for doors and sashes. It is liable to warp and break the glass of doors, and kauri is more suitable.

17. Do you manufacture furniture?—Yes.

18. Is there an increase in the cost during the last seven or eight years?—Very little—an increase of probably from 7½ to 10 per cent. during the last seven years.

19. Is the manufacture of furniture increasing or decreasing?—Up to about six months ago it increased; since then it has decreased.

20. Are your works working full time?—Full-handed we employ about sixty hands altogether; at the present time when things slacken off with us we simply shorten the hands, we do not work short time if we have a falling-off in any particular line.

21. *Mr. Field.*] The Seaward Bush was close at your doors here?—Within two miles of where we sit.

22. It is easy, then, to understand the timber going up from 6s. 9d. ten years ago to 10s. 6d. now?—Quite easy.

23. We have had it in evidence that the cost of production per hundred feet is over 8s. Do you know if that is a reasonable estimate?—I am not well acquainted with the production of timber. But it would be 8s., I suppose.

24. Where would that be from?—Longwood way.

25. On trucks at the siding?—I believe that is perfectly true. It depends upon the sort of timber it is. Some of ours costs more than that. If other witnesses said so I would not dispute it, because it is very difficult to get.

26. Do you think the price now is exorbitant?—Not a bit. It is less than anywhere else in New Zealand. The difficulty here has been that we were too near the mills; there is no room for middlemen here at all.

27. Do you know anything about the use of the beech growing up there for furniture purposes?—It has a very good appearance, seems to be nice and clear and very durable.

28. It would be particularly valuable for chairmaking?—Very good for that.

29. We learn that the duty in Australia has had the effect of killing the trade?—Yes, I have heard that; I cannot speak from experience; we have nothing of it in the bush that I have to do with.

30. We have been informed that the mills have closed down on account of the cessation of that trade. Would you make some suggestion in regard to reviving the trade?—It would be advisable to revive it.

31. How much Oregon pine was used here during the last two years?—I think Smith and Co. used the bulk of it. We use from 800 ft. to 1,000 ft. per month. I should think, outside of that, the whole district would not use more than as much again. The trouble here is, you cannot get the price for it. The local timber is much cheaper.

32. We were told that only 15,000 ft. of timber was carried on the Bluff line in two years?—It is far more than that, because we get more ourselves.

33. The Traffic Manager of Railways gave us that information?—Then that must apply to one year, not two.

34. You are against putting increased duty on Oregon pine, but what would you say if the effect of taking off the duty or leaving it as it is was to very injuriously affect, possibly kill, our red-pine industry. I know you have not felt it very much here, but in other parts of the colony the Oregon is coming in in very large quantities. Now, I ask you, would it be a good thing or a bad thing?—It would be a bad thing. Speaking as a sawmiller, I would raise the duty on it.

35. *Mr. Leyland.*] With reference to kauri, apart from the extra cost, have you experienced a considerable amount of trouble in getting your orders filled?—Yes. We have had orders for two years without getting them filled.

36. Seeing that Oregon is suitable for many purposes where kauri is used, should Oregon not be let in so that the business of the country can be carried on?—You put me in a fix, because I have equal interests.

37. *Mr. Clarke.*] Did you say that your firm was taking 60,000 ft. a month of local timber, and that you experience some difficulty in getting good timber for your work?—Yes.

38. Does not that prove that we should have importation of Oregon for rough purposes, so that our better timbers might be reserved for finer work?—No. I do not think so. We have far more rough timber than we can get rid of.

39. It is not a particular timber that you want?—The Oregon is not suitable for all the timber we want

40. As to the regulation of supply, I think you said that since getting a mill of your own you have been able to buy lines of timber a little cheaper?—Yes.

40A. That is to say, the associated millers cannot afford to ignore your mill?—They give it to us a little cheaper, because they saw that we were determined to have it. We had to do it to keep our business together.

41. *Mr. Morris.*] Touching this question of cheaper timber that you just mentioned, would it not be owing to the fact that you would be able to get your own supplies if you did not get them from other millers?—It came a little cheaper when we had a mill of our own.

42. Do you consider the present price of timber too high?—I do not think the price is too high; I think it is too low.

43. How do you get at that?—Simply from a sawmilling point of view. There is not sufficient margin to make a fair profit.

44. You have just told us that you use Oregon for certain classes of work in the factory. Do you find it suitable for that class of work?—For certain classes of work it is suitable—that is, where it is not exposed to the weather. We use it for the cross-rails. Oregon stands better in that position in a sash. Local architects will take it in preference to the other because it does not rot so quick.

45. I suppose it is not due to the fact that it is about half the price of Baltic?—No, it is not, although that may be a factor in it.

46. Have you used it long enough to be able to say that it is much more desirable than other timbers?—I have used it for ten years, and have seen sashes that I have come across decayed. If it is not sound good timber it is no good. It is only certain Oregon that is good for that. We buy the best quality.

47. You told us just now that rimu is not fit for doormaking?—I did not say so. I think you are wrong. I said that kauri was more suitable for inside doors than rimu. We use rimu here, but it is specially selected stuff. It is difficult, however, to get a sufficient quantity to make the number of doors required.

48. Have you any market here for rimu doors?—Yes. You may have a good quality of it on the West Coast. Some of it is inclined to warp in the sun.

49. *Mr. Barber.*] Do you take the whole output of your mill or do you sell it?—We take the whole output.

50. You deal in timber as a timber-merchant. Any one can go and buy it from you?—Yes. We kept timber for our own use, but people began to come and ask us for timber, and so we opened a timber-yard.

51. Your factory could not use the total output of your mill. Are you not giving your evidence from the miller's point of view?—Yes, more so than from the manufacturer's.

52. *Mr. Ell.*] What is about the cost of kauri for cabinetmaking purposes?—We do not use it here for that purpose. It is too dear. It costs us from £1 3s. to £1 5s. per hundred feet landed here. There is, moreover, a certain amount of waste with it. The price mentioned is that landed in our yard.

53. I have been told by cabinetmakers in Christchurch that kauri runs them into between 3½d. and 4d. a foot?—It would cost that if you bought small quantities. We get it down the very cheapest way we can. We buy it for cash, and then charter a small vessel to bring it here.

54. You make no furniture largely. You are aware that the majority of homes are furnished with New-Zealand-made timber?—Yes, that is so down here. The furniture is chiefly rimu.

55. Now, supposing the manufacturers of furniture in New Zealand have to use imported timber, I am given to understand that some of the harder woods—oaks and so forth—run to about 8d. a foot?—More than that.

56. If the people had to depend upon imported timber of that character it would vastly increase the cost of furniture?—Yes.

57. Kauri and rimu are suited for that purpose?—Yes, rimu especially.

58. Because of its beautiful grain. I notice that the furniture in the homes in Christchurch is made almost exclusively from rimu?—No doubt.

59. Do you think, seeing that we shall have furniture-factories in this country for years to come, and that rimu is adapted for cabinet-work, that we should make some reserves for a steady supply, and thereby become independent of foreign importations for the purpose in question?—There is something in what you say, but I have not looked at it in that light. It looks as if something of the sort should be done. You see, there is such a small quantity of that rimu timber suitable for cabinetmaking work and for inside finishing, such as architraves, doors, and mantelpieces. If you are to reserve the bush you would not be able to get sufficient suitable timber for present use—that is, if you locked up the bush.

60. Are you not referring to figured rimu?—Yes.

61. I am speaking of rimu generally?—I think we should have a small supply to keep for future use.

62. You think it would be desirable that we should conserve a supply of timber necessary to preserve the continuity of the furniture-making business?—I think it would be advisable to do that, as a manufacturer.

63. Now, how is it you have a difficulty in obtaining rimu here suitable for doormaking?—It seems to me that the Wanganui rimu is superior to the class supplied down here. It has a softer nature. Our rimu is much more liable to warp than that from the North.

64. How about the West Coast—there is plenty of rain there?—It is not the wetness of the climate that affects it here. It is our very cold and our very hot weather.

65. Has the want of proper seasoning anything to do with it?—I do not think so. The stuff that we use we cut in winter. We always keep the winter and the summer stuff separate. The winter stuff is more valuable, because it is not so liable to warp, and it is much easier to work.

66. For manufacturing purposes, then, it is desirable to have logs cut in winter instead of summer?—Yes.

67. With regard to the use of Oregon, do you not think that it would be better to use Oregon, say, for stringers, heavy beams, and pillars, in large buildings, such as warehouses, &c., than to use our rimu for that purpose, seeing that the rimu is more suitable for fine work?—Yes, that is so; but when we use rimu for large beams now it is the rough stuff that is cut for that purpose—the finer quality is used for internal fittings, and there is a larger proportion of rough timber to be got rid of.

68. Do you experience any difficulty in getting seasoned timber?—If you want it, you can get it. Nobody seasons it.

69. They charge 1s. a hundred extra for it?—That is not sufficient for seasoning timber.

70. They charge 2s. in Christchurch?—That would pay.

71. If a house was constructed of seasoned timber, would that add very much to its life?—Very much.

72. Would it add £100 to the life of a house?—That depends on the size of the house.

73. Say a six-roomed house?—No. It would not add £100. Given seasoned timber, if kept well painted, it would add at any rate about a quarter to the life of a house, or, say, 25 per cent.

74. Say that there were 10,000 ft. of timber in a house which cost 2s. per hundred feet additional for seasoning, which would make a difference of £10, would it not be a good thing for the general public if the timber in every house were seasoned?—The general public would be much better off than at present. You could not, however, compel a merchant to season timber and sell it at a loss.

75. Would it not be a good thing to get our architects to specify for seasoned timber?—Yes, the sooner the better.

76. Can you give us any information regarding beech and its uses?—I have not had much experience in beech. We use it for some parts of furniture. It has only lately been introduced here—within these last four or five years.

77. I hear that some of the most handsome suites are made of it?—It is very beautiful, and we use it for similar purposes. It is very tough, although to look at it one would think that he could break it with his finger.

78. A few years ago it was practically valueless?—We did not cut it.

79. Is that so down here?—There was no demand for it.

80. *Mr. Arnold.*] You spoke about the manufacture of doors. What class of timber do you say your doors are chiefly made of?—Inside doors are chiefly made of kauri.

81. Are they all locally made?—Mostly locally made, but some come from Dunedin.

82. Are our doors being imported from other places?—A few are being imported occasionally, but very few.

83. Where from?—Mostly from America and from the Baltic.

84. Do you know that some thousands are at the present time coming in from Sweden to New Zealand?—No; I was not aware of it.

85. Is there any danger of manufactured goods of that kind coming here in great quantities?—I am certain there is. The labour laws are different there, and the men are different. The men stick to one line, and get very expert in it. Here you have a man who is a blacksmith

to-day, a benchman to-morrow, and the next day something else. Our men will not stick to the same job—we are troubled with flighty notions, and therefore do not get expert enough. Again, wages are high here. In England I used to see these doors before I came to New Zealand years ago. I would not care to use them now, because I should prefer the locally made doors any day.

86. There can be no gainsaying what I say with regard to these importations?—Not in this part of the country, but I hear there is a firm in Dunedin named B——, S——, and Co. who are importing.

87. That is the firm. Having some experience in that class of doors, do you think that they would really come into competition and that the builders would care to use them?—Some builders would not care to use them here. I do not think there is much fear of them taking the place of the local article. Moreover, they are too expensive. The locally made door really costs less than those imported ones.

88. You do not think that it is necessary to increase or put a duty on?—There is a duty of a few shillings a door, and that seems to me to be sufficient to keep them out, provided the wages do not increase and hamper us in that way. We do not know when an award may overtake us. I would not, however, suggest any increase at present.

89. You know something of the firm you mentioned?—No. They have only just lately opened a warehouse here.

90. They are fairly keen business people?—I know that.

91. You hardly think that they would bring out doors in large bulk unless there was a market for them?—There may be a market for them farther north, but very little locally at present. Prices are different in Wellington. They get there half as much again for their timber as we do down here, and it does not cost them any more.

CHARLES JOHN BROAD sworn and examined. (No. 18.)

1. *Hon. the Chairman.*] What are you?—I am a hardware-merchant, sawmiller, and timber-merchant.

2. Have you a statement to make before the Commission?—Yes. As I have said, I am both a sawmiller and timber-merchant. We have been in the timber business for a great many years—in fact, we are the oldest timber-merchants here, and it is not so easy to run a timber-yard as has been said. We employ three yardmen, and pay them £357 altogether; we also employ two draymen at £2 5s. a week each; we have three horses to work those two drays, and it is fair to estimate the amount for feed and depreciation at £1 a week. That comes to £747 per year—£62 a month for five men and three horses. Our turnover averages about 1,000,000 ft. a year, or 80,000 ft. a month, and that at 1s. 6d. per hundred feet comes to £60. In addition we have to pay £60 for the rent of a siding, and we should have to pay, I suppose, £2 for the timber-yard if timber-merchants only, and that would be £104. We have an acre of ground altogether, and provide half of that for the timber business. The taxes would amount to £20, clerical assistance £100, and the discount on the timber would bring it up to 2s. 2d. per hundred as the cost for running that yard.

3. Is that the discount on your sales?—Yes, for cash. Now, the best we can do in buying timber is 25 per cent. off the list. We credit our mills with the amount, less 25 per cent. Any merchant buying from a producer cannot get more than about 25 per cent. off. The producer has either to sell at 20 or 25 per cent. off to middlemen, or start a timber-yard, or else employ a traveller, and that is very expensive. If you hold the timber and wait till an order comes along it would simply rot—you would not sell it. I can assure you there is very little profit in running a timber-yard in Invercargill.

4. Is it not much better to run a timber-yard when you run a timber-mill as well?—No; it would take 25 per cent. off—that decreases the selling-price to the mill.

5. Do you think it costs you the full amount to mill it that the timber-merchants sell theirs for?—No.

6. You must have a profit there?—The mill makes a profit.

7. How much?—From 1s. to 1s. 6d. a hundred. In fact, we do not make that at our Waihuka mill. We have 2s. 2d. railage to pay on that, and cartage is a very heavy item in delivering timber. If you have to cart a couple of miles it will cost you 9d. per hundred feet.

8. Do you cart all you sell?—Yes, practically all we sell.

9. You handle all classes of timber in the bush, I suppose?—Yes.

10. For milling purposes?—Yes. Of course, as far as we are concerned, in our mill at Longbush a good third of the timber is second-class, and there is a good demand for it here. I might say that in two-thirds of the cottages erected here second-class scantling is used.

11. *Mr. Hanan.*] What is the cutting-capacity of your mill?—About 80,000 ft. at Longbush, and 85,000 ft. at Waihuka. That is the average for last month.

12. Have your orders fallen off during the last six or seven months?—Very much. We are only working two mills out of three, and piling up more timber now than with the three mills working.

13. To what do you attribute the falling-off?—Tightness of the money-market.

14. Where is the best market?—We confine ourselves to Southland, but we sell pretty well two-thirds of our timber in Invercargill, and Invercargill is about the worst market in Southland for mills at a distance.

15. What is the reason of that?—We are only allowed 1s. on the mill price for railage and cartage; and, as I say, it costs us 2s. 2d. from Waihuka, and cartage 4d., and therefore we lose 1s. 6d.

16. Have you lost money?—We have made nothing at Waihuka. We bought it four years ago, and after working it for two years we found the grade too much. It was a grade of 1 in

3½ in places, and after looking round we found we could get a grade of 1 in 6, and we shifted the mill about a mile and a half, and we have now a grade of 1 in 6½. To do that we had to do a great deal of excavating, and had four men continually on the tramway. We have gone pretty well a mile up now, and are still a quarter of a mile from the summit. We work it with six horses, and I am afraid we shall have to put on more before we accomplish what we want to do. Then there is a down grade on the other side.

17. In your opinion then, it does not pay to invest money in the sawmilling industry at the present time?—Not in broken country. It cost us £600 to move the mill from one site to another, we had to construct two bridges which cost £200 each, and put up a stronger hauler to work difficult bush.

18. You have been a long time in the timber industry?—Yes, sawmilling for four years.

19. You know something about the Seaward Bush district?—Yes.

20. What are the conditions there in the way of settlement?—I have not been there for years.

21. Have forest-fires occurred there?—Yes, a severe one about two years ago.

22. Do you find that the building trade is falling off here?—Very much so. In fact, two years ago it was not a question of selling timber but rather a question of getting timber to sell.

23. *Mr. Field.*] Is the present depression in the building trade in any way due to the increased price of timber?—No. If money was plentiful the building would proceed.

24. Do you think the price charged now is too great?—Not under the present conditions.

25. Have many millers in this part of the Dominion made money?—Yes, a few in the early days.

26. How many are piling up money now?—I could not tell you of any one.

27. Do you think they are paying handsomely?—I do not.

28. We had it in evidence that only two men made money in this part of the Dominion out of sawmilling since it began?—Two get credit for having made money; others have come to grief. I am in business otherwise than milling, and I know sawmillers who have been in business during the last ten years who still pay their accounts by promissory notes.

29. About Oregon?—I am in favour of the present duty being retained. I am quite indifferent whether it is increased or not—sawmilling is a side line with us.

30. What would be your opinion if it were shown that it was going to compete successfully with our rimu?—It would be a bad thing for sawmillers and workers generally.

31. Have you got any opinion as to the conservation of timber lands for future generations?—I think the Government should go in for afforestation.

32. You think we should use our own timber for our own purpose?—I think we should. It will go in time, and a few years do not make much difference one way or the other.

33. Do you think it would be fair to ask private owners to hang up their timber for an unlimited time?—It would not be fair.

34. If it is to be conserved at all it should be done by the State?—Yes, they are the proper people.

35. You know nothing about the conditions prevailing in Wellington?—No.

36. You know something about sawmilling: supposing a price-list was shown to you which showed that ordinary rimu was purchasable in Wellington at 14s. 6d., what would you think?—I do not know what railage they have to pay on it in Wellington. Rents and such other expenses are very stiff there.

37. Do you think that would be an unreasonable price?—I should say that they are doing better than we are here.

38. *Mr. Leyland.*] In giving us your estimate of 2s. 2d. as the cost per hundred feet, I do not notice that you make any allowance for the waste in measuring it. We find in handling timber that we have never yet been able to measure it out at less than 5 per cent. loss on the quantity charged?—We do not check the mill's tally.

39. Because it is your own mill?—Yes.

40. If from another timber-merchant's yard?—Yes.

41. I do not see any provision for bad debts either?—No.

42. That estimate of yours should have some more added on to it?—Yes.

43. Do you make any bad debts?—Rather.

44. I do not notice any provision for depreciation, horses, harness, and all these things?—I put down £1 per week for these things.

45. I do not notice any item for interest on stocks?—No, I let that go.

46. If it could be shown to you that Oregon was not likely to increase, or to affect local timber very seriously, do you think it would be wise to put on an extra duty under those circumstances?—No.

47. *Mr. Clarke.*] Do you belong to the Sawmillers' Association?—Yes.

48. Is it a fact that supplies can be obtained from sawmillers who are not members equally rapidly with those who are members, or are there difficulties?—The timber-merchants mostly deal with the unassociated millers.

49. Are there not a good many who have no planing-machine, but simply cut rough timber?—Not many now—a few small millers.

50. In that case they would only be able to supply a limited order?—Yes.

51. Is it not a fact that one of that class of sawmillers uses a traction-engine on his own bush?—That is correct. There is a miller doing that, cutting white-pine.

52. In that case the outside millers are those doing a small line of business?—A number of them; some of the outside millers are in a fairly large way.

53. *Mr. Morris.*] Does your association here fix the selling-price of timber?—Yes.

54. You are not able to control those small millers outside the association as to the price at which they sell?—No.

55. They sell to anybody they please?—Yes, mostly to timber-merchants; but they do sell otherwise.

56. They sell mostly to timber-merchants?—A number of them do. I think one or two may be getting orders where they can.

57. You said you made practically no profit in sawing at the mills?—During the last two years we had a fire.

58. Would it enable you to do better if you had a larger area of bush?—We had a fair start; we have been working three mills. We have 1,200 acres at Waihoaka, but whether we shall be able to work the whole of it or not time alone will solve. It is a very broken country. We have the roughest in Southland; in fact, if the price of timber is reduced we should shut the mill down.

59. *Mr. Barber.*] Have you got a printed price-list?—Yes.

60. The same as the Southland Timber Company?—Yes.

61. What do you say it costs to mill timber?—Five and twopence at Waihuka for wages; we put down 7d. for royalty, and as we have spent £4,000 there the interest on that is 6d. per hundred feet.

62. And you sell the timber to any one in small quantities?—Yes.

63. *Mr. Ell.*] You are a manufacturer?—A furniture-manufacturer.

64. What kind of timber do you use?—Mostly red-pine, but also a quantity of birch, which we buy. We have none on our area.

65. Do you know of any imported timber that is as useful and as easily worked as rimu or kauri for manufacturing purposes?—I do not know of any. We use kauri, birch, and red-pine.

66. Do you know of any imported timber as useful as New Zealand timber for furniture purposes at the same price?—Not at the same price.

67. Or anything like it?—I do not know of any.

68. Then, if we depend upon the imported timbers for the timber for our factories we shall greatly increase the cost of the furniture to the public?—That is so.

69. That being so, do you think it is necessary to have reserves made to preserve the timber?—The supply we have cannot be permanent.

70. Why not?—There is not sufficient of it. At the rate the population is increasing there will be more consumed every year, and it will be gone in forty years.

71. What about coming generations?—I say that the Government should go in for a system of afforestation.

72. You do not think it is desirable to attempt to preserve, particularly rimu for furniture?—You could not reserve it unless you allow the foreign timbers to come in now.

73. If foreign timbers are more adaptable than rimu, is it not in the interests of the public that rough timber should come in?—If you take it that way it is—if you want the native article for furniture-making.

74. Which you admit is more suitable?—It is cheaper than the imported timber.

75. *Mr. Mander.*] One witness stated here to-day that the increase in the cost of labour in the last seven or eight years had only put the cost of production up about 5d. per hundred feet. Is that your experience?—One shilling per day all round means about 5d. per hundred feet. That is about correct. Every extra man you employ adds about 3d. per hundred feet on to the cost of the timber.

76. Then, you do not agree with him that the cost of production has only been put up 5d. per hundred feet?—At 1s. a day he is right, but he is taking from one award to another. He overlooks the fact that a great many men get over and above the award. In fact, not many men care to tackle our bush.

77. Do you think, in fair good country, it will pay the Government to conserve the timber for fifty years when that land could be turned to profitable use in other ways—for cropping, and so on?—No. I think the sawmiller should precede the settler. The felling of the forest improves the land. The land is more valuable after the bush is cleared.

78. That is, provided fire does not get into it?—Yes.

INVERCARGILL, WEDNESDAY, 31ST MARCH, 1909.

ALFRED JAMES MCCREDIE sworn and examined. (No. 19.)

1. *Hon. the Chairman.*] What are you?—District Engineer for Railways in Southland.

2. The Commission desires information with regard to the creosoting-works here, and also the process through which the timber goes, and your opinion in regard to whether the process should be further utilised?—The creosote-works at Kew have, since the Government purchased in July, 1901, put through a total of 298,854 sleepers. The sleepers are not cut by the Railway Department, but contracts are let for the supply of the sleepers. The contracts are let and called for as they are required. I find that since the works started we have called and accepted tenders for the supply of 439,700 sleepers. The number which I previously mentioned to the Commission as being put through the works represents the supply out of those contracts.

3. Do you expect to get the full number?—I do not. My contracts are closed now.

4. Can you tell the Commission what the result is with regard to using these sleepers as against other sleepers?—The sleepers are impregnated with from 2 to 2½ gallons of creosote to each sleeper, and the result of that undoubtedly is to increase the life of the sleeper with respect to probable decay, but the sleeper is not strengthened by the process in any way. The fault which is found by

myself, and doubtless by others in my position, in the use of New Zealand timbers for sleepers is that these timbers, except for one of the rare timbers in New Zealand, are very soft; and, as a result of that, they are not economically useful for railway sleepers. The rails cut into the sleeper very badly, more particularly with the softer timbers; and the dog spikes which fasten the rails will not hold as well as they will in harder timbers. I presume that can easily be seen. Undoubtedly the life of New Zealand timber is very much increased by the use of creosote. I am quite prepared to see this class of timber which we have been creosoting last at least twenty years.

5. *Mr. Arnold.*] An extended life of twenty years?—No.

6. Twenty years against what?—As against perhaps an average of six or seven. Of course, the works were only purchased in 1901—that is, eight years ago—and we have still got to go through the balance of that twelve years to see whether my estimate is right or not, but that is what I expect it to be. A life of five or six, or perhaps seven years at the outside, is what I consider the average life of a sleeper cut from the bush in this district. I think I made it clear that we have not been using the colonial timbers uncresoted for some years. We have not only to consider the durability, but we have to consider the wear on the sleeper. It is not only that a sleeper decays with us, but there is the fact that it is worn out in other ways by the rail and the fastenings. Technically we call it cutting in—the rail cuts into the sleeper.

7. *Hon. the Chairman.*] How do the prices compare, including the creosoting, as against the other timbers you use for sleepers?—Do you mean imported timbers?

8. Well, imported or others?—Of course, we are using no colonial timbers in this district except that which is creosoted. The price which I have worked out for creosoted sleepers completed at the works at 3s. 1½d. each.

9. *Mr. Leyland.*] Does that apply to 8 in. by 5 in.?—Yes. The average cost of jarrah sleepers landed here is 3s. 9d.

10. *Mr. Field.*] How much of that 3s. 1½d. is for creosoting?—1s. 8d. for the sleeper and 1s. 5½d. for the creosoting. The cost of the jarrah sleeper is 3s. 9d., but they have varied from 3s. 6d. to 4s. I consider 3s. 9d. a fair average price delivered at the Bluff.

11. *Hon. the Chairman.*] What do you consider the difference in the life of a jarrah sleeper from a creosoted sleeper?—I consider that a jarrah sleeper should last twice as long as a creosoted sleeper. I consider a first-class jarrah sleeper such as we buy should last forty years.

12. What price do you pay for these sleepers before creosoting?—We pay 1s. 8d., and the creosoting costs us 1s. 5½d. I may mention, perhaps, that in buying sleepers for creosoting we do not demand the best timber. We are willing to take half sap. The contract is for sleepers. The price of 1s. 8d. is a recent increase. For many years the price was 1s. 6d., and when the works were first purchased by the Government I could get sleepers as low as 1s. 3d. There is a little less than 25 cub. ft. in a sleeper: actually there is 23⅓ ft., which at 1s. 8d. is equal to about 7s. 2d. per hundred feet.

13. Would the Department use more of them if they got them at a less cost?—Personally I cannot say, because that is a matter that rests with the Head Office. I only purchase subject to approval from the Head Office. It would be for the Head Office to say in what proportion they would be used.

14. We can get that information at the Head Office?—Yes; it is a question of policy. Personally, I do not mind saying that, from my point of view, I would have as few as possible of New Zealand sleepers. I would not make any mystery about that. The more hardwood sleepers I can get, the better order I can keep the railway-track in.

15. On straight runs, would they not do fairly well?—No, we are still troubled with cutting-in, and the difficulty of making the fastenings hold. I think the jarrah sleeper would last twice as long as the softwood sleeper. I mean that there is actually more in it than the time it would last, because I should not have the trouble with the hardwood sleeper in keeping the track during the life of the sleeper that I should have with the softwood. The hardwood sleeper will, of course, eventually have to be taken out on account of decay, pure and simple. The softwood sleeper will have to be taken out because I can make no further use of it, although in many cases the timber is good. That would particularly apply to totara sleepers.

16. What would you substitute—steel?—No; personally, I prefer the hardwood-timber sleeper to the steel sleeper. I may say, however, I have had no experience of steel sleepers, and I am depending for my opinion on what I read.

17. Are you using some beech sleepers?—No, except experimentally last year. I have had a few put through the creosoting-works to see if the process will do anything to improve them. Our experience of the beech sleeper has been a very unfortunate one. The beech that you get splits very badly, and is therefore unsuitable.

18. Would not the splitting depend a good deal on how it was cut?—It might. I have seen a few cases where beech sleepers lasted very well, but generally the result has been very unsatisfactory. From my experience, I could not possibly recommend the use of beech for sleepers.

19. Which of the New Zealand timbers, in your opinion, is the most suitable for sleepers?—Of the New Zealand timbers puriri is the best. The totara is really the only timber in Southland suitable for sleepers.

20. *Mr. Jennings.*] Do you get any puriri sleepers?—Not now. In the north, doubtless, they still get them. The matai sleepers have been used considerably of late years; but we have had to abandon them altogether, because, although you would occasionally get consignments of matai sleepers that would turn out all right, you would as a rule get very much worse results from matai sleepers than from other sleepers. I have taken matai sleepers out of the track in less than two years after they were put in, totally decayed—not one, but hundreds of them. At the same time, I have seen matai sleepers that have been in the track for twenty-five years and are perfectly sound. It is a very disappointing timber to deal with for sleepers. Even the best experts that I have known

are unable to tell beforehand whether matai is going to turn out good or bad. It takes the dry-rot, and very rapidly too.

21. How do your creosote-works compare with the Woodville?—I cannot say. I have not seen the Woodville works. They are more modern and larger than mine.

22. If your works were on a more modern basis would not the cost of turning out creosoted sleepers be very much lessened?—I do not know that you could lessen it very much. The actual labour costs only 4d. and a fraction, so that you have not much to work on in the matter of reducing the cost. The sleeper costs 1s. 8d., the creosote between 1s. 2d. and 1s. 3d.; and therefore there is only a matter of between 4d. and 5d. left for you to make any decrease in. I have reason to believe, although you will probably be able to get the information from the Head Office, that the works under my control are as cheaply run as the Woodville works.

23. Do you take sleepers from others outside of sawmillers?—Yes, from anybody who will supply them.

24. You state that the creosote increases the ordinary life of our softwoods: that while the average life of a sleeper is about seven years, by creosoting it will last twenty years more?—I hope so. We only started these works in 1901, and the life has yet to be proved.

25. You state, also, that the life of jarrah would be double that of creosoted timber?—Yes. Of course, we do not creosote jarrah.

26. Would you be surprised to know that at a meeting of architects held in Australia dealing with the subject of jarrah and ironbark sleepers they state the average life of an American oak sleeper in the States is about seven years, whilst that of such timbers as jarrah, wandoo, and ironbark and many others is from fifteen to twenty-five years. The superiority is therefore evident?—My experience is totally opposed to that. I have been only twenty-five years in this service. I consider jarrah sleepers will last as much as forty years.

27. How long is the life of an ordinary softwood sleeper here, provided it is creosoted?—I should say about twenty years. We only started the process in 1901—that is, only eight years ago. Therefore I cannot speak definitely, but from observations of those already treated I think they will last twenty years.

28. Does the fact of creosoting, in your experience, have any bearing on the strength and tension of the wood?—None whatever.

29. *Mr. Field.*] These were private works up to 1901?—Yes.

30. How long had they been in existence prior to that?—Roughly, twenty years. Of course, they have been very much improved since the Railway Department took them over.

31. Do you think the machinery and methods are up to date?—They could be a little improved upon, but not very much. I consider that the plant is not bad—it is small. When you speak of improving I presume you mean replacing with more up-to-date plant. On that point I would say I doubt if it would be profitable to do it, as the cost would not compensate for the very slight decrease in the expenses.

32. Would it be too much to say that if you put in an up-to-date plant you could get the work at half the cost and better done?—You could not do it. In answer to a previous question I pointed out that there is only 4d. or 4½d. to work upon, and you would only make a very slight reduction on this amount.

33. You say that creosoting will increase the life of a sleeper from a decaying point of view, but would not strengthen it. Would it not have the effect of holding better?—I do not think so. Of course, now that we are using both New Zealand and hardwood sleepers we use the creosoting in the most suitable places. I do not put creosoted sleepers on curves if I can avoid it, nor on heavy grades. I am giving them every chance. I want to get as much life out of them as I can. If I can avoid doing so I do not put them on soft ground.

34. Do you use local sleepers mostly, or decrease them?—I have no intention on the matter. I can only take the sleepers as they are given to me.

35. Is your opinion entirely in favour of hardwood sleepers?—Professionally, it is.

36. You were talking about the effect of the local sleeper on the rail. You say it cuts into it, and has more injurious action than others on the rail?—Totara has. There is something in it that occasionally eats into the rails very badly. It does not always occur, but in some cases it has a very bad effect.

37. And that effect is not noticeable in the case of any other timbers?—I have not noticed it.

38. As to old sleepers that are useless for railway purposes: to what use can you put them—hardwood and others?—My practice is to divide the old sleepers into three lots. One lot is used for firewood pure and simple, the second-class for fencing, and the third for repairs to sidings. You can understand that it often comes to this: that when repairing a track you are compelled economically to take out sleepers that are not quite done, but that you cannot keep under the track. You can use them in a siding.

39. Do you not draw a comparison between the value of Australian timber and ours that is used for railway purposes?—It has not come to that point yet that we have got much West Australian sleepers. We are not yet in the position of taking out Australian sleepers to the same extent as our own.

40. I suppose there are heaps of sleepers to be got here to supply our needs for many years?—Undoubtedly the timber is here, but I have a certain difficulty in getting it. I do not get a great percentage of what I contract for. Of course, naturally I have to depend upon the state of the timber-market. I do not suppose that sawmillers lay themselves out to do business for railway-sleepers.

41. You can get them just now?—I think I could. In fact, I got the greater proportion of my last contract. I have not a contract at the present time.

42. One can imagine there would not be a satisfactory outlet for them?—That is so.

43. *Mr. Leyland.*] Have you any opinion as to puriri?—I think it is as fine timber for sleepers as any I have ever seen—as good as an Australian hardwood.

44. If you could get puriri you would take that in preference?—I should be very glad to do so.

45. With reference to the cost, seeing that you have to rely entirely upon sawmillers who have gone to other sources of production, the cost has risen materially. Perhaps that may be charged against the sawmillers—the increasing of that cost?—I should not like to put it in the way of laying a charge; but the fact remains that it has increased from 1s. 2d. to 1s. 8d.

46. But those who are not sawmillers have also raised the price?—That is so.

47. Would you not take that as a proof that the rise cannot be helped?—I would; I know the price of timber has risen.

48. The point I want to make is that independent of the sawmiller the price has risen?—That is so.

49. I heard something of a new system of creosoting whereby the bulk of the creosote is withdrawn. If you could reduce the amount it would materially reduce the cost?—It would indeed.

50. But you have not tested it?—No; and to the best of my knowledge it has not been tested in New Zealand.

51. They have a plant in Australia now?—I understand so.

52. That would materially reduce the cost?—It would, certainly.

53. *Mr. Clarke.*] From a professional point of view, in the construction of railways and the point of view of public safety, do you consider it advisable that a supply of hardwood sleepers should be always available, even though they come from abroad?—We must have hardwood for sharp curves and bridges. The weight of the trains we are running now in itself demands that.

54. *Mr. Morris.*] Can you tell us anything about the difference in cost between puriri and jarrah?—I cannot; I have been away from Auckland for ten years, and could not tell you the cost at the present time. In my time in Auckland the cost was about equal to the Australian hardwood: but now I would expect the cost of puriri has risen.

55. *Mr. Barber.*] Are you extending the railway here with a view of opening up further timber areas?—It is being extended in the timber areas; the Orepuki branch particularly.

56. Will that bring much timber into the market?—It should do so. There are very large areas of bush in part of the country that the line is going into.

57. Is it a good timber country?—To the best of my knowledge it is.

58. With regard to the creosote, you import that?—Yes; it is all imported from London.

59. Is it of English make?—I have no doubt it must be.

60. Is there no chance of getting it locally?—I do not think so.

61. Would it not pay to put in a plant for making it?—I see no reason why it should not be done; but, of course, it would be a matter for private enterprise.

62. Up to the present no gas company has gone in for it?—No.

63. *Mr. Ell.*] About how many sleepers have you in your district lying under the track?—One million, approximately.

64. In this one district?—Yes.

65. Do you know if your Department are making any provision for supplying the needs of the Department?—At the present time I have a sufficient stock to keep me going.

66. I mean about the future?—Of course, the creosote-works are still standing there.

67. I want to know whether the Railway Department is making any provision for supplying the railway system of New Zealand?—I do not know, personally.

68. At present you are entirely depending upon hardwood from Australia?—Yes, all our hardwood sleepers come from there; but, although I have no contracts for local sleepers at the present time, I might to-day get an order to contract for anything up to 50,000 or 80,000.

69. Why I am asking you is because in America the great railway systems there have immense areas of country planted with timber suitable for sleepers?—I know. Of course, tree-planting is being done in New Zealand, but to what extent I cannot say.

70. Do you know of any timbers in New Zealand which are suitable for this purpose?—I have always understood that some are. I have not examined them very closely. There is a small quantity of hardwood in New Zealand that has been planted probably forty or fifty years now, but it is a very small quantity.

71. Have you any knowledge at all as to the growth of puriri?—No; but I should imagine it was a very slow-growing tree.

72. *Mr. Arnold.*] You say there are one million sleepers now in this district laid down in the track?—Yes.

73. Do you know how many feet of timber there are in each sleeper?—Twenty-three and a third feet.

74. *Mr. Stallworthy.*] Have you any idea of the proportion of creosoted sleepers in that million?—Roughly, one-fifth.

75. What timbers have you creosoted?—Rimu, miro, kahikatea, matai, and a small proportion of totara.

76. Are they all equally serviceable when creosoted, as far as lasting is concerned?—No, I do not consider matai is serviceable. When I was speaking before of matai I was referring to ordinary-grown matai; but appearances have shown that creosoted matai is not going to last as well as other creosoted timbers.

77. *Mr. Mander.*] You said that creosoting increases the life of the timber, roughly, about fifteen years?—Fourteen or fifteen years.

78. It will not actually increase the life of the sleeper as far as the railway is concerned—it will not harden it in any way?—No. As I have already explained, we are using the sleepers

to the best advantage in the places where we shall get the best results. They will not suffer as much from the cutting-in in proportion as the uncreosoted sleepers have done hitherto, because we are not using them in hard places.

79. I understood you to say that the life of an ordinary sleeper would be seven years before wearing out?—No, from all causes. I have seen matai sleepers, which we consider the worst we can get, taken out of the track twenty-five years old and perfectly good.

80. Will creosoting increase the life of an ordinary softwood sleeper materially?—Yes, it will, because it will improve the quality of the timber. It would increase the average life, because you would not suffer the loss by decay as if they were not creosoted.

81. You said some hardwood timber has been planted for forty years?—Yes, but the quantity is very small. I can remember in my father's place, when I was a boy, there were large gum-trees growing.

82. But would trees planted forty years ago be of any use now for railway-sleepers?—I do not know; I have no experience of that, and would not like to say.

83. *Mr. Hanan.*] With reference to Orepuki and Waiau, can you tell us if there are any reserves there vested in your Department?—None to my knowledge.

84. In the Public Works Department are there any?—I do not know. To my knowledge there are none.

85. A witness said here that he had cut a large quantity of sleepers, and that a large number was left over, and he complained about the Railway Department not taking them. Do you know anything about that?—I cannot call to mind the particular case. I cannot take more sleepers from a man than I have contracted for; but I think very few men would have cause for complaint, because I have always made it a practice to remember those men, and when the next contract was let to see that the sleepers are taken from them.

86. Have any contracts been let to farmers—farmers in good positions, with large farms?—None that I remember. Small farmers have had small contracts for sleepers, but I know of no case of a large farmer having had a contract.

87. To whom do you let the contracts in the Waiau district?—I cannot remember the names now, but to numerous small settlers. They are not very large contracts as a rule, probably from two to three hundred.

88. What is the principle on which the tenders are allocated?—Most of them are allotted according to the price offered; but, of course, always subject to this: that myself and my Inspectors know the capabilities of each man, and we do not allow dummyism. If a man put in a tender that we knew was fictitious, and that he could not possibly supply what he was offering, of course we would reduce it in accordance with our knowledge of what he was actually able to supply. We have to be very careful on that point.

89. *Mr. Jennings.*] Do you have many disputes?—No, I am thankful to say I have had very little trouble.

90. *Mr. Hanan.*] You have been asked with reference to the railways in Southland: how long have the majority of them been constructed and completed?—Well, the first railway in Southland was opened in 1868.

91. And the next?—I should have to turn up my statistics to find that out. Of course, they have gone on constantly.

92. And begun years ago?—Yes.

93. *Mr. Arnold.*] In estimating the cost for the jarrah sleeper the Government has not added the duty on to that cost?—No, we have not.

94. Then, in addition, there is the 6d. royalty that has to be paid?—I have allowed for the actual cost to me.

95. *Mr. Morris.*] In regard to the cutting-in of the rails, is that the reason why you substituted 10 in. by 5 in. for 8 in. by 5 in.?—No; 10 in. by 5 in. sleepers are used for a particular class of rail. The 70 lb. double-headed rail requires a wider sleeper.

96. Do you not think the 10 in. by 5 in. sleeper would minimise a large amount of this cutting-in—the weight would be spread over a larger surface?—Probably, but it would be a very costly thing to do—you would increase the cost of each sleeper 25 per cent.

97. Is that the difference in cost to you?—Yes, there is 25 per cent. more timber in it. I have difficulty in getting 10 in. by 5 in. sleepers very often—they are more difficult for the cutters and millers to produce.

98. You cannot give us any information as to the advisability of increasing the width of sleepers in order to get better results from native sleepers?—I do not see that any advantage would be gained by increasing them.

CHARLES ALBERT PIPER further examined. (No. 20.)

1. *Hon. the Chairman.*] I understand you have something you wish to add?—Yes, I should like to explain with regard to this Oregon timber. I stated that the figures I gave were the figures given to me as the amount of timber going over the railways, but on making inquiries I find there has been a considerable quantity of Oregon brought over from Melbourne, and that has been shown on the ships' papers as so many pieces of timber. Our people are not concerned with the nature of the timber, and it is shown on our books as Australian timber, and it would be a very difficult thing to say exactly what quantity there would be, but I should be nearer the mark in putting it down at 215,000 ft. instead of 15,000 ft. Our people would take it from the Melbourne ship's manifest as pieces of timber coming from the other side, and treat it as such.

2. *Mr. Jennings.*] It has come here?—Yes. The returns supplied by the Customs will give it as nearly correct as you can get it.

3. *Mr. Field.*] Does some of this timber come in by some of the smaller boats to the wharf?—Quite possibly. Small boats tranship it from Dunedin. They might bring timber down that we should know nothing at all about.

4. And land it at the wharf here?—Yes. Of course, that might be entered in the Customs returns in Dunedin or here, but so far as the imports to the Bluff are concerned, the Customs returns would be far more reliable than ours. There is another matter that I did not make quite plain with regard to the reductions in the freight on ordinary timber from the Southland mills to Dunedin and North. The regulation states that timber from sawmills in Southland consigned to Kensington and Dunedin will be charged 1s. per hundred superficial feet less than the classified rates, and the timber from sawmills in Southland consigned to stations north of Dunedin is charged the rates I have already mentioned.

DUNEDIN, THURSDAY, 1ST APRIL, 1909.

T. SCOTT sworn and examined. (No. 21.)

1. *Hon. the Chairman.*] What are you?—I am a venetian-blind and revolving-shutter manufacturer.

2. You are asked here to give evidence on some of the points that were submitted to us for consideration?—My principal reason for asking to be heard is on account of the anomalies in the present tariff upon imported stuff. The bulk of the timber in connection with my trade is imported, as none of the colonial timbers are suitable for this class of work. The anomaly that I principally want to bring under the notice of the Commission is the difference, the very slight difference, if any, in the timber in the bulk and timber manufactured. I can show it to you by these few pieces that I have brought with me. The duty on rough sawn timber is 2s. per hundred feet, and the duty on dressed timber is 4s. per hundred feet, no matter what size—that is, per hundred superficial feet. Here is a case in point where you have six surface feet for one superficial foot. That is, for every hundred superficial feet of dressed timber, as the tariff interprets it, you have six times that, and there is no extra duty on it. As a matter of fact, there are several plants in New Zealand and in all big towns for the manufacture of this stuff, and with one exception they are all abandoned and standing idle, because they are getting this timber over from Sydney, and getting it in at 4s. per hundred superficial feet. As a matter of fact, in importing it from Sydney already dressed you save 1s. 3d. in freight and 1s. 3d. in duty. One-third of this timber goes to sawdust in the process of manufacture. That is the reason why the importation has taken place. The work is all done in Sydney.

3. *Mr. Arnold.*] How long has that duty been on?—As long as ever I can recollect. It is only lately that it has interfered to such an extent, as previously the stuff was manufactured in New Zealand. If you go to places in Christchurch, Wellington, and I believe in Auckland you will find the plants that they formerly used lying idle.

4. Your point is that if the duty were altered it would encourage the local manufacturers?—The duty on bulk timber—that is, on large sizes—is 2s. per hundred feet, and that is quite sufficient, but no matter how small the timber is cut up outside the colony the duty is still the same. The duty should be on the face surface or at a higher rate.

5. Is there any New Zealand timber that could be used in your business?—None whatever. It has all been tried and abandoned.

6. Why is that?—Because it has to stand a large amount of sun-heat in the window, and New Zealand timbers warp far too much. That has been the difficulty so far. For certain classes of work there is no New Zealand timber suitable.

7. *Mr. Hanan.*] Do you use much Oregon in your business?—None at all.

8. As a finishing-timber does Californian red-pine come into much competition with New Zealand timbers?—No. The price is too high. The lowest landed here is something like £1 3s. per hundred.

9. Speaking of the cost and sale prices of venetian-blinds in your business, have the prices increased during the last seven or eight years?—No; they are still the same as they were eight years ago.

10. As to the cost of material?—That has increased in cost. The timber alone has increased 25 per cent., although still imported.

11. With regard to the cost of labour?—That has increased, but I do not think it would make a difference of more than 10 per cent.

12. Do you think it is desirable that all hard timbers should come into this country free?—I may say that we use a certain amount of kauri for the thick part of the blinds, but the price of kauri now is prohibitive, and it is absolutely necessary that you should import some timber to replace it. The last quotation was £1 12s. per hundred feet, less the usual discount to the trade, which is 10 per cent. and 2½ per cent. That price is simply prohibitive.

13. Have you any views with regard to placing duty on Oregon timber?—I think it would be a mistake to place a duty on any imported timber. It would be an undoubted mistake. In fact, my own impression is that it would pay us handsomely to place an export duty on kauri.

14. Do you find much difficulty in getting good red-pine here?—We do not use it. It is unsuitable for our class of work.

15. *Mr. Jennings.*] Are there many men employed in your industry?—At present there are not a great many. I suppose thirty altogether in the town.

16. How many manufacturers of venetian-blinds are there?—Only two in Dunedin.

17. I am speaking of the Dominion?—I am only acquainted with the factories in the chief centres. The D.S.C. and others are taking it up and working it as part of the furniture trade in Auckland. In Wellington I know of two. In Christchurch all the furniture-manufacturers are doing it. There is White, Strange and Co., and others.

18. Is it necessary for your business to have the timber imported?—We tried the West Coast timber, but found it was not suitable.

19. *Mr. Field.*] With regard to the duty on timber, do you think it should be imposed on the large pieces of timber rather than on small pieces?—No, the small pieces rather than the large. I have given considerable thought to this subject, and I have gone into it with several members of Parliament at different times.

20. Do you know very much about our other New Zealand timbers?—I was managing a sawmill in Greymouth at one time years ago.

21. Would you admit foreign timber for building purposes free at the expense of our own timber industry?—Yes. I am satisfied that the amount of work that would be given in the building trade alone would more than compensate in the other direction.

22. Supposing you got New Zealand timbers at a reasonable rate, what would you do?—In that case the foreign timber would not be used.

23. Would you be in favour of foreign timbers, if they killed our own legitimate industry, and in that case would our timber not then have to be burned off?—If it was retarding building I should, certainly.

24. Only if it was retarding building?—That is all.

25. Do you know enough about the subject to say that the price of timber has had any material effect?—It has undoubtedly.

26. Has it a large effect?—Building in Dunedin has increased 25 to 50 per cent. during the last five years.

27. Do you think the general depression has had anything to do with it?—It may have had during the present year, but not before that. The building trade has been steady up to about a year ago.

28. What prices are they paying for building-timber?—Kauri is the only timber I use.

29. *Mr. Leyland.*] You agree, Mr. Scott, that timber should be imported to replace the shortage of kauri when it is suitable?—Yes.

30. Is the shortage of kauri relieved by the importation of Oregon pine?—Undoubtedly.

31. With reference to your orders for kauri, do you find any difficulty in getting your supplies from Auckland?—Yes, at a price. I import from Auckland now, and save about 5s. per hundred.

32. With reference to export duties on kauri, are you aware there is an export duty of 5s. on logs and 3s. on flitches, so that it keeps work in the country?—Yes, but at the same time if you took the duty off imported timber altogether you could land kauri cheaper here from Sydney than from Auckland.

33. That is a mistake. The Sydney people are willing to give 19s. on the wharf. How can it be cheaper, if you get it for 18s. 6d.?—We never get it at that price.

34. If you get 19s. per hundred from the Auckland people, and if you can import other timbers—say, Oregon—for the prices that are stated—say, 10s.—and it is just as good for certain purposes as kauri, do you not think, seeing that the Dominion would make 9s. profit on the transaction, that it would be good business?—It is a question of the limit of the life of the kauri forest.

35. More kauri is destroyed by fire than by the axe: do you not think, therefore, that my proposal would be a benefit to the colony?—A benefit to the part of the Dominion where the kauri grows.

36. *Mr. Clarke.*] With reference to the proposal to increase the duty on small sizes, seeing that we are absolutely obliged to use this timber, would not the only effect be to increase the cost here?—No, it would give more labour in the colony.

37. Would it not increase the cost to the general public?—Very little.

38. It would of necessity increase the cost to some extent?—No. I manufacture everything myself, and I am competing successfully against all others.

39. Is it not a fact that the prices would be regulated by the amount of duty, and if the duty went up there would be an excess and therefore an increased price?—The price has not varied for eight years now.

40. Have the conditions varied during the last eight years?—Very little.

41. Not so much as it would be if the increased duty was on it, I suppose?—I do not think the duty would make much difference. It is one of the hardest things to alter an established and fixed price.

42. In view of the fact that it has been proved that prices have gone up 8, 10, and 20 per cent., would such increases not affect the price?—It would modify my opinion in respect to house-building, but where you have a regular fixed price for a certain manufactured article, say, so-much a foot, it is very hard to alter it.

43. If I told you that I have myself paid 10d. a foot for venetian-blinds at one time, and within a reasonable time thereafter I bought at 6½d., would not that show elasticity in prices even in connection with venetian-blinds?—No, it would not, because some firms can turn out blinds for 6½d., and it is a dearer blind than one at 10d. It is merely a question of painting. If they are painted by machinery then you can get them for 6½d.

44. If you assume that I am a practical man myself and know what I am doing when I buy a blind, you would not conclude that I would go to the dearest place, but that on the contrary I would look out for the cheapest rate. Would the duty in such a case increase the price?—No, I do not think so.

45. *Mr. Morris.*] You consider it is in the interest of the country to keep your business going here as a source of employment for our people?—Yes, or any business that is using timber for manufacturing purposes.

46. You said building operations were retarded owing to the increased cost of timber?—Undoubtedly.

47. Is it not more due to the improvement in the style of building that is being erected in the country than to the increase in the cost of timber?—That may be to a certain extent. I know that tenders were called for a cottage just a few weeks ago with very little variation from a cottage that could have been built seven years ago for £250, and the lowest tender was £325.

48. *Mr. Jennings.*] What timber?—Principally red-pine.

49. *Mr. Morris.*] Will you tell us what is the cost of building-timber now as compared with seven years ago?—I could not tell you, because I am not in the habit of buying timber. My knowledge of the cost comes from being chairman of the Star Bowkett Society.

50. Of course you, being a practical man, are aware that the increased price of timber could not possibly make more than £15 of a difference in the building of a house between now and seven years ago?—Oh, it is more than that. Seven years ago you could buy red-pine in the yards for 8s.—it may be a little more than seven years ago.

51. What is the price now?—Somewhere about 12s. or 14s.

52. That may possibly make a difference of £30 in the cost of the house you have mentioned?—Yes.

53. That does not account for the whole of the increased cost?—But labour-conditions make a difference.

54. You think it is better to employ our own men, and cut the timber in our own forests in preference to going into the American market?—Of course, that is so; but you can overdo that sort of thing.

55. If the men were not employed in the bush they would not be wanted in the town?—There are more carpenters employed in the timber trade than sawmill hands.

56. The money of these men—being large consumers—assists very materially in the prosperity of any town?—If the building trade is good the general outcome is that other trades are good.

57. Have you felt a depression owing to the tightness of the money-market?—To a certain extent. I am doing as much as eighteen months ago.

58. You say this is American wood, yet imported from Sydney?—We cannot get it direct. Since the San Francisco fire we have been unable to import it direct from there. I understand that sailing-vessels are running from Newcastle to Fr'isco with coal, and they bring this as return cargo.

59. Could not New Zealand compete in the matter of dressing this timber?—Yes, so far as the actual labour is concerned; but we are paying duty on one-third of that timber. If that is left in Sydney you do not pay duty on it.

60. How much labour would be employed in working this material?—That would be a very hard matter to tell. Of course, I do not know what the output of the other places is. I dare say the ships' manifests would tell what comes in.

61. Is the consumption of this article sufficient to keep the machinery employed in the chief centres?—Pretty well. The effect it has is that it fills in the time. You can put them on to that when they are not busy with anything else; otherwise we should be importing from Sydney like the rest.

62. What was the original cost of this cottage?—£250.

63. And this account was for 75 per cent.?—Yes.

64. Considering the rise in the price of timber the amount that was given—£15 to £30—is an underestimate?—I think £30 is not an underestimate. Of course, there is another effect—the price of timber affects the joinery-work.

65. Seventy-five per cent. would amount to considerably more than £30?—I do not know that it would. There is joinery, rough work, plastering to be considered.

66. I quite understand that?—Of course, you can get the exact increase from one of the builders.

67. *Mr. Ell.*] Is the timber you use kauri for the frame?—Yes; clear-pine or yellow-pine for the shutters.

68. How many years have you been in business?—About twenty-five, I think.

69. You have had ample opportunity of testing whether New Zealand timbers are suited to your trade or not?—Yes.

70. And after all that you say New Zealand timbers are not suited to it?—Yes.

71. Therefore you consider that the timber necessary for your trade should come into this country duty-free?—Yes.

72. With regard to the increase in the price of kauri, here you say you pay £1 12s.?—That was the price paid in the yard.

73. You heard Mr. Leyland say that it could be obtained in Auckland at 18s. 6d.?—Yes; but my last quotation was 19s. 6d.

74. There is a big percentage?—There is 10 per cent. and 2½ per cent. off that.

75. Having regard to the fact that kauri is such a high price in the country, and our kauri forests are very limited, and that we require kauri for many important woodworking industries, do you think the time is ripe for an export duty on kauri?—Undoubtedly.

76. In order to preserve it for our own industries?—Yes. For the purpose for which I use kauri Oregon would be absolutely useless; I do not know any timber so suitable as kauri.

77. *Mr. Stallworthy.*] Can you tell how much Californian or red pine is imported?—I could not say.

78. Can you say the quantity you yourself use?—We have imported 14,000 ft. in one year. I think that is the largest quantity.

79. How much kauri do you use in a year?—About 2,000 ft. in blinds. I use a good deal in other ways. At the present moment I am using close on 1,000 ft. in machine-work for casing electric light—about 500 ft. a month.

80. How many men do you employ in the factory?—Seven.

81. Do you think that to put an export duty on kauri would reduce the price in this country?—I do not know that it would, but it would stop it from going any higher.

82. I understand you to advocate a lower duty on Californian redwood?—On any imported timbers.

83. Yet you advocate an export duty on kauri, which would throw out of employment hundreds of men?—If you increase the cost any more it would be prohibitive.

84. Would it not throw some hundreds out of employment?—I do not know about the number: I do not know what the export figures are.

85. Do you know of any reason why you should import into Dunedin kauri, and that the merchants should charge you 5s. more than you can sell for?—No reason.

86. You think there is a ring amongst the timber-merchants?—I do not know about the ring, but they have the price fixed amongst themselves.

87. You think the price too high?—Undoubtedly.

88. *Mr. Mander.*] You said you had to pay £1 12s. for kauri purchased in Dunedin?—Less the discount.

89. What would that be?—Three shillings and ninepence.

90. And you can buy it from Auckland for 19s., and have discount off that?—No discount off that.

91. That would be practically 10s. difference in the retail price in Dunedin and the wholesale price in Auckland?—You have to pay wharfage dues.

92. What are they?—Freight, 3s. per hundred feet; and wharfage, 9d.

93. Cartage?—Even if you buy it here you have to pay cartage.

94. That would leave the retailer 5s.?—It would leave him more.

95. You consider he gets too great a profit?—Undoubtedly.

96. Seeing that Oregon does not come into competition with first-class kauri, do you think the introduction of Oregon in large quantities would reduce the price of kauri?—It does come into competition in joinery-work.

97. Are you aware that Melbourne to-day is the best market for kauri?—I could not say.

98. Are you aware the Oregon has come into competition in Australia for a great many years?—I believe it has.

99. And it has not reduced the price of kauri?—There are certain things it cannot compete with kauri for, such as the making of doors, and things like that.

100. You are aware that it has been competing with kauri for a great many years, and yet Australia is the best market for kauri?—I am aware that it has been competing with kauri.

101. Have you ever used timber called kawau?—Yes.

102. Do you find that unsuitable?—Totally unsuitable. The trees being small you cannot get it so clean.

103. *Mr. Leyland.*] Would you tell us the price of redwood imported—what it costs per hundred feet?—The last quotation gave the cost as £1 6s. 6d.

104. Do you run the laths from the rough timber?—Everything, unless the flitches.

105. *Mr. Field.*] Did I understand you to say that you were in favour of taking the duties off all imported timbers?—Yes, off imported timbers in balk.

106. Do I understand you to favour putting a duty on small sizes coming from foreign places?—Yes, not on any log or balk, as they call it.

107. *Mr. Mander.*] Are you aware that logs are free now?—I know that I pay 2s. a hundred on them.

108. *Mr. Leyland.*] You mean in balk?—Yes.

109. *Mr. Ell.*] You say kauri has gone up very high in price?—Yes.

110. What were you paying ten years ago?—I can give you the difference in the Auckland price. Some years ago we were getting it for 13s. 6d., and it has now risen to 19s. 6d.

111. In ten years?—In less than ten years.

112. *Hon. the Chairman.*] You made a statement that if the timber was cheaper you thought the building would go on just now as actively as it did before?—Hardly that; it would go on to a greater extent than it really is going on. I believe the price of timber has to a certain extent kept back building.

113. I thought perhaps that if it was the same price as some years ago the building would increase?—It certainly has some effect on the trade; you cannot ignore that fact.

JAMES CRAWFORD, President of the Builders and Contractors' Association, sworn and examined.
(No. 22.)

1. *Hon. the Chairman.*] Kindly tell the Commission what you know about these questions we are to inquire into here?—I will first read a resolution passed by the Builders' Association: "That importation of foreign timber would facilitate building operations, and we wish to emphasize strongly the necessity for the import duty being removed. Oregon can be obtained at a uniform rate on sizes up to 14 ft. long and 14 in. wide. For beams, principals of roofs, joisting, framing, and scaffolding, owing to its rigidity, lightness, and its being procurable in long lengths it is preferable to local timber. Hardwoods, such as jarrah, ironbark, blue-gum, stringybark, have no substitute in the Dominion. City Councils, County Councils, and Harbour Boards

use these timbers very largely for bridges, sleepers, &c., and these timbers are already protected by an additional railway tariff over local products. Totara, black-pine, heart of red-pine, or rimu are all difficult to obtain in South Otago. Kauri is the most valuable timber in New Zealand, if not in the world, and is invaluable for stairs, shelving, fittings, &c. In our opinion kauri should be conserved as much as possible, as it is almost impossible to obtain wide planks and boards in any other timber to take its place. For beams and roof-work it is now not used, as Oregon timber is quite as suitable, if not more so, and is very much cheaper and lighter to handle."

2. You see the questions we have been inquiring into. Some of them will be connected with your business. Can you give us your opinion on these?—I think our principal reason for wishing the duty removed from foreign timber is not so much the price of local timber—but if the building trade is brisk it is very difficult to obtain local timber—and we are very much hampered that way by loss of time. Two or three years back it was a common thing to be stuck for several weeks—in fact, months—sometimes to obtain red-pine, more especially when we are getting into long lengths. The price of ordinary red-pine in cottage size does not make very much difference, but when you go into larger sizes over 12 in. wide there is an extra price on it; and, of course, up to 20 ft. long, I think for every foot over that there is an extra charge of 6d. per hundred, and so on. In regard to Oregon, you can get that in any length, and at shorter notice than red-pine. As far as hardwoods are concerned, we have no hardwoods here, and it is very hard to get totara or any timber that would take its place. Two or three years ago I had a contract for the Government for which I required about 30,000 ft. of totara, and none of the mills in Southland cared about taking it on. At last I got it from one miller, but it was all condemned. I had then to substitute jarrah. The Government recognise now that it is hard to get totara, and they are calling for tenders for a similar contract, and specifying that jarrah may be used.

3. *Mr. Arnold.*] How long have you been in business?—Nine years.

4. In Dunedin?—Yes.

5. Building during the whole time?—Yes.

6. How long have you been president of the association?—Nine months, since July last.

7. And a member of it for how long previously?—Eight years.

8. Do all the builders in Dunedin belong to the association?—Not all; we have a membership of between eighty-five and ninety.

9. What is the basis of your association?—To protect the building trade, to regulate the rates of wages as far as we can in the Arbitration Court.

10. To protect yourselves against the worker? But in addition to that have you got no understanding as to the price of tendering?—None at all.

11. You are given a free hand as far as tendering is concerned?—Quite a free hand; there is too much competition for that sort of thing.

12. Do you try to get outside builders to join your association?—No; they have got to be proposed, and if they do join they have got to abide by the rules.

13. Do you try to get them to join?—No.

14. It is quite free with them whether they come in or not?—Yes, quite free.

15. Are the builders who are not members of your association treated in the same way as those who are members by the architects of the city?—Just the same.

16. No discrimination whatever?—None at all.

17. There is an association here amongst the sawmillers, is there not?—I believe so, but I have no evidence of it.

18. Is there no relationship between that association and your own?—None at all.

19. They do not give a larger discount to members of the association than to outside builders?—No.

20. Now, with regard to building, you heard Mr. Scott's evidence a few moments ago?—Yes.

21. Is it correct that building-material has been raised in price to the extent that he mentioned?—It has certainly gone up during the last six years. I suppose the price for scantling has increased 3s., and some particular lines perhaps a little more than that.

22. That is rimu?—Yes.

23. And the present price is 11s.?—No, the present price of scantling in the yards is 13s. 6d. in Dunedin.

24. That is for first-class?—Yes.

25. Is the price of the timber the chief cause of the falling-off in building operations?—I do not think that has altogether to do with it. The shortage of money is to a certain extent the cause of it.

26. Do you not think the tightness of the money-market has more to do with it than anything else?—Yes, I dare say it has.

27. The building trade is not the only trade that is at the present time suffering from slackness?—I could not speak with regard to that.

28. Do you as a builder find any difficulty in getting seasoned timbers from local sawmillers?—It is almost impossible to get it—they do not stock it.

29. If you had a contract for a large building and the specification specified that the timber should be thoroughly seasoned, how long in advance would you have to give your order to the mill?—You cannot season timber properly under six months, and even then it is not properly done.

30. So that it would almost be necessary to have the contract six months before the timber was required?—Yes.

31. And that would be impossible, of course?—Yes.

32. You say you find a difficulty in getting rimu and other timbers?—When the building trade is busy.

33. And so it is necessary to use imported timbers?—Yes.

34. Do you find it very difficult to get large timber?—Yes.

35. Long lengths?—Yes, we always have trouble in getting long lengths even now when the mills are not busy—they do not seem to be able to get them.

36. Therefore you use Oregon pine?—Yes.

37. And do you think Oregon especially should come in free whether the other timbers do or not?—I think Oregon and all hardwoods should. We have no hardwood in New Zealand.

38. Of course, as a builder and, I presume, at one time a working-man on wages, you believe in encouraging local industries?—Yes, as much as possible—as long as you have not to pay too much for it.

39. Do you know the extent of the sawmilling industry in the Dominion?—No, I could not give you the figures.

40. You know that there are some thousands of men employed in the industry?—Yes; but in my opinion if the Oregon and hardwoods did come in free it would not interfere with the milling to any extent. The red-pine at present is suitable for flooring and lining and doors of dressed timber, and it would always be used for that. Oregon pine would never replace it for that.

41. You think the industry would still go on?—Yes, I do not think it would hurt the industry at all.

42. Now, you heard a question this morning with regard to the increase in the cost of a workman's cottage. Is the advance in the cost owing to the price of the timber or in consequence of the superior buildings that are being erected now—the extra fittings that are put into the buildings now in comparison with those a few years ago?—There is really so little timber in a four-roomed cottage that it does not make a great deal of difference. The cottages are now finished so much better than they were twenty years ago. Most people now want a bath and hot water and drainage, and all that adds to the cost of the building.

43. More fancy work inside and outside?—Yes.

44. If anything from a four- to a seven-roomed house were erected now on the same style as fifteen years ago, would there be a very great difference?—On a building that took, say, 15,000 ft. of timber I suppose you could estimate a rise of 3s. a hundred feet, and on a four-roomed cottage that would be £21 10s. The joinery has increased a good deal on account of the kauri. Kauri doors have increased during the last six years by 5s. or 6s. a door.

45. We have in New Zealand very large areas of bush country, which is a very valuable asset to the Dominion. If it could be shown to this Commission that the bringing-in of timber free will cripple the industry and that this valuable asset is being destroyed by fire, would you still ask that hard timbers of all kinds be permitted to come in free?—Well, we cannot get the large timber at anything like a reasonable cost. When you want over 30 ft. in length in red-pine it is very difficult to obtain it.

46. Of course, you buy locally?—From Southland.

47. When bringing timber from Southland, to what railway-station would you bring it?—Dunedin Station.

48. Not Pelichet Bay?—No, Dunedin.

49. Do you know that it costs considerably less for freight on the railway to bring it to Pelichet Bay than to Dunedin?—Well, the cartage would make the difference. Of course, it depends upon where you are going to take the timber to. If you are down at the north end it would be all right.

50. Do you not think it a peculiar thing that the Railway Department should charge less to Pelichet Bay from Southland than to Dunedin?—They may have more room at the siding. It may be more handy for them to get the timber there than at the yard here.

51. *Mr. Hanan.*] Can you say if any builders have gone to the wall in Dunedin during the last seven years?—There have been several, but I could not say the reason for it.

52. Have the number of builders increased in Dunedin during the last five years?—Yes, considerably.

53. What do you attribute that to?—There has been more work going on than previously.

54. Has there been a building boom in Dunedin?—No, there has never been what you might call a boom, but there has always been plenty of work.

55. Do you know if any timber-merchants have closed up business during the last three or four years?—No, I cannot think of any that have closed up.

56. Have they increased in Dunedin during the last five years?—No, I think they have just remained about the same.

57. Do you import much timber?—No, I have never imported any.

58. Do you use much kauri?—Well, we use it principally for window-frames, stairs, counters, and that sort of thing.

59. Did you hear the evidence given by the last witness in regard to imposing a duty on it?—Yes.

60. Do you agree with him in that?—Well, we ought to conserve it as much as possible, because it is the only timber we have got that is suitable for stairs, counters, or anything of that sort. For beams Oregon is quite as good, if not better, and much cheaper.

61. Do you think, by allowing the Oregon to come in free, it will tend to increase the building trade?—Well, it will certainly make it cheaper in big buildings, but it will not affect the trade in any way.

62. Do you use much Oregon in Dunedin?—This last few years a good quantity has been used.

63. Do you consider it is better than rimu?—For special purposes.

64. For what purposes?—For tie-beams, roofs, and heavy joists.

65. *Mr. Field.*] Do you consider the prices for ordinary timber charged here by the timber-merchants too high?—If it was paying the millers three years ago there has been nothing that I know of since to cause any increase unless it is that they have to go further back into the bush.

66. Assuming it costs 8s. 6d. to produce it and put it on the trucks and 3s. for railage from Southland, do you think it is too much for the timber-merchants to be charging 13s. 6d., taking into consideration the charges for rent, keeping horses and carts, &c.?—If it costs 8s. 6d. on the trucks I do not think it is an unreasonable charge.

67. I mean the cost of production without allowing anything for profit at all—you think 13s. 6d. is not unreasonable?—No, not if that is the cost of production.

68. You think the builders would not complain if that were the basis?—No. I think the dressed lines are rather heavy.

69. More than they ought to be?—Yes.

70. Assuming that 13s. 6d. is a fair price in Dunedin, would 14s. 6d. be a fair price in Wellington, the conditions being the same and with railage 1s. more?—They may have different conditions in Wellington. The rents would be higher than they are here.

71. You think 13s. 6d. is not an out-of-the-way price in view of the facts mentioned?—No.

72. Are you aware that timber throughout the world generally has gone up about 50 per cent. during the last ten years?—I did not know that. I believe it has gone down in America.

73. Perhaps a temporary fall in price?—Yes.

74. Speaking generally, during the last ten years has not the price gone up 50 per cent. all over the world?—I could not speak on that question.

75. What do you pay here for rough Oregon timber?—There are various prices just now. There is hardly a fixed rate just yet. It varies from 15s. to £1 2s.

76. Now, if it was a fact that Oregon pine is already in some places affecting prejudicially our local industry, is it not to be supposed that it would still further affect it if the 2s. duty were taken off?—I do not think so. I think the consumer would be getting the benefit of that, and the money would go through different channels.

77. Are you aware that Oregon is being used in other parts of the colony for flooring and other work that it would not be used for here?—Yes. Perhaps they cannot get red-pine as they get it here.

78. But even where they can get red-pine are you aware it is being used?—There must be the same conditions ruling, but it would never compete with red-pine here.

79. Do you get a discount on the price which the timber-merchant charges you for timber?—Yes, 10 per cent. and 2½ in addition for cash.

80. That reduces the 14s. 6d. by about 1s. 6d.?—Something like that.

81. The net price is under 13s.?—Yes.

82. And the builders are not complaining of that price?—Not generally.

83. I suppose you would agree that if a duty is to be imposed on imported timber it should be imposed on the large sizes?—I do not think so. I think if it is to be brought in it should be brought in as cheap as possible. You can buy timber on the wharf at sizes to suit yourself and pay the extra charges for cartage into the mill.

84. You would not encourage the protecting of any of the large sizes?—No, I do not think it would be worth it.

85. With regard to supplies, I suppose you are aware that large timber-forests have been opened up in the North Island by the Main Trunk Railway?—But it makes the timber very expensive bringing it from the North Island down here.

86. What is the freight, say, from Wellington to here?—About 2s.

87. Are you aware that the men employed in the sawmills in Otago and Southland alone number something like a thousand?—I have seen something in the papers about it.

88. Have you heard anything of a complaint in respect to the timber-merchants grading the timber, buying a low-grade timber and grading it so as to sell the lower grade at a reasonable price, and picking out the best and selling it at a high price?—I do not think that it done here.

89. Do you know anything about the importation of Baltic-pine doors?—No, I do not know much about that.

90. Are they being imported in Dunedin?—There has been very little so far. I think there is a cargo here now, but it has had no effect.

91. *Mr. Leyland.*] In regard to the kauri-supply, have you found any difficulty in obtaining kauri promptly?—I have never done a great trade in kauri, only in small lots. We always buy locally.

92. If Oregon pine was permitted and encouraged to come here, do you think it would materially help to conserve the kauri?—Oregon would be of no use for joinery in the way the kauri is.

93. But if Oregon was used for joists and beams instead of kauri, do you think it would relieve the kauri to the extent that you require?—Yes, it should do that.

94. With regard to Oregon competing with rimu, I understand you to say that it did not compete with rimu in the sizes for which rimu is suitable, but only those sizes for which it was difficult to obtain rimu?—Long lengths and big sizes.

95. With reference to seasoned timber, are you able to obtain seasoned timber from the merchants here?—No; it is very difficult to get it here from the yard—they keep a very small stock of it.

96. If the timber-merchant did keep it he would be entitled to an extra charge?—Yes.

97. Well, speaking of the duty on large or small sizes, if a duty is to be imposed on small sizes, do you not think that 9 by 3 and all sizes above that should have a corresponding reduction of duty?—I should be in favour of the duty coming off altogether.

98. But, supposing it was found as a result of taking evidence that it was advisable to keep the duty on, the question would arise as to where the line should be drawn, bearing in mind the purposes for which Oregon is specially used—starting with joists?—I would take the red-pine when you get to 10 in. wide.

99. And thickness?—One inch thick.

100. Joists are generally 2 in.?—Yes.; 10 in. wide is dearer than 8 in. wide—8 in. is the minimum.

101. Do you think the price charged here for Oregon—15s. and upwards—is a fair price?—I suppose they would not sell it at that if it did not pay them.

102. Do you know anything about the port charges in Dunedin?—No.

103. You spoke about the carting of timber, but do you not think it would be cheaper to cart the timber to the yards than to pay the demurrage charges on the wharf?—There are yards right alongside the wharf.

104. But still it has to be handled?—Yes.

105. *Mr. Clarke.*] With reference to the resolution that was handed in to the Commission, I suppose we are to understand that that, of course, represents not only your own opinion but the opinions of the Builders' Association generally?—Yes.

106. It is not the opinion of the individual?—No.

107. With regard to the price of timber, you quoted 13s. 6d. per hundred, and that is the very lowest basis. I have here a Dunedin price-list, the first three items being 8 in. by 1 in. 13s. 6d., 10 in. by 1 in. 14s. 6d., and 12 in. by 1 in. 15s. 6d. Now, is it not a fact that a large amount of the building-timber that is used is of the wider sizes and not the 8 in. by 1 in.?—Yes, a large amount of it.

108. And it is also a fact that the standard idea of measuring timber is by the superficial foot—say, 12 by 1?—Yes.

109. And therefore it is only fair to take 12 by 1 as the average standard measurement in timber. You are charged at that rate, are you not?—Yes.

110. Now, 12 by 1, instead of being 13s. 6d., according to the price-list, is 15s. 6d., so in reality the average price is 14s. 6d., and not 13s. 6d.?—Yes.

111. Is there not a large amount of timber used over 20 ft. in length?—Yes, in every building, apart from sizes.

112. In the matter of tonguing and grooving there is considerably additional. You use large amounts?—Yes.

113. So that it would be a fair thing to assume that the average price for timber is much over 13s. 6d.?—Yes, I would say that it would average considerably more than that. That is the lowest.

114. Touching the difficulties in obtaining supplies, it is the custom in the building trade to limit the time in which the contract shall be done?—Yes.

115. Does that not sometimes put you in difficulties?—Yes, when the trade is busy here it is hard on us.

116. Assuming you want 200 lengths of 12 by 2, could you get them in Dunedin?—No, I do not think so.

117. With regard to the extent of building operations, have you any idea of the value of buildings that have been put up during the last twelve months in this city?—For the last year, ending about Christmas time, it was about £96,000.

118. *Mr. Morris.*] Mr. Clarke has just spoken respecting timber in buildings. For instance, the price of dressed timber would be increased. Would that increase not apply to imported timber if you had it dressed here?—There would be very little dressed timber used in imported timber.

119. Thirteen shillings and sixpence does not represent the average price?—It depends on the class of building. In a cottage it would be a fair average. On a big building it would average more than 8 by 1.

120. I am talking of the average cost of a cottage?—In a cottage there would be very little over 8 by 1.

121. Not 10 per cent.?—Oh, no!

122. I thought that. Is there any great demand in Dunedin at present for cottage property?—I do not think there are many empty houses.

123. Is there any demand for houses in the building trade?—Not so much as there was twelve months ago.

124. That means that the demand has fallen off?—It is a little bit quiet just at present, but it is not bad.

125. You find rimu and our native timbers unsuitable for joists and studdings and the general framing of a building, and I think you said that rimu was very suitable for flooring and lining. You thought Oregon superior for framework?—It is lighter and more easily handled, and when you get into bigger sizes it is cheaper.

126. For general house-work do you consider it necessary to import Oregon at all?—For framing in a plastered houses it is preferable to red-pine.

127. Is it stronger?—It does not twist so much.

128. Is it a good class of red-pine that you get here?—Yes, fair. The dressed timber is very good. They seem to use the best timber for dressing.

129. *Mr. Barber.*] You said there was a timber association?—Yes.

130. Of what is the association composed? Is it a combination of merchants or sawmillers?—I could not say. I know there is an association. I do not know what they call it.

131. Are all the timber-merchants in the association?—As far as I know.

132. Do you know how long the association has been in existence?—For seven or eight years.

133. It has been stated that timber has gone up during recent years from 8s. to 14s.?—Something about that. I was speaking of the last six years. It has gone up in that time about 3s.

134. You said there was no justification for the increase?—Unless it was that the milling-conditions down South were different. I know of no reason for it going up by 3s.

135. Do you believe that the rise in the price of timber interferes with the building trade generally?—It has to some extent.

136. Do you know of any cases where it has prevented the erection of buildings, or has been a means of reducing specifications?—It is a common occurrence that the tender is regarded as too high. It has to be reduced, and the specification altered.

137. Do you think the high cost of buildings has had any effect on high rents?—Rents are not high in Dunedin.

138. Can you give us any idea of the price of rents in Dunedin?—You can get a four-roomed house at from 7s. to 10s. a week.

139. Convenient to the city?—Yes.

140. On the penny tram section?—On the twopenny tram section.

141. Would that house be provided with proper sanitary arrangements?—Yes, from 7s. a week to 10s.

142. With regard to the future prospects of imported timber from Wellington by the opening of the Main Trunk line of railway, do you think there is any chance of your taking your supplies from Wellington?—Not while we have got timber in Southland, we will not go to the North Island for it.

143. Considering the freights, harbour dues at both ends, &c., and the high prices maintained by builders in Wellington, do you think there is any prospect of the Main Trunk timbers coming on here?—While we have timbers here I think they will cost less.

144. Mr. Field asked you if 14s. 6d. for ordinary building-timber is a fair price with the addition of freight?—No, I do not think so.

145. *Mr. Ell.*] You say you have a great difficulty in obtaining timber?—Yes.

146. Your experience as a builder shows you that a house built of seasoned timber is of much more value than a house built of green timber?—That is a very difficult question to answer, because there are so many different conditions. A house will last longer in one position than another. If it is in a nice sunny situation it is bound to last longer than if it is in the shade.

147. Assuming similar situations, what would be the difference in the life of a house built of seasoned timber as compared with one built of green timber?—I could not give you an estimate. The seasoned-timber house would certainly last longer.

148. Would it make the difference in the life of a house equal to £40 or £50, say, on a £450 or £500 house?—Well, I think I should be quite safe in saying that it would.

149. So there would be a distinct gain to the general public of New Zealand if their houses were built of seasoned timber?—Yes.

150. What would be the difference in the cost, say, at 1s. per hundred on the ordinary price charged?—It would make about £7 10s.—that is, if you could season it for 1s. per hundred, which I doubt.

151. Well, say 2s. per hundred?—Yes, it would be a great gain to the public of New Zealand.

152. Do you use beech now at all?—Very little. Only for furniture-making, chairs, &c., but not in the building trade.

153. Why is it not used in the building trade?—Because it is very bad for twisting.

154. Do you think if it were properly cared for and seasoned that it would be suitable?—I understand there is a big loss in seasoning.

155. Now, with regard to the requirements of this country not only in respect to ordinary rough building-timbers, but for the finer inside work such as cabinetmaking, &c., I want to ask you, as a citizen and a business man, whether you do not think it is desirable to make reserves for future needs of our forests?—Yes, I think it ought to be done. The Government are now planting forests. There is one at Naseby, and it will be many years before it is of any use if it is ever any use. It must have cost a considerable sum to have put it there.

156. With regard to our planted timbers and our native timbers, what do you propose?—I think it would be better to reserve timber.

157. You think it desirable in the interests of the public of New Zealand for future needs that there should be certain reserves made?—Yes, certainly.

158. And held and worked as demand is made upon them?—Yes.

159. All we have in New Zealand up to the present is 9,465 acres in the way of forest plantations. In view of that is there not all the more necessity for making reservations?—Yes.

160. How long will it take for these planted trees to mature?—I should say fifty years, at any rate, at the earliest.

161. Do you think from your knowledge of our existing supplies, when you take into consideration our increasing population and constantly increasing demands, that our standard timbers are going to last fifty years?—From what I have read I do not think they will.

162. In that case we shall soon have to depend upon outside supplies?—Yes.

163. You are aware that our population is increasing, the price of timber going up, and the quantity diminishing?—Yes.

164. You understand that the population of Australia is increasing also, and that the quantity of timber is diminishing?—Yes.

165. Does that not point to the necessity for our preserving our own timbers?—Yes.

166. *Mr. Stallworthy.*] How many members are there in the association?—There are eighty-five members in the association. There are about two hundred builders. The principal builders in Dunedin are in the association.

167. You said in your evidence that it took about six months to get timber?—No, I did not say six months. I said months.

168. Is this because stocks are not kept in the yards?—Yes. When we have a building here we never get the material out of the yards. We get it direct from Southland.

169. How many timber-merchants are there in Dunedin?—About seven or eight, I should think.

170. Are these timber-merchants also sawmillers?—Some of them. Not all.

171. How many are not timber-merchants?—One, anyway, is not.

172. Seeing that you get your timber direct from the bush in Southland for the construction of a building, and we are informed that 9s. 6d. is the average selling-price of the timber at Riverton, do you not think that the merchant is asking rather too high a price when he gets 13s. 6d. at the lowest?—We do not pay 13s. 6d. for that timber in Southland.

173. What do you pay for the timber that you get from Southland?—It costs us about 12s. landed here. The railage is 3s.

174. *Mr. Mander.*] I understood you to say that you would take all duties off imported timber?—Yes.

175. Do you not think it would be a better business principle to lessen the duty on timber that we cannot produce in this country, and increase it on timbers that we can produce here?—We cannot produce Oregon here.

176. Do you not think it would be better to reduce the price on the long lengths and the widths that we are unable to produce here, and increase it on those timbers that are coming into competition with us?—No, I think if you take it off the whole lot you would get it much cheaper than if you restricted the sizes.

177. Seeing it costs about 13s. to deliver Oregon here and you can purchase rimu for about 14s., the introduction of Oregon would reduce the cost of building?—It might, but not to a great extent. It will help to conserve the red-pine we have got here.

178. The red-pine is 1s. less than Oregon?—It would save the red-pine in this way: that the Oregon would be used for scantlings, and the red-pine would be used more for dressed lines.

179. Are you aware that the scantlings accumulate most in the mill, and are most difficult to get rid of?—Well, perhaps they might be able to sell it cheaper then.

180. How much timber does it take to build an ordinary four-roomed cottage in Dunedin?—That is not a fair question. You may build a four-roomed cottage for £200, or you may build one for £400.

181. I want to know much much timber it takes?—There is a difference in the timber.

182. What is the average?—Anything from 15,000 ft.

183. You say the increase in timber is equal to 3s. during the last six years?—Yes.

184. That would amount to about £21 extra in a cottage of that size?—Yes.

185. Do you think that would retard building operations in Dunedin?—It would affect any one with small capital, because, in addition to that, there is an increase in other lines, such as mantelpieces, doors, frames, &c.

186. How do you account for a four-roomed cottage costing £47 more than it did to build a few years ago?—Of course, it may be a different cottage. There is drainage, &c., now which costs money; moreover, painting and plumbing have gone up. I may say, however, that carpenters' wages have not increased during the last few years.

187. You tell us you could not understand why the price of timber has gone up lately?—During the last three years I said.

188. Are you not aware that timber each year has become more difficult to get?—I made that stipulation.

189. You are aware that the longer you hold timber the interest on the money becomes an increasing factor, and fire, in the matter of kauri, is a very big factor, and puts the price up very much?—Yes.

190. Now, you said that if Oregon was delivered on the wharf here that builders could buy it in suitable sizes in lengths, &c., to suit their purposes?—Yes. You can order it that way and get what sizes you like, suitable to put into yard or store.

191. Do you find any difficulty in getting red-pine?—The large sizes you cannot get.

192. Do you not think the price of land in places like Wellington is a very large factor in the cost?—There is no doubt about it.

193. *Hon. the Chairman.*] You stated, Mr. Crawford, that you got all your stuff from the Southland mills?—That is when we have a contract, but for jobbing purposes we get it from the merchants.

194. For contracting you apply to the mills in Southland, to whichever mill you think will supply you best and cheapest?—Yes.

195. Do you know that there are a certain number of millers in the association in Southland?—Yes.

196. It is in evidence that rather more than half of them are associated, and that there are a number who are not. Altogether there are somewhere about twenty-five to thirty mills associated, and the balance are not. Do you find any difficulty in applying for orders to one or the other? Do you get it cheaper from the association mills than from the other mills?—I do not think there is any difference. We are guided more by the mill that can supply us quickly with good timber.

197. You think there is no difference in the prices quoted by the timber-people?—I have never found any difference.

198. With regard to the timber being seasoned, what do you think would be the value of seasoned timber in a cottage in preference to the ordinary timber from the mill?—Of course, we have to season timber ourselves.

199. When ordering a cottage from you one would have to give you a certain time to cut this timber and season it?—Yes.

200. What would be the average time?—Weatherboards, flooring, and lining get about three months' drying; it depends upon the size of the job. Sometimes we get six months, but we just have to season it as we can.

201. And if you have not time it goes in without being seasoned?—It has got to.

202. I suppose, in the bulk of cottages there is no architect?—Yes, but they only specify timber to be on the ground within two weeks of the contract being signed.

203. *Mr. Field.*] As to the possibility of rendering timber from the North Island saleable down South, you seem to think it impossible to buy it at a reasonable price? Are you aware that they are bringing timber from the Baltic, 15,000 miles, and from Oregon, 7,000 miles, and selling it reasonably?—Yes, I am aware of that.

204. What does it cost to take timber from the railway-station in Wellington and put it on board ship at the wharf-side?—About 4d. per hundred feet.

205. And stacking aboard ship and wharfage?—That would be included in the freight—putting it on board ship.

206. Assuming this to be so—that I am prepared to take your order for 1,000,000 ft. or 10,000,000 ft. at 10s. per hundred, that the freight down here is 2s., and the cartage is 1s., is is possible for our timber there not to be available for use down here?—You could not do that on a small order.

207. Yes, I could?—Take 20,000 ft.

208. In truck-loads. I am prepared to do it to-day. You say it is impossible?—No, not a bit.

209. Assuming the cost of production for sawmillers down Southland was from 8s. to 8s. 6d., you would not doubt their word?—I do not think so.

210. I do not include in that dressed timber—only rough sawn timber. I do not mean to include timber for which I understand you are paying here 12s.?—Rough timber.

211. And you can buy it in the yards at 13s. 6d. and 10 per cent. and 2½ per cent. off?—Yes.

212. *Mr. Morris.*] I should like to ask what is the percentage of the cost of timber used in an ordinary five-roomed worker's cottage—the total cost of the building and of the bare rough timber?—That is rather a strange question to answer.

213. Do you think it is 25 per cent.?—I should think more than that.

214. Thirty per cent.?—Perhaps 33 per cent.; I would not be sure of it.

ALEXANDER MACPHERSON, Timber-merchant, sworn and examined. (No. 23.)

1. *Hon. the Chairman.*] Can you give us evidence as a timber-merchant on the points referred to here in the order of reference?—I will give you any information as far as I can.

2. We want to hear in your own way the information you can give. Have you any connection with sawmilling?—Yes.

3. You are both a timber-merchant and a sawmiller?—I have no connection practically with sawmilling. My firm has taken up a piece of bush, but we have not started on it yet. It is chiefly beech.

4. What supply do you intend to provide?—We have had considerable inquiry from Australia and shipped a fair quantity over there, until they imposed a duty of 2s. 6d., which practically shut us out.

5. What do you propose to do now?—I wish to bring before the Commission the fact that kauri and white-pine are allowed into the Commonwealth for a duty of 6d., whereas the timber which we can supply is charged 2s. 6d. Perhaps something might be done to put them on the same footing.

6. As a timber-merchant, have you been satisfactorily supplied by the millers in Southland?—I have been satisfied. I may say that our firm is placed rather differently to the majority of firms in Dunedin, in that we do not stock but simply distribute.

7. Then, one going with an order to you would be supplied from where you could get it cheapest?—Yes.

8. Do you intend to stock when you start sawmilling?—We did at first, but we would not think of stocking now.

9. You think stocking does not pay?—Not for local wants.

10. What is your opinion about the addition to the price of timber—this last increase of 3s. per hundred in the past six years?—All I know is that the sawmillers as a body are not making much out of it—just working from hand and mouth. There may be exceptions.

11. Still, you think it is a payable business to enter on?—We took it up with the prospect of selling the beech, but that has been practically knocked off.

12. What is your intention now?—To do the best we can.

13. *Mr. Arnold.*] Where are you opening your mill?—In the Wairio district, Souhtland.

14. Have you any knowledge of bush country?—A fair knowledge.

15. Did you personally inspect the various bush areas before you selected your site?—My partner has done so.

16. There is a difficulty, is there ont, in getting rid of birch timber—in building up a trade in it?—For building purposes there is; but there is a certain quantity required for other manufactures.

17. As a merchant you are going into all classes of trade?—Yes.

18. Were there special reasons for going into the birch trade?—We had opened a good market and had orders coming in every week, but the duty was put on, and the trade has practically stopped since.

19. You think that the duty should be taken off in some way?—Yes. I think it should be placed in the same position as kauri and white-pine. It appears that kauri is brought in on the

back of white-pine, as it were. White-pine is required for butter-factories, and owing to agitation they got the duty reduced to 6d. Beech, unfortunately, not being classed as a pine has a higher duty.

20. You know the duty is put on by the Federal Government, not by the New Zealand Government?—I know that, but, still, I think something might be arranged.

21. Do your people visit the Catlin's district?—Not much, chiefly Southland.

22. You are aware, of course, that Catlin's has a large amount of pine, rimu, and other timbers there, but very little birch?—Yes, a good deal of beech also.

23. Would it not have been better to have gone into that country than where there is a bit of difficulty in exporting it?—The timbers are better as a whole in Southland than in Catlin's. I do not say better quality, but easier-worked.

24. With regard to kauri, we have had evidence to the effect that it would be wise to put an export duty on it?—I feel that if they will not take our cheap timber they should not get our dear timber.

25. Do you not think it rather inconsistent to ask them to take a duty off one class of timber, and recommend our own Government to put a duty on another class?—Yes, that would be inconsistent, but it would not be inconsistent to ask to have the duty brought down on our cheap timber.

26. With regard to Oregon, have you had much to do with it as a merchant?—We are just beginning to import some now in small quantities.

27. What is your opinion in regard to Oregon?—As far as Otago and Southland are concerned it does not appreciably affect them. I could not speak for further north.

28. It is chiefly large timbers that are brought down?—Lengths that we cannot very well get—that it is difficult to get here.

29. But if it is competing in the North Island occasionally it is only a matter of time until it comes this far?—It will be a long time. It cannot possibly compete here. It is going up now—has an upward tendency.

30. Do you think it is likely to go up further?—It is scarcely possible that it should come down, and it would be a long time before it can compete with our local timber.

31. If it does go up still further, it is not to be feared even as much as at the present price?—That is so.

32. You do not think there is any necessity for putting a duty on Oregon?—Not as far as Otago and Southland are concerned.

33. What is your opinion with regard to letting hardwoods of other kinds come in?—I think the present arrangement is reasonable.

34. You would not make any alteration?—I do not think it is necessary.

35. As a merchant you have been simply dealing between the miller and the user?—Yes.

36. As a middleman?—Yes.

37. Have you discriminated in any way between the association and those outside?—No, we are millers and sawmillers and timber-merchants.

38. Were you previously?—Yes, we have been all through.

39. Do you deal always with the association?—Oh, no, we go outside also. It is scarcely an understanding—merely a sort of friendly association, which is not hard and fast.

40. It is admitted that the cost of building has very much increased, and we have got evidence from builders and millers on that subject. Do you think the increase has been caused in any way by a close combination?—I do not think so.

41. Of course, you are speaking as far as Otago and Southland are concerned?—Yes.

42. You do not stock timber, although a merchant?—No, we sell off the trucks or off the wharf.

43. If you were to stock timber, would it require a very large amount of capital?—It would require increased capital. It depends upon the extent of the operations.

44. Do you think it is possible for the mills, either in the city or country of which you have a knowledge, to stock the whole of their timber so that it may become thoroughly seasoned before being used?—I do not think so; it would require a great amount of capital to do that.

45. *Mr. Hanan.*] You were in the sawmilling business before you came to Dunedin?—Yes.

46. Did you find that it paid you?—Well, we were not long enough in it to judge fairly.

47. Did you sell out to advantage?—No.

48. Have you found the timber-merchant business in Dunedin a success?—Fair.

49. You have not regretted entering upon it?—No.

50. Has your business increased in the last three years?—Yes.

51. Substantially?—Yes.

52. Have you known any millers who have given up business in Southland?—I know that some have, but I cannot recall them at the moment.

53. Would you say that the majority of them have done well?—No.

54. You say they have lost money?—The majority have not made any.

55. Would you swear that on your oath?—I would rather not, but from the dealings I have had with them they do not appear to be any better off. I do not see any indications of their having made money.

56. Why do so few give it up?—I do not know. If people get into a business they hang on to it if they are making a living.

57. As a rule, if it is not paying they will get out of it as soon as they can?—Yes.

58. The number of mills has increased down there?—Yes.

59. Does that show that the business has not been a profitable one?—I could not say. A number are very small mills.

60. Would you say that the large mills pay and the small do not?—The large ones have large areas of bush convenient.

61. As to the small?—They do not do much.

62. Do the small cut for the large?—In some instances.

63. Can you give any information as to the prices paid by the large to the small for cutting?—No, I cannot.

64. That is done, is it not?—To a certain extent.

65. Do you know why they have to go to the small millers? Is it because they have too much to do?—Sometimes, and sometimes to conserve their own woods.

66. Have you found any falling-off in your own business?—Slightly during the last three or four months.

67. Building orders?—Yes; other orders have not fallen off.

68. In regard to what class of timber have they fallen off?—Building red-pine.

69. As to imported woods?—Well, our trade is just growing in that respect; we are just beginning; it has shown no falling-off as far as we have gone.

70. Is this true, that nearly one-third of the timber—as stated by Mr. Riddell, proprietor of a factory—was not up to standard for woodware work, and there was consequently a considerable loss?—I do not know his experience.

71. Have you had any complaint?—No, we have noticed no difference in the quality.

72. Would you favour the removal of the duty altogether from Oregon?—I have not considered that question. I do not think it would affect matters here.

73. With regard to reciprocal duties, do you not think that New Zealand would lose more than she would gain?—It would depend upon the arrangement.

74. You do not think, looking at the question, that we are more likely to lose at the game?—It would all depend.

75. *Mr. Jennings.*] How long have you been a sawmiller?—About fifteen years.

76. Have you up-to-date appliances in your mills?—We are not milling just now.

77. Can you tell me the output of the largest mill in the district?—I dare say anywhere from 10,000 to 15,000 per day. I am not quite sure on that point. The average mill in Southland would turn out five or six thousand feet.

78. If your mills are not up to date in regard to appliances, would not that be a factor in increasing the cost of timber?—The mills are quite costly enough for the nature of the bush they are working, and the areas they hold. It would not pay to put up too expensive a plant.

79. What is the average area?—Eight hundred acres to each mill.

80. *Mr. Field.*] You are not a miller now?—No.

81. For how long past have the millers been just earning a fair living?—Well, I do not think there has been much difference in the last two years.

82. Say ten years?—I do not think there has been very much difference, because at that time timber cost very much less than it does now to produce.

83. It is not a fact that they were making a handsome profit out of it, and only lately felt the depression?—A few mills have been making a good thing, but I am speaking generally.

84. Has the increase in the price of timber materially increased the price of buildings in this part of the country?—I do not think so.

85. What difference has the increase in price of timber made in a house compared with the previous cost?—I have thought it over several times, and in a five-roomed house the difference would be from about £7 10s. to £10. That is for the difference in the price of the timber alone.

86. That is the increase in what period?—The last four or five years.

87. Of course, you are aware that timber has practically gone up in price all over the world?—Yes.

88. Is it likely to rise still further?—I think the tendency will be slightly in that way.

89. All classes of timber?—I think so.

90. As a timber-merchant, would you say the price charged here by the merchants who keep yards—namely, 13s. 6d. for ordinary building-rimu, less 1s. 9d. discount, is a reasonable price?—I should say that is very reasonable.

91. From your knowledge of the cost of milling, after making an analytical investigation, would you say it was a fair thing to estimate 8s. as the cost of production?—Yes.

92. In regard to Oregon pine, you say it is not likely to affect you down here?—No, not much.

93. Have you any knowledge of the conditions prevailing in other parts of the Dominion?—Only what I have read.

94. Have you heard that Oregon pine is being used for all kinds of purposes in house-building, weatherboarding and flooring?—Yes.

95. That being so, do you not think it is likely to affect the ordinary rimu industry in places where it is so used?—Yes, it may to a certain extent.

96. Are you aware what price Oregon pine works out at here, landed at the wharf?—About 12s. for small parcels, but larger parcels may be less.

97. That being so, do you not think it is likely to compete successfully?—Not here.

98. And in other parts of the Dominion?—It will in the cities, I believe, but not in the country districts.

99. Are you in favour of conserving our timber, or do you think it should be used as it is wanted?—Use it as we want it.

100. I suppose you would be in favour of the Crown keeping certain timber areas?—Yes.

101. *Mr Leyland.*] Mr. Scott in giving his evidence here said that timber-merchants had a profit of more than 5s. per hundred feet?—He is mistaken.

102. Do you get more than 5s. per hundred feet profit on the timber you sell in Southland?—One shilling on the average. Sometimes we sell it for less. We have to keep travellers in the country, and there are bad debts and the risks we have to take.

103. An indent firm would charge 5 per cent. for indenting alone, would it not?—Yes.

104. That would be more than equal, considering he got the order direct from you without employing travellers?—Yes.

105. With regard to beech, in Australia they only charge 6d. duty on the bulk of their importations from New Zealand, and it seems very hard that we should charge 2s. on all their timber?—I quite admit that. It seems strange that beech should be outstanding from all the rest, except that it is not a pine.

106. In regard to Oregon, you say that it is already increasing in price?—Yes, that is the tendency.

107. The timber that is being landed now is timber that was bought months ago when prices were lower?—Yes.

108. The landed price of timber that is landed to-day does not give a fair idea of what Oregon pine can be bought at?—No.

109. Then the price is likely to increase?—Yes, I think it will, but I do not know whether it will increase much.

110. Do you not think the extra increase that is likely to take place would be quite sufficient of a handicap without increasing the duty on Oregon?—I think so. In a few isolated places just near the ports it may still compete for a time with the local timbers, such as Christchurch, where they have to bring the red-pine a considerable distance.

111. They have a big handicap of 1s. 6d. on account of it having to go through the tunnel?—Yes.

112. Where Oregon pine is used for framing, is it not a fact that people pay more for it than for red-pine?—Not here—they won't use it.

113. If they do use it they have to pay more for it?—Yes.

114. That is because they think it more suitable?—It is practically not used for that.

115. You said you are a member of the association?—Yes.

116. The last witness was a member of an association, and you would infer from that that he is quite agreed with the existence of associations?—Yes.

117. *Mr. Clarke.*] With reference to the association, does your association adhere to this printed price-list marked "McCallum and Co."?—No, we have nothing to do with that.

118. You do not sell on that price-list at all?—No, we sell at a cheaper rate than that.

119. With regard to the operations of your association, is there any distinct understanding that if a member of the association sells below a certain price he is subject to any penalties either written or implied in any way?—No, no penalties.

120. *Mr. Morris.*] In reply to Mr. Field you said you had 800 acres allowed you here for milling purposes?—Yes.

121. Do you not consider that an increase of area would reduce the cost of production and enable the miller to sell at a reduced price?—I do not think so.

122. But he would have a larger area on which to recover the cost of the mill?—I do not think it would make very much difference. It may in some cases where a man could afford to put in an expensive plant.

123. Then you consider that 800 acres is a sufficient area for a man to recover the cost of a mill and the whole of his outlay?—No, I do not say that, because when it is worked out he has got the whole cost of shifting to some other place—it is too small so far as the cost of putting an ordinary mill in is concerned.

124. To shift a mill it costs a lot of money?—Yes.

125. Do you buy any timber at all from Greymouth or the West Coast?—We get some—not a great deal.

126. What freight do you pay on it?—Three shillings.

127. That is more than the freight paid on Oregon from America?—About the same.

128. *Mr. Barber.*] Have you got a printed price-list?—Yes.

129. Can you supply the Commission with a copy?—Yes. [Produced and put in.]

130. You said that the increased cost of a six-roomed house would be from £7 10s. to £10?—That is, without going into the thing carefully—that is, judging from the increased price of the timber.

131. How many feet of timber is there in a six-roomed house?—Fifteen thousand feet. It depends on the house.

132. What is the increase that has taken place in the price of timber during the last five years?—On an average about 2s. That is, 2s. in seven years. Then the question of the price of timber is very intricate—there are thirty or forty different prices.

133. You say that it is not correct that the price of timber has gone up 3s. in five years?—I think it is overestimated.

134. Surely you know what the increased price is. Can you give the Commission a price-list of five years ago?—I can produce one for four years ago. It is often varied by the discount. [Price-list produced and put in.]

135. *Hon. the Chairman.*] Are the discounts more liberal now than they were?—Yes, since the last seven years.

136. *Mr. Barber.*] Evidence has been given that the increase on 15,000 ft. of timber in a four-roomed cottage has been £21, and you think that is incorrect?—Yes, as far as the last four or five years is concerned it would be.

137. You could not speak with the same authority as a builder could?—No, not as to the increased cost of a house.

138. You are of opinion that in some cities Oregon pine would compete with red-pine?—Yes, in the cities distant from the source of supply.

139. Do you think it would compete with it in Wellington?—It should not. It would compete more with it in Christchurch than in Wellington.

140. And for what reason?—Because they cannot rail the timber into Christchurch, but you can from the mills to Wellington.

141. But that applies to red-pine also, because the railage applies equally to red-pine in Christchurch as with Oregon pine?—I am speaking of railage from the mills.

142. How much timber is supplied from the mills in Southland to Christchurch?—Practically none.

143. It has to be railed in from the port?—Yes. They can rail it into Wellington from the mills, but there is the shipping as well at Christchurch. They have to ship it first from the West Coast, and then rail it. What I mean is this: the mills in Wellington district can rail the timber into Wellington direct, but there are no mills that can rail the timber direct into Christchurch.

144. Considering that timber, according to the prices that have been given, can be put into the Christchurch port at the same price that it is put into Lyttelton and also delivered at the Wellington Railway-station, ought there to be any difference between the Oregon pine and red-pine?—I could not say that.

145. *Mr. Ell.*] You say that the local timber does not pay to stock?—I did not say that. I said it was not profitable enough for one to stock it.

146. If the timber-merchants in Christchurch fourteen years ago only charged 1s. between the ordinary green timber and seasoned timber, why can they not do it now?—I could not say.

147. Have the wages gone up very materially so far as labour is concerned in the yards?—It has gone up to a certain extent.

148. But not to any great extent?—No.

149. What do you pay your workers now?—I have no yard now.

150. Do you know what is paid?—No, I do not.

151. Now, in regard to beech, you say that practically the trade is knocked out through the duty of 2s. 6d. being imposed in Australia?—Yes.

152. Are you aware that, if beech is cut in the winter, the sap is down, and it is not so liable to crack and warp?—It is not quite so liable.

153. And the millers say it is a much better timber if cut in the winter?—Yes, I believe that.

154. Then, do you think that, if you had your cutting in the winter and the sawing in the summer, it would enable you to get your beech on to the market with a greater chance of selling it?—No, because we should have to charge more for it then.

155. You are selling it now at 1s. less than rimu?—Yes.

156. If you charged the same price as rimu could you do it?—I do not think it would cover the cost of cutting it all in the winter.

157. *Mr. Stallworthy.*] Can you give us the extent of your importation of Oregon?—We have only had one small lot.

158. You have recently sent away some orders?—Yes.

159. You said you have been a sawmiller, and you are again proposing to be a sawmiller?—In a small way.

160. Do you expect to produce the timber at a cheaper rate than the sawmillers are charging you?—No.

161. Then what is your object in going into sawmilling?—Well, we had got the market for this birch, and we wanted to make sure of a supply.

162. But there are other persons who supply birch?—Yes, but we may not be able to buy from them.

163. What are the charges on timber between Riverton and here?—The railage is 2s. 9d. per hundred from Riverton to Dunedin. Those are the only charges.

164. What is the average price charged you by the millers?—For rough timber up to certain sizes 7s., but the prices vary.

165. But the lowest price is 7s.?—Yes.

166. And the highest price for timber is, what?—The highest price is 10s. for flooring.

167. We have heard a good deal about bad debts adding to the cost of timber; can you give us any idea what the percentage would be?—About 2½ per cent., roughly, but I have not gone into it exactly.

168. You are a timber-merchant in this respect: that you secure an order in Dunedin or elsewhere and purchase the timber at the mill and deliver it. What else do you do?—That is all.

169. But you stand the racket of bad debts?—Yes, and all expenses.

170. What do you estimate is the cost of a small mill plant turning out about 5,000 ft.?—From £1,500 to £2,000.

171. And the life of that mill in one area is, what?—You never get two areas alike—it may last ten or fifteen years.

172. You have two areas of 800 acres each?—Yes.

173. How long do you think the mill will take to cut that out?—From ten to twelve years—it depends on the rate of cutting.

174. It has been, I think, the almost unanimous testimony of millers that they are clearing on the average 1s. per hundred feet on the output of their mills: taking a 5,000-ft.-a-day mill, the owner would be clearing £2 10s. a day. Is there anything to put against those charges other than the whole cost of production?—I could not say—I have not gone into it.

175. The depreciation is all allowed for?—I do not see how they can allow for that—the profit of a large mill must be different.

176. At any rate, according to your evidence the smallest mill turns out 5,000 ft. a day, and other millers have told us it costs 8s. a hundred to produce, and it is sold for 9s. 0½d., making a

profit of 1s. clear, so that the smallest miller would clear £2 10s. a day. Is that so?—You do not work every day in the year, and there is a lot of lost time, and it is impossible to arrive at it neatly.

177. *Mr. Mander.*] Do you think a reduction of the duty on Oregon would cheapen the cost of an ordinary workman's cottage to any material extent?—No, it would not affect it at all.

178. Now, is it not a fact that there is a great deal of loss in stacking the timber in the yard and holding it, and the risk of splitting?—Yes.

179. What would you consider a fair price between the wholesale and retail price after stacking it and the expense of the yard?—About 2s. 6d.

180. Do you think that would pay?—Fairly.

181. Is it not a fact that some of these small millers may be very good bushmen, and may be able to produce timber cheaply, but yet not be able to handle the timber apart from the mill?—It would not pay them to sell here in the country. They nearly all want a cheque at the end of the month to pay the men. They get the cash in a lump sum from us, and they very often want their cheques in advance. There is one thing I wished to mention that would cheapen the price of timber, and that is a reduction in the railage. I think the railage is too high.

GABRIEL HODGES sworn and examined. (No. 24.)

1. *Hon. the Chairman.*] In what way are you interested in the timber business?—I am a builder. I cannot give you any information as to the cost of cutting and felling at the mill. I was present at a meeting of the Builders' Association, and the resolution which was submitted and agreed to has my approval.

2. What was the resolution?—That we favour the importation of Oregon or other foreign timbers. I may say that the importation of Oregon provides for a felt want in this portion of New Zealand. As a builder I have had great difficulty in procuring long lengths of either red-pine, totara, or kauri at a price that compares at all favourably with Oregon.

3. As a builder, do you consider the present prices in any way detrimental to the volume of work?—You mean the present prices charged in New Zealand?

4. Yes?—Prices have gone up, but those charged in Dunedin compare favourably with the prices in any other centre in New Zealand.

5. If the prices were lower, do you think that would add to the volume of work?—I suppose if you can buy an article 10 or 15 per cent. cheaper than the current prices it must tend in a slight degree in that direction.

6. You are not aware of the cost of dressing timber?—No, I cannot say anything on that question.

7. Is the building trade in Dunedin proportionately going on as formerly?—There is a dull time. The man in the street says it is financial pressure, but I do not think that that is so. We recognise there is a slight depression, but to what it is due I cannot say. Taking the trade generally, the orders are not so numerous.

8. *Mr. Arnold.*] How long have you been in business?—About thirty-five years, and most of the time in Dunedin.

9. Has there been a time in your experience when the building trade was slacker than at present?—Yes, I believe there was.

10. About how long ago—seventeen years ago?—Yes, I remember in Dunedin it commenced to fall off about 1890. Then there was a slump.

11. Can you recall the prices of timber at that time?—Not offhand.

12. Were they higher than now?—No, certainly not.

13. Lower?—Yes.

14. Considerably lower?—Yes, they would be.

15. And yet there was less building going on than there is to-day?—Naturally so, because the population was less. There was not the volume of output that there is to-day.

16. Even in proportion to the population was there not less building then?—Certainly not. Not in the boom days. Of course, there was a depreciation during the slump, but that was not due to the price of timber.

17. So that lowness in the price of timber does not necessarily mean more building?—The price of timber must regulate the number of buildings that will be erected. I am speaking of buildings for speculative purposes. Of course, if a building has to be put up it will go up.

18. If the money-market is tight it naturally follows that there will be less building?—Oh, yes!

19. Do you not think that the slackness at the present time is more in consequence of the state of the money-market—perhaps lack of confidence in speculation—than the high price of timber?—In my opinion, the price of timber compares very favourably with the price paid in other centres in New Zealand.

20. But the same thing exists right through New Zealand?—But perhaps more pronounced in other centres.

21. We are desirous that this slackness should be removed—can you suggest anything?—As I have already said, I am strongly in favour of the resolution submitted to you by the association—viz., that the import duty on junk timber be removed. It seems to me that the members of this Commission generally have not grasped the situation. It must be understood that the importation of Oregon or Australian hardwood provides for a long-felt want, and supplies us with a class of timber that we cannot get amongst our native timbers. Take Oregon, for instance, it comes here better seasoned than the local timber. We can get it in long lengths and bigger sizes, and it is cheaper to handle. It maintains its size and shape better than our local timbers. If I

wanted timber from Southland 40 ft. in length, or 18 by 10, I should have considerable trouble in getting it, and when I did get it its greenness would show that the kaka had been nestling in its branches a few weeks earlier.

22. Suppose, then, that the hardwoods are to come in free, do you think that in five-and-twenty years the conditions of our local timber will be any different?—Of course. If you are going to restrict the importation of foreign timbers—it does not matter whether it is Oregon pine or Australian hardwood—you must always be cutting from a limited quantity of your native timbers, and consequently every year will reduce the total. I understand that the steps the Government are taking will not replace the native timbers. The rimu or red-pine is one of the finest timbers in the world; so also is the kauri, but the price of kauri is prohibitive.

23. So you think that, even though those other timbers were imported free of duty, there would still be a demand for rimu and kauri?—Yes, certainly.

24. What about pine and birch?—I have never used any of the birch. Any that I have seen, if you lay it down it runs, twists, and warps in every direction. I do not think it will ever be used much.

25. What about black and red pine?—Very good, but can you get it?

26. Do you find any difficulty in getting orders supplied?—We find a difficulty in getting any native timber of any size in lengths.

27. *Hon. the Chairman.*] Will that not apply more to large constructions than to ordinary cottages or buildings?—Well, I am speaking more particularly in respect to buildings in the centre of Dunedin than to small buildings. The demand we hope will increase.

28. Is there much cutting in the building trade here?—I got a specification for a small job this week and we had seventeen tenders, and some of them were below the actual cost of material. They really gave the labour for nothing. You cannot have more competition than that.

29. How do the wages paid to men to-day compare with the wages paid some years ago?—If you are referring to carpenters, I was paying in 1879 13s. a day, and then their wages came down to 10s.; now we are paying 10s. 8d. We do not, however, get the same amount of work in respect to either quantity or quality.

30. What do you think is the cause of that?—There are too many politicians here to answer that question.

31. You do not care to answer that question?—We are hedged in with too many restrictions, too much nonsense.

32. Do you mean to say that the men are inferior as mechanics?—Speaking of twenty-five years ago, we had a good many men in the colony who were members of the Amalgamated Society at Home. Young men who have grown up in the Dominion have not the same facilities to acquire a thoroughly practical knowledge of the different classes of work. Machinery, to a certain extent, too, has superseded hand-work.

33. Are builders using as good a class of timber in ordinary dwellings now as they did, say, ten years ago?—We are putting in, perhaps, a better class of material, but under different conditions.

34. As to timber?—No. A few years ago the majority of the timber-merchants in Dunedin would supply us from the yard. If you booked an order with them you would get your timber cut from the junk into the sizes you required. To-day, if a man secures a contract, the first thing you do is to go to the timber-merchant, and he sends the order down south to the bush mill.

35. As a matter of fact, you are not, then, using seasoned timber—that is, you are not putting it in?—You cannot get seasoned timbers.

36. Speaking of the cost of a building, am I right in saying that it has increased by 40 per cent. compared with a few years ago?—Does that mean the total cost of the building, or only so far as the rough timber is concerned?

37. Rough timber?—No. I think, myself, if you put it down at 20 per cent. you would be on the outside of it. You must remember this: that if you come to cottage buildings, the quantity of proper timber in them is very small. The actual cost of rough timber has not increased in the same proportion as dressed timber. In Dunedin the extra cost is put on sundry things, such as mouldings, cornices, &c.; it is not on the rough timber above a given size and a given length.

38. Can you give us any reason why there should be such disparity?—Possibly it is due to altered conditions. They have to pay more in wages, rents may have gone up, and special machinery is required to get the timber from difficult places in the bush to the mill. This all adds to the cost.

39. Do you think it better to obtain your timber from the timber-merchant than from the miller?—I find it pays me better to deal with responsible persons, and that is the timber-merchant. I am told there are people outside who would quote perhaps a cheap price for certain lines, but they are not in a position to execute the order entirely, and consequently you get very little sympathy from the sawmiller if you go and ask him to supply you with an article that does not pay him so well as the rough stuff.

40. You find it better to deal with the merchant than with the sawmiller?—I do not know that you can call him that, because they are all directly or indirectly connected.

41. Do you find any combine to force up prices?—They tell me there is a price-list, and I believe it is a fact.

42. Do you think it desirable that we should import Oregon here free?—It would provide for a felt want that our native timber does not supply.

43. From your knowledge of the trade you would say that that want is likely to continue?—Yes.

44. *Mr. Jennings.*] Has your association made any inquiries regarding timbers that grow in the North Island—that is, outside of kauri?—Not that I am aware of.

45 If you could get lengths of timber suitable from that district, would you take them?—I shall be very glad to get your address if you can supply me with anything in good lengths and sizes at 15s. a hundred—if you can do that I will give you an order.

46. In regard to seasoning, are you acquainted with any of the artificial methods that are adopted?—In my opinion, there is nothing better than to fall the tree and allow it to remain for a certain time before it is broken down. The trouble with us in Dunedin is that we cannot get seasoned timber. You book your order and it is sent down, and the timber is cut for you and sent along as soon as possible. You have to pay them for stacking and the sap.

47. There is no artificial method?—Not in any quantity.

48. *Mr. Leyland.*] With reference to the depression and the tightness of money, do you not think the falling-off of £4,000,000 which we had in our exports last year has something to do with the depression?—Yes, I should feel the pressure if I lost £4,000,000.

49. With reference to the increased cost of sawn timber, if you had evidence before you that the cost of production had also gone up very much, would you not agree that an increase in the cost would be justified?—I think the price of timber in Dunedin is fair compared with other centres. I expect that it should rise in price.

50. You have no real complaint against the increased cost?—In my opinion, the increased cost is justified. I would, however, ask this Commission to supply us with an alternative that would answer our requirements better.

51. Have you had some difficulty in getting kauri supplied?—Oh, yes! I wanted a line of about 200 ft. and I could not get it.

52. You are certain that the importation of Oregon should be encouraged, and not checked by the imposition of a duty?—Yes, it should be encouraged.

53. In reference to the building of that fence that was tendered for at less than cost-price, do you not think the timber-merchant would lose it. If a man tendered for less than cost-price he would get his timber from the timber-merchant?—I have nothing to do with that.

54. The timber-merchant would be entitled to make some allowance for bad debts?—My experience is that the timber-people in Dunedin are quite able to take care of themselves.

55. I think I gathered from your remarks in reference to the increased cost of cottage timber that it only occurred quite recently?—We pay for the stacking.

56. In the North we only supply the builder?—We may be misunderstood. If we were booking an order to a timber-merchant that would be booked to a miller in Southland, and that would be agreed with him, except I made special provision to stack the timber on the site, and for that I should be charged 1s. per hundred feet.

57. When put through the machine there is some provision. It is more expensive in proportion?—Oh, yes! but perhaps the biggest increase comes from the dressed material, and not the raw material.

58. You understand this 4½—that goes into the machine?—It does.

59. But if he has to take 4½ in. to make your 4 in., how is he to be paid?—How was he paid for all those years?

60. You get more than 4 in. for your 4 in.; it covers 4 in. on the face?—Oh, no! we only get 4 in. face measurement, and we pay for 4½ in.

61. I speak of the time they did not charge you for the 4½ in.?—We got it for nothing.

62. Often that was cheap enough for you?—Yes.

63. *Mr. Clarke.*] Your evidence as to the proposal to get our red-pine from the North Island: can you tell me what would be the result to the small builder if he places a certain portion of his trade with one, and a certain portion with another? Would he not have a great difficulty in getting rimu from the people with whom he had placed the mouldings?—He would get it where he got the balance of the order.

64. The idea of getting the stuff here, there, and everywhere would not do?—No.

65. With regard to joinery, do you have to pay a high price for seasoned timber now?—If you were taking a job you would take it to the factories, but we know that the price has increased very much. It would be approved by the architect as seasoned timber.

66. With respect to the standard prices—it is quoted in your list at 13s. 6d.: do you not find that a large amount of the timbers in a large building here run above that, on account of extra lengths?—Oh, yes! and that applies more particularly in warehouses and factories.

67. So that would not represent the actual price in large works?—Oh, no! only in small stuff.

68. With regard to future supplies, is there any prospect here?—There is not. Dunedin and neighbourhood have been depleted long ago.

69. If foreign timbers were not easily available, do you think something should be done to secure the supplies locally?—Conserve to the fullest possible extent.

70. *Mr. Morris.*] I would like to ask if you have any knowledge of the milling of timber?—No.

71. There seems to be a prevailing opinion that our native timber is suitable for finishing-work, but not required for rough work?—I do say that you have here as good timber as you can get in any part of the world for finishing-work, but any imported timber such as Oregon would stand much better even for cottage-construction than red-pine, because you can always get it better-seasoned, and it is not liable to shrink. I do not anticipate that Oregon will take the place of the small sizes here. I only speak of where I use the smaller sizes.

72. Only a percentage of our native timber is fit for finishing purposes?—Yes.

73. Hard timber is generally rough and a great deal is not suitable for dressing purposes, and local millers could not possibly supply you with timber for finishing and building if they had no market for the rough timber?—Oh, yes! but I do not think that the importation of hardwood or Oregon in large sizes would interfere very much with local timber in smaller sizes.

74. I am not opposed to the importation of Oregon in all sizes, but I want to conserve our local timber?—I am pleased to hear it; but you are sacrificing a national asset. Why not put the men into more profitable employment and conserve your natural asset?—The importation of Oregon would help that.

75. You recognise that our crop of timber is fully matured?—My opinion is that it would not give us a renewal of our native timber.

76. *Mr. Barber.*] You are a member of the Building Association?—Yes.

77. And approve of the resolution?—Yes.

78. Do you think it fairly reflects the opinion of all the builders outside the association?—Of course, there are builders and builders. The majority are what would be considered builders, but there are plenty of journeymen to-day who will be builders to-morrow.

79. Do you think it reflects their sentiments?—I think so.

80. Do you think the quality of the timber supplied by millers and timber-merchants to-day is equal to the quality of ten years ago?—I think it is fully equal to it; but it does not get the same chance to-day. It is not held in junks in the yard to-day, as it was ten or fifteen years ago. It is felled, brought into the sawmill, and handed to the builder before it gets seasoned.

81. What I mean is, have you found in your experience that a larger percentage of the log is cut into timber now than years ago? Are they sending in bark and sap-wood?—I say the builders would not take it. We pay for timber coming to Dunedin, and approved of by the architect.

82. If timber-merchants in other parts of the Dominion were offering this class of timber, do you think it is fair trading and such as would insure the erection of a substantial building?—It would not be permitted in Dunedin.

83. *Mr. Ell.*] You say that timber is not held in junk in quantities in the yard, as it was ten or fifteen years ago?—Yes.

84. Can you give us any reason for that?—It may be that better facilities enable them to draw in supplies.

85. The result is that you cannot get sufficient seasoned timber for the requirements of the trade?—No.

86. As an experienced builder and citizen, is that in the interests of the country?—No.

87. Do you think it would be a wise thing if the architects made it a rule to insist upon seasoned timber being put into buildings?—Of course, you would be adding on to the cost again.

88. Say a building contained 15,000 ft. of timber—an ordinary cottage?—Well, half or two-thirds at the outside is rough timber, and the balance is dressed timber, and you do not expect to see that. There is provision in many specifications in Dunedin where if you were building you would put up a frame, and let it season for six or eight weeks before you went on with your inside work.

89. The builder stands the racket of holding timber for seasoning purposes?—That adds to the cost of the building.

90. In Christchurch they charge 2s. per hundred over for seasoned timber, and that would mean £15 increase on a £1,000 building. Would it pay them?—It might. The people in Dunedin grumble at paying what they have to pay to-day. It would be better for all concerned.

91. I want to get from you, as a practical builder, what is the best for the community?—That is one of the strongest reasons for the importation of Oregon pine—that it comes here in a seasoned state.

92. With regard to rimu and kauri, you say that they are adapted for the finer description of work?—Yes. In my opinion Oregon is suited for internal finishing.

93. Seeing that we have chair-factories and joinery-works, would it not be desirable to make reserves of these native timbers which are suitable? I am referring to kauri and rimu?—I did not say that kauri was suitable for inner work.

94. Seeing that sideboards and duchesse dressing-tables are made from it?—I could not get the backs of chairs from kauri.

95. In regard to timbers that are adapted for this finer work, is it not in the interests of the general public that there should be considerable reserves?—Oh, yes!

96. Further, in regard to water-services and climatic purposes, is it not desirable to have them?—Yes.

97. I am only asking for reasonable reserves?—The climate of Dunedin has changed very materially in the last thirty years. In my opinion that is due to the cutting-down of the bush.

98. Seeing that the forestry operations in this country resulted in covering 9,465 acres, is not that all the more reason for making reserves?—Certainly.

99. In regard to beech, have you had any experience?—No.

100. You know nothing about it?—Except that in my opinion it is no good for house-building purposes.

101. If I were to show you a letter in my possession in regard to a house built in Canterbury thirty years ago, and the building is as sound to-day—the builder was Mr. Thomas Keogh, who has had as good experience as Mr. Hodges had—would you be surprised?—That goes without saying, that he had the experience.

102. *Mr. Stallworthy.*] We have been told that Oregon is more seasoned?—Yes.

103. Would it be an advantage to use West Coast or North Island timber for the same purpose?—Can we get it?

104. Have you tried?—The price would be prohibitive. The trouble is that we cannot get native timbers of the length and size that we require.

105. Are you building chiefly for the owners of buildings, or those who rent to others?—I do not do very much cottage-building, but my impression is that there are a great many houses built for workers who are not proprietors.

106. I take it that the mills are simply cutting for requirements, and that you cannot get orders delivered at once—that you have to wait?—I mean to say that if I were booking an order with a timber-merchant in Dunedin, and that was sent to Southland, the probability is that it would be six or eight months before I got it.

107. It would have to be cut first in the bush?—Yes.

108. There are not too many employed in the bush?—Many closed down at the New Year on account of having overstocks in hands, but these are the smaller sizes.

109. I think you advocated a while ago that it would be better to turn some of these sawmillers into workers of another class, and so conserve our timbers, yet you have to wait a long time to get an order supplied?—That is no answer to the question at all. I want to get timbers of a certain size and length, and when an order goes into the bush mills, men have to be put on to cut it. You might have a 2 by 4 size and not a 12 by 2.

110. Is there a large stock of desirable sizes?—I do not know. I am not acquainted with the stock they carry, except by newspaper report.

111. You told us a while ago that the workmen to-day are not as good as from other countries?—I qualify that by saying that twenty years ago many of the men were members of the Carpenters and Joiners' Society at Home. In the colonies machinery has superseded hand-work to a very large extent in the putting-together of joinery. Certainly, the young colonial has never had the same opportunity, and we do not get as much out of the men as twenty years ago.

112. Do you think the colonial is as good as the English worker?—We do not get the same all-round training.

113. Have you had experience of the emigrants?—We have experience every day. They come to me as qualified tradesmen. If they do not suit, I put them off.

114. Have you not said that emigrant carpenters are no use?—I have not said that.

115. You have seen the price-list produced by Mr. Macpherson?—No. I have seen a price-list, but I was not present when Mr. Macpherson was giving evidence.

116. Do you think that there is sufficient competition amongst timber-merchants?—Yes.

117. *Mr. Mander.*] You do not have any difficulty in procuring ordinary building sizes?—No.

117A. It is only in the bigger sizes?—Yes.

118. Do you not think it would meet the case if the duty on the larger sizes were reduced, and the smaller sizes left as they are?—Yes, but would it pay any person to send away a lot of smaller sizes? I never anticipate that there will be a big importation of smaller sizes.

119. Are you aware that they are building houses in Auckland of Oregon timber to-day?—I am not at all surprised to hear it.

120. If there is a great difficulty in getting beams, if the duty on these sizes were reduced, and the duty on the smaller sizes were increased, would not that meet the case?—It is possible that the Government might consider the advisability of charging import duty on the smaller sizes, but I do not anticipate that the need will ever arise. I think that the resolution from the Builders' Association applies to junk timber, not to smaller timber.

121. It has been said that a house built with green timber will not stand as long as a house built with seasoned timber—that the house will decay very rapidly. Is that your opinion?—It will never be as good a job. Of course, if you can dry timber in three months, if there be plenty of ventilation, there should not be more than six months' difference in the life of a house, provided it is properly drained and a current of air passing through.

122. It would not affect its durability?—It all depends upon the conditions under which the house was built and its situation.

123. Do the builders here prefer a framework of green timber to red-pine?—If you had a house two or three stories high, you would prefer dry timber every time.

124. What about driving the nails?—They drive just as freely.

125. *Mr. Ell.*] With regard to the rising price of dressed timber, I have here the price-list of 1904 in Christchurch and one of 1894. I want to give you a few prices and see how they compare: "Flooring, T. and G., 6½ in. by 1 in., 1894, 11s. 9d.; 1904, 18s. 6d.?—You see, your timber in Christchurch is slightly higher than here.

126. There is an increase of 50 per cent.?—Yes.

127. There is another: "Lining, dressed, 6½ in. by ½ in., 8s. 3d. to 13s. 3d.; weatherboards, 18s. and 13s."?—Your Christchurch prices ar dearer than ours.

128. And advances about the same proportion?—No, your price-list is nearer. If you are buying 100 ft. of scantling you get 100 superficial feet. If you get 100 ft. of 4 in. by 8 in. tongued and grooved, you only get 100 superficial feet of ⅝ in. It is a bigger increase in 100 lineal feet than 100 superficial feet. Mr. Scott mentioned to-day that in venetian-blinds they would get 600 lineal feet to 100 superficial feet.

129. Do you think the advance in the price of material is justified by the increase in the price of timber?—It is more than justified in Dunedin by the price in Christchurch. Our prices in Dunedin compare very favourably with those in Christchurch.

130. I want to know whether the increase in the price of timber has justified the bigger advance in dressed material?—I am not in a position to say what the merchant has to pay the sawmiller. I can only say what the sawmiller charged me fifteen years ago and what he charges me to-day. Whether he is making more money I do not know.

131. You say the advance in the price of building-material has not been very much?—Yes. I am not quoting from Christchurch prices, but from Dunedin.

132. Has there not been too great an advance?—That has not been my experience in Dunedin.

133. *Mr. Field.*] I understand you are opposed to placing a duty on imported timber?—Yes.

134. But you are prepared to admit it may be right in the case of small sizes?—I never anticipated it would pay to import small sizes.

135. If you were satisfied that we were selling our building-rimu at a reasonable price, and the Oregon pine was to come in and spoil our trade, would you still be in favour of not protecting our timber industry, even although our policy is one of modified protection?—I would say, as long as you have sawmills in New Zealand there must be a proportion of good timber which would be utilised in large sizes, and, secondly, if cut up into smaller sizes would employ labour in doing so, and it is very much better to utilise the timber in that way than to pay the men in America for the cutting.

136. If, of course, the Oregon pine or any other timber did successfully compete with our red-pine it would mean the shutting-up of our mills, and a loss of capital and also a lot of timber lost and spoilt?—I do not think that would necessarily follow. That is a question of policy with the Government. They are not obliged to open up timber areas and burn the timber off.

137. But I am speaking of private land?—I should think it would be a great mistake for any private owner to fell his timber and burn it.

138. What would you do as a private owner?—If I had the Government at my back I would prevent the man doing that.

139. Supposing you were a poor man and had 600 acres covered with valuable timber, and you saw no chance of milling it profitably, and you had to get something out of the land, what would result?—Do you not think that a man in that position has a more valuable asset with native bush and good timber by conserving that timber for a few years than by felling the bush and burning it?

140. But if he had to hold it he could not put it in grass. I know a man who has been waiting twenty years to fell his timber, and now he will have to wait another twenty years, as far as he can see, and all he can do is to fell the timber and burn it?—I say more is the pity.

141. There are a good many in that position, where a mill has been put in and lost. It is a great pity that the timber should be destroyed, and also that the money should go out of the country and the workers be dismissed. Assuming that was so because imported timber was competing with our own, would it not be reasonable to have some measure of protection?—Yes, but I have no doubt that there will be sufficient intelligence in the House to meet an exigency of that kind. I never expected that the small quantities would be imported into New Zealand. It applies more to the junk timber.

142. You are aware that Oregon pine is being used in Auckland for all purposes?—I do not believe it will be used in Dunedin to that extent, and I am surprised at that, seeing the good quality of timber you have in the North Island.

143. Are you satisfied with the price of timber here?—Yes.

144. *Mr. Leyland.*] With reference to the cost of thick and thin timber, I have here a price-list, and I notice that the timber-merchants make a difference: $\frac{1}{2}$ in. is 14s.; matched $\frac{5}{8}$ in., 15s. 6d.; and $\frac{3}{4}$ in., 17s., and so on; so that, although it is thinner, bearing in mind the extra cost to make it thinner and the extra loss in sawdust, the difference in price should be pretty nearly equal?—Are you a relation to a sawmiller?

145. I am a sawmiller?—I thought so.

146. You conveyed the impression that you paid the same proportion for half-inch as for inch timber?—I want to convey to this Commission that if you bought 100 ft. of timber you get 100 superficial feet, and that if you were to buy $\frac{5}{8}$ in. you do not get 100 superficial feet, and that is where the sawmiller beats the builder every time.

147. And he charges you less for five-eighths than for inch?—Yes, of course he does.

HENRY VINCENT HADDOCK sworn and examined. (No. 25.)

1. *Hon. the Chairman.*] What are you?—Manager for John Murdoch and Co., timber-merchants.

2. Can you give the Commission any information in regard to the matters into which it is inquiring?—I have no statement to make. I was not aware that a statement was required.

3. *Mr. Arnold.*] What is the business of Murdoch and Co.?—Timber-merchants.

4. Are they interested in any sawmills?—Not directly. Mr. Massey, of course, is.

5. You have a sawmill in the city in connection with your yard, have you not?—Yes.

6. Does the timber come from Southland to be dressed, or is it re-dressed in your yards?—It comes just in the rough.

7. Now, you have heard the evidence given with regard to Oregon timber?—Yes.

8. What difference does it make to the mills such as yours, whether the timber is imported or whether it comes from Southland or the Wellington District?—In connection with imported Oregon, very little.

9. Is there much imported Oregon that goes through your mill that has to be recut?—There has been within the last two or three months more than there has been in the past. Of course, there is always a certain amount of Oregon which comes from "the other side" for beams and long lengths.

10. So that the amount of labour that is utilised by the importation of Oregon is increasing?—Well, slightly, but to a very small extent.

11. Do you think it likely that Oregon will be imported in large sizes, recut, and used in small sizes?—Yes, very likely. They generally come here in 14's and 12 by 12, and it is very rarely that we are asked for those sizes. They are generally cut to 12 by 3 and 12 by 4.

12. Did you hear a previous witness say that there was no local timber to compare with the hardwoods that are being imported?—No, I did not hear that.

13. Do you think that that is so?—No.

14. You think we have local timbers that can compare with the others?—Yes, certainly. Of course, we import hardwoods to a very small extent—there is very little used. That is, blue-gum, ironbark, and that is very rarely used in buildings now.

15. What timbers do you import?—Blue-gum, Oregon, Baltic, yellow-pine, clear-pine, and hickory and ash.

16. And practically all those come under the heading of "hardwoods"?—Yes.

17. What New Zealand timbers have you that can compare with them?—New Zealand timbers can compare with them in a certain amount of work in which they are used. With regard to hickory and ash there is nothing we have that can be used in place of them. Take the hardwoods now in the buildings, I do not suppose there is one-fiftieth part used as compared with red-pine. Blue-gum used to be very often used for the basement piles, but now they are practically cement piles, and it is very rare now that any blue-gum is used. Black-pine and totara used to be utilised, but that has all given way to concrete.

18. So that on that account there is not the same necessity to import hardwoods?—No.

19. Do you find a greater difficulty in getting New Zealand timbers such as red-pine and black-pine?—I have had no difficulty whatever in getting my requirements.

20. Is there a greater difficulty in getting the large sizes?—No, we have never found it so.

21. Take beams of 14 ft., 16 ft., and 18 ft. in length?—No, there is not the slightest difficulty.

22. You are connected with the Southland Sawmillers' Association?—We are supposed to be members of that, yes.

23. How often do you meet?—Once a month.

24. When was the last price-list arranged?—I think, from memory, it was a year last June.

25. Are you positive there has been no revised list brought out within the last three months?—There has been a revised price-list in regard to some of the timbers, but no so far as the local timbers go.

26. Has that come about since the agitation with regard to the importation of Oregon pine?—No, the red-pine, kauri, black-pine, blue-gum, and other timbers have never been altered. We made an alteration in the Baltic. We had large shipments brought here, and we found we could land it much cheaper than previously, and we gave the benefit of the extra cheapness to the consumers.

27. Was the setting-up of this Commission and the likelihood of evidence being brought forward with regard to the importation of timbers, and the high price of timber here, the cause of a revision of your price-list?—There has been no revision at all further than what I have mentioned—the Baltic and the Oregon.

28. You say that that is absolutely not so?—Yes.

29. *Mr. Hanan.*] You say you are supposed to be members of the association: do I understand by that that you adhere to their prices?—Yes, we adhere to their prices.

30. What did you mean by saying that you were supposed to be members?—We never attend the meetings down there—we have our own meeting here. We have what we call an Associated Timber-merchants' Association, which is really similar to the association down south.

31. Who fixes the prices for Dunedin?—They were fixed at the meeting down in Invercargill.

32. As to the railway freights from south, are they reasonable, and encouraging to the trade in Dunedin?—Yes.

33. Have your mills been losing money within the last three years?—I do not think that is a fair question to expect me to answer—we are not before the public.

34. Have you any objection to answering the question in committee?—No.

35. If Oregon is allowed to come in here free, will it mean the shutting-down of your mills?—Certainly not.

36. You heard of the complaints coming from the West Coast as to what injurious effects will take place if Oregon is not subjected to an increased duty. What is your opinion about that?—It would not make the slightest difference to me whether it is put on or taken off. As far as Oregon goes, I bring a lot of it here now not to compete with red-pine, but against other timbers. As you are aware, kauri is so expensive now that we can use Oregon now in many instances where we have been using kauri in the past, and that is chiefly why we bring Oregon pine here.

37. In your opinion, is it a desirable thing to conserve our forests?—I should think so, to some extent.

38. Have you any suggestion to make in that direction as a citizen?—As a citizen I should say import as much as you can, and conserve our own.

39. As an individual sawmiller would you think differently?—Yes.

40. Can you give us any information with regard to the cost of building in brick as compared with wood in Dunedin?—I could not give you any information in regard to building in brick; I can only tell you what I have heard from the different contractors, that building in brick costs very little more than timber.

41. Is the building in brick increasing in Dunedin?—Yes, it is.

42. Have you heard any complaints here about the white-pine borer affecting your houses?—Yes, there have been a lot of complaints. We cannot sell white-pine here now for shelving.

43. Do you find it in other timbers?—I have never had much complaint about it.

44. Only in regard to white-pine?—Yes, but I have seen it in other timbers.

45. What class?—In hardwood and in ironbark and jarrah, and in different classes of hardwood.

46. Would you say that many houses are affected here?—I could not say.

47. *Mr. Jennings.*] Is your Timber-merchants' Association here a local organization, or combined with similar associations throughout the Dominion?—It is a local association.

48. And does that also apply to the Sawmillers' Association?—Yes.

49. *Mr. Field.*] You say that the importation of Oregon pine even in great quantities would not affect your mill at all?—Yes.

50. Are you prepared to say how it would affect the mills in other parts of the country?—I could not say. I should think that in regard to Oregon imported in large quantities in Auckland, and Wellington, they are in a position to sell as cheaply as red-pine, and cheaper.

51. That being so and there is a large increase in the quantity, and the price does not increase materially, will not that affect our industry?—Naturally it would.

52. Are you aware that it is used in the North Island for other purposes besides, such as flooring?—Yes, I heard that.

53. The present duty is 2s. per hundred feet, and it would naturally follow that it would affect the industry if the duty were taken off?—Yes.

54. Do you think any good would be done by increasing the duty on the smaller sizes so that it would make more work for those employed in the work here?—Supposing you put an increased duty on your small sizes and reduced the duty on the larger sizes, no timber-merchant would bring the small sizes here but would bring it all in the large size, and it would be cheaper for them to resaw it than to pay the duty.

55. Do you mean they would import it in the larger sizes with a duty larger than the one at present?—Yes.

56. Have you had any complaints from the builders that the timber-merchants are charging too much for the timber?—No, never. Of course, we always recognise that we are a growling lot, as a rule. You will find the timber has not increased in price so very much in the last ten years. If you go by the price-list you will see that in 1900 the price of red-pine up to 8 in. wide or 8 in. thick was 10s., with a trade discount of 5 per cent., and now our list is 13s. 6d., less 10 and 2½ per cent., so that the increase is not very great. In fact, we are selling it much cheaper than that now from our yards.

57. Can you supply those prices from the price-list?—Yes, I have it here. [Produced.] Timber has fluctuated many times. I can take my memory back thirty years nearly, when I was connected with a mill down in Southland, and we were then getting from 7s. 6d. to 8s. per hundred feet at the mill, and the cost of getting this timber was a great deal less than it is to-day. [Price-list produced for 1900.] Of course, it does not show on the list that there was a trade discount of 5 per cent. on that as against 10 per cent. now; but, further than that, our price-list here shows 13s. 6d., and we have been placed in such a position by the Southland sawmillers coming into Dunedin and supplying timber direct to the contractors. We really had to reduce our price to practically about 11s. 5d.

58. At present?—Yes.

59. The price-list I have here quotes it at 13s. 6d., less a trade discount of 10 per cent. and 2½ per cent. for cash?—Yes, that is so. I have all the expenses. We do not want the Southland mills to come here and supply direct to the contractors.

60. Do you know anything of the cost of milling timber?—No.

61. Do you know anything of the position of milling about twenty years ago?—It is about twenty years since I came here from Invercargill.

62. Do you remember a time when prices were very low and when millers were selling as low as 3s. 9d. and 4s.? That is in Southland?—No, it was never done at any time. I notice that it was stated that 3s. 9d. had been charged for timber at a certain time. I happened to be in Invercargill at that time. In fact, I think I drew out the agreement for the purchase of that timber, and the contract that was made was with William Dawson, miller, of One-tree Point. We bought the output at 3s. 9d., but it was not retailed at 3s. 9d. We bought it for resale.

63. We had a witness in Invercargill, Mr. Bain, who said that he had bought timber thirty years ago in Invercargill at 3s. 9d.?—There is no truth in that.

64. If you saw a stamped receipt for it?—I would think it was second-class stuff and useless.

65. *Mr. Field.*] You know Mr. Massey, of course. He gave it in evidence that timber came down as low at 5s. 6d.?—That was about the price then.

66. He said it came down to even 3s. 9d. and 4s. for a time?—I do not know anything about that time.

67. Mr. Massey would be likely to know?—Yes.

68. Respecting the railway freights on timber, do you consider that they are reasonable?—Yes, I consider them reasonable.

69. You are aware that it costs as much to rail timber from Riverton to Dunedin as to bring it from the Baltic to Dunedin?—That is so. You might say the same about Wellington, which is the same as the freight from Melbourne to Dunedin.

70. Have you had occasion to compare and consider the price charged on timber by the Railway authorities with that charged generally on goods?—No.

71. I mean, are you able to say that timber is bearing more than its fair share as alleged?—No, I cannot say.

72. With regard to building in brick, you say it does not cost so very much more now than building in timber?—So I am told.

73. Do you think that building in brick will always be an effectual check on the price of timber—that is to say, it will always prevent an exorbitant charge being made for timber?—Yes, always.

74. I think you said that you were in favour of timber land being conserved: would you make that principle apply in cases where land was owned by private persons or individuals who perhaps might not be able to afford to keep it?—Unless the State bought the land from them I do not see how you could do it.

75. *Mr. Leyland.*] Do you recut and match timber here in Dunedin?—Yes.

76. Can you in recutting take three $\frac{5}{8}$ in. boards out of 2 in.?—Not very well. We take two out of $1\frac{1}{2}$ in.

77. You have to go to the cost of cutting?—Certainly.

78. It will take you as long to plane, tongue, and groove a five-eighths board as it would an inch?—Yes, just as long.

79. You differentiate in the charges?—Yes, of course. We charge less for half-inch, and proportionately increase the charges on five-eighths, three-quarters, and an inch. I think we have met the trade in that respect.

80. I think you stated that you are not in favour of increasing the duty on Oregon, but you have stated that possibly it might be wise to increase the duty, or keep the duty on the small sizes if the duty was taken off the larger sizes?—Yes, for our own interests.

81. As regards large sizes, what would you call large? If there was a demand for joists would you include at 12 by 2 in the large size?—No, I would take from 10 by 10 upwards.

82. Is it not a fact that in getting a quotation from America for Oregon you are quoted on the basis of the "E" list?—Yes.

83. If you take long lengths you increase your costs?—Yes.

84. You already put a duty on by altering your specifications—in effect, you increase the cost?—You increase the cost under the "E" list in certain cases, but if you come to the 12 in. width you do not increase your cost under the "E" list very materially.

85. You are going to put extra duty on those?—Yes.

86. It would not be a fair thing to compel an importer to import only large sizes unless you assisted him by removing the duty?—Yes, that is so.

87. *Mr. Clarke.*] You said that Oregon was required as a timber to supply a deficiency in our own timbers?—I said that we were importing Oregon here as against kauri. We can use it in our factories for many things in place of kauri.

88. Has not the agitation for increased duty on Oregon been something like an agitation in one province as against another?—Yes.

89. One question with regard to the Sawmillers' Association: Assuming one of your fellow-citizens decided to start to sell timber and he determined to sell under these list prices, would he have a chance of getting reasonable supplies from the Southland mills?—Oh, yes! If one did so the rest would follow suit the next day.

90. You say that any one could do so?—That is so.

91. With regard to the question of former prices in Invercargill, I think you stated that timber had never been sold there at 3s. 9d.: now, if receipted bills and invoices were produced before this Commission showing that timber was sold at that price, would that not modify your opinion?—I should be surprised to see it, because I have never heard of timber being under 5s.

92. *Mr. Morris.*] Do you know of any proposed buildings in Dunedin being kept back owing to the high price of timber charged here?—No. I have spoken to one or two of our principal architects lately on this subject, and they assured me that even if it were possible to reduce the price of timber by 2s. 6d. or 3s. a hundred it would not make any difference whatever to the volume of the building trade.

93. We have been told to-day that builders often experience great difficulty in obtaining their supplies from the local mills?—Not from the local mills. They may find a difficulty in getting it from Southland. Southland sawmillers now make this their principal market. They have their own agents and travellers seeking orders. The contractors send all their orders direct to the Southland mills, and possibly they have a difficulty in getting supplies; but if they had to treat with the people here, they would have no difficulty in getting their supplies straight away.

94. You tell us you had to reduce your price to compete with the millers who were not in your association?—No, we had to reduce our tender rates here to compete with the Southland Association.

95. I understand they are part and parcel of yourselves?—We could not get the prices laid down by them, and we had to bring our prices down to the rates that the Southland people were supplying for.

96. Your association cannot be accused of fleecing the public by charging prohibitive prices for timber?—If you take the different costs and the charges we have in handling the stuff, and the price we sell at, you would see that there is a very small margin left.

97. What would be the price of resawing Oregon here if it came in in the junk free?—I would put it down at 1s. a hundred, as I think it would cost that with handling.

98. If the duty was taken off junk stuff, I presume you would resaw the whole of your requirements?—Possibly. I think it would pay if junks were brought in free—that is, it would pay us to resaw it into small stuff.

99. Having in view the fact that there is a great deal of capital invested in sawmilling in this country, that it is a large source of revenue in the way of freights on our railways, and both directly and indirectly employs a large amount of labour, do you think, looking at it from a colonial standpoint, that it would be wise to admit foreign timbers into New Zealand free and thereby close our great native timber industry?—No, I do not think it would.

100. *Mr. Barber.*] Where do you get your timber from?—We get it from different places—Stewart Island, Waikawa, Tautuku, Southland.

101. You said just now you had to reduce your prices?—The principal amount of timber that I take into my yard is purchased outside from numbers of mills.

102. You purchase from a number of Southland millers?—No. I purchase from Waikawa, Stewart Island, &c. They are outside mills, and I thereby get water carriage, which is much cheaper than rail.

103. What harbour dues do you pay?—We pay 3d.; there is no pilotage.

104. What is the freight from Stewart Island?—Two shillings; it is the same as from Waikawa.

105. With regard to the Baltic which you sold cheap, what price did you get for it?—We sold very little of it. We used practically all of it in the factory.

106. I think you said you reduced the price?—Yes, we reduced it 15 per cent. The price at one time was £1 17s. 6d.

107. What do you pay for timber at Stewart Island?—For the rough timber 6s. 6d.—that is, f.o.b. You have to add to that 2s. freight, 3d. dues, 2d. handling, 1d. measuring, and 4d. into the yard for cartage.

108. These mills are able to produce the timber and put it free on board for 6s. 6d.?—Yes, but you must take into consideration that we take all their output.

109. You classify it when you get it?—I should explain here that the 6s. 6d. rate is a low rate. It is really the basis, because we pay more for the finer and cleaner timbers. These cost us 7s. 6d., not necessarily heart, but good clean timber.

110. You say there has been no rise in the price of timber for the last twenty years, or, rather, you said there was not a very great rise?—In 1900 you will find it was 10s. less 5 per cent. To-day we are sending it out of our yard at 11s. 5d.

111. When it was mentioned that timber was being sold twenty years ago at 3s. 9d., you questioned the truth of that witness's evidence?—I cannot conceive it even now. It never came down here in a corresponding way.

112. You said that you were in Invercargil twenty years ago?—Yes.

113. Do you think your knowledge is sufficient to justify you in making a statement in direct contradiction to the evidence tendered by Mr. Bain on oath?—I said it must have been second- or third-class timber.

114. Are you aware that a report on the timber industry was prepared by Professor Kirk twenty years ago. He is an unbiassed man, who went into the thing very thoroughly and fully, and in that report he bears out exactly the evidence of Mr. Bain. He says, "First-class rimu for building purposes is now loaded in the railway-trucks at 4s. per hundred superficial feet. This can only be done under thoroughly systematic management. The average yield of timber per acre varies considerably in different districts. Good virgin forest in Southland yields over 20,000 ft." That is in Southland?—That is a thing that I cannot understand, nor can I answer it.

115. Well, do you think what Professor Kirk states is reliable?—I have never given it a thought.

116. I do not want you to depreciate the evidence given by Mr. Bain and now confirmed by Professor Kirk. Now, with regard to the price of red-pine—I mean first-class red-pine, not second-class?—The price is 10s. 6d. for first-class red-pine in the yard. That is the cost of it.

117. It can be loaded at that?—It cannot be sold at that. It is the selling-price that you were asking me about. That is merely the cost of loading.

118. *Mr. Hanan.*] Now, what do you say regarding that bill?—On these invoices here, it is the first time that I saw such prices. It is mentioned from 3s. 9d., and red-pine scantlings 4s. 4d., and then there is another line at 5s. 6d. You will see there is no mention whatever of 3s. 9d.

119. Do you say there is no increase in the cost of timber during that period?—There has been a great increase in the cost of production.

120. *Mr. Stallworthy.*] What quantity of timber do you put through?—It varies.

121. Roughly?—Do you wish me to answer that question here?

122. *Hon. the Chairman.*] We wish to know?—I do not like my opposition here to know. I should be pleased to give it to you afterwards.

123. *Mr. Stallworthy.*] You will give this information as to the quantity of timber you pass through your mills and the quantity of red-pine?—It will be difficult, because a city mill is different to a bush mill.

124. What are you doing? Making mouldings?—Anything.

125. Can you explain why it is so difficult to get kauri here while there are millions of feet going into the other colonies?—We have a great difficulty in getting it from the mills, and a great difficulty in getting it from Auckland.

126. Have you ever imported kauri from Australia, because it has been stated that it can be bought cheaper in Melbourne than here?—Oh, no, no!

127. Do you think it would pay to buy Oregon in long lengths and recut it into short lengths?—No, no. I would not take it on any time.

128. Do you think it would be fair to take the duty off lengths over 30 ft.?—It would not make any difference to me.

129. Have you got any seasoned timber in your yard?—We have at times a good stock of flooring. At one time, when the contractors used to deal with the yards, we used to keep supplies.

130. Would they give you a good price for seasoned timber if they could get it?—They would give their order at the same time as they order scantlings—possibly for a couple of months while doing other works. If they post the orders around we would cut it green and charge no extra.

131. Do you think it would be reasonable to expect timber to be sold at the same rate as twenty years ago?—It would be impossible to produce timber at the same price as twenty years ago, because there would be extra cost of production, the cost of going further for it, and wages have gone up very much.

132. *Hon. the Chairman.*] Do you think the difference between the prices then and now would be fair? Taking into consideration that they have to go further back for the logs, and that the wages have been raised, do you mean to say that there would be more profit now than at that

time?—I could not say what the profits are: I have never seen their balance-sheets. As far as we are concerned our profit is less.

133. Are you talking as a timber-merchant or as a miller?—I am not a miller. I do not know the difficulties you have to contend with down south.

134. *Mr. Hanan.*] Supplying the timber-merchants?—Of course, we have to pay the extra money. We do not get greater profits. It has reduced our percentage of profit every time.

135. *Hon. the Chairman.*] You stated that you did not think it would be any incentive to building if the timber was reduced in cost?—I got that information from some of the principal architects.

136. You would not suppose that the architects would be anxious for a reduction, because they get paid a percentage on the full price?—I suppose they do, but if they had an increased trade at a reduced price it would be better than getting a large price in isolated cases.

137. *Mr. Hanan.*] Do you expect to obtain to any extent your supplies from the Auckland District?—No, I have got my supplies for some years without considering Auckland.

138. Do you know anything of the nature of the timber as compared with other timber?—I have heard that it is rougher.

139. With regard to obtaining orders for the mills from Stewart Island, comparing the water carriage *via* the Bluff to Invercargill and Dunedin, what is the difference?—It would cost pretty well 1s. 6d. to the Bluff; then it is 2s. 7d. from Invercargill here; then you would have railage from the Bluff to Invercargill, say, about 1s. It costs over 5s. anyway.

140. I understand from your evidence that timber can be obtained from the mills in Stewart Island cheaper than from the Southland District?—I save so much in the carriage.

ARCHIBALD MCCALLUM, Sawmiller and Timber-merchant, sworn and examined. (No. 26.)

1. *Hon. the Chairman.*] Do you wish to make any statement with regard to the questions we are inquiring into?—I have not very much to say, that is the fact of the matter.

2. Do you purchase much outside your own mill?—About one-third my consumption.

3. About two-thirds is your own sawing, and you get the remainder from other mills?—About one-third from other mills.

4. Have you an establishment in Invercargill, and one in Dunedin?—Yes.

5. Any other one in Oamaru?—I could not tell for Oamaru. I think not.

6. About what amount do you produce per year in your mills. Have you more than one?—Four mills.

7. What is about the average output?—I could not tell.

8. Could you not tell approximately?—No.

9. Then we have nothing to go upon as to what you purchase outside?—About one-third.

10. What is the amount?—I do not know what the mills produce.

11. You do not know what you get from outside?—One-third.

12. Do you know the price you get here?—Yes.

13. And in Invercargill?—No. I have an idea, but I am not positive. They do not interest me very much, because I am never there.

14. Is there more in the company than yourself?—Another party.

15. Does he look after the Invercargill business?—Yes.

16. And you look after the Dunedin?—Yes, and Oamaru.

17. Can you tell us about the amount you put through in Dunedin and Oamaru?—No.

18. Can you tell us about what price you have been charging, and the price now charged?—Yes; 13s. 6d. for rough timber, less 10 per cent.

19. What would that be?—12s. 3d.

20. Is that rough or dressed?—Yes, rough.

21. What would the dressed timber be?—4 in. by 1 in., 18s.; 6 in. by 1 in., 17s.; 4 in. by $\frac{5}{8}$ in., 15s. 6d.; and 8 in. by 1 in., 15s. 6d.

22. *Mr. Stallworthy.*] The same discount?—Yes, 10 per cent.

23. *Mr. Hanan.*] Can you give us any information about that account put in by Mr. Bain, in which the timber was sold at 3s. 9d. It was from your mill the timber was obtained?—I have not seen timber sold at 3s. 9d.

24. *Hon. the Chairman.*] If we have a stamped receipt from Mr. Bain, would you take it as correct?—I would want to see the timber as well as the price.

25. He stated it was fair building-timber, second class?—That does not figure out.

26. *Mr. Hanan.*] You were one of the oldest sawmillers in New Zealand, and know a great deal about the forests in Southland?—Yes.

27. Speaking as a practical sawmiller, and having regard to the rate at which the timber has been cut out in the past, how long would you give the existing areas before they are cut out?—I could not tell: I have been away fifteen years.

28. Do you know anything of the Catlin's Bush area?—No.

29. We have been told that it is exceedingly difficult to get a good class of timber now?—That is all over Southland.

30. Where do you expect to get supplies from?—They say there is a lot across the Waiau River, but I have never been there.

31. Seeing that that is further away, does it not point to the fact that the price of timber is going to increase?—Of course, the more difficult it becomes to get it, the higher the price will go up.

32. You have made and lost money?—Well, I have stuck to the most I have made.

33. During the last three years, have the millers been making money?—No.

34. Do you say that they have been losing money?—No, holding their own.
35. You heard something about Stewart Island?—Yes.
36. Can they produce timber there cheaper than in Southland?—No, but the freights are much cheaper.
37. Is not the cost of production greater there?—No, because the timber is not so far back as on the main line.
38. The cost of production is less?—Slightly.
39. Are you a member of the association?—Yes.
40. Can you account for the reason why millers have increased during the last five years?—Well, the rise in price brought them in, and now there are a lot of them idle.
41. Since when?—Christmas, at all events.
42. This slump that has taken place since Christmas has not been due to the importation of timber?—No.
43. As a citizen of New Zealand, do you advocate placing a duty on imported timber?—Yes. Once they bring wages down to the levels of the Americans and the Baltic, then we are upon equal terms. I am a Free-trader on equal terms, but you cannot compete against them now.
44. You do not think that duty on Oregon would conserve our own forests?—Of course, you can import it cheap enough.
45. Seeing that timber has gone up in the last ten or fifteen years owing to the increased cost of production, and that every day our forests are going back, is it not desirable that the price of timber, in the interest of the building trade, should be kept down?—Yes, but there is a bed-rock price you cannot get over. You must look at the awful cost to produce it.
46. You are aware of complaints now by the workers of the increased cost of making homes?—Yes.
47. That being so, is it desirable that the cost should be increased, and timber having to be got at greater distances?—It might be brought in cheaper by sea by large vessels at less than we are paying now.
48. You can bring it by sea cheaper from Sydney than by rail from Colac Bay and these places?—Yes.
49. Do you advocate a cheaper rate on timber?—The miller says he cannot do it.
50. Do you not think that the rates are low enough now?—I could not tell.
51. How does it compare with fifteen years ago?—I could not say.
52. There has been a reduction recently made?—It does not affect Dunedin.
53. And I take it that no profit has been made by millers in the last two years?—Very slight.
54. It is not as payable a business as ten years ago?—No.
55. *Mr. Leyland.*] In quoting the price of 4 in. by 1 in. T. and G. as 18s. the impression is conveyed that it is a very high price. Have you not to match 300 ft. for 100 ft.?—Yes.
56. Have you not found a difficulty in getting kauri supplied?—One difficulty is that you want more vessels down here.
57. Could you sell Oregon?—Yes.
58. That is taking the place largely of kauri?—That is only lately.
59. In the consumption of timber here it has taken the place of kauri, but has not injured the rimu very much yet?—It is only in its infancy yet.
60. But if the price goes up it may fall off?—Yes, and I expect it will.
61. Is it not a fact that very few orders are going forth?—I do not know.
62. You spoke about lower wages; would you be surprised to know that the wages paid to the workers who produce Oregon are higher—that they average $3 per day?—I should be surprised to hear that.
63. *Mr. Morris.*] We have been told by some gentlemen here that there is a difficulty in obtaining supplies in order to carry out work expeditiously? Can you give us the reason?—They give orders here, take them to the mill, go to the bush to cut it, and you can get it in about fourteen days.
64. You belong to the Associated Merchants and Sawmillers here?—Yes.
65. Is it a fact that your association is raising the price to a prohibitive degree?—We have got to follow the lead of the sawmillers in Southland.
66. These men are not controlled by your association?—No.
67. There is no combination between you and the sawmillers in the district?—We cannot dictate to them what they must do.
68. You do not buy the whole of their output?—No. There are a lot of mills in which the whole of the output is bought.
69. There seems to be an idea abroad that the big millers buy the output from the small millers, and so prevent them competing in the market?—Some of those here have taken the output of some of the mills.
70. What is your opinion in regard to the duty on Oregon pine?—I think there ought to be a duty on it—on all sizes.
71. *Mr. Stallworthy.*] Are you increasing your imports of Oregon pine?—We have some coming direct, which is the second we have had. Previously to that we always bought from Sydney or Melbourne.
72. Are you increasing the quantity you were buying?—It has only been in existence about six months, so far as our direct imports are concerned.
73. What does Oregon have to go to before you cannot compete with the local timber?—I could not tell you.
74. Will you undertake to supply the information as to the quantity of output of each of your mills, and the cost of putting it on the truck?—I could not tell.

75. Will you supply it confidentially to the Chairman?—You had better apply to the Southland mills.

76. *Hon. the Chairman.*] Will you supply it if we ask for it in writing?—I have no doubt it will be supplied.

77. *Mr. Mander.*] What price have you to pay for Oregon delivered in Dunedin?—My memory is very defective, but we have some at £1 1s.

78. Have you got Oregon here cheaper than red-pine?—Certainly not.

79. Do you think Oregon is likely to reduce the cost of buildings?—I do not think so.

80. Therefore the introduction of Oregon will not be of any benefit to the working-man in regard to the reduced price of his dwelling?—I do not think so.

DUNEDIN, FRIDAY, 2ND APRIL, 1909.

EDWIN BROAD sworn and examined. (No. 27.)

1. *The Acting-Chairman (Mr. Arnold).*] What are you?—Manager of the Dunedin Timber and Hardware Company.

2. Can you give the Commission any information in regard to those subjects which it is inquiring into?—The only information I can give is from the retail point of view. I know nothing about the sawmill.

3. Will you tell the Commission what your experience in that connection is?—Well, I have been manager of the Dunedin Timber and Hardware Company for the last ten years, and previous to that I was chief clerk and accountant in the firm of McCallum and Co., which was then the Dunedin Timber Company.

4. Has there been much change since you first commenced in the timber industry in regard to the quantities and prices?—Yes, there has been an all-round change, and more timber is selling now than then. The prices are higher, and there are more merchants in the business in Dunedin than there were at that time.

5. Is the business just as good as it has been?—Yes, a fair amount of business doing.

6. Can you say how much the prices have advanced—what the ruling prices were when you began and when the rises took place?—Well, I cannot carry my memory back twenty years, but about ten years ago timber was being sold at 10s. a hundred feet with 5 per cent. discount, and to-day it is 13s. 6d. with 10 per cent., and against that we have to compete with the Southland mills, and our prices for rough red-pine is 11s. 6d. net.

7. Then, do you not deal with the Southland sawmillers?—Yes, we buy our timber from them.

8. I thought you said you have to compete with them?—We have to compete with them all the same. They compete with us in Dunedin. We do not buy the timber from the same people.

9. Is your firm connected with sawmilling themselves?—Our firm is connected with a sawmiller, but we do not take our timber from him unless he is as cheap as any one else. The bulk of our timber is bought outside.

10. You do not think the advance that has taken place within the last four or five years is too much?—I think not. There has been just as much building done during the last two or three years as previously.

11. But if the timber had been cheaper would it not have encouraged more building?—I think not.

12. You say there is just as much building being done as previously?—Yes.

13. What about the last twelve months?—It has slackened a little within the last twelve months, but there is still a fair amount of building being done.

14. Is your company a Dunedin company?—Although it is called the Dunedin Company it is owned by a private individual.

15. And you say you have no sawmills?—Personally I have no sawmills, but the owner of the company has.

16. And your company goes outside that mill when they can do better business?—Yes.

17. Then, is not your proprietor a member of the Millers' Association?—So far as I know, he is.

18. Then, to get better terms he can go outside the association?—That is so, but not exactly to get better terms; but he cannot always supply, and I go where I can get it cheapest.

19. How do you think the other millers are able to supply you on better terms?—We take the whole of their cutting, and they bring it coastwise. We do not get the timber much cheaper, but we bring it by sea. It comes from Stewart Island and Waikawa.

20. Has your company never received a communication from the Sawmillers' Association to the effect that if you deal with the outside millers they would not supply you with any timber?—No.

21. Do you know of any merchants or builders who have received any such communication?—No, never heard of it.

22. You do not know of the Sawmillers' Association ever having taken such action?—I have not heard of it.

23. And you would not believe that such a thing is being done?—No.

24. What timber do you deal in chiefly?—Red-pine.

25. Do you deal at all in kauri?—Yes, we use a good deal of kauri for the manufacturing business—for making doors and suchlike.

26. Have you any difficulty in getting kauri?—I have to give an order a long way ahead to get it.

27. But you can get it in all sizes?—Yes.

28. Do you manufacture all the doors that you require yourselves?—Yes.

29. You do not import any?—No.

30. Do you know of any doors being imported?—Well, I heard there were some doors imported, but I cannot speak from my own personal knowledge. I think they came from Canada.

31. Do you think those imported doors are likely to come into competition with the local article?—So far they have not come into competition with them.

32. Do you know anything of doors being imported from Sweden?—No, I have not heard of any.

33. Do you know there is a great amount of feeling at the present time with regard to the importation of Oregon pine?—Yes, I have seen a lot of letters in the paper.

34. Do you deal in it yourself?—Yes, we use Baltic deal and Oregon.

35. To any great extent?—I suppose we would use 100 ft. of Baltic deal in a month.

36. Is that trade increasing?—Well, I could not say. We used to get it in monthly instalments across from Melbourne, but it is hard to say whether it is increasing, because we are getting it in bulk now, although I suppose we had the same amount in the previous twelve months.

37. Do you think it is likely to interfere very much with the local building trade?—I do not think so. We must have Baltic deal for sashes, for which red-pine would not do.

38. Do you say no New Zealand timbers will do for sash-work?—Kauri would do, but it is very seldom used—people seem to go in for Baltic deal.

39. You do not know much about Oregon?—No, not a great deal. In the last six months perhaps a million feet came in direct.

40. Is it not a fact that the importation of Oregon is increasing very considerably?—Well, it is not increasing a great deal down this way.

41. But if it can be shown that it is increasing throughout New Zealand, and at the present moment there are a number of mills closed down and between six hundred and a thousand millers or employees thrown out of work, do you think the putting of a duty on Oregon would be for the welfare of the State?—If it is going to keep our population employed there should be a certain duty put on it. They should be protected first.

42. If a duty is placed on Oregon sufficient to keep it almost out of the market and these mill hands employed, what effect would it have upon the building trade?—I do not think it would have any effect on the building trade—it would simply mean that more of the local article would be used in place of Oregon.

43. Would not the result be that the price of the timber from the mills here would be raised considerably?—No, I do not think so, because Oregon does not compete with the red-pine now.

44. You think it would still be necessary to import Oregon?—You must get Oregon for certain purposes. You really cannot get heavy red-pine 30 ft. or 40 ft. long.

45. Can you get it in smaller lengths—14 ft. to 18 ft.?—Yes, any amount of small stuff, say, up to 12 by 12.

46. You do not know anything, I suppose, about the rapidity with which the New Zealand bush lands are being worked out?—No, I could not say anything about that. I know they are getting less, because I used to live in Southland many years ago, and now I can see a big difference.

47. How long have you been in the trade?—About twenty-four years.

48. You find a greater difficulty in getting big timbers than you did twenty years ago?—Yes.

49. If Oregon is entirely kept out of our market those timbers would be worked out very much more rapidly?—That is so.

50. Have you thought what the effect will be when we have to import the whole of our timbers?—No, I cannot say that I have. I do not expect it will come about in my time, and I am not bothering about it.

51. If it could be shown, however, that at the present rate the whole of our bush lands are likely to be worked out in fifty or sixty years, do you think that we should assist the importation of other timbers?—Yes, we should conserve our own timbers.

52. But you would not conserve the timbers that are now matured and ready for cutting, and which will depreciate from being permitted to stand too long?—No, because if the timber is taken off you can get the use of the land afterwards.

53. And that question has to be taken into consideration?—Yes, I should think so.

54. With regard to Oregon, you do not recommend that the present duty should be taken off?—As a timber-merchant I am not particular whether it is taken off or not.

55. But for the welfare of the country?—I should like to see it put on to keep the Oregon out.

56. Do you know anything about the rents of houses here?—No, I cannot say I do.

57. You do not know whether they are increasing or not?—No, I cannot say.

58. How many hands do you employ?—About fifty.

59. How many did you employ ten years ago?—I could not say exactly, but less than we do now.

60. Say, 10 per cent. less?—Yes, fully 10 per cent. less. I should think 20 per cent. less ten years ago.

61. Now, to what extent has your output increased?—I could not say offhand. I do not know that to-day it is any further ahead than ten years ago, because things are a bit quiet. In the interval it has increased, but now it is dropping off again.

62. And is your machinery quite up to date?—Yes.

63. And in consequence of that machinery your output has necessarily increased?—That is so.

64. In consequence of that should not the price of timber be lower to-day than it was ten years ago?—As I say, I am a timber-merchant, and we regulate our prices as we have to pay for it.

65. You are dependent for your prices upon the mill?—Yes, we reckon it up according to what we have to pay.

66. *Mr. Hanan.*] During the last twenty years what increase has taken place in the price of timber?—I cannot take my memory back twenty years, but since ten years ago it has increased, roughly speaking, 2s. a hundred feet.

67. If in that time it has increased to the extent you say, and, seeing that the population will increase, the bush is going back, and the cost of production is increasing, is it not reasonable to suppose that the price of timber will still further be increased?—That is so.

68. You said that at the present time there is a falling off in regard to orders for building purposes?—Yes, for the last few months.

69. The conditions in Dunedin, generally speaking, have geen good?—Yes.

70. The prices, judging by the orders you have got, have been such during the last four or five years as to be within the reach of the majority of people?—Yes.

71. Assuming that the prices go up for the reasons you have stated, does it not point to the fact that building in wood is certainly not going to increase to any substantial extent?—If the price of timber goes up I should say it would decrease.

72. Will the buildings increase?—If there is a greater population here they must have houses to live in.

73. That is, if it is within their means to pay?—Yes. Everything else will increase accordingly with the increase in the price of timber.

74. Is it not a fact that in Dunedin and other places the increase in the building that has taken place has been due to the cheapness of money?—I dare say that has had something to do with it.

75. Now in consequence of money not being so cheap, as it were, there is a diminution in the amount of building?—Yes, I think the tightness of money has more to do with it than anything else.

76. Is the timber-merchants' business in a fairly good condition? Do you hear of them going to close down?—No, I do not think so. They are in business, and going to stick there whether in a good condition or not.

77. If you are losing money would you not try and get out of business?—But if you are losing money you cannot sell.

78. How are you going to carry on at a loss?—It depends on how much money you have at your back.

79. You think you would carry on a losing concern?—Sometimes.

80. Have the timber-merchants been doing fairly well in New Zealand—I mean those not having a sawmill connected with their businesses?—Yes, they have done fairly well.

81. Can the timber-merchant who has no mill of his own compete successfully against the sawmiller?—Yes, he can.

82. If the timber-merchant who is not a sawmiller can compete against the sawmiller who is a producer, is there not something wrong?—I suppose the sawmiller wants to make a profit on his mill.

83. Then, we have this position in Dunedin: that the timber-merchant who is a middleman can sell cheaper than the sawmiller who is a producer?—I cannot quite follow your question.

84. Can the timber-merchant who is not a sawmiller compete with the sawmiller who is not a timber-merchant?—I cannot follow your question.

85. I mean to say this: You have timber-merchants in Dunedin competing with a man who is a sawmiller—that is, with a man who produces the article: can he compete successfully with him?—Well, we do it.

86. Would not the sawmiller desire a profit?—Yes.

87. There are two profits?—Yes.

88. And yet the sawmiller obtaining only one profit cannot compete against you with two profits going on?—I have explained to Mr. Arnold that the sawmiller sends his timber into Dunedin by rail. The timber-merchants, however, buy it and bring it in coastwise, and thus effect a good saving in freight, which to a certain extent is the profit.

89. Have you known sawmillers who are also timber-merchants?—Mr. MacCallum is a sawmiller, and I am competing with him.

90. You are not a sawmiller, and yet you can compete with him?—And we obtain timber from the same place.

91. Do you favour an export being placed on kauri?—I am not interested.

92. Do you get any kauri here?—A little.

93. What is the price of it in Dunedin?—The retail price is £1 12s., less 10 per cent.

94. Do you know the price in Auckland?—We pay 19s., and we sell it for £1 12s., less 10 per cent.

95. Can you give us any reason for the disparity between the prices?—Yes, we have to pay freight and harbour dues. We have got to bring it to the yard, and then cut it up, and there is waste.

96. Do you know at what price it is sold in Auckland?—No.

97. Having regard to the fact that kauri is such a valuable timber, would it not be desirable to put an export duty on it?—Yes, I expect it would be.

98. Are you still getting as much timber from your mills and from the Southland millers as you did twelve months ago?—Yes, I think so.

99. *Mr. Jennings.*] What is the extra cost of building a house of six rooms to-day as compared with ten years ago?—I am not a builder.

100. I mean in the charge for timber?—The difference is 2s. per hundred feet. You can easily reckon that up.

101. That is on the local timber?—Yes.

102. There have been assertions that the men do not work as well now as formerly?—I think that is correct. My experience is that there is not so much work done as there was twenty years ago.

103. For what reason?—They do not do it.

104. Are they inferior in physique?—They do not look like it, but they do not do their work.

105. Has there been any increase in the wages paid to them?—Yes, as far as factory men are concerned.

106. *Mr. Field.*] You are a timber-merchant: did you work some time ago for Mr. Tapper?—Yes. That was in 1885.

107. Did you know anything about the condition of things in this part of the country?—No, I cannot say that I did.

108. Did you know what the miller was receiving twenty-five years ago?—No, I cannot say.

109. As to the price of timber here charged by the timber-merchants and also the price charged to the timber-merchants and consumers, do you say those prices are fair and reasonable?—I think they are.

110. In view of the cost of production at the mills, do you think the millers are getting an undue profit?—I cannot say. I know nothing about sawmilling.

111. Are there any complaints down here from the users of timber?—No.

112. There appears to be general satisfaction?—Yes.

113. You talked about Oregon just now: you said you thought it was not on the increase?—No, I did not say it was not on the increase. I said that during the last six months we got about a million feet.

114. Do you know anything about the "Elsa"?—It is said there is 6,000,000 feet on board her, of which 600,000 ft. is for Dunedin.

115. That does not look as though it was falling off?—No.

116. Have you any idea what price it can be brought alongside the wharf at in the ship before you begin to handle it?—I think it is somewhere about 8s. 6d. per hundred, and then there is duty and dues.

117. You would not be surprised to learn that it was even less than that?—I do not think it is less than that.

118. What would that Oregon cost put into your yard after paying duty, wharfage, and cartage?—About 13s.

119. And what can you afford to sell it at?—£1 1s., less 10 per cent.—that is, 19s.

120. What purposes is it used here for, other than in large sizes, big beams, and so forth?—It has been used for sashes and work of that kind.

121. Is it used here for the framing of buildings?—I have never heard of any.

122. Do you not think that is a very undue profit to make on Oregon?—You must recollect that it is big stuff and requires a terrific lot of handling, and that the bulk of it has got to be resawn. It takes five or six men to handle these big sticks. Moreover, you have got to keep it in the yards for twelve months.

123. Supposing it comes ashore in small pieces?—Then you could sell it very much cheaper.

124. You are in favour of a duty on Oregon?—That is so.

125. You are aware, of course, of the disastrous results that would accrue if the timber industry failed in this country?—Yes.

126. They would build in brick in this part of New Zealand: is it much more costly than building in timber?—I could not say.

127. Do you think that building in brick, stone, and cement will always form a limit to the price of timber?—Brick buildings in the future will be on the increase, and such buildings will be a check on the price of timber.

128. Have you considered that a great number of men would be thrown out of employment if Oregon pine came in free?—That is so.

129. The closing of our mills would be a great loss of capital?—Yes.

130. Are you in favour of protecting our industries and keeping our money in our own country?—Yes.

131. What do you consider a fair profit for a timber-merchant to receive over and above the price he pays to the sawmiller for his timber: he has, as you are aware, to pay rent for his yard; then there is the upkeep of horses, carts, interest, rates and taxes, and labour?—About 25 per cent.

132. If you pay 10s. for timber you think 2s. 6d. a fair profit?—That would give us something.

133. *Mr. Leyland.*] With reference to the importation of Baltic, is it comparatively of recent date, or have we been importing it for some years?—A shipment about a month ago was the first for years.

134. It has never assumed any important proportions until quite recently?—That is so.

135. Is it partly owing to the difficulty in getting kauri supplies?—The people down here do not care about kauri.

136. Are you interested financially in rimu-milling?—No, I am not.

137. I suppose you are aware that the importation of Oregon last year was considerably less than 5 per cent. of the output of our mills?—It may be so.

138. If that is so it cannot affect our mills to an extent of more than 5 per cent. on their output?—That is so.

139. So that it is not really a very serious matter so far as it affects the employment of sawmillers in New Zealand?—Not very serious.

140. You admit that it is necessary that we should have some Oregon?—I admit that.

141. *Mr. Clarke.*] In reference to the increase in the cost of timber you stated that ten years ago the price was 10s. per hundred, less 5 per cent.: at that time were the differences in the widths of the timber and in the lengths subject to an increased price the same as now?—I think the width then was for 12 in., whereas now it is for 8 in.

142. So that represents the exact amount of increase?—That is so.

143. You spoke about getting your timber on different terms from other sawmillers: do you say that you do not pay the same price all round to sawmillers?—We practically pay the same price all round. There is a distinct understanding as to the wholesale price. The difference is only in the matter of freights and other things—freights, railage, &c.

144. You said that any increase in the erection of brick buildings would have a tendency to keep a check on the price of timber: do you not know that in brick-built areas the proportion of timber used is much greater than in wood-built areas—have you never heard of that?—No, I have not heard of that.

145. It has been stated by yourself that you thought the building in brick would have a tendency to keep a check on the price of timber: now, if it is an established fact that in large areas built chiefly of brick the proportion of timber per head of the population is greater than it is in places where the areas are built of wood, would that not modify your opinion as to building in brick being a check on the price of timber?—Yes, if that was correct, but I very much doubt it. I am satisfied that a wooden house takes more timber than a brick one. I would believe it if I saw it in plain official figures.

146. With regard to the price of kauri, the retail price is £1 12s.?—Yes, less 10 per cent.

147. Do you know what the royalty on kauri is?—No.

148. Assuming that it is 2s.—in some cases it is more—do you not think that from 2s. to £1 12s. in six hundred miles of transit and for handling is rather too much difference?—It looks like it, but we do not get all this difference.

149. With regard to the future, you stated that you thought that you should cut our own timbers to the exclusion of foreign timbers as much as possible?—Only to give employment to our population.

150. You do not advocate the conserving of anything for our future use?—No.

151. *Mr. Morris.*] You told us you could compete with the sawmillers in the supply of building-timber here: is it not due to the fact that a builder can get the whole of his requirements from you?—They have an option.

152. Do you get a preference?—No.

153. As to the Oregon you use, is it second- or third-class timber?—I do not know first-, second-, or third-class. We get "merchantable" and "select."

154. That is practically a second-class wood. Do you use any timber at all from Greymouth?—No.

155. *Mr. Barber.*] What price do you pay to the mills for their output?—We pay 6s. 6d. for scantling sizes up to 8 in. wide and 7s. 6d. for timber clean for dressing but the same size.

156. What does that cost you to get up here?—Two shillings, freight; 3d., duty; 1d., measuring; about 4d., cartage—that is, roughly speaking, in all about 2s. 9d. on the dray in the yard. There is 2s. profit.

157. You say 2s. 6d. profit on that?—It would be about 2s. profit.

158. The price of Oregon is 8s. 6d.?—In the ship's slings.

159. How does it cost you 13s. to get it into the yard?—Two shillings, duty; 6d., harbour dues; exchange on draft, about 6d. per hundred feet: there is also handling on the wharves, measuring, and cartage.

160. Yes, it would come to about 13s. in the yard. You sell this timber at £1 1s.?—Yes, less 10 per cent., which brings it down to 19s.

161. You told the Commission that you have to give your orders a long time ahead?—That has been my experience.

162. Have you had any experience where your clients have been in the timber trade, and where you have been unable to supply lengths?—Not lately. A couple of years ago things were brisk, and there was some difficulty.

163. Is it not absolutely impossible to supply long lengths for such buildings as warehouses, &c., in New Zealand timbers?—It would be hard to get a 30 ft. or 40 ft. red-pine. Anything up to 20 ft. is easily enough got.

164. Is kauri not used for some of these lengths?—We are never asked for long lengths in kauri.

165. Referring to New Zealand timbers, you say that, although it costs you 13s. in the yard, 2s. 6d. per hundred feet is a sufficient profit, and yet you want 6s. profit on Oregon?—The explanation is that Oregon comes in big sizes—it has to be recut, and it takes a dozen men to handle it.

166. Considering it is necessary to have Oregon in place of kauri, do you think it is fair to penalise those who are erecting buildings in the difference between 19s. and £1 12s. to keep Oregon out?—The difference is £1 9s. 6d. after taking off the discount.

167. Considering that Oregon is taking the place of kauri, which is difficult to get, do you think it fair that Oregon should be kept out and that those who are erecting buildings should be penalised to that extent?—We do not sell it. As a timber-merchant I believe in buying as cheap as I can—I would rather use Oregon than kauri; as a private individual I would keep it out.

168. Do you think it fair that any one who wants to erect a building should be penalised to the extent I have indicated either through the expenditure of capital, if he builds the house for himself, or in rent if he is a tenant, by keeping Oregon out?—It is not fair.

169. *Mr. Ell.*] You said you thought that brick buildings coming into competition with wooden buildings would act as a check on the price of timber?—I think brick would act as a check.

170. Would the use of brick for building purposes lessen the demand for timber?—Yes.

171. Are you aware that, notwithstanding the introduction of steel, cement, brick, and stone, and all other substitutes in place of timber, the demand for timber is greater in the world to-day than it has ever been before?—I can only suppose that there is more building going on.

172. *Mr. Barber.*] A far greater demand than ever in the history of the world?—There is more building going on.

173. What kind of timber do you use?—Red-pine principally.

174. For building purposes?—Yes.

175. With regard to the manufacturing branch?—The bulk would be red-pine and kauri.

176. For what purpose do you use red-pine in manufacturing?—In making casings for window-frames, wardrobes, &c.

177. You manufacture furniture?—No; but in every house there is nearly always a wardrobe.

178. How do you find the rimu serves you as a finishing-timber?—For finishing I prefer figured red-pine; I think it is most durable and ornamental.

179. Is there any imported timber equal in beauty with red-pine for finishing-work, at the same price?—I do not think so.

180. There is no imported timber likely to compete with rimu for such purposes?—No.

181. Seeing that this timber is a product of the country, and that we require it not only for finishing but for furniture-manufacture, do you think it is desirable to have some set aside for the future?—That is a matter of sentiment. If I had a timber bush I would cut it as quickly as I could.

182. And leave the country to import all it wants?—Yes.

183. Seeing that America now is turning her attention to the conservation of her own forests for her own needs, and that different other countries are doing the same, do you not think it desirable to conserve our own timber for our own needs?—I suppose our own timber will be wanted—we cannot import everything.

184. Is it desirable that we should have reserves set aside for future woodworking industries?—It would be desirable certainly to preserve a certain proportion of our forests.

185. With regard to Oregon, you are in favour of a duty on Oregon, and yet you say it is absolutely necessary for certain building purposes—that you cannot readily get native timbers to take its place?—I said I would favour a duty simply as a means of giving employment to our own workers.

186. Supposing the sizes necessary for our work are imported free, and we place a duty on the smaller timber, so as to constrain the workers to do the sawing, would not that conserve the country better?—Of course, it all depends upon how much you put on. If it was not too big it would pay better to pay the duty than to cut it up.

187. *Mr. Stallworthy.*] You would be in favour of putting obstacles in the way of the future being up to date?—I am in favour of the present.

188. *Mr. Mander.*] Do you find any difficulty in getting lengths up to 30 ft. in red-pine?—It is difficult to get red-pine in those lengths.

189. Is there any other timber?—The only other timber in New Zealand is kauri.

190. Can you not get them in totara down here?—No; it is a very scarce timber.

191. Do you not think the duty should be taken off the long lengths only and kept on the smaller sizes, or increased on them?—If the duty was taken off the long sizes that would have a tendency to stop the smaller from coming in. That would be a good idea.

192. Do you think that Oregon is likely to reduce the price of building-timber—rimu?—No, I think not.

193. You say that there should be an export duty put on kauri?—I do not know whether I did or not.

194. Do you think it would be fair for the Government to sell kauri to private individuals at 3s. per hundred, and expect private owners to hold their timber for an indefinite period?—As I stated, if I had bush I would cut it down straight away.

195. There are very big reserves of kauri timber?—Yes.

196. Would it not be wise for the Government to say that the timber should not be let out of New Zealand?—I do not think that there is a demand for all the kauri in New Zealand.

197. With regard to what the State holds at the present time, would it not be wise to say that it should be sold for consumption in New Zealand?—That would be a wise idea.

198. You are aware that there is already 5s. duty on kauri logs exported and 3s. on flitches?—No, I was not aware of it.

199. Do you think that that is a sufficient handicap?—I think it is.

200. Are people likely to put Oregon into ordinary buildings at a cost of 19s. when they can buy rimu for 13s.?—No.

201. To buy at this price they must use it for special purposes?—Yes.

202. *Hon. the Chairman.*] If the Government were to enact that in future kauri should be sold only in the Dominion, would not that be giving too much of a monopoly to those who have already bought kauri bush?—I do not know.

203. At the present time half of the kauri is in the hands of millers, and if the sale of that were restricted to the colony it would allow those to have a monopoly of the outside sale, because none of the owners could do it?—Every miller would be in the same position, as far as I can see.

204. No, the man who has signed is not in the same position as the man who has paid a price and got possession?—I do not understand—I thought everybody was to be restricted.

205. Do you take all the produce of that mill that is connected with your business?—No, just all we require.

206. Then, there is this mill that you mention: does the timber come by rail or by water?—Stewart Island and Waikawa come by water.

207. Is the mill connected with other places?—Not on the main line.

208. Do you find that you can make better terms with Stewart Island and the other to come by water?—We practically pay the same money for it, but make a difference in railage and freight—the railage is 2s. 11d., and the freight and dues are 2s. 3d.

209. Virtually you make 7d.?—Between 7d. and 8d.

210. *Mr. Arnold.*] I understood you, in reply to myself, to state that you bought timber from the cheapest market, and in answer to the question you said that was from non-associated sawmillers, and that the cheaper price from non-associated millers, together with the water freight, enabled you to get this timber cheaper. Now you say you pay the same price to all sawmillers. What is the explanation?—I must have misunderstood your question. We practically pay the same money to everybody, but there is a difference between the steamer fares and the railage.

211. And you do not get better terms from the non-associated millers?—No.

212. With regard to the question of one profit and two profits, McCallum's mill was mentioned. If you had a city mill and also a bush mill you would have capital invested in both cases?—Yes.

213. And you would expect the management of each to show its own profit?—Yes.

214. Therefore it is fair to assume that Mr. McCallum gets two profits as well as you?—I suppose so.

215. That enables you to compete?—Quite so.

216. *Mr. Barber.*] You say you pay the same price to a mill at Stewart Island owned by one of the proprietors?—Yes.

217. That is 6s. 6d.?—Yes.

218. Where are these others situated?—One at Colac, Woodend, and different places.

219. They are working different places?—Yes.

220. They sell at 6s. 6d.?—Yes.

221. So they are making a profit when selling at 6s. 6d.?—I do not know.

222. *Mr. Field.*] Could you tell me what millers sell to you at 6s. 6d.?—Two or three different mills at Waikawa, Stewart Island, and the New Zealand Pine Company, Southland.

223. Is that rimu?—Six shillings and sixpence is for ordinary building-timber.

224. And you buy on the trucks there?—Yes.

225. From the Southland Pine Company?—And the New Zealand Pine Company.

226. Anybody else?—Moffatt and Co., Waikawa, and the Magara Sawmilling Company, Waikawa.

227. Have they all got their places of business at Invercargill?—I think Moffatt's have; I do not know about the others.

228. *Mr. Mander.*] But you pay a higher price for some timber?—Yes, we pay 7s. 6d. for stuff for dressing.

ROBERT CRAWFORD, Builder, sworn and examined. (No. 28.)

1. *Hon. the Chairman.*] Will you give us some evidence on the matters we are here to inquire into—those you are conversant with? If you do not understand sawmilling you need not trouble about that?—I do not know anything about sawmilling.

2. Well, you are dealing with sawmillers—you can tell us about that?—As a builder I deal with sawmillers in the usual way. As I have not any particular statement to make it might be just as well to draw out any information I can give you by asking questions.

3. You heard the last witness's statement as to prices?—Yes.

4. Six shillings and sixpence for ordinary building-timber and 7s. for superior timber for dressing. Is that the price they sell to you for as a builder?—I think so. We generally deal with the timber-merchants in town here; that means that the freights, &c., are added on to that price. The price here, of course, for rough 8 in. wide is 13s. 6d. with the usual additions; 10 in. 14s. 6d.

5. And the discounts?—Ten per cent. and 2½ per cent., if you pay your account within the proper time.

6. Is there no variation of these prices? You understand there are some of the Southland millers having a union or association?—Yes, I understand that.

7. And there are a number not in the association?—Yes.

8. Does it make any difference in price whether they are in the association or not?—In my experience it has not, so far.

9. With regard to the building trade, is it as good as it was three or four years ago?—Not quite.

10. Can you account for the falling-off?—I suppose there are various causes. I should think the principal cause was the tightness of the money-market.

11. The price of timber has nothing to do with it?—The price of timber would hinder speculative building, but I do not think it would hinder necessary building.

12. The term "speculative" would apply more to people who build for letting houses?—Yes.

13. *Mr. Arnold.*] You say that so far the association has not discriminated. What do you mean by "so far"? Do you anticipate in the future that there will be a close combine?—I do not know. In the past we have had fluctuations of that sort; then something has arisen which would bring about some modification in prices. I do not think it is likely to happen though.

14. Were you here when I asked another witness with regard to being refused supplies if they dealt with a non-associated party?—Yes.

15. Are you acquainted with anything of that kind in the past here?—I cannot recollect any instance at the present moment.

16. There is nothing of that kind being done now?—I am not aware of anything of the sort going on now.

17. Can you tell us about what is the increased cost of building a five-roomed house between ten years ago and to-day?—I could scarcely say definitely. It would be whatever the difference in the cost of material would amount to, which might be 2s. per hundred or thereabouts. The labour conditions would be pretty much the same. The chief difference would be in the actual cost of the timber.

18. Would you say £12 per room?—I do not think it would exceed that anyhow.

19. From £50 to £60?—I think that is as much as it would possibly be.

20. You are sure it would not be £100?—Not in ten years.

21. Have you any difficulty in getting timber from the millers in the quantities you require?—Not recently, but sometimes there is a good deal of difficulty, especially in large sizes—in rimu and kauri over 30 ft. in length. It can be got, but it generally means delay, and means that there is a good deal of hardship, and some will be condemned as unsuitable. The difficulty is to get the big sizes and get them sound.

22. What difficulty have you in regard to 20 ft. lengths?—No great difficulty in getting it up to 20 ft.

23. If you had a large contract specifying that timber must be highly seasoned what would you do? Would you find a great difficulty in getting that?—I do not think I could get it here.

24. You would have to import it?—Yes; it could not be got here seasoned; it would be impossible, in my experience.

25. What would you suggest could be done to enable a building-stock of seasoned timber to be kept?—Of course, I do not know. At present we have to get our dressed timber on the job as quickly as possible. Usually there is a stipulation to that effect embodied, and while the heavier portion of the work is going on the stuff for finishing is being dried. If we cannot find room where the building is going on we generally find a vacant section. It would take about three months to season.

26. How much does it require to season?—It would be all the better for six months; but you can generally get passable results for three months with 1 in. to 1¼ in. stuff. Of course, it is not so important if the framing of walls or joists is put in unseasoned, because they are drying as the progress of the building goes on.

27. You pay an extra price for seasoned timber?—As a rule, in making arrangements with the miller it would be considered proper that you ought to allow something for him stacking the timber for you.

28. I understand that there is an extra charge?—Only according to arrangement, according to the facilities he had for stacking it.

29. If there was a by-law, or architects were to provide, that in every case only thoroughly seasoned timber was to be used, what would be the effect upon the building trade?—I do not know that it would affect it very greatly; to some extent it would have an effect, but if people want work done they would have to have it done. It would be a matter of the work being of a better class if the stuff were seasoned. I do not think that the public would take very kindly to any increase on the present rates. The general impression is that they are high enough.

30. Do you think any such interference would be justified or desirable?—I do not think it is wise to hamper any trade with too many restrictions. I do not know that it would be wise to have a by-law to that effect. Of course, the architects generally make what stipulations they think necessary in the conditions of contract in regard to those things. With large jobs, going to last six or twelve months, you have time to season your timber thoroughly. With a smaller class of buildings you may have to wait or be delayed in some instances putting up the framing and letting it stand for a few weeks. That is sometimes stipulated for in the specifications.

31. Do you build for speculative purposes?—No.

32. Have you any idea of the rents in Dunedin at the present time?—No, I am not much in touch with the rentals charged for houses at the present time.

33. *Mr. Hanan.*] Has there been much speculative building in Dunedin?—During the past ten years there has been a fair amount of it.

34. Any building to any extent that has taken place has been due to the money being borrowed at cheap rates of interest?—I think the building societies have had something to do with it. Of course, if people get money on advantageous conditions it would help building as a rule.

35. Do you know how much has been lent by the societies?—No.

36. Are you a member of any of the societies?—No, I am not.

37. Do you think the building that has taken place meets with the general requirements in Dunedin?—So far as I know, it does.

38. Do you think the demand has been met?—Yes, I think it has.

39. What is your experience with the timber-merchants who have mills and those without mills in regard to prices? Can you buy cheaper from the timber-merchants than from those who also have mills?—No, the prices are the same all round, in my experience.

40. Do you know what the bush-mill prices are in Invercargill?—I have heard the evidence here, but I do not keep much in touch with them. We deal mostly with the merchants.

41. Do you know anything about the builders' prices in Invercargill?—No.

42. What is your opinion in regard to Oregon timber coming into New Zealand?—Of course, I consider it is necessary we should have a certain amount of Oregon coming in. It is much easier to get it in the long lengths that we require for heavy beams. It is better seasoned than the local stuff as a rule, and it is not so much inclined to warp and shrink and go out of shape as the colonial timbers. It is very difficult to get colonial timbers in large sizes suitable for beams. There are such things in connection with machinery as hoist guides, and we have nothing here that will suit. It is necessary we should have some Oregon for special purposes.

43. Does not the importation of Oregon tend to conserve our rimu timber?—Yes, to some extent.

44. You say you find it extremely difficult now to get rimu timber?—In long lengths—not in sizes up to 20 ft. or 30 ft., but beyond that there is a considerable difficulty.

45. What do you expect to find in ten years' time?—I would expect to find it rather difficult. As time goes on it will be more difficult to get rimu of suitable sizes.

46. Do you use kauri?—No; the cost is prohibitive to some extent. I know of one instance in a shop not 250 yards from here where the counters were made in Melbourne of kauri and brought back here.

47. *Mr. Field.*] What do you say has been the increase in the price of timber during the last five or ten years?—I should say something like 2s. I have not lately seen the price-list of ten years ago.

48. Do you think the price of rimu is a reasonable one?—I have no reason to think it is excessive. I can appreciate there is more difficulty in getting it. The tramways have had to be extended, and the more accessible part of the timber areas have been cut out.

49. Are you aware that throughout the world generally there has been an increase in the price of timber of about 50 per cent. during the last ten years?—I am not aware of it, but I am willing to believe it is so.

50. And therefore it is not unreasonable to find an increase of 10 per cent. in our timber?—No.

51. You buy from the cheapest sawmillers?—Yes.

52. What do you pay for your ordinary rough building-rimu?—I pay up to 8 in., 13s. 6d.; 10 in., 14s. 6d.; and 12 in., 15s. 6d.: and then, of course, it rises for sizes above that for width and length. There is 10 per cent. off, and if you pay your account within the proper time you get a further 2½ per cent. for cash.

53. Do you carry on business to a fairly large extent?—Fairly large.

54. And always building something?—Yes, kept going pretty constantly.

55. You are paying for the cheapest timber 11s. 9d.?—Yes.

56. If you could get it for 6s. 6d. would you not buy it?—Yes, I think so.

57. If the timber-merchants could buy from the sawmillers at 6s. 6d. is there not a very profitable business in selling it at 11s. 9d.?—Yes, it seems there should be a living in it.

58. Do you know yourself of timber being bought at 6s. 6d.?—I could not get it at 6s. 6d. The timber-merchant might get it cheaper, but the sawmiller would not sell to me at the same price that he would sell to the timber-merchant.

59. Do you think it would not be sold to all at the same price except for the discount?—I do not think it would.

60. Do you know anything of the cost of the production of the timber?—No, I do not.

61. If a number of reputable sawmillers came here and swore that it cost them 8s. to produce it and put it on the trucks at the nearest railway-station, would you have any reason to disbelieve it?—I do not think I would disbelieve it. I know that twenty years ago I had timber delivered on the job here in town for 6s. 6d. for rimu. I do not think any profit was being made out of that, but, of course, that included cartage to the North-east Valley—over two miles' cartage. Unless there was a very big loss then, and unless the increased wages are sufficient to show that it could not be done for 8s. now, I should be inclined to think it could be done for a little less.

62. Have you seen the conditions under which the sawmillers are working in Southland?—No.

63. Do you know that timber is very sparse?—I can understand the best bush has been cut, and also the easiest to get.

64. Do you know Mr. Massey?—Yes.

65. Should you say his evidence would be reliable?—Yes, I should think so. I should not say his statements are wrong.

66. I suppose you are generally in favour of working our own industry in a reasonable way?—Yes.

67. What do you use Oregon for here—in ordinary buildings?—For beams, very often in large sizes. I am doing a job just now where we are using it for sash and door frames and staircases, and that class of work.

68. You do not use it for ordinary framing?—No, not as a rule.

69. Are you aware that in the North Island they are using it for flooring and outside work?—We have used it for flooring many years ago—it was not an unusual thing years ago, but not in recent years.

70. Would you agree that, where there was competition with the Oregon which was spoiling our only building-rimu industry in this country, we should protect our own industry?—I think

our local industry requires some protection, but I would not be inclined to shut out timber which we find to be so useful as Oregon.

71. Referring to the price paid for our own timber, do you not think that, if the timber-yards can buy our ordinary building-timber at 6s. 6d., they might reduce their price?—Yes, there seems a pretty fair margin between 6s. 6d. and the rates we pay here.

72. Have you heard of their buying it for 6s. 6d.?—I cannot say I have. I have seen the bush price-lists published by the bush sawmills, but I do not think the mills would sell to a builder at the same rate as to a timber-merchant who is taking perhaps the whole output.

73. But you agree that if they could do it at that they would make a very handsome profit?—Yes.

74. Are you aware of the conditions existing twenty years ago?—Yes.

75. You say the timber was very much cheaper then?—Yes, very much.

76. Have you any knowledge of the fact as stated by Mr. Massey that some of the sawmillers had become bankrupt owing to the low price at that time?—I quite believe that.

77. Supposing you saw receipts for timber at a very low price, would you regard that as conclusive evidence that that was the local price of the timber at that time?—It might be a specially low quotation under special circumstances. If it was very cheap I should be inclined to think there were some special circumstances.

78. *Mr. Leyland.*] I should like you to give me the address of those imported counters?—Mr. J. R. McKenzie, in Wardell's Buildings, George Street, Dunedin.

79. Do you think the duty on Oregon should be increased?—No, I think it should not.

80. Do you think it should be decreased?—Yes, I think it should be decreased. In the large sizes I think it should be brought in without any duty at all; but at all events I should be against increasing it.

81. So far as the large sizes are concerned, you would be in favour of abolishing the duty?—Yes.

82. You stated that the timber-merchant buys at 6s. 6d. and sells at 13s. 6d., less 12½ per cent. for cash?—Yes.

83. That is 1s. 8d., and that leaves 11s. 4d. for the timber-merchant?—Yes.

84. He does not get it for 6s. 6d., because the transit charges and wharfage are equal to 2s. 9d.?—Yes.

85. He has to take it to his yard, and has rents, rates, and taxes to pay; insurance, both accident and fire; and he has the trade risks and the bad debts?—Yes.

86. When you have deducted all that, do you think he had a very exorbitant profit?—No.

87. As a matter of fact, the timber-merchant does not buy at 6s. 6d.—it is only at some distant point?—Yes.

88. *Mr. Clarke.*] With regard to the alleged controlling of prices, I think you heard a witness state that it cost him the same wholesale rates wherever he bought timber?—Yes.

89. And you have also yourself stated that you have to pay the same retail price wherever you buy it?—Yes.

90. Whether you call that a combination or a ring, would it make much difference?—I would not like to explain the difference.

91. It is merely ringing the changes?—There seems to be a general understanding that there is a fixed price, and we find we have to pay those prices wherever we go.

92. If you as a builder started to cut your timber up and run it into mouldings and sell it below the fixed scale, what would you expect to happen—would you expect to get a request to please explain?—I should expect to find some remonstrances coming along before very long.

93. *Mr. Morris.*] Is the increased cost of building to-day not due more to the improved style of the building than to the cost of the material used?—Yes, I dare say that is a fact. That has an influence on the increased cost undoubtedly.

94. You mentioned the fact that you preferred the Oregon because you got it seasoned?—Yes.

95. Is it a very material advantage to have the long tie-beams, 30 ft. or 40 ft., seasoned? You say you cannot get them in local timber?—Yes, there are advantages, of course. Take rimu, for instance, and big beams: if you use paint and cover them in, that means the life of the timber is only two or three years. I know an instance in this town where rimu has been cased in, and in the course of two or three years it has been so bad with dry-rot that you could tear it out with your hands. It is an improvement to have these large beams very well seasoned, or to allow a free access of air to get at them.

96. As a rule, in large buildings, they do not get covered up very quickly?—No, it may be several months; but if you get a 12 in. by 4 in. beam, you do not get the sap out of that timber in six months.

97. You said you would be in favour of abolishing the duty in long lengths and large sizes of Oregon?—Yes.

98. Do you not think that would tend to let it come into the country and be recut?—Yes, it would have a tendency that way. Of course, a certain amount of recutting goes on in any case.

99. *Mr. Barber.*] You said an increase in building-material would affect speculative building?—Yes, to some extent.

100. How far would that affect the employment of tradesmen concerned in the erection of a building—not only the carpenter, but the bricklayer, plumber, and paperhanger, &c.?—Of course, it would affect them to some extent detrimentally, but it is rather hard to say offhand the exact extent.

101. If speculative building was to stand still there would be a scarcity of work?—Yes.

102. And would it not at the same time affect the rents paid by the working-man?—Yes.

103. Do you know of any kauri being imported into New Zealand from outside?—Well, there is the case of those counters I mentioned a few minutes ago.

104. Do you know of any kauri being sent away and imported back made up?—I did hear of a case in Christchurch of some flooring that had been imported, and it cost 1s. 6d. less than they could get it for in the ordinary market here.

105. Can you give that individual's name?—Well, it was the gentleman who bought those counters here that gave me the information, and I dare say he could give the names of the concern in Christchurch.

106. You heard the evidence of Mr. Broad here to-day?—Yes.

107. Were you present yesterday when he gave evidence?—Part of the time.

108. Did you hear Mr. Haddock give his evidence?—Yes.

109. And you heard those two say they had purchased timber at 6s. 6d?—Yes.

110. Do you think there is any reason why they should misrepresent the fact?—No, I do not.

111. Would it not be to their advantage to have quoted an increased price rather than have quoted a low price?—Yes, I suppose it would have made a better case for them.

112. So that you do not think there was any reason for saying 6s. 6d. if they did not actually get it for 6s. 6d.?—I think they spoke the truth so far as they are concerned.

113. *Mr. Ell.*] If rimu for flooring is put into a building and covered over with linoleum, what is the result?—If you exclude air from below and also cover it with linoleum, I think you would find it perish with dry-rot unless properly seasoned. Even if it is fairly well seasoned and you exclude air all round, it has the effect that any natural sap in the timber would kill it very quickly.

114. So that, by putting unseasoned timber into a building you lessen the life of that building?—Yes, certainly.

115. How long have you been in business as a builder?—As a builder actually about twenty-four or twenty-five years. Of course, I had been working as a carpenter some years before that.

116. Seeing that there is 15,000 ft. of timber required for a cottage, and that it cost 2s. a hundred feet more for seasoned timber than for unseasoned, that would make a difference of £15 in the actual cost of the building?—Yes.

117. Would the building gain considerably by having seasoned timber as compared with green timber?—I should say it would be worth his while to have seasoned timber. Of course, in a small cottage the matter of dry-rot would not be a fact to be considered as in a large building, but the work itself would, of course, come to pieces, and he would have a bad job as long as the house did last.

118. It would have a longer life with seasoned timber?—Yes.

119. And you have a difficulty in obtaining seasoned timber?—Yes, a great difficulty.

120. If the architects require seasoned timber to be put in, and it only involved £10 or £15 at the outside in the increased price, do you think that would check the building in any way?—I do not think it would have any very great effect.

121. I think you said that when there was a combination among the timber-merchants prices hardened?—Yes.

122. And that when the combination broke up prices eased?—Yes.

123. You were asked with regard to the price of building a four-roomed house?—I cannot tell offhand.

124. I would like very much if you would get a price-list of, say, ten years ago, and work out the cost of a house in comparison with the cost of a similar house to-day. I should like to see the difference, and if you can do that it would be something like accurate information?—It would take a little time to take out the quantities. You would require to get accurate measurements, and you would have to be very careful, otherwise the information would be misleading.

125. *Hon. the Chairman.*] How long would it take?—I cannot say very well.

126. *Mr. Ell.*] I really want this question of the difference in cost settled?—There may be some gentlemen here who have already done that. I may say that I am to some extent neglecting my business while I am here, and any one undertaking to give information of that sort would want to take time to do it thoroughly.

127. With regard to these counters that we are importing?—That was owing to the prohibitive price charged here. I am unable to assign it to any other cause.

128. Have you heard of any kauri being imported into New Zealand from Melbourne?—Not of my own knowledge.

129. Would you be surprised to hear that kauri, 12 in. by 1 in., is listed in Melbourne at £1 2s., whilst the New Zealand price-list which I have here is £1 7s. for the same timber?—I have heard about that.

130. *Mr. Hanan.*] Do you consider it legitimate for sawmillers and others to combine for the purpose of regulating prices for self-protection?—So long as they do so within reason.

131. Do you not think that competition would usually regulate matters sufficiently?—Yes, I find it so in my line of business.

132. You said you could not quite understand the increased cost of production during these last ten years in respect to timber?—I do not know that I said that. I said I could understand that the more accessible parts of the timber lands had been worked out, and that, therefore, the cost of obtaining the timber was now greater, owing to additional tramways, &c., and I assigned that as a reason for the increase.

133. Those people have now to pay a railage of 2s. instead of being able to deliver it for 4d. as they used to?—I do not understand that.

134. From Riverton and such places they have now to pay 2s. railage?—Of course, every charge must account for something.

135. There are also greater difficulties in getting the timber out of the bush?—Yes.

136. You are aware that the timber is not so good as in former days?—Yes, I have heard gentlemen giving evidence making that statement, and I have no reason to doubt but that the statement is correct.

137. In reply to Mr. Ell you spoke of the advantage it would be to have seasoned timber in buildings?—Yes.

138. If you put in a tender for a cottage and you could get seasoned timber at 2s. extra would you as a builder put that timber in unless it was specified by the architect?—I do not think I would put the stuff in actually green if there was time to season it to some extent; it is, however, questionable unless the specification distinctly said it was to be dry stuff. Two shillings per hundred is a consideration. I would do my best in such a case, and it would be better for me to put in the dry stuff rather than be disgraced by a bad job if the timber was very green.

139. Could you be so generous as that?—You generally have time to dry the stuff, especially for cottage work. In a month or six weeks or a couple of months, properly stacked, it would dry almost sufficiently to make it in fairly decent order, and it would go on drying as the work went on. It is all the better to stand a little.

140. How much sooner would a house decay if built of green timber as compared with one built of dried timber?—If you do not paint the house for a while and cover it in, apart from the joints, the timber would season just as well in the house. If, however, you painted the house whilst green, you would find you could pull it apart with the hand in a couple of years.

141. The studs you use in ordinary cottages are inch and a half?—About 4 by 2 is the usual size for cottage-construction. Inch-and-a-half studs do not take long to season.

142. *Mr. Field.*] About the cost of production and the price of timber, you threw some doubt as to whether the cost of production would be 8s. or over: what do you include in the cost of production?—I take the 8s. to mean probably on the trucks.

143. What does it cover?—Cutting down timber in the bush, dragging it to the mill, cutting it up, and the handling of it generally until it is placed on the truck and sent to the siding.

144. Of course, you are aware that royalties have to be paid for timber; then you have to remember that there is depreciation to be accounted for, also salaries paid, interest on capital, and interest on bank accommodation?—As a general rule all these things have to be included. Royalty has to be paid in one form or another, because if it is freehold land there is interest on the capital which has to be accounted for.

145. Do you think it possible when giving an order for a house to a sawmiller that you could get the timber for 6s. 6d.?—Six shillings and sixpence I should say would be a minimum price for ordinary scantling sizes. The small sizes often accumulate about a mill.

146. *Mr. Barber.*] With regard to your opinion as to the cost of production?—I could not give an opinion as being worth much.

147. With regard to the 6s. 6d. which you mentioned. Was that the output of the mill for ordinary building-timber?—I understand that 6s. 6d. was in reference to ordinary building-timber, and 7s. 6d. for clear, and in purchasing that they took the whole output of the mill?—Yes.

148. *Mr. Ell.*] Do you use kauri to any great extent?—I have not been using much kauri for a number of years. It is used extensively in some parts of joinery, and for counter-tops.

149. Is the price against it?—Yes.

150. Seeing that it is a fast-diminishing quantity in this country do you think it desirable in the interests of the people that an export duty should be placed upon kauri?—Yes.

151. Especially when we can import counters from Australia cheaper than we can make them here?—There is certainly something wrong when our timber can be taken away and sent back to us at a cheaper rate than we can buy it in New Zealand.

A. R. WALLIS sworn and examined. (No. 29.)

1. *Hon. the Chairman.*] What is your occupation?—I am a sawmiller at Invercargill.

2. We want you to give evidence in this inquiry on the points set out in the order of reference as far as you know?—I was invited to come here, and I am prepared to answer any questions that you may put to me.

3. You have heard the witnesses this morning? Can you give us some evidence with regard to this association that was referred to? Do you belong to it? Is there an understanding with you or those outside the association as to prices to which you strictly confine yourselves?—I am not a member of the association, and there are no fixed prices outside the association.

4. You vary your prices according to circumstances?—Exactly.

5. Would you tell the Commission how long you have been in business?—I have been connected with the business for about twenty-five years, but not actively until recently. I was interested in a mill in 1884.

6. Would you tell us what your prices were in 1884?—I closed the mill down in 1887, and the prices then were 3s. 9d. per hundred feet.

7. That was the worst time you had?—It was a very bad time indeed.

8. The ordinary price was 3s. 9d then?—Three shillings and nine pence for rough red-pine.

9. Was it on account of low prices that you closed down?—Yes. Well, perhaps not that altogether. I had too much else to engage me.

10. Had it been otherwise you would have continued the mill?—I might have if I was engaged in that only.

11. Was there any difficulty at that time with regard to contracting for getting your logs into the mill?—Yes, the bush used to be let by contract for supply on to the trollies, and, as near as I can remember, the price was about 1s. 6d. per hundred feet for producing the logs.

12. Was the price paid for sawing—that is, for benchmen—different then to what it is now?—A sawyer was paid 8s. per day in those times.

13. What were his hours?—Eight hours a day.

14. What do you pay them now for the same class of work?—The award rate is 10s. 6d., but we absolutely pay more than that to sawyers. We pay 11s. and 12s.

15. Do they do much more work now than they did then?—No, they do no more.

16. Do they do as much?—It depends. The difficulty is to get good sawyers. Labour is scarce, and we have to give more than the award even if the man is not expert.

17. So that there is actually a difference of 4s. in wages for this class of labour by way of increase betwixt the present and twenty years ago?—Yes, so far as sawyers are concerned, their wages have increased.

18. What was about the output of your mill in the first instance?—The output was about 5,000 ft. a day.

19. And the output now in the mill you are engaged in?—Well, it varies from 4,000 ft. to 5,000 ft.

20. It would vary a little formerly too?—Yes.

21. So that there is not much difference in the output?—That is so.

22. So that the work you got for 8s. at a former period now costs you 11s. or 12s.?—Yes.

23. What is the average price at which you sell your building-timber now—I refer to building-rimu?—About 7s. per hundred feet.

24. Speaking of twenty years ago and comparing dressed timber and weatherboards then with those of to-day, is there a greater increase in respect to the dressed timber?—Dressed timber is far dearer to-day than it was twenty years ago.

25. I mean in proportion to the rough timber: has the price of dressed timber increased more proportionately?—In proportion to rough timber, not greatly.

26. Do you say that your profits are not much greater now than they were then?—Well, it is hard to say that. It is so long ago. I do know that the prices were very low twenty years ago. I think things are slightly better now than then.

27. *Mr. Arnold.*] Where is your mill at present?—In Grove Bush.

28. Where was your mill of twenty years ago?—On the railway-line near Edendale, at the top of the Edendale cutting.

29. In those days you were very adjacent to the railway?—Yes, very handy. In fact, the mill was on the road.

30. You are not in the same position now—you are farther back?—Yes.

31. Has that anything to do with the increased cost?—Yes, it has a great deal to do with it. The farther back you get the more tramways you have to construct to the railway-station, and consequently the greater becomes the cost of production.

32. The fact of the bush-work being done by contract in those days was part of the reason why timber could be sold so cheaply?—Yes.

33. Have you any idea of the wages made by men in those days and how the men lived?—The wages were less, but everything was cheaper, and I believe the men were better off than they are to-day.

34. Under present conditions you would not like to see the men go back to the old system—that is, so far as the rate of wages is concerned?—Under present conditions men receiving the old rate of wages could not live.

35. You do not belong to the association?—No.

36. Would you mind telling us why?—Because it is not to my interest to belong to it, although I did belong to it at one time.

37. Are these men not associated to some extent for self-defence—I mean the millers?—They are to some extent. There is the Sawmillers Association, but I am not a member of it.

38. About two years ago they had a case in the Arbitration Court with the workers?—Yes, but that affects every one—those outside and association millers as well.

39. Do you pay the same wages as they do?—Yes.

40. But if by the association their wages are kept down you participate in the benefit?—Yes, certainly.

41. If by the association prices are kept fair you also participate?—Yes, certainly.

42. Do you not think it is a fair thing that you should carry some of the responsibility of the association?—Truly, if everybody in the association would keep to the rules; and it was because they did not honestly keep to them that I retired.

43. Then, the members of the association are not all true to themselves?—That is my opinion and my reason for being outside. I prefer a free hand.

44. *Mr. Hanan.*] Are reasonable profits being made now in the sawmilling industry?—I think so.

45. Is it the large miller or the small miller who is doing the best?—The large miller undoubtedly, because his bush is far better situated. It is much more handy. The large millers have really possessed themselves of the most valuable bush, and so the small millers have to go back. That is the position in Southland.

46. So the large millers hold the best areas and the largest areas?—That is so.

47. Would you say that those areas were mopped up?—A great part of Southland is held under the regulations of 1886, and the areas so held comprise the very best positions in Southland. The whole of Seaward Bush is held under the 1886 regulations, and also most of the valuable sites in other localities.

48. You have referred to the regulation of 1886. Do you mean under the Act of 1885?—Yes.

49. How have these regulations been administered in Southland? If a holding is not worked within the time prescribed, you do not allow it to remain unforfeited?—That is a somewhat diffi-

cult question to answer, because the regulations are somewhat ambiguous: they admit of different constructions, and I think that the Department hold that the person in possession can hold in perpetuity—both land and timber.

50. Is that under the regulation that takes three years?—Oh, no!

51. The regulation was made previously?—Yes, I have a copy of the regulations here.

52. Do you know of any holdings not worked out according to the regulations that are still allowed to be held?—Plenty.

53. Where are they?—I dare say I can tell you some of them here.

54. Is that compliance with the regulations—to have holdings not worked according to the regulations, and still held by the original licensee? No; I say that they are illegally held, that the regulations provide that a licensee must put a mill on his area, and continuously work his mill for the first three years, after which he is entitled to his reserves or to extension of time if been worked out in three years, the Board has power to extend the term; but where no mill has been erected, and no work done, yet the licensees are allowed to retain possession, although the regulations are mandatory, and the privileges have lapsed.

55. Of course, the Board has power to extend the time?—Only where work has been done.

56. Within the six months?—In cases where a mill has been erected and the area has not been worked out in three years, the Board has power to extend the term; but where no mill has been erected the rights of the licensee lapse.

57. What is the reason that they have not been forfeited?—I cannot say; some have been forfeited, but why others have not been I could not tell you.

58. Have any license fees been returned, do you know?—Yes, there is quite a recent case in which a licensee under the regulations had his area forfeited, and it was granted to another applicant.

59. Why was it forfeited?—It was forfeited for non-compliance with the conditions—no mill had been erected, and no work done on the area. It was applied for by another applicant and granted to him, and the fees paid. The fees paid by the original applicant were returned.

60. Whose fees were paid? Those of the last man who took it up?—The first licensee got his fees returned, the fees having been paid by the last man who took it up. I could give you the area.

61. *Hon. the Chairman.*] Could you give us the names?—You can discover the names from the areas.

62. *Mr. Hanan.*] Are not the areas very much the same?—I mean the numbers. There is an area No. 462, which was applied for on the 7th December, 1903; the license was granted on the 23rd August, 1904, and it is still held, although nothing has been done with that area.

63. *Hon. the Chairman.*] Do you know if anybody else has applied for that area?—I do not think so, but I am not aware. There is another area close by, 465, held by another party. The license was dated 17th January, 1905. It had been forfeited and granted to another, although the two licenses were in exactly the same position—both had expired by effluxion of time.

64. *Mr. Hanan.*] Was the money returned to the original applicant?—Yes; it had been collected from the new applicant, and paid to the original one.

65. How do you account for that being done?—I cannot. It seems to me that the fees should have been paid into the consolidated revenue. It is a usurpation of the prerogatives of Parliament.

66. *Hon. the Chairman.*] This is in the Southland Land District?—Yes; this has been done within the last two or three weeks.

67. *Mr. Hanan.*] There is a distinction between the bush on Crown lands and in State forests. Can you tell us the distinction?—The bush on Crown lands is administered by the Land Board, the bush in State forests by the Commissioner of State Forests.

68. Can you give us any information as to small mills working for large mills, and the prices paid?—There are numerous cases in which small mills cut for bigger mills.

69. What do they get: can you give us any illustration?—The average price varies from 3s. 6d. to 4s. per hundred feet, put on the trucks.

70. Carry that on to the market—the profits made by the big miller?—The big miller, in addition to that, has to pay 6d. royalty to the Government, and interest on any capital he may have invested in his business; but I mean that where an area is cut by contract the price is 3s. 6d. to 4s.

71. Do you know of any case in which that has been paid?—Yes.

72. Within the last six or eight months?—Within the last two years.

73. Do the big millers get better profits than the small millers?—It is very hard to answer that. The small miller can sell at a far less price and make a living than the big one. Whether he makes a better living I cannot tell.

74. Can the small miller get the business?—He cannot, because the associated mills have practically collared the building trade. It is very hard for the small miller to get a footing. Several of the big millers are associated with timber-yards and the joinery business. If a builder purchases from an outside miller, he finds very considerable difficulty in getting joinery-work done at payable prices.

75. Do you think that the importation of Oregon ultimately means the destruction of the sawmilling industry in this country?—I do not think so.

76. Am I right in assuming that in the future the small mills will be wiped out?—They will be in a short time unless they go very far back—too far back to enable them to make much profit out of the business.

77. Then, you foresee large mills having a monopoly in a few years' time?—Yes.

78. As to State forests, do you believe in conserving our timber resources?—Certainly, to some extent.

79. What line would you suggest?—Do you mean conserving the timber we have?

80. Yes?—I do not see that there is really very much reason for doing that.

81. There is no reason?—No great reason.

82. Not if the timber is increasing in price?—It is simply a matter of economy as to whether it is not better to clear our timber lands for grazing and agriculture, and obtain our timber-supplies from countries that can produce more cheaply than we can.

83. You are aware that there is a timber-famine all over the world?—Yet there are vast areas not touched.

84. All advanced countries are going in for a system of afforestation?—They certainly are. As I understand, in pine countries like Norway and Sweden, and parts of America, the forests reproduce themselves—that is, if Oregon bush is closed up, in fifty years a new forest will grow up.

85. You think the mill should precede the settler in the case of bush lands?—I do think so. It is a waste of the resources of the country to burn timber if it can be profitably milled.

86. *Mr. Jennings.*] What is the output of your mill per day?—From 4,000 ft. to 5,000 ft. per day.

87. If a mill turned out 30,000 ft., would not that lessen the cost of the timber?—It should, undoubtedly.

88. Is that the greatest capacity of any mill down here?—No, there are mills that cut 6,000 ft. and 7,000 ft., and, I believe, 8,000 ft.—one or two of them—when working full-handed.

89. Have you any knowledge of the extent of bush country twenty-five or thirty miles from Invercargill?—Only what I have been through. There is a good deal of bush across the Waiau, but it is patchy, I think. The most of the bush on the east side of the Waiau is practically held, except the hilltops.

90. *Mr. Field.*] Do you think that the areas the Government has granted to millers are sufficient—800 acres of sparsely scattered bush?—I think, from a Southland point of view, they are quite sufficient.

91. If a miller cuts it out in six years?—I do not know of any case in which a miller has cut out in six years.

92. We have it in evidence from a dozen sources that it only takes six years to cut out 800 acres of sparsely covered timber land in the vicinity of Riverton?—I have no knowledge of any place where that has occurred.

93. You do not think six years is a sufficient time to cut?—I do not think it is sufficient. Providing the 800 acres is insufficient to last more than six years, the regulations do not confine you to 800 acres.

94. You mean you can get more than 800 acres straight away?—Certainly.

95. There seems to be some difficulty in getting more?—It is because there is no bush to be got. There was one extended area granted lately of, I think, about 2,000 acres.

96. You are an expert at this business: Have you any suggestion to make on the subject of sawmilling generally?—I think the existing regulations are reasonable and very fair. I do not see any reason to find fault with them. From a Southland point of view the regulations are quite sufficient.

97. You spoke of it costing 3s. 6d. to 4s. to put timber on trucks: what does that cover?—Bush-work, milling operations, trollying to the siding, and loading on the truck.

98. You are a large miller?—I rank as a small one.

99. What does it cost you to put timber on the truck in view of everything—logging, hauling, cost of trams, horse-feed, insurance against accident, loss by conversion, sawing, yarding, depreciation of plant and buildings, fire risks, salaries, charges of various kinds, wages, interest on capital, bad debts—what do you consider is the cost?—I am engaged principally in cheap timber—white-pine. I used to look actively after the mill, but recently I have employed a contractor. I contract the mill, and I get my timber cut by contract.

100. What does it cost you to put it on the trucks?—White-pine costs an average of 4s. 9d. per hundred feet.

101. And other timbers?—Red-pine, rough timber, costs 6s. per hundred feet.

102. We have had a statement of the cost of milling from the Longwood Bush—about 8s. per hundred feet on the trucks. Do you think that is a fair estimate?—I would not like to say it is, because I do not know their circumstances; but I would say that in my bush, which is principally white-pine, it costs me about 4s. 9d. per hundred feet for white-pine—that is, timber from $\frac{3}{8}$ in. thickness to 1 in. thickness. I pay the contractor 6s. per hundred feet for the red-pine. In addition to that there is royalty to be considered.

103. Which is 6d.?—Yes, my man who runs the mill employs the men, and I pay him on the output.

104. Is you bush rough?—Level country; I have rough country, too.

105. Where you are milling now?—Some is level and some rough.

106. Can you say whether your conditions compare favourably with Longwood?—Longwood is rougher.

107. To whom do you sell your timber?—I sell it myself.

108. To whom?—Direct to the customers.

109. You do not care whether they are timber-merchants or not?—I do not sell to timber-merchants—direct to the consumer.

110. Even if you are selling white-pine?—White-pine principally.

111. What are you getting for your white-pine?—It is nearly all box-timber: the average price is about 5s. 6d. per hundred feet at the mill on trucks.

112. Then, to the customer in Dunedin?—That is to the customers in Dunedin; they pay rail.

113. About the increase in wages, it was 8s. per day twenty years ago: now it is 11s. and 12s. How many are employed in an ordinary-sized mill?—About twenty.

114. And the man gets nearly as much as he did?—No, 25 per cent. to 30 per cent. more.

115. You say the small millers have not got a chance with the large ones. Is it a reasonable combination, or is there anything unfair done by the millers?—I would not like to say it is unfair in them to combine to protect their own interests.

116. We had it from Mr. Massey that when timber was low there were a number of failures —bankruptcies. Do you recollect that?—I do not know really whether they were amongst millers. I did not remain long in the milling business. I shut the mill down six weeks after I bought the property.

117. You are not a red-pine miller?—No, I do very little in red-pine; there is only a small quantity in my bush.

118. *Mr. Leyland.*] You stated that when you closed your mill down the prices were low. That was in Invercargill?—It was absolutely at the rails; you could have thrown a stone from the mill to the railway.

119. Where is the mill now?—About five miles from the railway.

120. What is the distance from Invercargill?—Twelve miles.

121. What does it cost you to get your timber from the mill to Invercargill now? I want to know the difference in cost?—Eight pence per hundred feet.

122. That means an increased cost of 8d.?—If I sell the timber in Invercargill, which I do not.

123. With reference to the refund of these license fees, do you not think that the Crown Lands Board may have had very satisfactory reasons for that, which have not been published?—I am only speaking on general principles.

124. Would it not be rather harsh on the part of the Government to insist on being paid twice for the same timber?—It is the usurpation of parliamentary rights that I object to.

125. Just now you stated the royalty was 6d.?—Yes.

126. Do you mean the sawn output?—Yes.

127. The loss in conversion has been stated to be about 40 per cent.?—Not in white-pine.

128. In rimu?—I believe it is.

129. We ought not to say the royalty costs 6d., but about 8¼d. on the sawn timber?—Yes, that is so; we estimate the royalty on the log.

130. Do you know if this association is a registered union of employers under the Conciliation and Arbitration Act?—I could not tell you.

131. Is it not almost necessary that it should be?—Yes.

132. *Mr. Clarke.*] I wish to ask a question with reference to what you said with regard to clearing off the timber, and the idea was expressed that it was desirable to make use of the forests and the timber at once at all hazards. Did you ever consider the value of the forests in relation to the rivers and watersheds?—It has been said they exercise a great influence in connection with the rain.

133. And it would be evident that if we cleared all the timber from our country we could not reasonably expect the rivers to be so high?—I would not like to say that the clearing-away of the timber absolutely diminished the rainfall.

134. But the question is whether the clearing-away of the timber would not prevent the rainfall being conserved for a good length of time: would it not have the effect that the rivers would be diminished by the outflow of the water so quickly?—That might be the case, but I have no experience in New Zealand to say so, but I may say that in Australia, where the timber has been cleared away, rivers that never existed and creeks that never ran ran freely after the bush was cleared away. I can assure you that when I first went to reside in Melbourne it was impossible to get a drink of water from Melbourne to Lilydale, and when the bush was cleared away there were dozens of streams.

135. Are you aware of the fact that it is considered by experts that a forest in its natural state will hold a large amount of water—that 12 in. in depth in the soil of a forest may contain 6 in. of water?—That may be the case. I can quite understand that the forests conserve the water in so far as they conserve a large quantity of it and prevent rapid evaporation.

136. And that being the case would it not be wise to exercise some care in preventing the rapid running-away of our rivers?—Yes, conserve the forests upon the hilltops, but not on the low lands. Let them be cleared away and the lands used for agricultural purposes so that we may get an annual return from them.

137. *Mr. Morris.*] You said you considered 800 acres a sufficient area of bush land for a man to erect a mill upon?—I was speaking from a Southland point of view only. I do not know anything about the West Coast or the North Island. I say that 800 acres is quite sufficient holding in Southland to erect a mill upon.

138. What has been your average per acre of timber of Southland bush?—About 6,000 ft. to the acre.

139. Well, I suppose it is not too big an estimate to consider that some of those mills have cost £5,000 to erect, with the tramways and the railway sidings?—I dare say some of them have, but I do not see the necessity of putting up such a mill. There are plenty of mills that have been put up for as many hundreds which will cut as much timber.

140. You wish us to believe that the men who spent this money in installing these big mills did not understand what they were doing?—I do not wish to say that, but I do say this: that a cheap sawmill is equal to the larger one. A mill that costs £5,000 does not necessarily have a greater output than a mill which costs £1,000.

141. At an average of 10,000 ft. per acre, and you say you are getting 5s. 6d. per hundred?—Yes, face measure—not superficial inch.

142. You could not possibly recover the cost of your mill off 800 acres. How are you going to make it up?—That is 6,000 ft. to the acre.

143. With 10,000 ft. to the acre you would only get about £3,000 out of it at 9d. a hundred?—Yes, but the mill does not cost £3,000.

144. The tramways we went along, I am sure, cost nearer £1,000 to put down than anything else?—Oh, no! you can get tramways laid at 6s. a chain.

145. With iron rails?—No, not with iron rails. I am speaking of ordinary bush tramways from bank to bank. They do not cost more than 6s. or 7s. a chain to lay, but the timber is extra, and the timber is cut out of second-class timber which is not for sale. I am just about to lay a considerable stretch of tramway, and I am quite sure I shall not be asked to pay more than 6s. a chain for laying it.

146. It is worth at least twice that amount to clear the land of the bush?—In the bush there is a little extra work, certainly. There is an occasional stump to take out.

147. *Mr. Barber.*] In reply to a question you stated that in your early mill experience your mill was practically in Invercargill?—No, just on the top of the bank from Edendale.

148. How many miles from Invercargill?—About twenty miles on the Dunedin side.

149. And how much further is your mill from your market now?—About thirty-two miles.

150. Further than you were in those days—further from Invercargill?—Yes.

151. And is that where you send your timber to—to Invercargill?—No, not 100 ft. in a year.

152. You ship it away?—All over the north of Dunedin.

153. You are probably no further away from the market than you were by rail?—No. The railage charge is calculated from Riverton.

154. You do not have to pay any more railage?—No.

155. You said you were paying your sawyers 4s. a day additional to what you were a number of years ago?—Yes.

156. How many are employed in a mill with 4,000 ft. of timber a day?—About eighteen hands, but only one sawyer.

157. So that the increase on the output of that mill would be only a fraction over 1d. per hundred feet for the increased wages on that one item?—Yes, but, of course, all other wages have gone up.

158. But not to the extent of 4s. each?—No. The sawyer is a skilled man, and he commands a better wage, and even better than the award.

159. *Mr. Stallworthy.*] I think you said that the small millers are cutting for the larger millers, that the larger miller pays a royalty of 6d. and also interest on the capital. Now, is it not a fact that the smaller millers are put on to these large areas practically as dummies for the large millers?—No; the bush belongs to the miller, and it is let by contract, and the small miller cuts it.

160. The small miller has no bush of his own?—No.

161. *Mr. Mander.*] You said the cost of producing your timber was: white-pine 4s. 9d., and red-pine 6s.?—Yes.

162. Does that red-pine not include royalty?—Yes.

163. And also the cost of the mill and incidental expenses connected with the business?—Yes. It does not include the sale of the timber and bad debts. That is the cost of production on the truck.

164. Are there any other millers in Southland who are so favourably situated as yourself in regard to timber at the same price?—I do not know. That is the price I pay the contractor who runs the mill. It would cost me more to do it.

165. That is what you pay the contractor to produce it?—Yes, I pay the contractor 6s., and the royalty is 6d.

166. Does the contractor supply the material?—Yes, and lays his own tramways.

167. In your experience, does it take more men now to do the same work than it did ten or fifteen years ago?—It takes more men on hilly country, but not on flat country.

168. Then, according to your experience, the men are quite as competent as they were ten or fifteen years ago?—I think so. I think they are just as competent. It is thought they do not do quite as much.

169. If they did not do quite as much would it not take more men to do the work?—It depends upon who is bossing them. One man could get more work out of them than another.

170. You account for the difference in the cost between 6s. and 8s. as stated by other millers partly on account of doing the work themselves and employing labour?—Yes.

171. And you think if they let the work out by contract they could get it done cheaper?—I think so.

172. Now, in regard to the conservation of forests, do you not think there is plenty of rugged, hilly country that it would be advisable to conserve containing much marketable timber in this country?—Certainly. I say, with agricultural land carrying timber it is better to clear the timber off, market the timber, and utilise the land for agricultural purposes. Keep the timber on the hilltops by all means, and, if you wish, carry on a system of afforestation, but I think good agricultural land is turned to far better purpose when used for agriculture.

173. *Mr. Jennings.*] It is a lasting asset?—Yes. If you devoted that land to growing timber and replanted it you would have to stand out before you got any return, whereas agriculture gives you a return every year.

174. *Hon. the Chairman.*] In regard to the leases mentioned, you said that lease No. 465 issued on the 17th January, 1905, ran for the whole of the three years, and nothing was done with it?—Yes.

175. And it was then relet and the money paid to the man who held it for the three years without doing anything. How much did he get?—He got a refund of the full amount of the royalty that he paid.

176. He paid a royalty for three years and got it returned to him?—Yes. My contention is that the regulations should be administered justly. The regulations are very clear and distinct, and if a man does not show his *bona fides* and erect a mill and work his area his rights lapse without any forfeiture. They simply cease, and it should be distinctly understood.

177. Do you not think there should be some penalty besides if a man monopolizes timber land to the exclusion of any other settled worker?—I do not see that any penalty is necessary since he has paid a royalty for the privilege and he has not benefited by the privilege.

178. Do you think that that would be a sufficient punishment for a man who took up an area of that class and held it for years without doing anything?—Well, it is a pretty stiff punishment to forfeit royalty and fees paid. It is taken up in the hope that they will not be put off at the end of the three years, and therefore there is a lot of country held in dummy fashion. The regulations are not complied with, and yet the parties are not dispossessed.

179. Is that in Southland?—Yes.

180. There is another area you mentioned, No. 465, issued in January, 1905. What position is that in?—That is the area that I say has run its three years. There has been nothing done upon it, and it has been forfeited and relet to another party.

181. And what about the former area?—It is in the possession of the former party. He is still in possession; yet he has done nothing. He has held it for four years and going on for five. I might say that that obtains in a great many other cases. There is another case I know of. I think the area number is 467. A license was issued for it in May, 1904, and nothing whatever was done with the area, and in May, 1908, four years afterwards, it was applied for by another party, whose application was declined. This area is in State forest, and the original holder was given an extension of time in which to commence operations. He still holds it, and is working it now. He has absolutely no title whatever to the area; his original license has lapsed.

182. Are you aware if that applies to areas under the Land Board jurisdiction?—No, I cannot say that I am.

183. Then, you think the State-forest management is not equal to the Land Board?—It is hard to say that. Apparently it is not.

184. You would have no fault to find?—Practically there are very few applicants on Crown lands. I do not think there are any except in Grove Bush. I think I was misunderstood in saying that I was satisfied with the regulations.

185. That was more as to the area that was allotted?—No. What I wished to infer was that I am perfectly satisfied with the existing regulations if they are properly carried out. I think they are quite sufficient for all requirements in Southland, but I am not at all satisfied with the 1886 regulations and the manner in which they have been administered.

186. It is hard to deal with those, and I do not see that you can upset them?—It is a matter of interpretation. There is no right of appeal, and we say we should have the right of appeal to the Supreme Court.

187. *Mr. Hanan.*] That is in the old regulations?—All we ask is for that right. We are not satisfied with the administration of the 1886 regulations, and contend that they are wrongly construed. There is a very large area held at the Gorge Road, practically 4,000 acres. These areas are held under the 1886 regulations, and it is claimed by the holders that they possess a right in perpetuity—to lock up the land and timber in perpetuity if they so choose. Our contention is that the 1886 regulations give a limit of time within which the privileges granted to the grantee operate, and we contend that that time has long since expired. The regulations say that the area of a sawmilling license shall not exceed 200 acres, but that the licensee may apply for a reserve of 600 acres—that is, 600 acres in three 200-acre blocks. The time specified is two years for each 200 acres, but there is no time specified for the first area—that is, the original area. But the regulations say you can only hold one area at a time in connection with a sawmill license. The license, remember, is not for the area, but for the mill. The area is simply a portion of Crown lands allotted for the purpose of obtaining timber for the mill, and the regulations say you shall not hold more than 200 acres in connection with a sawmill. Therefore when you apply for a second area your first area is cancelled.

188. The Board hold an opposite opinion?—Yes; but what we contend for is that we should be able to appeal to the Supreme Court for an interpretation of the regulations.

189. *Mr. Hanan.*] Is there no appeal from the Land Board to the Minister?—No.

190. Can you give any reason for the fact that in the case of State forests the Minister should have the administration solely in his hands, whilst in regard to bush on Crown lands it is invested in the Board, subject to the regulations?—Yes, I can. We had a case recently in which we applied to upset certain areas in Crown bush in respect to Crown lands under the 1886 regulations. The result was that we gained our point, and the licenses were all upset. The Land Board then proceeded to deal with these areas, and they dealt with them in a way which I think was very unfair and unjust. The original holder, who had the enjoyment of his privileges, was regranted half of the original area, and the other was thrown open to public competition. The areas were all revalued. Those that were granted to the original applicant were valued at less than they were originally, whilst those that were granted to the public were all valued considerably above the original value. We think, therefore, that we ought to have a right to appeal to the Minister against such a proceeding, which we think is very wrong, and yet under the law we are compelled to accept it. These valuations were increased as much as 75 per cent. I may say that the areas were all valued by a surveyor in the first place, but they were afterwards revalued by a Crown Lands Ranger, who agreed with the surveyor in respect to certain areas, whilst he increased the royalty very considerably on others.

191. *Hon. the Chairman.*] Perhaps the first valuation was not a fair one, and the second might rectify the omission?—It might, but then one man valued the whole of the original areas, and the second man agreed with him in the main, and it was only in two or three areas that he disagreed.

192. Was there anything apparently in respect to those licenses to justify him putting on a higher value?—Nothing whatever, because we say that the timber is not there, and we say it is overvalued. Here is a schedule which shows the whole thing.

Mr. Mander: Is this within our jurisdiction?

Hon. the Chairman: I think it is. It relates to timber, and it is a very serious and most important matter.

[The witness handed in the schedule, showing the original and present values.]

Witness: You will see, Mr. Chairman, that this gives the quantity, the royalty, and the rate, together with the names of the grantees. As I have said, it gives the increases and decreases.

193. *Hon. the Chairman.*] What are the dates—there is no date apparently?—No, the date is not there, but that is not required, as it was only estimated within the last few months.

194. I shall be glad if you will add the date of the valuation to the schedule?—Yes, I shall now do so, and put the schedule in.

Hon. the Chairman: This wants looking into.

195. *Mr. Field.*] Are you personally affected by that?—Yes, I am personally interested, and I pay the amount under protest. I claim that the matter should be looked into and a revaluation made by another person.

196. Has any one else complained of this matter?—Yes, Mr. Cox, the other holder, has also complained. He considers the royalty greatly in excess of the timber on the ground.

197. *Mr. Leyland.*] I do not know whether I misunderstood you. I understood you to say that when 800 acres were allotted to a man the others were in reserve for him. Do you mean that he has to shift on to the other area?—Oh, no! What I say is that the license is for the mill. The area is simply a portion of Crown land allotted for that mill in order that the mill may obtain a supply of timber. There is power under the regulations to give the licensee rights over his tramways, and those rights are always reserved; but the lands otherwise may be made available for settlement. I say that a sawmill licensee can only hold 200 acres at one time—that he cannot hold two areas at the same time in connection with one sawmill license.

198. Then, in order to justify him in constructing a railway they give him another 600 acres in the way of a reserve?—Yes, that is the position.

FRANK WILLIAM PETRE, Architect, sworn and examined. (No. 30.)

1. *Hon. the Chairman.*] Mr. Petre, I understand you are an architect?—Yes.

2. Can you help us to solve any of these questions within our order of reference?—I cannot give you any expert opinion as to milling, and nothing in connection with the raw material in the bush, beyond my own opinion as to the conditions in which the timber comes into the market from the sawmills.

3. Have you practised long at your profession?—I have been practising in Dunedin for thirty-five years, and during that time I have always suffered from the same difficulty—viz., the want of seasoned timber. As far as the mills are concerned, the objection that we have to their handling of timber is that the timber is felled at the wrong time of the year—that is, it is felled in summer-time instead of being felled in winter-time. The winter here is generally used for breaking up the timber and trucking it to the mill. Speaking of our local timbers, I can only say that they are really quite useless for building under the conditions under which they come into the market, if you wish to make a permanent work of the building. One of the great mistakes we have been making, particularly in our southern towns, where the rimu is not so good as that of the north, is that we have been putting up houses, particularly for the workers, which must in the very near future produce very bad consequences and great and bitter disappointment. A man, perhaps in his early youth, who has concentrated all his resources to establish a home for the benefit of his old age, must suffer bitter disappointment when he discovers at fifty that his house is in a state of decay. Owing to the unseasoned condition of the timber none of the wooden houses which we are now putting up, and which we are finishing with paper and scrim, are worth more than twenty-five years' life. I regard this as a very serious matter, because it overtakes a man at a time of life when he can least afford it. The home which should be his shelter in old age will prove a delusion. If built for renting purposes it will prove a loss of capital, and if for personal residential purposes the upkeep in the way of repairs will equal a rent. When a man arrives at that time of life it is hard to find that his home is perishing over his head. The whole of our future must depend upon a settled and contented race of workers, workers settled in their own homes. Nothing can be better than for all workers to possess their own homes, because men under such conditions will not seek to upset things with communistic notions. Men will feel the responsibility of citizenship when they get their own homes, especially if they do not get dry-rot into them. I say that a man on the flat here, with a red-pine cottage, papered and scrimmed, has not got a permanent home. At the time when he wants it most it will fail him, because he will find that it requires constant repair. The valuator rates twenty-five years as its life, and the owner will find that the only value he has got is the land. We have great difficulty in getting seasoned timbers here, even for joinery. I am aware, of course, that it is worse in the South than in the North. In the northern towns you will find some fine joinery done out of rimu, whilst here in the South we have to condemn doors in all directions. The timber is dried, but it is not seasoned; when it is dried the sap-cells still remain full; they are consequently expanding, but time contracts them and the timber shrinks. Timber that is cut full of sap in the summer-time,

particularly in November, cannot be seasoned. It is always subject to the shrinking of the sap-cells afterwards. Another difficulty is that if we want long lengths for big beams we cannot get kauri, and the price is prohibitive when it is procurable. The red-pine we rarely get in long lengths. You cannot get 40 ft. in red-pine, and I only knew of it once, and in all the other cases I have had to use imported timber—either Oregon or some Australian timbers. We frequently specify a choice, including kauri, but the kauri does not get used, because as soon as the contractor comes to take out his costs he sees that he must take some other of the specified timbers in preference to kauri, not on account of its quality, but on account of its cost. For the purposes I refer to Oregon is most used now. There is no doubt but that the building trade of New Zealand must have a large quantity of imported timber, and the more you tax imported timber the greater our difficulties will become. The taxation will produce two results—firstly, the tax will fall on the consumer, and secondly, it will lead to the depletion of our forests, with the result that whole tracts of country will be thrown into waste or turned into desert. Climatic changes will be constantly occurring, and the country will become more liable to droughts. Then, you will steadily increase the cost of buildings, with the corresponding increase in rents which must follow. A man who builds to let his house must get a return for his expenditure. Obviously this state of things must result in a scarcity of houses, which will tell particularly on the worker, who has got no great margin to come and go on. The worker has to parcel out his weekly wage carefully, and if you put on another shilling or two of rent it has to come out of something else, and probably he will not be able to save what he should save for the maintenance of himself and family when he is out of work. Now, a condition such as this affects the whole country, and particularly so that large section of the population who are the workers. If a state such as I have mentioned is produced, the country cannot prosper. Speaking for my professional brethren in Dunedin, and I believe for all of them throughout the Dominion, the more facilities we can get for procuring cheap, well-seasoned timber the better it will be, not only in respect to the buildings that we put up, but it will be ever so much better and cheaper for the whole of the population. A few timber mills, when first closed down, might suffer to a certain extent; but I believe it is the opinion of a great many people that we are cutting our timber a great deal too quickly. If you can throttle that pace of cutting timber you will be doing a distinct benefit to the whole country. We are not only opposed to anything in the shape of taxing timber in order to prevent it being imported, but we are also quite in favour of anything that will hold our own good timber in the country, in the shape of an export duty. The difficulty of that is, however, when it comes to a question of reciprocity. We are wanting our neighbours' timber, and if we do not let them have ours they may pay us off in our own coin. We must have the Australian hardwoods, and we must also have the American softwoods. We want the Oregon for all strappings, as well as for beams, &c. The Oregon is a perfectly dry timber, free from any acid. All our timbers here are not. They are resinous, and they are all charged with acid in the sap, which discolours the plaster. When so many metal ceilings are put up that must have battening and plastering, the timber used must be perfectly rigid and in good condition, so that it will not twist, by warping or contraction, the sheets of fibrous plaster or the sheets of metal. For these reasons we are quite opposed to anything that would tend to throttle the importation of suitable timber. We are all of opinion that the rate at which our forests are being depleted will become a very serious thing for the country. We are producing a bad style of building for the very class that should have a durable and lasting building. In a word, we are producing a house that is not durable. It is a house that has only a twenty-five-year life.

4. *Mr. Jennings.*] You are speaking generally of local timbers?—Although it is a timber in itself, it is a good timber; but it does not come to the market in a proper condition, and any amount of drying will not put it in a proper condition. The shrinking of timber you will see in connection with furniture. It is very difficult to get properly seasoned timber for furniture. Those who are consumers using locally made furniture, though tolerably well made, are discovering that it does not last on account of the shrinking and twisting.

5. *Hon. the Chairman.*] You said something about the time that timber should be felled?—It is decidedly wrong to fell timber in the summer-time, and it is absolutely not allowed in European countries. It is not allowed in England, and in Germany nobody is allowed to fell timber without permission from the proper authorities, and then if timber has to be felled out of season for clearing purposes a permit has to be obtained—and it is the same in England—but the timber so felled is not marketable. Here it is common enough to see the sap oozing out at the nail-heads, or suggestive of the common saying—which is a fact—that the birds were singing in the branches of the tree from which the timber was taken a week previous.

6. *Mr. Arnold.*] How do you suggest that this difficulty should be got over?—The same as in other countries. I say that the State should forbid the cutting of timber in the summer-time.

7. Have you much knowledge of our bush country?—I have seen a great deal of it. My only experience in sawmilling was when I came here originally in 1873 as engineer for the railways here. We had a sawmill at Waipori.

8. Have you been through Catlin's Bush?—No, I have not been through it.

9. Have you seen the Longwood Ranges?—Not for many years—not since 1874 or 1875.

10. Have you seen much West Coast bush country?—A little, around Greymouth and Hokitika, over the range.

11. From your knowledge of this country, do you not think it would almost cripple the building industry if they were confined to winter work?—Yes, if you did it by anything like a sudden enactment, to country being milled now. You could set certain tracts aside as forest that must be only cut in the winter-time. You would not be touching the present industry; you would leave the forest required for mills going now in full swing, but there are huge tracts all over the Dominion that could be conserved in that way. Restrict the cutting of them. Have that regulation that they were only to be cut in the winter-time.

12. You would have a Government official to report on areas suitable to be cut in winter?—On areas at present not in use, so that you do not touch the industry as at present, and gradually it would grow up under these conditions. There is provision of this kind in all the European countries and in the Old Country. I know that, in my experience there, now and then an oak-tree had to be felled. Permission was granted by the proper authorities; then the tree was cut down and split up into firewood.

13. You are an architect by profession?—I am president of the local body and a member of the Council of the Institute of New Zealand.

14. If your society were to agree that all specifications should provide for only seasoned wood would not the difficulty be met in that way?—No, because you cannot get it. We put it into our specifications—the interpretation is dry timber—and we put it in that the timber must be delivered within a certain date after the signing of the contract, but we rarely get that carried out. We cannot get local timber quick enough, and where time clauses come into play that is the first point that is made—that the timber cannot be got. We specify that it is to be on the job by a certain time, but we cannot get it. There are many reasons why it is extremely difficult to enforce the penalty clause. It has never been successfully done yet. It is a good clause, but hard to enforce.

15. Has the difficulty in getting seasoned timber anything to do with the increase of the import?—No doubt of it.

16. You know that the importation of foreign timber is increasing?—Yes.

17. Do you think it is necessary?—As far as has come to my knowledge, you could not have done without it. Buildings I have had could not have gone on without the Oregon beam, and the ceilings and so forth could not have been put up. We have tried the red-pine battens, and it is not successful for metal or fibrous plaster. You frequently see a cheap building with the mark of the lath showing through the plaster.

18. So that if these timbers were not imported the building industry would be crippled?—It would be delayed, and there would not be the value in the building owing to the timber not being in a proper condition.

19. If the duty on imported timber were increased, do you think it would have a detrimental effect?—Unless it were increased to a prohibitive degree we should still specify it for good-quality work, and the difference would be on the consumer.

20. Whom do you mean by the "consumer"?—The proprietors of the buildings. They would have to pay more, and if they are building for speculative purposes the people taking their buildings would have to pay high rents.

21. So that it is passed on to the general public?—Yes, and it is felt most by the portion of the general public who can bear it least.

22. From your large experience, you think there should not be an increased duty on imported timber?—It affects the whole population to such an extent, and if there is any injury done it is to a small class. If there was free trade in timber it would be better. It would improve our buildings. They would be more durable, cheaper, and there would be less trouble in future in connection with them.

23. Would you not recommend a duty on smaller sizes so as to encourage labour in this Dominion?—If you have to have a duty at all you could put it more safely on small than on large sizes. For instance, in framing; it is not so much in joisting, but in finishing, planking, &c., and the joinery-work, so that if you put a duty on small scantlings required for these things you would not be doing an injury to the building trade, and the larger beams would not be touched. They do not take away from the output of the local bush mills so much as the small scantlings. If you are to have any duty at all put it on the smaller scantlings.

24. Except that there is always a tendency to cut up scantlings?—Well, the labour in the country is employed on that, and it is good to encourage that.

25. With regard to manufactured goods—doors and sashes—is there much of them being imported?—I think there is a tendency to increase the importation of manufactured goods. It is very difficult to get local doors good.

26. Have you had these doors put into buildings?—I have trouble at this moment with red-pine doors, without mouldings, showing daylight through them in some places; in fact, it would pay to use American doors.

27. Have you seen doors from Sweden?—Yes, they are very soft wood.

28. Are they to be compared with rimu?—Not for appearance, but for standing they are better.

29. We have had evidence that they are inferior?—They are inferior in this respect, that they are very soft; they are rather too thin in the panels, but that is done for purposes of freight, of course. If you import a door you have got to take it as it stands.

30. You think that trade is likely to increase?—It is increasing.

31. You think it is desirable that it should increase?—I do not think so. I think if we imported the proper material and the joinery was done here it would be better, because we should have complete control over it ourselves, and we have machinery and men here capable of producing as good, if not better, articles as in the world.

32. If rimu is seasoned it is quite good enough for ordinary purposes?—I have seen excellent doors from it in Wellington, Christchurch, and the northern cities.

33. You think, having the machinery and the labour, we should do all we can to encourage our own industries?—Yes, but you do not want to put a shilling in one of our pockets and take 1s. 6d. out of the other. You must not increase the cost of the house. The most important thing is durability.

34. Can you tell me the increase of cost of an ordinary five- or six-roomed house within the last ten years, as a building or per room?—I should say—take a four-roomed cottage—we used to

build that very much the same style as now—a few things may be better—for £250 to £260; you cannot build that now for another £100. A properly finished four-roomed house costs £350 or £360 at the very least.

35. That is about 25 per cent. more?—Every bit of it. I have in all my contracts a schedule of prices with the rates set down. The tenders are sent in, but only the schedule of the successful tender is opened. I have been looking up a tender of the early "eighties"; the timber, framing, joisting, &c., in 1885 and 1886, including labour and material, was set down at 12s. 6d. and 13s. 6d. per hundred feet. Then it rose up to about £1—the cost of ordinary red-pine frames, joisting, and roofing. Now it is £1 4s. and £1 8s. If you take that, the cost is nearly doubled in that one item. Flooring used to be scheduled at 18s. per hundred feet, and now it is up to £1 8s. and £1 10s.

36. Having gone so closely into the question of the framing and flooring, have you taken the trouble to take out what proportion of the difference belongs to labour and what to the rise in timber?—Of course, when the framing was running up to 14s. the timber was 7s. 6d. per hundred, and is now still about half. The labour runs about half, because it runs 13s. to 14s., and the flooring £1 10s.; flooring was then up to 15s., and it will now run up to £1 10s. Framing was 13s. 6d. for timber delivered in town here, and it now runs up to £1 6s. or £1 8s. The timber is about half the cost, and the labour is the rest.

37. So that you hold that the proportion of the cost of timber to the total cost of a building is about the same ratio now as at that time?—It is. Of course, labour has gone up. In those days carpenters were getting 9s. and less, and a good deal of labour was let by contract, and men were quite willing to take 8s. Now, of course, the wage is 10s., and some builders have to pay more. The builders have other expenses, too, that they did not have then—larger expenses in the matter of scaffolding, which is very expensive now, but it is better.

38. I understand from you that the higher cost of building is not in consequence of the rise in timber—that the price of timber bears the same proportion to the cost of the building as at that time?—Yes.

39. *Mr. Hanan.*] Referring to comparative cost to-day and that which obtained some years ago, is it not a fact that the buildings to-day are of a better class? You have more conveniences indoors—pantries, &c.?—Yes, in the shape of cooking-stoves, and fittings generally of that sort; but that does not account for the cost, because the few poor conveniences you had in those days were more costly then than now. To go back to the cheapest grates, you had to pay £1 or £1 5s.; you can get as good a grate now for 14s. Of course, a great many houses did not have grates. Then the ranges: A large number were imported; now they are locally made, better, more convenient, and not very much dearer.

40. There is also hot- and cold-water service, bathroom, and so on?—You have hot-water service in a great many houses; of course, it is a great improvement.

41. Do not these items add to the cost of a building?—It adds £10 or £15 to a cottage, but it does not account for the great disparity. When it comes to larger buildings it becomes very much more apparent. In the matter of brickwork, for instance, it is very much more costly now than it was; the raw material is more costly.

42. Is it cheaper to build in brick or in wood?—There used to be a larger difference between brick and wooden buildings than now. I reckon that a plain brick building and a plain wooden one has a difference of something like 12 or 14 per cent.

43. Which would you recommend?—Brick. A good brick building of that kind is worth ninety years' life; a wooden building is not worth more than twenty-five years' life. At the end of twenty-five years the upkeep of that building is so expensive that it is practically dead. The upkeep of a brick building may last for a couple of centuries.

44. Then you would recommend the Government to build in brick?—Certainly.

45. If Oregon is imported, to the extent which now obtains, does it mean the destruction of the sawmilling industry?—No.

46. Why?—Because the Oregon we are using in large material—battens and suchlike—is comparatively small as regards amount when compared to the huge quantity of local timber—so much so that it does not account in the first place for the increase. There is an increase going on in all these towns, larger this year than last, and unless you increase the number of sawmills in proportion you cannot say that the whole increase of the importation is taken from the sawmills. There is no necessity for increasing the sawmills that are now established. There is a slackness of the building trade here, but it is only a temporary slackness, and I have no doubt the sawmillers are feeling it the same as anybody else. But to say that because timber is imported they are going to put up their shutters would be ridiculous. You have an opportunity of considering the whole situation and looking to conservation for the future. If you are going to multiply the sawmills, you would be doing the country a huge injury.

47. To increase the duty on Oregon would be a national calamity?—It would be a great mistake. "National calamity" is rather a heavy word.

48. *Mr. Jennings.*] Have you any knowledge of the area of timber in the Dominion?—No.

49. Have you any knowledge of the amount destroyed by fire?—No, but I have seen huge tracts that have been destroyed.

50. I do not mean settlers destroying?—By cutting and burning. I suppose Invercargill has suffered as much as any other district.

51. Have you any knowledge of the artificial seasoning of timber?—Well, we tried it years ago.

52. Anything of the new processes?—We had that process: we had creosote in the sleepers: this is passing the creosote through the timber. I had a little experience in London—Bethel's Works. He was the inventor of the creosote process. There it was simply driven through the ends

of the timber: pressure-caps were put on the end. That has been abandoned: it was too expensive. Then the next move was a pressure bath in which the timber was packed, and the creosote forced in by a force-pump; that is obsolete now.

53. Do you know what timber has been used in the house in Stuart Street, opposite the Wesleyan Church? I was in one of these houses nearly forty years ago, and it appears to be in as good condition to-day?—There is a large house there, but it has been repaired a good lot.

54. They were getting a rental in those days of £1 10s. per week, so it must have been a good investment?—But the £1 10s. for this class of house is gone.

55. I think you answered the difference between a brick house and a wooden one?—From 12 to 14 per cent. in a plain building.

56. *Mr. Field.*] You have been a leading architect here?—I have been a long time in practice.

57. Do you come here to voice their opinion?—I was asked to do so. Of course, I have given you my own views also. It was more confined to the inadvisability of an import duty on foreign timbers and an export duty on kauri. We are all agreed that to prevent foreign timbers coming into New Zealand is a mistake, and that something should be done to prevent the exporting of kauri. These are two points we are agreed upon.

58. Now, you said the cost of a four-roomed cottage had gone up in Dunedin from £250 to £300 or £400?—Yes, from £250 to £260. I had in my mind certain cottages.

59. How many feet of timber would there be in those cottages?—They vary. I suppose, taking the timber all round, in a cottage of that size there would be 6,000 ft. of timber in it.

60. The timber in that case is only about £30?—Yes, from £30 to £50; but that does not include the joinery. The quantity of timber and joinery is comparatively small in proportion to the cost.

61. What proportion does the timber bear to the whole cost of the cottage—what fraction of the total cost including the joinery?—I should say that it is perhaps from a quarter to as much as three-fifths.

62. I thought Dunedin was a fairly cheap place, and that materials were much cheaper than in other places?—It is the cheapest building-place of the four cities.

63. Would you be surprised to know that I had a five-roomed cottage built with 7 ft. verandah, double chimney, bathroom, scullery, and outhouses for £250?—Yes, in Wellington. I have always been impressed with the cost of buildings in Wellington as compared with the other cities. You must have had some favourable circumstances.

64. What do you think is the increased price of undressed timber in the last ten years?—It got to 8s. about twelve or fourteen years ago. It rose then gradually about 6d. a time, till it stood at 11s. 6d., and then went up to 12s. 6d. and 13s. 6d.

65. Then the evidence we had that it had increased 2s. in ten years is about right?—Yes.

66. That would mean that in a house containing 5,000 ft. of timber the increase would only be £5?—Yes.

67. What do you think has been the increase in the cost, so far as the timber is concerned, in dressed and undressed?—Labour, mostly.

68. In a house containing 5,000 ft. of timber the cost has gone up £5 in undressed: what has dressed timber gone up?—It is hard to say, because the joinery is a large part of the labour. A builder could tell you that. In my contracts each item included everything such as waste, labour, and contingencies of all sorts. One does not trouble to cut out the different items.

69. Now, in regard to Oregon pine, did you notice in last night's paper there was a ship here with 4,000,000 ft. of timber on it?—I was told that was so.

70. That indicates that Oregon pine is coming in here in fairly large quantities?—It will, I dare say, providing it is not throttled. It will come in for some years, but we cannot look to them for the real trade because the Americans will want all they have got; they will be running short of timber very soon themselves.

71. Do you think Oregon pine is likely to go up in price because the Americans will want it themselves?—I think so, in the very near future.

72. Are you aware it is being used in the northern part of the Dominion for outside work?—I have heard it has been used for flooring and weatherboarding. It is a very good timber for weatherboarding, but very poor for flooring.

73. You have heard it has been used for framing?—Yes, I have heard so.

74. And that means practically that the whole building can be made of Oregon pine?—Yes.

75. Do you think it is fair that timber from a foreign country should be brought in here to compete with our timber—it is, of course, competing with our timber?—Yes.

76. Do you think any disaster is likely to result?—No, no disaster whatever.

77. I understand you to say that you are in favour of conserving our timber?—Yes.

78. Supposing you are the owner of 500 acres covered with timber, and you cannot mill it profitably because the people are building their houses of Oregon pine, what are you going to do with it—is there any option open to you?—No. I should suffer for the good of the country. I should be a bit of a martyr.

79. What form would your martyrdom take?—Seeing my forests there unutilised.

80. What about the mortgagee?—He would be another martyr.

81. Do you not think he would probably sell it for what it would fetch?—He may.

82. And then if it got into the hands of a person not like yourself he would cut the timber down and put it in grass?—I do not know. If it was good timber country it would not pay him to put it in grass.

83. But it is being done every day?—I think the best timber is taken our first.

84. Oh, no?—Well, I think they are very wasteful people.

85. What else is there for him to do?—If he cuts it down he utilises the ground, and he becomes a farmer at great cost to himself.

86. That is a good reason for cutting it down?—Yes, if the land is sufficiently good.

87. Is it not a disaster that that timber is wasted?—Yes, no doubt.

88. You said you could not see any disaster?—Not to the country.

89. Is not that a disaster to the country?—No. In order to prevent that timber being wasted you create a greater disaster. You would make every man requiring timber pay higher for his building. If you legislated in such a way as to make that timber of such value as to put a man in to cut it up to keep out the foreign timbers, you would be taxing the whole country for that bit of timber.

90. That is not so. Assuming that the man who owned that timber was prepared to mill it at a reasonable price—probably under the price that people would have to pay for Oregon pine—nevertheless he cannot use it because Oregon pine is shutting him out?—If he could mill it and sell it at a price cheaper than Oregon pine it would go into the market.

91. The experience at the present time is that up North the architects are specifying Oregon pine for buildings for which we believe our timber is more suitable?—There is this to be said so far as the building in the Dominion is concerned: that two-thirds of it is put up in the colony and never has an architect near it. It is done by the enterprising builder, and if he could get timber cheaper than Oregon pine he would put it in. If you were to put red paint on all the houses round Dunedin that have had an architect's hands about them, you would see very little paint about Dunedin.

92. Supposing I am prepared to mill and deliver it on the works in Wellington—first-class ordinary building-rimu—for 10s., is that too much?—No.

93. We cannot sell it because Oregon is shutting it out. It has been selling there at 11s., which is an unduly low price. You see the difficulty?—The difficulty really at the back of it is that there is a slump in the building trade in Wellington—that is the real trouble. It has nothing to do with the Oregon pine. If you can sell good rimu for 10s. out of your bush you are all right.

94. But you cannot sell it?—You have only to wait.

95. Now, come to the question of the destruction of the 500 acres of timber I have mentioned. The timber is destroyed and a farm takes its place. What next happens? It is not good for the country. Is not the railway freight lost to the country?—It would be, but there is the freight on the farm-produce.

96. The same thing would happen if you milled your timber—you lose that freight absolutely. You still have the produce to sell after you have lost the freight of the timber?—Yes.

97. Then, if you have been unfortunate enough to put in a mill with trams costing, say, £5,000, that is a loss?—Yes.

98. Well, then, what about your labour which you lose?—Suppose a mill employs twenty-five or thirty or more hands—these men lose their employment?—Yes.

99. Take another aspect of it—the fact that the money for the timber, apart from the labour, goes out of the country?—That happens in all trades.

100. Summing it all up, would it not be a fair thing if we could adjust it so that we could buy as cheaply as possible, import without a duty or with very little duty, such timber as we really need in this country that does not cut into our own timber, and we should put a duty—not an absolutely prohibitive duty, but a good round sum—on timber that competes with our own? If we sell such timbers as matai and rimu at a reasonable price in this country, would it not be a fair thing to protect that industry? Would it not be a fair thing to put a duty on such timber as that from outside, and take the duty off altogether, or reduce it, on the class of timber we absolutely need, such as large pieces?—I will answer you from my own personal opinion only. I think anybody who talks about protecting or taxing the importation of raw material to a country which depends on its work is making a mistake. The more raw material you can bring in for the workers to work up the better.

101. If my proposition is right, there would be just as much labour in the country, because I am working on the basis that we are selling our timber at a reasonable price. Now, on that basis your argument as to the loss of labour falls to the ground?—No, because why do you want protection if you are selling at this price?

102. Then, with regard to the question of cutting trees in the summer-time, is it not true that your argument cannot have nearly so much weight in the case of trees that are not deciduous as in the case of trees that are deciduous?—Certainly it is not nearly so marked—there is always sap in our timber, but the great flow of sap takes place in the summer-time.

103. Is it not in the deciduous timbers that the swelling-out of the buds takes place in the summer-time?—Yes. There is more sap in the summer, and there is a greater loss of sap in the winter-time, and sap of a different nature.

104. Do you think it would be a fair thing to restrict it?—Yes, if you could restrict it without hampering the industry.

105. Then, in regard to cutting down the timber forests, you said something about droughts resulting. Are you not aware that that is a very debatable question?—I have heard it debated, but I am not going on my own experience. This City of Dunedin used to be as wet as any place you could get on the face of the earth when the forests were existing, and, although we have had this wet weather lately, we have not had 4½ in. in six hours. Water that used to run down rivers has now ceased to flow.

106. Can you tell this Commission authoritatively whether there are laws prevailing in other countries against cutting timber in the summer-time?—Yes. It has been so in the Old Country, but whether a local law or a general law I do not know. In Germany it is the case—you are not allowed to cut timber. By "timber" they do not mean trees. If you cut trees you do so under regulations, but you are not allowed to send it to the market as timber; you are not allowed to impose on the public a bad tree. You may cut it up for firewood, or what they call log-timber.

107. Can you tell us of any countries which have laws of that kind?—That was the old law of Prussia, and I think it was so in Germany. They have very strict regulations there, and I have not the slightest doubt but that that is one of them. In the eastern counties district in England that law obtained there. Late in the summer the timbers were marked, a ring being placed round all those trees that were to be cut, and then they were left. Anything that we wanted to cut before we had to get permission to do so.

108. With regard to the cost of building in brick, would you not say that the fact that you can build at only a slightly increased cost—you said 12 to 14 per cent.—that that would always be an effective check on timber going to an unreasonable price?—I do not think so. You will always require a certain amount of timber in building, and you only save the walling-timbers. Then you have to have better timber for your plates, and you must have totara or matai floor-plates in brick walling.

109. But the millers and timber-merchants could not be expected to get more than a certain price for their timber if people could build more cheaply in brick?—I cannot see that it would make as great a difference as that.

110. *Mr. Leyland.*] With reference to imposing a duty on the small sizes of Oregon pine and admitting the large sizes free, where would you suggest we should draw the line between the large sizes and the small? It has been suggested that framing-sizes should be the small sizes, and that the large sizes should be those used in the construction of big buildings?—Yes, the lengths should have something to do with it if you limit the length to, say, 18 ft., and call that scantling.

111. You would not limit the length as well as the size in imposing a duty?—Yes.

112. Supposing you wanted an 18 by 12, as you often want, if all the other beams were Oregon you might also like that to be Oregon?—If you wanted a beam that size you ought to get red-pine.

113. An area of 6 in. by 4 in. is 24 in., and that is getting on to a large size for house-building. Would you approve of a sectional area of 30 in.?—A sectional area is rather a bad system, because you may get a sectional area and a man may import a beam and get it in free. All he would have to do would be to cut it up into these sectional areas, and very little sawing would do it. Supposing you took 6 in. by 6 in., that would be 36 in., and a 36 in. sectional area represents a fairly good beam. I would include that in the small sizes. To keep it entirely on framing sizes, I would not allow anything to come in over 6 in. If I wanted to put a duty on scantling I would say 6 in. deep and 6 in. wide, 4 by 2, 5 by 2, and 6 by 2, with no greater measure than 6 in. any way.

114. The object of imposing a duty on the small sizes is to keep the labour in this country for cutting it up?—If you give a larger area, a man could import a beam and put a saw-cut through it just once and practically get it in free. He would then get two areas and two beams. If you keep it to the depth he cannot get it in; it would not pay him to cut his beam up three or four times.

115. You mentioned the matter of battens for steel ceilings. It is the custom in Auckland for architects to insist that all battens for steel ceilings must be of Oregon?—Yes.

116. That means a tremendous amount of cutting?—Yes.

117. That would all have to be done out of the large sizes?—Yes.

118. And there would be plenty of work for the sawmiller there?—Yes, it would run into a good lot.

119. In comparing the value of houses, is it not very difficult to convey an adequate idea to a number of men like ourselves unless we had some plans and specifications? Mr. Field has told you that he built a five-roomed house for £250, and, to show you the difference, I might say I have just put up a seven-roomed house that cost me £1,000?—Yes, you add to the cost of a house without increasing its size.

120. Supposing railway freight is 4s. per hundred, and the timber is not carried, it is not a dead loss, because it costs the country all but 2¼ per cent. in expenses of the 4s. to do it?—Yes, pretty well.

121. So that the only loss is 2¼ per cent.?—Yes, it is not all dead loss.

122. In reference to the money going out of the country, we are able to substitute Oregon pine for kauri exported, and we are able to get for the kauri possibly 9s. per hundred feet more than we pay for Oregon pine, so that instead of the money going out of the country we make a profit of 9s. per hundred feet. Is it not a fact that money is coming into the country?—Yes.

123. *Mr. Clarke.*] In view of what you state with regard to reciprocity, if we refuse to admit foreign timber without a heavy duty, and we want to send our timbers abroad, do you not think as a community we should immediately take some steps, in view of our declining forests, to insure a permanent timber-supply for the Dominion?—Certainly.

124. *Mr. Morris.*] I am not going into the economical side of the question like my friend Mr. Clarke. I hold this: that if we get ten shillings' worth of somebody else's property and send half-a-crown's worth out we are on the wrong side of the ledger. You spoke about seasoned timber—have you any knowledge in connection with the felling of rimu and the cutting of it up?—Yes.

125. Does not decay set in in the log?—It should be sawn up and seasoned in the stacks. You cannot keep it in the log, because the rot that sets in is very rapidly coming on, penetrating to the heart, and that is traceable to the acid in the sap. What you have got to do is to saw it up, cut away the soft sap, and season it in scantlings.

126. That would involve an extra cost?—Of course, your capital is lying idle all the time, but they ought to have plenty to do in the summer months if they were cutting it from the logs into scantlings. In any case, everybody would be in the same boat.

127. It would increase the cost of timber?—Certainly, but it would at the same time increase the quality.

128. Do you not consider rough heart of rimu first-class timber for ordinary cottage-building purposes?—It is too good for that.

129. I mean the rough heart—not timber that would be used for dressing purposes?—Oh! It is very good timber indeed. It only wants proper treatment.

130. This is a question that affects the miller, who has very little trouble in selling his millable timber, but he finds great difficulty in selling his rough timber. I know that is the experience of a great many millers, and that is my experience, and so if Oregon is allowed to come in it will take the place of this rough timber?—I do not think so. The Oregon we have had lately was very cheap, and the odds are we shall never get it so cheap again. The Americans will soon discover that they want the Oregon themselves. I am aware that the Oregon will always be used here for special purposes, but the staple timber of the Dominion will be red-pine for ordinary building purposes.

131. I know from my own experience that there are any amount of small cottages being built of Oregon timber in both Wellington and Christchurch?

Mr. Barber: None in Wellington.

Witness: They will be very good cottages, too. A cargo of Oregon timber came here in the early "eighties," and I used the weatherboards for weatherboarding, and they are as good now as the day they were put up.

132. *Mr. Morris.*] I think you were the architect for a church that was built in Greymouth some years ago?—Yes, about twenty years ago.

133. There was a tower built about four years back?—Yes.

134. Do you know what kind of timber was used in the construction of the tower?—I specified for kauri.

135. You do not know, then, that the timbers used were rimu?—No. I specified kauri on purpose to get the lengths.

136. I can assure you that rimu was put in, 60 ft. long and 9 in. by 9 in.?—Very good stuff indeed. I did not think we could have got the lengths.

137. That shows you that it is possible to get long lengths in rimu?—No doubt it is possible, but it is not easy.

138. In reply to one witness you said there was a scarcity of houses in Dunedin at the present time. Is that due to the cost of timber?—There is no scarcity of houses; there is a scarcity of building operations.

139. Is that not due to the scarcity of cash?—Very likely.

140. *Mr. Mander.*] How long does it take to season timber properly, I mean red-pine especially?—I think twelve months would make good timber.

141. Have you any proof that Oregon is cut in the winter-time?—Yes, they cut it in the winter-time, when the snow is on the ground, and it is then sent down the frozen shoots, and as soon as the river is open it is sent to the various mills.

142. Is it not often cut in summer, to be in readiness for the winter?—I do not think so.

143. *Hon. the Chairman.*] Referring to miro, it has been stated here that if you cut it in large sizes it will take dry-rot?—I understood the question to be that, if you left it in the logs, not squared into large sizes with the sap taken off, it would rot. It is the soft sap that starts the rotting.

GEORGE CLARK, Builder, sworn and examined. (No. 31.)

1. *Hon. the Chairman.*] What is your profession, Mr. Clark?—I am a builder.

2. I shall be glad if you will give the Commission some evidence that may assist them in arriving at a conclusion regarding these questions?—Of course, I know the rates I buy timber at, and that is all I can say. I do not know anything about cutting timber at the mill.

3. I gather, therefore, that you know something about timber as it relates to the consumer?—Yes.

4. Of the middleman's part in the business, and whether he is underpaid or overpaid?—I cannot say.

5. Is he underpaid?—I purchase my timber for 9s. 6d. just now, and I have to pay railage on it. It costs me about 10s. in my own yard. I stock as much as ever I can myself, and it is mostly clean timber for dressing. Anything in the nature of jobbing I have got to get from the mills here, for which I have to pay 13s. 6d., less 10 per cent. trade discount, and 2½ per cent. for cash. The same thing applies to timber purchased direct from the mills at 9s. 6d.

6. Do you find that it pays you to purchase direct from the mill and stock it?—Yes.

7. Would it pay you to extend your stock to include building-timber?—I do not know.

8. And season it?—Not ordinary building-timber. The dressed timber we have got to keep. I stock all my dressing-timber for mouldings until it is about half-dry before I mill it.

9. Do you dress it when it is half-dry?—Yes, there is not so much loss in that way. The shrinking of mouldings is so unequal that there is a great deal of loss in that way when it is milled green.

10. Not so much when it is half-dry?—No, not nearly so much, and it makes a much better job.

11. Would it be much more expensive if you allowed it to dry?—It saves a little. There is a better surface when it is dry. Speaking of West Coast timbers, I have had a good deal to do with them, and they look all right when they go through green, but the surface rises afterwards. The West Coast rimu is a splendid timber, and is very fine when dressed half-dry.

12. *Mr. Field.*] Have you any complaint to make about the price charged for timber?—I buy from the timber-yards, and also from the millers. I have complained. I have got several friends in the timber trade, and from conversation with them I am almost certain that there is not a great deal of profit in it. There are a great many contingencies in the timber trade. For instance, a brother-in-law of mine got burned out, and on one or two occasions he lost a boiler which cost him

£400 to replace, to say nothing of the loss of bullocks. He has had to introduce a log-hauler, owing to the increasing roughness of the country. All this costs money, and there is not a great deal out of it in the way of profit.

13. I was told in Southland, the other day, that there were only two millers there who were making money?—That is quite possible. I think it is more than likely that millers like Mr. Massey and McCallum and Co., who have a steady output here, and who have got command of the trade, with the means of getting the stuff ready, are doing very well. A man, however, without the command of trade is in a very different position.

14. Have you any idea what it costs to produce timber?—No.

15. You say you buy at 13s. 6d. less the discount?—I do not get a great extent of that; that is merely for jobbing.

16. What do you pay for sawn timber?—Nine shillings and sixpence. I cannot say that just lately, presuming that you give an order to a sawmiller here for the timber for the job, he will carry you on—presuming you did not order sufficient—he will carry you on at Southland rates through the job. It is only on this last job that I am at now that I found that.

17. What do you call Southland rates?—Nine shillings and sixpence rates.

18. We had it on evidence to-day from a timber-merchant that he could buy ordinary building-timber at 6s. 6d.: do you know what kind of timber that would be?—We have all had promises of certain things. I was offered red-pine at 7s. 6d. to-day from a Southland mill, but that was from a small mill, and some of us have had a little experience of those small mills, and do not wish to repeat it. I regard 9s. 6d. as a fair price, which does not give too much profit to the miller.

19. *Mr. Leyland.*] With reference to seasoning, do you think it is better to work timber up when it is three-quarters dry than when it is fully dry?—That is my experience.

20. We do not do that in Auckland—we season it first?—I might say that in Dunedin I find that if the timber is worked green it shrinks, and you cannot match it. The hard timber does not shrink.

21. *Mr. Morris.*] Do you pay anything extra for seasoned timber here?—You cannot get seasoned timber, and the mill will tell you it is factory stuff. There is very little timber seasoned here. The sawmiller, however, will help you in this way: if it is a decent order he will stack it in his yard for you. I must say they are fairly good that way for a special job, and they charge nothing extra for it. That has been my experience.

22. *Mr. Barber.*] Where do you purchase your timber from?—From any of the agents, or from the sawmillers here.

23. You purchase your timber for 9s. 6d.?—Yes.

24. Where is that purchased?—It is purchased here, and, as I have said, we get it from any of the agents here.

25. Is that the price after railage is paid?—No, railage has to be added. It is the ordinary red-pine, and it will stand me 12s. in my yard.

26. Do you consider yourself a good business man?—Yes, I think so.

Mr. Barber: I may tell you, according to the evidence that has been produced, no man has paid 9s. 6d.

Mr. Field: They said 13s. 6d.

27. *Mr. Barber.*] You know Mr. Murdoch, of Dunedin?—Yes.

28. Are they working in opposition to you?—They consider I am in opposition to them in joinery.

29. Do you resell timber, or do you buy it for your own use?—For my own use.

30. I understood you were putting this in the yard for sale?—No.

31. You cannot buy on the same terms as a merchant?—I do not take the quantities they do. If I could take a shipload or trainload as they do I might be able to buy at the same price.

32. Mr. Field tried to get you to say that the timber that was purchased for 6s. 6d. was an inferior class of timber?

Mr. Field: Mr. Clark is too smart to be misled by me.

33. *Mr. Barber.*] I understood you were putting it into the yard for sale? Then, you do not get the builders' discount?—I get the builders' discount, but not the discount of the man who has the almighty dollar at his back and buys shiploads and trainloads of timber.

34. Messrs. Haddock and Brand and Mr. Massey gave us evidence that they purchased at Stewart Island, Waikawa, and several mills on the main line in Southland at 6s. 6d. for ordinary building-timber, and 7s. 6d. for second quality?—Yes.

35. Do you consider the timber they have got is inferior to what you are buying?—There is a lot of that timber that goes down by the boat of a very inferior character. They take a greater amount and buy better than I can.

36. You do not think that the statement they made is untrue?—No.

37. And the class of timber coming from these is a fair class?—I do not think that the timber that comes on the wharf is equal to the timber that comes on the railway.

38. In that case the timber areas on Stewart Island must be inferior to where you are getting yours?—I cannot say.

39. This is coming from Stewart Island, and they take the whole output of these mills. If the timber is inferior, then the timber you are getting must be superior?—I do not know.

40. It has been said that the reason they can sell for 6s. 6d. is because they have got better timber areas?—Better facilities for getting it.

41. Do you know anything about these areas?—No, I am only speaking of the timber I see on the wharf, and I do not think better timber comes there.

42. Do you say that the timber sent by the Dunedin Timber Company is inferior to yours?—The best timber I have met for many years is from the Catlin's district. I would like to say

with regard to the duty on small Oregon that I fail to see the object of that. What is the use of carting sawdust here, and how can you prevent a sawmiller from converting it into small stuff when he gets it here? It only costs about 1s. per hundred to convert it into small stuff. If I get it in very large sizes it prevents me from using it. For those reasons I do not see why there should be any distinction made. A builder or anybody else has a better idea from the small timber that is cut than from what is in junks. Very often when it is cut up there is a knot in it that spoils the whole thing. In small timber you can see that. I have not said anything about Oregon, but I agree with the statement put in by the Builders' Association, and I think that to restrict the importation of Oregon would be a mistake. It would be to the advantage of the colony if we were to go slowly in the matter of cutting up native bush. Kauri fills a place in our trade which it would be very hard to replace. In ordinary household work kauri is invaluable as a timber—the best that I have met. The popular opinion is that the rise in timber is mostly responsible for the increased cost of buildings, whereas the cost of labour has more to do with it than the timber, and so far as work in the City of Dunedin is concerned the sanitary work has increased about fourfold. We have to do the plumbing and drainage work for a four-roomed wooden cottage just as well as the highest class of brick building, which could easily be shown to be unreasonable.

FRANCIS WILKINSON, Builder and Contractor, sworn and examined. (No. 32.)

1. *Hon. the Chairman.*] Can you give us any information that will aid this inquiry?—From the Builders' Association you have already got pretty good ideas of the ideas of the members of that association. I do not think it will be necessary for me to enter into any long statement. You have had a good deal of evidence which covers anything I have to say, but I am prepared to answer any questions that may be put to me.

2. Can you give us any information with regard to the price of timber during the last ten years?—There has been a rise in rough timber of from 2s. to 3s. within the last two or three years alone.

3. Has that had any deterrent effect on the industry?—I do not think so; people always want something cheap, and no matter how cheap it is most people want a gold watch for a cabbage. I have had in my experience fifteen or sixteen years ago when timber was down to about 7s. 6d., that no matter what the cost of the timber is they will always want to get it cheaper. Timber will never be cheaper; there is going to be a shortage throughout the world. In a few years' time when we are all dead, there will not be sufficient timber. I do not think the price has had any effect on the building industry here. I think the greatest effect has been that land has been too dear.

4. Could you tell the Commission any way by which they could prevent this dearness in land?—Well, I am not prepared to enter into politics just at the present time.

5. Do you use very much of this timber in your business?—I have not a very large business. I am a small builder, but have a fairly good turnover. During the last year I must have handled in the way of timber close on 90,000 ft.

6. Do you stock the timber?—I do not.

7. Give the orders as they come in?—Yes.

8. Do you feel any difference in orders between the associated millers and those outside?—None whatever.

9. What is the ruling price that you generally get now?—Rough timber 13s. 6d., with the usual discount. Of course, if I buy it direct from the south it is 9s. 6d., the southern price, and you have to add railage to that, with discount off the timber-price.

10. What would it save you?—About 1s. per hundred feet getting it direct. You save the yarding charges, but I can get it out of the yard at the Southland price—in fact, we do that now. The public get the benefit of the discounts all the time.

11. *Mr. Arnold.*] That is caused by competition?—Yes.

12. How many builders are there in Dunedin?—I cannot say.

13. About how many?—About three hundred.

14. How many in the association?—Eighty-five.

15. Less than one-third?—Yes.

16. Can you give me any reason why the remainder do not join?—I cannot, I am sure.

17. You do not take any steps to persuade them to come in?—No.

18. Why was your association called into existence?—To keep in touch with the laws of the land as they are going on, alterations to building by-laws, labour laws, to keep an eye on the Government, and all that sort of thing.

19. Of course, there is considerable expense attached to the association?—No, there is not.

20. You exist for self-protection?—The same as every other trade-union exists.

21. Do you not think it very unfair that these other people should remain outside it?—I do, because the Builders' Association is really a patriotic association; they sacrifice a good deal of time for the good of the community at large.

22. Especially the building community?—And the guiding of public bodies, like our own City Council here.

23. While your association exists for self-protection it does not in any way preclude competition between its members?—No.

24. It is unlike the Millers' Association as far as that is concerned?—Competition is very keen.

25. Just as keen among the members as those outside?—Just as keen.

26. Your association has passed a resolution with regard to the importation of Oregon and all foreign timbers?—Yes.

27. Was that passed unanimously?—Yes.

28. Do you think that the two-thirds of the builders outside the association would agree with that resolution?—I cannot answer for them; I do not think they have got time to think.

29. If it is in the interest of the trade they should be favourable to it; if not they would not be?—You are going by numbers, but I look upon my association as quality.

30. Give us capital if you wish?—Capital and quality. There are builders and builders. The most of those outside are workmen who take small cottage contracts, who do not employ many hands, who have no stock, and a man running a large business cannot compete against them.

31. Would you say that two-thirds of the building is done by your association, or what proportion to the capital amount of work?—That would be rather a bold statement to make, but I think it was mentioned here yesterday that during the last nine months about 96,000 pounds' worth of work went through the association.

32. Would that represent half the work?—I believe it would.

33. The building trade is slacker now than in the past. Are there many out of work?—I have not been to the Labour Bureau to see. A few contractors are slack just now.

34. It has been represented that the trade is not so slack here as in other parts of the Dominion?—I have heard so.

35. Do you know anything about the timber that comes from the Catlin's district?—I cannot say that I do. I have seen some lying about in a promiscuous sort of manner in a yard at Milton, but that is all I know about it.

36. The evidence we have had is rather contradictory. Some say it is inferior to Southland timber, and the last witness said that from around Rakanui it is not superior?—I could not say.

37. *Mr. Field.*] Your association does not band together to keep down wages or keep up the prices of timber?—No.

38. Is the association satisfied with the present price?—There have been some complaints made about the price of timber, especially in the dressed lines.

39. Not in the ordinary building lines?—No, except that quality is not so good as formerly. I have not heard many complaints in regard to the price of the ordinary building-timber.

40. *Mr. Clarke.*] With reference to the extent of the opinion of builders outside the association, is it not fair to assume that if the builders who are not members of the association had the contrary opinion they would have taken some means of expressing it? You have not heard that?—No.

41. With regard to the use of Oregon, is it the custom where plaster-work is done to specify Oregon pine? Is it the general practice to use it, in preference to red-pine?—As far as I know it has not been done yet.

42. With regard to the proposal to increase the duty on Oregon pine, we know what the opinions of the association are, and we know that the yearly consumption of timber is increasing all the time?—Yes.

43. Do you not think that the annual increase in consumption will account for the amount of Oregon that is likely to be brought in, supposing the millers do not increase their mills and their plants, and will not dislocate their trade?—Certainly.

44. *Mr. Barber.*] The witness said he believed the tightness in the timber trade was due largely to the high price of land. What is the price?—It all depends on the locality. In High Street, Roslyn, a half-acre was sold a year ago for £1,360; that is within eight minutes' ride of this hall. Quarter-acre sections in High Street, Roslyn, are valued at £400. Sections of ⅛ acre are valued at £130. Land almost anywhere is very dear, and you cannot do speculative building on it.

45. What is the price in St. Kilda?—Half the price of Roslyn.

DUNEDIN, SATURDAY, 3RD APRIL, 1909.

DAVID BARRON sworn and examined. (No. 33.)

1. *Hon. the Chairman.*] What are you?—Commissioner of Crown Lands for Otago.

2. We wish to obtain from you information as to the number of sawmilling leases under your jurisdiction in this province, the names of the lessees, the terms, and the time they have to finish; also the amount of bush available for leasing in the future, and the estimated quantity and quality of the bush?—Statements in reply to one or two of the items you have mentioned will require to be completed. We have the number of sawmillers, but I do not know about their names.

3. It has been stated that people obtained leases and held them for three years without complying with the conditions in any way; that they were then put up to auction again at the end of three years, and the money paid over to the man that had the offer, instead of going into the revenue of the colony?—I might say that this district is somewhat different from Southland, in this respect, that considerable areas of unsurveyed Crown land have been taken up and turned into sawmilling areas. So far as Otago is concerned, there are only a certain number of sections taken up, and it is a matter of a man taking up one, two, and three sections for his area.

4. Taking the land and timber, or only the timber?—I must explain in connection with that by-and-by. As to the position of the bush in the Catlin's district, these returns I have will, I think, supply all the information you have just referred to. I find I have the names of the sawmillers, the various areas, and the amounts paid for them. I have not the dates, but they can be supplied.

The timber throughout the bush of this district upon the whole is somewhat patchy in its distribution, the first-class timber being scarce and consequently expensive to bring to the mill and market. This is further aggravated by the fact that the best timber is situated either some distance from a railway, or near a port where the loading is somewhat hazardous and the size of vessels limited on account of the shallow nature of the harbours (Tautuku).

When I came to this district about eight years ago I found that practically the whole of the district was open for application under the various land tenures. It seemed to me then that if it were left in this way it would be a matter of a very short time when all the land carrying milling-timber would be taken up either for settlement or speculation—if for the former the timber would be ruthlessly destroyed, as the position of the greater portion, pending completion of the railway, would not be favourable to its removal to market.

After going carefully into the matter, I asked the Ranger to make a careful inspection of all the timbered land in that district, and after receipt of the report I obtained the approval of the Land Board to a recommendation to the Minister of Lands to have all the land carrying timber of any commercial value reserved for milling purposes.

I may here remark (as the position of the Tautuku Milling Company may be brought before the Commission) that one man (Clark) secured a substantial block before the reservation could be made.

The Queenstown district includes Lakes Wakatipu, Wanaka, and Hawea, and Martin's Bay district.

Ranger Mackenzie had charge of all of these localities with Assistant Ranger McDougall, resident at Wanaka. Since Mr. Mackenzie's retirement, about a year ago, the new Ranger, who is resident in Dunedin, has had little opportunity to make himself familiar with the timber question (having had so much to do with Crown lands since his appointment). Mr. Mackenzie's evidence would therefore have been of value to the Commission. Taking these districts as a whole, I find that the returns furnished from time to time give the following results:—

Martin's Bay district } Wakatipu district }	49,000,000
Wanaka and Hawea	12,000,000
Comprising the following:—	
Martin's Bay,—	
Red-pine	10,000,000
White-pine	11,000,000
Black-pine	9,000,000
Miro	8,000,000
Totara	2,000,000
Red-birch	2,000,000
Silver-birch	7,000,000
Wanaka and Hawea,—	
Totara	1,000,000
Matai	50,000
White-pine	50,000
Birch	11,000,000

5. You are putting that statement in?—Yes. Very little was taken up for speculation, but a great many who did take up land were unable to carry on, others required to fell a certain amount of timber in order to grass the land, but all that timber was practically burnt or destroyed. There was no way of taking it to the market, the mills were too far away, and the roads too bad. Fortunately, the Minister of Lands approved of the recommendation referred to in my statement, otherwise this land would have been selected probably and held over for speculation or for farming, and the bulk of the settlers would be unable to carry out the important conditions. There is always the danger, if they do not carry out the conditions, that in six years their holdings will be forfeited. As a matter of fact, nothing of that sort has been done, but the settlers always had that difficulty. They were afraid that the Land Board might come down upon them rather severely and cancel their holdings if they did not carry out the conditions. In order to prevent that, I thought it better to preserve the whole of the bush, pending the completion of the railway. At that time it had only reached Catlin's, and it seemed to me a matter of time (and also in the opinion of the settlers and others) when the railway would be carried through and the bush utilised, so that it seemed advisable to reserve all that which carried milling-timber. That land which carried only scrub, of course, remained open for selection, but any land with milling-timber of any quality, although some was scattered, we thought best to reserve for that purpose. What brought this more particularly before me immediately after I came to this district was this: one or two men came down from Canterbury, and, as the land was open for application, one of them applied for a block of something like 1,200 acres, and we had to grant to him this particular area, which was very good milling-bush. Another man came along from the same locality, and I saw also from the description he gave and from his calling that he was a sawmiller. I then induced the Land Board to refuse his application, and from that time to this we have never granted any land with milling-timber on it. Of course, since that we have had some applications for milling-timber land only for the timber itself.

Mr. Arnold: You purpose opening up the old areas when the railway is through. Of course, if a settler had the railway running alongside he would utilise the timber, even although he got

the land at less than the value of the timber, and it would assist him to carry on and still have the timber utilised. It would be a benefit to him and a slight loss to the country, but the benefit to him would be greater than the loss to the country.

6. *Hon. the Chairman.*] You have also to take into consideration the value of the timber in cutting it up?—It was all valued before I came to the district, but the upset price was not put on. It will be only after the sections carrying timber are opened for application that they will be reconsidered and revalued. I may say the timber throughout is patchy in its distribution, first-class timber being scarce, and consequently expensive to bring from the mill to the market. The only thing I have not been asked is the average yield per acre. I estimate that to be from 3,000 ft. to 4,000 ft. only, so that you see the timber is very much scattered. The latest figures show the average output per acre to be from three and a half to four million feet in this district in a year. Of course, there has been great destruction of timber by settlers in the past, a large quantity having been felled and burnt, but during the last six or seven years the destruction has practically ceased on account of the land being to a great extent locked up. As I mentioned before, it is necessary for the settlers to destroy the timber in order to comply with the conditions.

7. *Mr. Arnold.*] Now, a number of those settlers destroyed about two-thirds of the bush, and then, for various reasons, they permitted their leases to fall in?—Yes, in a very few cases, but not so much as it was in Southland.

8. I was speaking principally of Catlin's?—Yes.

9. Now those areas are growing wild; there is an undergrowth springing up all over the place, the areas are useless to-day, and will become more so as time goes on in consequence of this growth?—Yes.

10. There being noxious weeds in addition to the ordinary growth that springs up after bush-felling?—Yes.

11. Now, can the Department do anything to prevent that?—When the settlers have deserted the land, as you mentioned, it is impossible to do anything except at very great expense—perhaps at greater expense than the land is worth.

12. Are you willing to let those areas, or are they amongst those areas you mentioned?—I do not think there are many holdings in this district deserted. They appear to be deserted, but they are held in some way.

13. But there are hundreds of acres of such land as that?—Yes, but there are very few that are actually deserted.

14. Will you let the Commission know the number?—Yes, I will make out a list of those deserted. [Subsequently supplied: 32 sections; area, 4,079 acres.]

15. *Mr. Jennings.*] Is the land around this district suitable for agricultural purposes when the bush is removed?—No, some of it is very poor indeed.

16. Speaking generally, what is the average?—It is fair average to medium, but there is none that could be called first-class.

17. What is your experience in regard to the destruction of bush, apart from the destruction of timber by the settlers. Taking into consideration the reserves and so forth—has the fire got into the bush?—Not to a great extent. In the lakes district it has got into the bush, but, fortunately or unfortunately, the bush is not of very good quality.

18. Can you furnish the Commission with particulars as to the amount of bush destroyed outside during the last fifteen or twenty years?—Yes, I could do that.

19. *Mr. Field.*] Have you jurisdiction over Southland?—No. The reason I referred to Southland just now was because I was there three years before I came to Otago, and I knew the conditions well.

20. How long ago?—Eight years.

21. Do you know anything about the grievance of Mr. Wallis?—Yes.

22. Do you think he has personally suffered any injury?—I do not know that he has suffered any personal injury.

23. Can you say whether Mr. Wallis has done fairly well out of his dealings in Government land?—I do not know that. Of course, he was engaged in sawmilling before I went to Southland, and during the greater part of the time I was there he was engaged in farming, and took up sawmilling afterwards.

24. You said that the timber industry had a good deal to contend with?—Yes.

25. Do you know whether or not the timber industry in Otago and Southland at the present time is in a flourishing condition?—I do not think they are making much money in Otago.

26. *Mr. Ell.*] With regard to the land in the Catlin's district, you say a good deal of it is not fit for agricultural purposes?—Yes, it is fair to medium. It depends on the man who works it, but the land on the whole is only from poor to medium right throughout the district.

27. I understood you to say some portion of it was not fit for settlement?—Yes, there is some of it not fit for settlement; it is too rough, too broken, and when the timber is cleared and burnt the grass will live for a year or two, and then the scrub and weeds take possession.

28. Is that due to the climatic conditions?—To the poor nature of the subsoil.

29. Was any such land open for settlement?—Yes. When all that land was opened for settlement the bulk of it was understood to be first-class land, but a great part of it turned out to be very bad land.

30. Did an expert officer examined it to see whether it was fit for settlement?—It was before my time. I have only been here eight years, and the bulk of it was surveyed before I came to this district.

31. And, so far as your knowledge is concerned, that was not done?—I do not think so. If I may be allowed to say, I think the mistake made at the start was this: that part of the bush was surveyed in the very centre, and instead of working it from the outside gradually, and perhaps taking the railway with it, it was surveyed all over, and settlement put into the middle of the

bush without roads and without conveniences. In the case of the Heathfield Settlement, it was surveyed half-way between Catlin's and Waikawa, and the farms were laid off in small lots, with the result that three-fourths had to go under.

32. Do you think, in view of the unfortunate experience of those who have attempted settlement and made failures, that there should be a very careful examination of the whole of that district?—I think it would be well to open it up very slowly, and from the railway.

33. So that those on the land will have a means of marketing their produce?—Yes, and get rid of the timber at the same time.

34. Then the land has been cleared of its best crop?—Yes.

EDWARD O'NEILL sworn and examined. (No. 34.)

1. *Hon. the Chairman.*] What are you?—Crown Lands Ranger for Otago.

2. Can you give the Commission some information with regard to the amount of land deserted in the Catlin's district which has been referred to by Mr. Arnold?—A casual observer going into the Catlin's district would imagine that the sections which are producing what we call an undergrowth were deserted, but those sections are still held, or a good many of them. It is not only the deserted Crown land that is growing the undergrowth, but a good many of the settlers are allowing it to come up on their own land without making any attempt to prevent it. They maintain that the second growth is very much more difficult to clear than the original timber, but there is practically only a small area of deserted land in that position. I could not give the actual figures. I can quite imagine that any one going into the district would naturally be struck by the appearance of a lot of those sections, and without having any one to point out whether they are held or not it would be difficult to say whether it is Crown land or land that is held under lease.

3. *Mr. Arnold.*] But if the conditions compel those people to clear the best timber, should not something be done to compel them to keep it clean?—The conditions of the lease do not exactly compel a man to fell the timber; they say a man must effect certain improvements within a limited time, and he could effect those improvements by fencing or building, but he would then have no means of living. It is his means of living that forces him to fell the bush in order to get grass to graze the cows.

4. We heard a few moments ago that some of this country is not fit for agricultural purposes; but is it not all splendid dairying country when it is cleared?—A good deal of it is very good dairying country, but a portion of it is land that will never be fit for the plough.

5. *Mr. Hanan.*] The railway is being constructed down there?—Yes, the Catlin's Branch.

6. From timber and agriculture, do you think there is much to be obtained in the way of traffic on the line?—Yes, from timber there is considerable traffic to be obtained.

7. What class of timber is it?—I should say it is fairly good timber.

8. How does it compare with Southland?—I do not know Southland timber.

9. Where is the closest bush that is not cut out in the radius of Dunedin?—That is the closest bush, and it is roughly about eighty miles away. I am referring to Catlin's Bush.

10. Have you had bush nearer?—In the early days we had bush in the City of Dunedin.

11. Has it all been cut down?—Yes. Around Dunedin there is very little timber now. In the Waipori there is a little, but it is practically valueless.

12. Have you had any sawmilling experience?—No.

13. *Mr. Ell.*] We have heard from Mr. Barron that some land that was opened up for settlement in this district proved to be entirely unsuitable?—No; he did not say that it was entirely unsuitable.

Mr. Jennings: That is not so, Mr. Ell.

Mr. Ell: He said that the land generally was fair to medium, and some land would not take the grass because the subsoil was so cold. That was in Catlin's.

Mr. Jennings: He did not use those words.

14. *Mr. Ell.*] I am not in the habit of misleading. Is Mr. O'Neill aware of the fact that some of the land has proved entirely unsuitable?—That is so; some of it has proved unsuitable for settlement.

15. From your knowledge of some of the land which has not been opened up, do you think there is any of the land which has not already been opened up likely to prove unsuitable not only with regard to the subsoil, but with regard to the climatic conditions and bleakness?—Yes, I know there is some of it.

16. Is it not growing the best crop it will ever grow?—Of course, the best of the present crop could be moved and another young crop would be coming on. It could in time be used for milling or for firewood.

17. With regard to those holdings that were isolated, how many settlers were put on the blocks?—About sixty.

18. What was the size of their holdings?—From 100 to 150 acres.

19. They were entirely isolated?—A road was cut to them eventually, but it was not a good road.

20. The men, then, practically wasted their labour?—A number of them have been forced to abandon the position, and the place has resolved itself into much larger holdings.

21. Even now presumably there is some difficulty?—They are getting on better now. The original holders depended on milking, but now those remaining are going in for sheep.

22. Do you indorse what Mr. Barron says, that settlement should proceed very slowly—that is, only so far as it is made available by good roads?

Mr. Jennings: That is a question of policy.

23. *Mr. Ell.*] I am perfectly justified in putting the question?—I think, certainly, that roads and railway should be made first. A great many of the earlier settlers were forced to leave the district.

24. *Mr. Stallworthy.*] What quantity of timber will be tapped by this railway?—Something about 400,000,000 ft.

25. What does it carry per acre?—The average would be between three and four thousand feet.

26. *Mr. Jennings.*] Can you furnish the Commission with the number of settlers who have thrown up their land since they went on it owing to its unsuitability?—Yes, I think so.

27. In your opinion, was it owing to the smallness of the areas that they took up, seeing that some of them have now taken up larger areas?—Yes, to some extent, it was due to the smallness of the holdings, because the men with larger holdings now are making their living there.

28. *Mr. Arnold.*] This land was first opened up to meet the requirements of a certain class of people, was it not—viz., to meet the requirements of some coal-miners?—I believe it was. I understood afterwards that that was the reason.

29. Were these areas permitted to fall in in consequence of the unsuitability of the land, or was it not rather in consequence of the unsuitability of the settlers who first went there? They were men not adapted to the work?—I can only say that some good men went there, and they could not make a do of it. The particular soil that they were landed on was the cause of their failure.

30. *Mr. Mander.*] Is it always easy to tell in the centre of a dense bush whether the soil is suitable for grass before it has been cleared and tested?—I think a man with some experience of the bush land can give a very fair idea.

ALFRED MILLER HOGG sworn and examined. (No. 35.)

1. *The Acting-Chairman (Mr. Arnold).*] Mr. Hogg, what is your business?—I am a timber-merchant and general merchant in Dunedin.

2. Have you been in business here long?—About ten years.

3. You know the purport of this Commission: do you wish to make a statement in connection with this matter?—I did not come with the idea of making a statement, as I expected to be questioned regarding the business.

4. Do you deal with the local mills?—We deal with the Otago and Southland sawmilling people as a whole. We also do a good bit in foreign timbers, and also with the Auckland timbers.

5. Do you find a difference between dealing with the associated millers and those that are non-associated?—No.

6. They all sell at one price?—No. It is like every other business. Occasionally you can do better in one quarter than in another.

7. Has the association got a uniform price?—Well, they are supposed to have one.

8. A lot of evidence has been taken with regard to imported timbers?—We import a lot of timbers.

9. Do you think it is necessary that these timbers should be imported?—Yes, they come in for purposes for which our local timbers are not suitable, especially in joinery-work. Deal is used where our local timbers could scarcely be used. Oregon is also used. The price is materially better in the imported article. Oregon, for example, can take the place of kauri, and you can save, roughly speaking, nearly one-third of the price.

10. So that the importing of these timbers encourages the building trade?—Yes, in a large measure it does. Then there are certain other points. Elsewhere I hear the small sizes of Oregon are competing with red-pine, but down here they are not doing so at all. I do not think that during the last twelve months 100,000 ft. of Oregon has gone into competition with red-pine. Red-pine is holding its own except in a few isolated cases, and for a few long lengths.

11. You do not think it would be a good thing from a public standpoint to put a heavy duty on these timbers?—No, I do not think it would. So far as that goes, my own impression is, if any alteration was made in the duty on Oregon, that the duty might be slightly reduced on the larger sizes and increased on the smaller sizes, for the reason that the smaller sizes are the sizes that are competing with red-pine. By this means you would keep the labour of sawing in New Zealand. You would be making work for your local workmen in the recutting.

12. It has been said that it is difficult to get local timbers seasoned, and that the imported timbers are necessary on that account?—That is very largely true, but I think it is, to some extent, consequent more upon the fact that people here want things cheap, because if you season red-pine you will get very little more for it seasoned than unseasoned as it comes in from the bush.

13. You think seasoned timbers could be procured locally if the people cared to pay the price for them?—Yes, in a large measure.

14. There is a very large shipment of Oregon in town at the present moment?—Yes, it is coming through me.

15. Is it not a fact that this timber is cut green, and not seasoned at all?—How do you mean? Do you mean quite green?

16. I mean that it comes straight from the tree on to the boat?—That is so; practically speaking, these timbers are brought down in the log, resawn, and put on the ships. They lie in water for some time, which is the best way to take out the sap at the outset. Of course, they are cut in winter, and they are subsequently put through the mill.

17. Practically, when they are packed in the hold of a boat they do not season?—They are sufficiently seasoned not to go wrong during the voyage. Our native timbers would not stand that.

18. Does it not follow that as the demand for Oregon increases there will be a greater tendency to ship these kind of green timbers?—Well, now you are asking me to deal with the policy of the sawmillers in Vancouver, but I should imagine so. It is a natural deduction to make.

19. So that in time there will be very little difference between local and imported timber in the matter of seasoning?—Both will have to be seasoned after arrival. All we use of Oregon here is such an absolute drop in the bucket that our taking a little more or less will not affect the position.

20. *Mr. Hanan.*] What amount of timber has this boat brought to Dunedin?—Five hundred and sixty thousand feet.

21. Can you tell us when the last shipment arrived here?—Yes. About three or four weeks ago 200,000 ft. arrived. The only shipment prior to that was some 350,000 ft., which arrived about four months ago. These are practically all the shipments of Oregon to Dunedin worth speaking about.

22. Does it come by rail here?—No.

23. What is Oregon sold at?—We sell Oregon at £1 1s., less 10 per cent. and 2½ per cent., which is practically 18s. 6d.

24. Do you know what you paid in freight?—That is not our concern. We buy at a price c.i.f.—that is, free on board and the freight; the freight may be to us an unknown quantity. We deal with a merchant who makes his own freight arrangements. The freight, however, is about 3s., I should say. It may be 3s. 6d. in this present instance, but the freight is not a thing that worries us, because, as you have seen, we buy on a c.i.f. basis.

25. Who is the vessel owned by?—I do not know. The captain is a Norwegian, and I have made no inquiries into the *personnel* of the crew. In the last vessel they were all Norwegians, and they were a fine type of men; in fact, if compared with some of our crews, the comparison was entirely in their favour. You should have seen the way they worked.

26. What did you pay before for your shipment of Oregon?—Am I obliged to state that here?

27. *The Acting-Chairman.*] You can give it to us privately?—Certainly, but I do not care to put a thing like that in the papers.

28. Do you get much timber from the North?—Yes, kauri.

29. What do you pay for it?—Nineteen shillings lately.

30. What is your selling-price?—Thirty-two shillings less 10 per cent. and 2½ per cent.

31. Do you know the prices paid for it in Auckland?—Yes, 19s., which is the f.o.b. price.

32. Do you know why there should be such a difference in the price?—There is freight, 3s.; wharfage, 6d.; labour on wharf and measuring, costing from 2d. to 3d.; cartage, 4d.; receiving or yard charges, which include delivery and stacking, which may be put at 1s. Then there is deterioration, remeasuring and resawing, and waste. Kauri is apt to split, and in this respect alone you are liable to drop 10 to 15 per cent. of the original quantity. There is, further, a certain amount of waste in remeasuring that is equal to 1s. On the whole, therefore, we get about 1s. 6d., roughly. We have to pay our office staff, our canvassers, and travellers. Further, I may mention there is interest on capital, not to mention high fire insurance and insurance on our men. Our profit is, roughly speaking, from 1s. 6d. to 1s. 9d. That is not a big profit. As a matter of fact, kauri is a bad line for us. I saw a statement in the papers the other day that we had a big profit, but that is not so.

33. Have you difficulty in getting kauri?—Yes. Orders will stand for months and months, and we cannot get it. Owing to the difficulty in getting kauri supplies in anything like reasonable time, we are in a large measure compelled to look round for Oregon to take its place. Auckland tells us that they have got as much business with England and Australia as they want, and they will not bother with us.

34. Do you favour an export duty being placed on kauri?—Well, I think it might be wise. It is a matter of policy that does not affect us here materially. If the kauri-supplies are to be exhausted in twenty years, it is a great pity they should go out of the country.

35. Do you think the increased importation of Oregon will destroy our sawmilling industry?—No. Certainly it would have some effect on it, but not much so far as Otago and Southland are concerned. On the other hand, in the North they are getting it in larger quantites, and it will react on us.

36. It is not sufficient to justify an increased duty being put on?—What I suggested before was that the duty might be increased on the smaller sizes. I think that would be a good idea. By big sizes I refer to those above 30 in. to 36 in.—that is, on the square—a 12 by 3 is 36 in. Sizes below that I think might bear a somewhat heavier duty, and thus retain the sawing and work in the country. The duty then should be slightly reduced in the large sizes.

37. Have you considered the effect the importation of Oregon will have on our railway freights and upon the revenue of the Dominion?—I do not think it would have a very serious effect in those respects. There is one point which I think is an absolute anomaly: I refer to the charge of a rate and a half by the railways on Oregon, which is simply putting money into the coffers of the railway. The other day a coal-mine required certain stuff for its work, and they ordered in kauri, but when I gave them the price they were staggered, and they took it in Oregon at a price of one-third less than kauri. They had, however, to pay a rate and a half on the railway as freight on the Oregon, but that did nothing to protect the timber industry of New Zealand. Such a rate only makes our local industries pay more heavily for their requirements than they should.

38. Do you sell much timber for coal-mining purposes; and, if so, is it increasing?—Yes, a fair amount. It is steady.

39. What class?—A good deal of local timber, and occasionally Oregon.

40. For dairy purposes?—Nearly all local timber, except for odds and ends.

41. *Mr. Jennings.*] Do you stack timber for any length of time? Do you charge more for seasoned timber?—Yes, we do, but we cannot get an extra price for it, except in a few instances.

42. You say that people were not paying the price for seasoned timber?—Yes, jobs here are generally taken on a contract basis; the contractor comes here and wants it on a cheap basis. So he gets it direct from the mill usually. It is the architect's business to see that the timber is seasoned. The builder is trying to get it to the best advantage.

43. *Mr. Field.*] If a man wants to build a house he can stack it on his own ground?—Yes.

44. Do you know if there are better pines on the West Coast?—From general knowledge. Yes.

45. If Oregon is competing, might it not affect our industry at 10s.?—They cannot sell Oregon at 10s.

46. Assuming that it is being sold, as against the timber we sell in Wellington?—If a man wishes to resell he pays a higher price for a house in Oregon, and that is his affair; but I cannot see that Oregon can be sold at 10s. I think on the whole the industry should be protected as far as possible. On broad principles it should be protected.

47. Seeing that they are being faced with this position, that they are now forced to burn the timber, is that a condition of things that should be encouraged?—They have a right to be protected.

48. You are a timber-merchant?—Yes.

49. You buy from sawmillers in Southland?—Yes.

50. How do you manage to buy from the millers?—We manage to make a living. We are buying in large quantities, and every trader knows the difference in buying retail and buying wholesale.

51. Would it be fair to say that you timber-merchants are getting 3s. per hundred more than it costs you?—We cannot get it.

52. Would you be making more than a fair living?—If we got it; in isolated cases we get it.

53. I want to know what is a fair thing for a timber-yard to get?—Is that gross profit or net profit?

54. The gross profit, in order to cover cost of yard, rents, rates, and so forth?—You would want about 2s. for that.

55. It is estimated that we have got some as high as 3s. 3d.?—A good deal depends on how a man handles his timber. We work other business in combination with our yard, to make a good business; another might not.

56. Supposing you buy the whole output, what is the price?—That is, as a rule, a matter of arrangement.

57. There is, of course, a good deal of difference in the price?—About 6d. to 1s.; that varies with the arrangement.

58. Is it not true that if a timber-merchant buys the output of a mill, the miller effects large savings under various heads, because he has not to bother himself over different orders?—Yes, he is saving very considerably by going straight ahead on his logs.

59. The benchman has not to watch the board?—With a slight restriction, you take a man's bulk—*i.e.*, you take all the log will cut—you give him a broad outline of sizes, in order to cut his logs to the best advantage.

60. Is he not saved expenditure by not having to saw his timber to specification?—He is saved considerably by not having to do with lengths and sizes.

61. I am informed that the difference would be at least 1s. 9d.?—Yes.

62. Is that a fair proportion?—It would not be far away from it. It is difficult to put the exact figure, but I should say from 1s. to 1s. 9d., according to the mill cutting.

63. Do you know anything about Stewart Island and Waikawa? Are the mills there all near the water's edge?—Yes, generally speaking.

64. What is the freight charged consumers for bringing it round to Dunedin?—Two shillings.

65. And the railway freight?—Two shillings and ninepence from Riverton.

66. They save 9d. there?—No, there is wharfage, 3d. Then, again, if you bring it over the railway you bring it ready to be carted on to the job, whereas from the mill it has got to be sorted there and delivered; so that, although having saved in the one direction, you have got to cart it into a yard and recart it on the other side.

67. We find some mills are selling their output at 6s. 6d.?—At 6s. 6d. for their rough.

68. And 7s. 6d. for their clean?—Yes.

69. I want to show that there is a difference?—I do not think Mr. Massey was very far out in that estimate. These are figures regulated by what you can buy at.

70. I should like to know whether the millers who are selling at 6s. 6d. are doing any good?—They are not making a fortune out of it. I happen to be interested in one or two mills, and they are not making a fortune.

71. Have you heard any complaint about the price of timber?—No, any more than in any other line of business, except that people lately have an idea that there is a gold-mine in timber; they had better try it.

72. *Mr. Leyland.*] In regard to kauri in Auckland, and the selling-price there, there was a gentleman who said there was more than 5s. in kauri. I tried to follow where the price came in; first of all I put down the price at 19s. 6d., 6d. more than you put it?—I saw the evidence: he would probably pay more, because he was buying special lengths.

73. That is a point that has not been brought out?—That is quite apart from the extra charge on wide and long timber.

74. I have got down 19s. 6d., to which must be added freight, wharfage, cartage, and checking on wharf?—That is a regulation estimate, as anybody knows.

75. I make that total £1 4s. 6d. I conclude that you would hold that timber in stock for at least three or four months?—Often longer than that, in a case of kauri.

76. At 5 per cent. a modest amount to put down would be 3d.?—Yes.

77. Then the measuring-out or waste, I put that down at 1s. 3d.?—I said 1s.

78. Then there is sawing and loss on conversion?—Which would often make a considerable difference. Then there is another factor: perhaps a man wants a 7 by 5, and the nearest size you

have in the yard is 10 by 6, and the waste is heavy. It may vary 2 ft. in the length. It is a very moderate estimate.

79. Then I put the selling-price at £1 12s., less 10 per cent. and 2½ per cent., being £1 8s. 1d., that leaves 1s. 7d.?—That is about what I have.

80. Out of which you have to pay for travellers' expenses, rates, taxes, insurance, fire, and accident?—You have missed one important factor—bad debts.

81. Is there any exaggeration in that statement?—No; we have got to work for a very small margin, and to turn over very big quantities to make a profit.

82. Is kauri an important factor in your business?—As a matter of fact, I would not mind if I never saw kauri.

83. You say Oregon takes the place of kauri?—Yes.

84. Also in manufacturing purposes?—Yes, in some instances.

85. And you have to supply long lengths?—Yes.

86. Touching the duty as between small and big sizes, do you say that it would be fair to reduce the duty on big sizes of Oregon?—Yes.

87. There is a rate and a half on the railway?—Yes, just introduced.

88. The point I want to show is that it would be a fair thing to take the duty altogether off the large sizes?—Yes, for the same reason that in the case of a mill going straight ahead, you will certainly buy better if you are getting the bigger sort.

89. These sizes are charged more; they come up as much as two-thirds increase?—Yes, in the longer lengths.

90. Is not Oregon going up in price?—Yes.

91. We should practically prohibit the importation of long lengths in Oregon?—Yes, but there is still rimu as against Oregon.

92. With reference to the seasoning, you expect to get all your timber here?—Yes.

93. It is the sap that is so very important to be seasoned?—In all timbers.

94. The orders that are going forward now, and the question of what it costs you now, would not give the Commission an idea of what it would cost you to buy it to-day?—No.

95. With reference to the effect of Oregon on the sawmilling industry, the output is 432,000,00 ft., and the import is 20,000,000 ft.—that cannot affect the industry of the colony more than 5 per cent.?—That does not require proving.

96. If it be proved that the bulk of the Oregon is only taking the place of the shortage of kauri, the effect is infinitesimal?—If it could be proved, yes. As far as Otago is concerned, that is correct; as far as Canterbury and further north are concerned, I could not say.

97. Then this is a bogey. The output of the colony for 1895 was 191,000,000 ft., in 1907 it was 413,000,000 ft. Do you think that the importation of the quantity of Oregon I have mentioned is likely to interfere with the sawmilling industry in New Zealand to any appreciable extent? It has been proved in all countries that the ratio of output is out of proportion to the ratio of increase in population. In view of that fact, and the fact that it is taking the place of timber that is rapidly decreasing?—No, and for another reason, too: that the price of Oregon has been lower for the last year or two than ever before, but it is gradually going back again.

98. When you buy the whole contents of the log and go to sell it again, have you not some lines still left on your book?—There is always waste.

99. So that you do not get your price for the whole contents of the log?—No.

100. Then, bearing in mind the easy way a sawmiller has of getting rid of his timber, might it not be fittingly described as sawmilling made easy?—Undoubtedly.

101. *Mr. Clarke.*] With regard to seasoned timber, is it your experience that the Oregon you have imported has been fairly dry?—Yes.

102. Then the fears that were expressed by the Chairman are not warranted by your experience?—What fears were those?

103. Do you think there is any likelihood of any worse timber being cut now from America?—As Mr. Leyland pointed out they are dealing largely with heart-woods; in New Zealand we are dealing with sappy woods.

104. *Mr. Leyland.*] I want to point out that if you hold large stocks it entails further seasoning all the time?—I might point out that some has to be seasoned for a long time.

105. *Mr. Clarke.*] Assuming that Oregon was 14s. 6d., that would not alter the circumstances?—It would.

106. *Mr. Morris.*] Can you give us any idea of the quantity imported or used in the City of Dunedin?—I could not give that only approximately, but you can easily get it from the Railway and Customs returns without difficulty and without my making a hazard.

107. Do you think Oregon will increase in the future?—I do not think so materially, as far as we are concerned down here.

108. I think we might presume that the reason why you could import dry Oregon lately was owing to the large stocks held?—That has assisted.

109. Do you generally get dry kauri when you get it down here?—Not as a rule—sometimes; but, practically speaking, it is not fit to use; it has got to be seasoned.

110. I thought you put down three months as the time?—That is so.

111. I find that I have to keep kauri for twelve months before I could use it for joiner's work?—Even then it will alter.

112. Do you not think that for the small sizes mentioned here rimu would do as well as Oregon?—No, it does not retain its shape; it twists and curves more than Oregon does. That is where the difference between that and red-pine is noticeable.

113. Do you use any West Coast timbers round here?—Yes.

114. What is the freight?—Three shillings. It rises on the widths and lengths.

115. Do you find the West Coast timber twist about in that manner?—Not quite so much as in Southland, but still it does so. It is of a milder nature, but it will twist all the same if you give it a chance.

116. *Mr. Barber.*] What is the net selling-price of red-pine in Dunedin?—At the present moment we are selling on the basis of Southland lists, which is about 11s. 2d. net.

117. And the net price of Oregon is 18s. 6d.?—That is so.

118. According to your experience with red-pine at 11s. 2d. and Oregon at 18s. 6d., there is no likelihood of it interfering with red-pine?—No, I do not think so, except in a few isolated instances.

119. Taking other parts of the colony where Oregon is landed at the same price, or where the red-pine is a percentage higher, do you think there is any likelihood of it competing in those districts?—To some extent, yes.

120. You say you know it is largely used up in the North Island, but not in these districts?—That is so.

121. What was used in the Auckland District for building purposes previous to the importation of Oregon during the last few years—for ordinary scantlings?—They worked off a lot of inferior kauri and red-pine.

122. But is it not a fact that some of the buildings in Auckland were built entirely of kauri?—Yes, that is so; they worked off the inferior kind for scantling.

123. So that, although it is used in Auckland for scantling, it is replacing kauri and not red-pine?—That is so.

124. You said you were in favour of reducing the duty on long lengths of Oregon, but increasing it on the small sizes?—Not the long lengths, but the large sizes.

125. The increased duty on Oregon would increase the Customs revenue?—Yes.

126. You objected just now to the rate because it was increasing the Railway revenue?—Yes, that particular revenue.

127. Why should there be a particular object in increasing the Customs revenue?—I recognise the country has to have revenue, but I do not think one section of the community should be penalised as against another. The country man has to pay the duty at the port, and also 50 per cent. railage, so that the country man is paying more on his Oregon than the town man. The local timber in that particular instance is about one-third dearer. The taxation on that timber should be equal to every user as near as possible.

128. You believe that for the purpose of encouraging this particular industry the town worker should be compelled to pay a high price for his timber, that Oregon should not be allowed to come in in competition, and that the country man should be protected—he should not be called upon to do the same thing?—No, I do not say that. All I say is that the taxation on Oregon should be the same with the town man (who pays the duty in any case) and the country man. Immediately you put on the 50 per cent. increase the country man has to pay the extra railage, and also the duty.

129. Does not the same thing apply in regard to the delivery of timber in the town—is not the town man nearer the source of supply?—Our railage to Dunedin is 2s. 9d., whereas the railage to Mosgiel is 3s. 3d., so that the country man is again paying more than the town man, because there is steamer competition against the railway, and the railway charges come down to meet the steamer competition.

130. You do not class Mosgiel as a country district, do you?—Certainly, as against Dunedin. I am only taking that as an instance.

131. With regard to the seasoning of the timber before it arrives in New Zealand, I understand that the timber that has been landed off this boat is deck cargo only?—That is so.

132. No dry cargo landed at all?—No, nothing out of the hold. Why do you say "dry cargo"?

133. Well, it is deck cargo that is landed?—Yes.

134. And that timber has been saturated with salt water during the voyage?—Yes, and all the better for it.

135. So that it is difficult to tell whether that timber is wet or dry, or whether it is the salt water that has given it the appearance of being wet?—I should say that a deck cargo of Oregon timber coming to New Zealand has a better chance, because it is all the time in the open air and seasoning.

136. You can see by the general marks on the timber that it has been saturated with salt water, so that the probability is that the wetness is not due to the original moisture, but to being impregnated with salt water?—Very probably, in a large measure, that is so. The captain told me he had a lot of rainy weather all the way down the coast. I asked him how the timber fared with regard to sun splits, and he told me I need not trouble because there was a lot of rain all the way down.

137. *Mr. Ell.*] I suppose one reason for selecting Oregon is that it can be got seasoned?—Yes, being heart stuff it is more nearly ready for use.

138. You do not carry heavy stocks of New Zealand timbers because of the cost?—We do carry fairly heavy stocks—in fact, too heavy at present; but, unfortunately, the position is that we cannot get anything extra for seasoning, although we can sell it more readily.

139. But you get no more for it?—Yes, that is so, except in a few isolated cases where it is required for cabinetmaking, &c.

140. And that is how it is that there is a difficulty here, and why there are complaints that seasoned timber cannot be obtained?—Simply because there is no inducement given to the merchant to season the timber.

141. I think you suggested in your evidence that houses would be more expensive if the architects were a little more strict with regard to demanding seasoned timber?—The people who build the houses would have to pay a little more, but it would be beneficial in the long-run.

142. What would you say would be a fair thing to charge for seasoned timber—1s. a hundred extra?—One shilling a hundred would not look at it. It would probably be 2s. to 2s. 6d.

143. An extra 2s. a hundred would make a difference in the cost of the ordinary cottage of £10?—Yes, about that.

144. But there would be better timber in the house?—Yes. In Christchurch they are more particular, and their timber is better seasoned.

145. *Mr. Field.*] I mentioned that the price of rough rimu in Wellington was 10s., and Mr. Clarke mentioned 14s. 6d. I was referring to the sawmilling price, while Mr. Clarke was referring to the timber-merchants' price?—I could not imagine it was selling at 10s. I said it was only assumption on your part, because I could not believe that it was selling at that price. What is going on in the sawmill is one thing, and in the trade another. Before I came into the box you were talking about kauri, and some one made the remark that we could get very little of it. The line you asked me to give detailed figures of is one of the worst lines we have to handle, hence our desire to get Oregon not only on account of the benefit to the consumer, but because it is better for us to handle.

HUNTER MCANDREW sworn and examined. (No. 36.)

1. *The Acting-Chairman (Mr. Arnold).*] What are you?—District Engineer of Railways, Dunedin Section.

2. Have you been requested to make any report to present to this Commission?—No. I have simply come to give evidence, as requested by the Commission.

3. Have you any statement you wish to make?—I have taken out a few notes, but I do not know whether they cover the ground that you wish.

4. What timbers do you use for your sleepers?—On this section the majority of our sleepers are hardwood—jarrah. We use silver-pine and a small quantity of ironbark, a small quantity of grey-gum, and creosoted native timbers and softwoods.

5. You do not creosote in this district at all?—No, not in Dunedin. It is all done at Kew.

6. Can you tell us how many sleepers you have down in the Dunedin Section?—Roughly speaking, I should say about one and a quarter million—perhaps rather under that.

7. And they run about 25 ft. to the sleeper?—Yes, about 23 ft.

8. How many sleepers are you putting down on an average per annum?—Well, for the last three years the average has been 41,000, but it has been increasing. In 1907 we put down 35,000, in 1908 40,000, and this year about 48,000. That is for renewals.

9. Now, are the local woods absolutely unsuitable unless creosoted?—I would not say they are absolutely unsuitable, but the creosoting prolongs their life.

10. What do you say is the life of a local sleeper without creosoting?—Well, I could give you my ideas of the different kinds of timber. What I referred to just now was the softwood sleepers—rimu and kahikatea. I was not referring to silver-pine or totara.

11. What I want to get is the extended life caused by the creosoting process?—In that case, then, it may be well to state this: that on this Dunedin Section, owing to its being largely composed of curves, and sharp curves at that, from 5 to 7½ chains radius, the softwood sleepers are not particularly suitable. The action to which the rails are subjected under the traffic causes them to spread, and the spreading forces out the dogs, which necessitates very frequent regauging. That means bringing the rails into their proper gauge on the curve. That necessitates boring fresh holes for the fastenings in the sleepers, and after two or three gaugings you have got two holes in each intersection—one on each side—so that in three or four regaugings you have eight holes. These holes receive the moisture, which sets up decay. That determines the life of the sleeper. A sleeper which is perfectly sound except in the rail-seat is to all intents and purposes unserviceable as a railway sleeper. There is another matter which may be considered: the pressure on the rails has a tendency to force them into the rail-seat—what we call cutting the sleeper—and that interferes with the surfacing of your track.

12. And you use creosoted sleepers on the sharp curves?—We do use them if we cannot get anything else, but very sparingly. We use them almost entirely on the straights, and use the hardwoods on the curves. The hardwood resists both the cutting that I referred to and the spreading of the gauge to a much greater degree than the softwoods.

13. Is it a fair thing to say that a softwood sleeper has a life of about six years if it is not creosoted, and twenty years if it has gone through that process?—I would not like to make a general statement like that. I should prefer to pick out the timbers, and I would put them in this way, leaving out puriri, of which I have not had much experience: the order of value for general railway purposes is, in my opinion, as follows: If you include puriri, I put that first, then silver-pine, and I say that silver-pine has a life of from fifteen to twenty years on the straights, on the curves something like twelve to fifteen. That is uncreosoted—we do not creosote silver-pine or totara. Totara, in my opinion, has a life of from fifteen to twenty years on the straights, and from five to ten years on sharp curves. The creosoted softwoods are rimu, matai, and kahikatea or white-pine, and in my opinion the creosoted softwoods have a life of from fifteen to eighteen years on the straights, and on sharp curves from five to ten. With regard to uncreosoted sleepers, as far as my experience goes, rimu has a life of six or seven years, birch four to five, kamahi three to four; but I have not had much experience of kamahi. Matai is most irregular as a sleeper, and it has not a long life—probably three to five years—I have known them taken out in three years, and I should say the same with regard to kahikatea—three to four years. We have tried rata in small quantities, but not with success. That completes the list so far as my knowledge of softwood timbers goes.

14. Do you know what class of trees are being planted by the Government on the reserves?—No, except from the knowledge I have acquired from a visit to Hanmer. Principally larch was planted there.

15. Do you know whether those trees will be suitable for sleepers?—I should think so.

16. Do you think it would be a wise thing for the Government to see that a large number of trees suitable for railway use is planted in the Dominion?—I think so.

17. Is there anything else you would like to add?—I do not think there is anything further. I said that we were using hardwoods in large numbers now—mostly jarrah. The price at which we get the jarrah renders it economical that we should do so. Of course, you pay more for them than for the softwoods, but they have a very much longer life.

18. *Mr. Hanan.*] Can you give us any information as to the timber used in the workshops here—for car-building?—Not any detailed information. I have not much to do with the workshops—they do not come under my jurisdiction. They use kauri pretty largely, and Australian woods.

19. Do you care to express an opinion as to the need of conserving our forests?—Well, I do not know that I should, unless it be taken as the opinion of a layman. Personally, I should like to see them conserved.

20. Do you think that the importation of foreign timbers tends to conserve our local timber-supply?—I think it undoubtedly must.

21. *Mr. Field.*] Do I understand you to say that, speaking from a railway point of view, you thought it better to use Australian sleepers than our own?—Yes, speaking from a railway point of view.

22. You think your estimates of the lives of creosoted and uncreosoted sleepers are fair?—I think they are very close.

23. You have had a good many years' experience?—Yes.

24. The reason I asked the question was because it was mentioned by Mr. McCredie in Invercargill that it would last longer?—Did he differentiate between the straight line and the curved track?

25. Perhaps his was on the straight?—I said that in the straight tracks it would last up to eighteen years, I thought.

26. He said twenty years?—Yes, that is on the straight, but not for the curves such as I have charge of.

27. Have you seen the creosoting process at work?—No, I have not actually seen it at work.

28. You are not prepared to say whether the creosote-works are up to date or satisfactory?—I am not prepared to say that, but I understand they are up to date.

29. *Mr. Leyland.*] Have you any experience as to the life of a puriri sleeper?—Not a great deal of personal experience.

30. How long would you say was the life of a puriri sleeper?—I have seen a good many taken out of the track, and from inquiries that I have made—I am not depending on my own observation, but on the observations of others—I find that the consensus of opinion is that they are good for twenty years.

31. Mr. McCredie told us that the expense of creosoting was largely dependent upon the quantity of creosote used—that is, with an ordinary 8 by 5 sleeper?—Yes.

32. There is on the table here a pamphlet and specimens of birch creosoted and uncreosoted by the new American process called the Rueping process, which extracts the creosote. Have you had an opportunity of giving any attention to that particular system?—No, I have not.

33. *Mr. Morris.*] In reply to a question put to you just now you said you were in favour of conserving our forests—what would be the effect on our railways?—Well, I do not quite know.

34. Does not a large percentage of our railway earnings accrue from the carriage of timber?—Yes, certainly. I did not mean by conserving our forests the shutting-up of every mill, or not using any native timbers at all. I thought the question rather referred to the waste that had gone on through the progress of settlement burning up the timber.

35. I thought you wanted to lock up the whole thing?—I did not have that in my mind.

36. *Mr. Barber.*] Is the timber traffic on railways very profitable?—I cannot say.

37. Have you used for sleepers any trees that have been planted in New Zealand but not natural to New Zealand, such as the blue-gum, for instance?—No, I have not myself, and I do not think any have been used.

38. Are there any trees growing in New Zealand, not natural to New Zealand, that would be suitable for railway sleepers?—I think some trees in Canterbury would be suitable for sleepers, provided they grew big enough.

39. Do you think it would be in the interest of the Dominion to encourage the planting of these trees for sleepers?—I think so.

40. *Mr. Ell.*] You say that on the average for replacing sleepers in the Otago District about 44,000 a year are required?—Forty-one thousand was the average for the last three years—viz., 35,000, 40,000, 48,000, averaging 41,000.

41. Have the Railway Department, to your knowledge, discussed the question as to the future supply of sleepers for the railway system of New Zealand, which is growing very rapidly?—I do not think that has been very seriously discussed.

42. Do you think that, in view of the fact that there are big demands made in Australia upon their hardwood, and the unsuitability of our timbers here, which are unsuitable in respect to the curves, it would be a wise thing on the part of the Department to take the matter into consideration?—That would depend upon what the supply is over in Australia. I understand the supply is unlimited, for the present at any rate. That will be a question for the future, no doubt.

43. Seeing that we have a big railway system, and that our requirements will be very great in the future, do you think it desirable that the Railway Department should consider it and make provision by planting special and suitable timbers for this work?—I should think so.

ROBERT CHISHOLM sworn and examined. (No. 37.)

1. *The Acting-Chairman (Mr. Arnold).*] What is your trade, Mr. Chisholm?—I am a furniture-manufacturer.

2. You will know something about various kinds of timbers, both local and imported?—Yes.

3. You are acquainted with the Catlin's district?—Yes.

4. Would you tell us to what extent local timbers are used in your business, and generally as to their suitability?—Some local timbers are admirably adapted for furniture-making. The rimu, birch, and kauri are all extensively used for that purpose, and found very suitable. The rimu in particular is specially suitable, although perhaps you cannot say it is more so than kauri, as they are very much about equal in demand.

5. Is there much birch used?—A considerable quantity of birch.

6. Is it very suitable?—Yes.

7. What imported timbers are used?—Imported timbers are used pretty extensively. There is the oak, walnut, clear-pine, but especially the two former—viz., oak and walnut.

8. Could local timbers be used in place of those named by you?—No, they could not be used in place of oak, which is used where it is required and asked for. The difficulty lies in the fact that there is so much furniture imported both from America, Canada, and Great Britain, and the bulk of it is made of oak, mahogany, or walnut. Some people demand that their furniture should really be made of these woods, and they will have it so made if they can possibly get it.

9. You do not use Oregon, of course?—No, not in the manufacture of furniture.

10. What duty is there on oak and other timbers?—I think it is 2s. per hundred all the way through.

11. Do you think that should be increased?—No, I do not. I have a very strong opinion that it is a mistake to have the raw material in connection with and essential to any industry taxed even to the extent that it is at present. I think while it is necessary for the purposes of revenue that there should be a certain duty on almost everything, at the same time, it seems to me that those articles that are used in the process of manufacture ought to have the duty just as low as possible.

12. That is, if it cannot be done without?—In each of these cases it cannot.

13. You would have to import them if the duty were doubled?—That is so.

14. Is there much manufactured furniture imported now?—Yes, a good deal.

15. Is it decreasing?—Yes, it is decreasing.

16. What is the cause of that?—The cause of it is that the duty that was placed some years ago upon imported furniture—viz., 25 per cent.—assisted the local manufacturers very considerably; many articles are now being made to compete successfully with the imported article.

17. The introduction of machinery, I presume, has enabled you to manufacture cheaper?—Yes, that is another and important factor enabling us to compete with the imported article. There is now about ten times as much machinery in use as there was ten years ago.

18. Your factory is up to date, then?—Yes.

19. The total cost is less all round now than it was years ago in consequence of improved methods?—I do not know that you can say that the total is less. I should say that it is more. The additional cost of labour and the additional cost of timber has increased the cost of production very considerably, even to a much greater extent than is made up by the introduction of machinery.

20. To what extent does the extra cost of timber affect your industry?—I should say it is affecting the price, probably from 10 to 15 per cent.

21. Do you think the price of timber to-day is too high?—Well, there is always a buyers-and-sellers standpoint from which the price is viewed. From what I have seen in the papers I should say that the timber-merchants are not making a fortune. I do not think, myself, when you compare the prices, that there is much to complain about. As time wears on, the sawmillers have got to go back farther, and consequently the cost of the production of the timber is increased. I do not think that the price that is charged at the present time for timber is unreasonable. Still, the very fact that we have to pay very much higher has raised the price of production.

22. I want to ask a question or two away from your own trade; have you had any timber from the Catlin's River district?—Yes.

23. What class?—Rimu and birch.

24. It is suggested that the timbers of that district are inferior to those of Southland?—I would have no hesitation in saying that the West Coast rimu is a superior class of timber to that of Catlin's River. It has many advantages over the latter. The tendency of most timber from Catlin's to twist is a good deal more, and it is not quite so suitable for cabinetmaking purposes as West Coast timber.

25. What about Southland?—In some parts of Southland there is bush where the timber resembles the West Coast timber a good deal, but, generally speaking—and I think one is perfectly safe in saying—the West Coast is superior to either Southland or Catlin's. In fact, three-fourths of the timber used by us comes from the West Coast, and has always done so.

26. *Mr. Field.*] You said you were against putting a duty on the raw material. Do you regard inch boards as raw material?—Yes, I do, because they are brought in here for the purpose of being manufactured. There is no single board but what is used in some article or another.

27. I am not speaking of Oregon boards put directly on to buildings as they are?—You never have oak or walnut put into buildings without being manufactured. My remarks did not apply to Oregon.

28. *Mr. Morris.*] You told us that the duty put on imported furniture assisted the local trade?—Yes.

29. You advocate duty on imported Oregon?—I never mentioned such a thing. If you had asked me the question I would have said, Certainly not. I never expressed the opinion as to whether there should be a duty on Oregon or not.

30. We are told that rimu is not suitable for joinery-work. What is your experience?—Rimu is admirably adapted for many articles in furniture-manufacture.

31. Then, it does not twist about?—It is all nonsense to say that it twists more than other timber. Red-pine is like every other timber in the matter of twisting. Care should be taken as to the season of the year in which it is cut. Given that, with proper seasoning, and provided the rimu is of fair quality, it really will not twist any more than the majority of the imported timbers. It is equally as good as the majority of imported timbers. We have tested it thoroughly.

32. Do you find that it stands as well as kauri?—It stands better than kauri in many ways. I do not think that a piece of rimu is so liable to twist as kauri. It is certainly not so liable to shrink. One objection to kauri is that it is so subject to climatic influence. If you put it into an article, no matter how dry it may be, if it is subject to damp it swells, and swells very much. It is far more subject to that than rimu. Rimu is as good a timber as you can get to stand, and is as free from warping, twisting, and all such objections as other timbers.

33. Thank you, Mr. Chisholm, I am glad to get a testimonial for our West Coast timber?—I was not aware that you were from the West Coast, and what I have said is the result of my own experience.

34. *Mr. Barber.*] Have you any difficulty in getting timber for the furniture trade?—Yes, we have experienced considerable difficulty in getting kauri and rimu, especially rimu, owing to the immense quantities that are being exported to Australia. I have had some orders on the West Coast that have not been completed for many months, and I have been put to a great deal of inconvenience through it.

35. Do you think, if Oregon was allowed to be imported to take the place of kauri beams, and seeing that it is necessary to use kauri for building purposes, that it would assist the furniture trade throughout the colony by making their supplies more easily available?—It is quite evident that the mills in Auckland have not, so far as our experience in Dunedin goes, been able to supply the local demands. Whether this is through the export trade being of such importance to them that they ignore the local trade, or whether they are not in a position to furnish the requisite supplies, I cannot say.

36. *Mr. Ell.*] With regard to the cost of oak and walnut used in the higher-class furniture, what does that run out at per foot—that is, landed here?—It varies considerably. For instance, from Canada you can get it much cheaper than from the States, and lately the markets have been slackening somewhat. Plain oak and quartered oak differs a great deal in price. You would be safe in saying, from about 8d. to 11d. per foot—that is, with the duty.

37. What is the cost of rimu, per foot, for cabinetmaking purposes?—Rimu for cabinetmaking purposes has to be special—that is, specially selected. Bear in mind it is not just ordinary building-timber, and consequently the prices ruling generally for good rimu for cabinetmaking purposes are a little more expensive; and the size determines the price. It would be about 9s. on the West Coast. Then, there is freight. It costs us about 13s. 6d. landed in our yard.

38. That is about 1½d. per foot?—Yes.

39. There is no possibility of oak and walnut interfering with the local timber?—Absolutely none.

40. Both these timbers are absolutely necessary to the maintenance of a big industry?—Yes. It means that you have either to import the article already made or manufacture it here from the material.

41. It would place the manufacturer to better advantage if the duty were removed?—Much better.

42. You use rimu, and beech, and kauri in the manufacture of furniture?—Yes.

43. In view of the fact that this industry is a standard industry in New Zealand in supplying furniture for the homes of the people—and they are increasing in number—do you think it would be wise on the part of the Government to make some timber reserves so as to provide for the future need of this and similar industries?—I do think so. Referring to the district which the Chairman has mentioned—that is, the Catlin's district—I think, if it could be done, reserves should be created there. I feel grieved at the enormous waste of wealth that is going on in the destruction of timber. Good timber, valuable for all purposes, is being burned simply to have the use of the ground for cultivation.

44. Do you consider that a most wasteful policy?—I do.

45. With regard to beech and rimu, you stated, I think, in your evidence that if these were cut at the proper time of year, when the sap was down, that it would make them more useful and more valuable for your purposes?—Yes, I think that is where an injustice has been done to our timbers. It is almost criminal the waste there is at present. As to beech, especially, it is a timber the value of which up till recently has not been understood. It is much more valuable than we formerly believed. In my judgment our beech will come to be a most useful timber and valuable asset to the Dominion, if cut in the proper season.

46. That is, particularly for furniture-making and for chairmaking?—Not only that, but for anything that requires texture. So far as we are able to test it, it is almost equal to American ash and beech. It is of a very tough nature, so that for various purposes in connection with agricultural implements, for instance, it will become a most useful timber. It will stand a strain almost equal to ash or beech.

47. Seeing that much of this beech grows on a country which is not very valuable for other purposes, would it not be a wise thing to set aside some beech forests?—Yes, I think it would be,

and we set the example. We purchased a bush section in Catlin's about twenty years ago, and we have not allowed a stick of it to be cut, because of the value we attach to it. We are holding it there in reserve.

48. I would like to ask you as a citizen, and one who has devoted a good deal of attention to this subject, would it not be a good thing to establish a school of forestry?—One of the most necessary things to do.

49. Can you say what is being done by the Forestry Department at present?—Not very much. They have showed some diligence during the past few years in planting areas down South here. I think that, in the face of the wanton destruction of so much native bush, and the wholesale way that it is going on in the Catlin's and other districts which I have seen, it seems almost anomalous to be spending so much money in planting timber.

50. Do you refer to destruction of timber in rough and broken country?—Yes, I have seen many places where the bush was being wantonly destroyed, and where the land could be of no earthly use for any other purpose, such as on very steep faces on hillsides.

51. *Mr. Field.*] I got a letter this morning from a gentleman at Riverton who complains of the loss they are put to in consequence of the duty now levied on beech in Australia. Do you think they are suffering from a substantial grievance in that respect?—I think that the Commonwealth Government are standing in their own light by putting on a duty for the purpose of preventing the importation of timber like our beech here. The Commonwealth imports very extensively from the United States, and I am perfectly satisfied that our beech will stand a strain equal to and possesses a texture as good as any of those timbers.

52. *Mr. Ell.*] I think you stated in your evidence that you had an order outstanding for some time on the West Coast, and that you were unable to get it executed?—No; I have not an order standing ot the present time. I do not think there is the same difficulty experienced in getting an order filled on the West Coast now that there was nine or twelve months ago. My remark did not apply to the present time.

53. *Mr. Morris.*] You obtain your supplies from the West Coast—practically from Mr. Malfroy?—Yes, he cut considerable quantities for the Exhibition. I know that a great deal of rimu has also been exported from New Zealand to the Commonwealth. There was an extreme difficulty in getting orders filled from nine to twelve months ago.

54. Are they large exporters to the Commonwealth?—Yes.

55. You say there was no rimu being exported to the Commonwealth until the last twelve months?—No rimu has been exported to the Commonwealth for years.

CHRISTCHURCH, TUESDAY, 6TH APRIL, 1909.

SAMUEL HURST SEAGER sworn and examined. (No. 38.)

1. *Hon. the Chairman.*] What are you?—An architect and Fellow of the Royal Institute of British Architects.

2. You are aware of the objects of this Commission, and we should like some information from you concerning the various paragraphs in the order of reference?—I do not know that I can give any information on those points, because I am an architect and do not know anything with regard to the cost of felling or the distribution of the timber, but as an architect I should like to bring some points before the Commission. My first note is on the relative value of Baltic and yellow deal as compared with New Zealand timbers for joinery. The New Zealand timbers suitable for joinery are kauri and rimu. The reason that imported timber is more often used is on account of the unreliable character of the New Zealand timbers. The different classes of timber are not sorted, so that it is impossible to tell what class of timber is being used. There is no better timber, I consider, for joinery than one variety of kauri, but this is mixed together with other varieties which are wholly unsuitable, so that no dependance can be placed upon it by architects. We have, therefore, to fall back upon the imported timbers, which are very carefully graded sometimes in Europe into as many as nine classes, the majority into four and five classes, all having distinct brands. In this way uniformity in any particular line is secured. The same remarks apply to rimu; plain, straight-grained wood is mixed with wood of irregular fibre, which, eminently suitable for decorative purposes, is quite unfit for any position of strength or for any position where freedom from casting and warping is essential. Kauri—the disrepute into which it falls from want of proper classification: Although there are four varieties of kauri timber, which could be easily classified, the timber is spoken of as a whole, in spite of the fact that these different varieties have very distinct and opposite qualities—for instance, one variety which has been distinguished as red kauri is very liable to cast, and twist, and shrink longitudinally as well as transversely. Another variety, which has been called the white kauri, does not warp, and does not shrink longitudinally if fairly seasoned. Another variety, called soft kauri, has the same qualities as the white kauri. Again, in respect to its weight-bearing qualities, the red kauri is very strong, and therefore suitable for beams and joists, as also is the white kauri, but the soft kauri will bear very much less transverse strain, and is wholly unsuitable for beams or heavy framing. In respect to durability, there is a variety called the black kauri, which, though unsuitable, on account of its being charged with resin, for joiners' work, is, on the contrary, the most durable of them all. Unless, therefore, these different varieties are distinguished by proper markings and sold separately, it is impossible to rely upon them for any particular purpose. These different varieties, it should be stated, can be found in one tree, the red being obtained from the central

portions and the white in the outer. Black kauri is heartwood excessively charged with resin, and the soft kauri is a local variety. Although these different kinds possess such very different characteristics, no distinction is made in the books of reference. It is all spoken of simply as kauri, and therefore one series of tests will be remarkably different from another, and the conclusion which has hitherto been drawn is that kauri is such an unreliable wood that it should not be used. In every series of tests not only should the exact variety be distinguished, but the position which the piece tested occupied in the tree should be stated. Timber taken from the butt end of the tree is stronger than that from other portions. Black-pine, its confusion with miro: The same difficulty from lack of classification exists in relation to the woods used for durability, for, while matai or black-pine is a timber of great durability, the timber miro, which resembles it in appearance very closely, is extremely undurable; and, again, although not durable if in contact with moisture, it is very much stronger than black-pine, and is of great value for beams if under cover, whereas black-pine is more brittle, and if used for beams in place of miro will result in failure. In rimu also there are misleading differences in the qualities of wood cut from various parts of the tree. For instance, heartwood from large trees is extremely durable, being impregnated with resin, while heartwood from small trees is much less durable, and could not, therefore, be used when in contact with the ground. A reliable handbook needed: The great difficulty architects have to contend with is that there is no good, reliable handbook on New Zealand timbers. Good work has been done in the past by engineers, but the results which they have published are so conflicting that it is impossible to know which to follow, and one serious defect is that one set of tests cannot be compared with another, because they worked under different conditions with different sizes of timber, and an exact description of the wood is not given. Mr. T. Kirk's book on Forest Flora of New Zealand is a very valuable one, but it is chiefly botanical, and Mr. Kirk points out the weakness in his record of "Strength of Timbers," and expresses the regret which all architects must share that a "series of experiments with the chief New Zealand woods had not been made in which these matters would have received proper attention, and to accompany the statement of results with drawings of the structure of each kind as shown under the microscope; but this has been frustrated for the present by the abolition of the Forestry Department." This was twenty years ago. I am not sure that this defect has been remedied. At any rate, no work of the kind is to be found in our Reference Library. The essential need, then, for architects in relation to the timber industry is that all the different varieties of building-wood should be very carefully tested on a uniform system, and small samples for reference supplied, together with full particulars of their qualities. In addition to this, all timbers should be sorted into their proper varieies at the mill and marked in accordance with a uniform system to be determined. The use of timber in contact with the ground: There is one essential point in respect of the preservation of timbers used in contact with the ground, as telegraph-poles, posts, gate-posts, &c., and that is, whether or not timber which is placed in the ground the reverse way from its growth lasts longer than that which is placed with the butt end down. Opinions at present are divided, and, as this is an extremely important question in a country where so much fencing is done and so much timber used for telegraph-poles and posts, it is one to which a series of careful tests on a scientific basis should be directed. I have shown there are four distinct kinds of kauri which have very distinct properties, and therefore it is wholly misleading and of no value at all if a piece of kauri is taken to an engineer unless he knows and distinguishes at once the exact class of kauri and the position in which it was grown. I have a small pamphlet here published by the Bureau of Forestry in America which I will hand in for the information of the Commission. It explains my idea of the kind of thing that should be published in reference to our own timbers.

3. *Mr. Ell.*] Have you been in business in Christchurch for a number of years?—Yes, since 1885.

4. Can you give the Commission any information with regard to the cost of building-timber now and, say, ten years ago? Has it advanced to any great extent?—I cannot remember that. It is much dearer than it was a good many years ago. I remember you could get good building-timber for 9s. 6d., and now it is 14s. 6d., but I am only speaking from memory. It is certainly very much dearer than it was some years ago, but as to the exact dates I cannot remember.

5. Now, in regard to the nature of the imported timbers in connection with the building industry, can you give us any information as to the kinds of timbers which you think are more suited than the native timbers for building purposes?—Yes, yellow-pine and Baltic. It is absolutely essential we should be able to get them because it is impossible to obtain the white soft kauri of which I have spoken. We cannot really depend upon getting it here, and the consequence is, we have to fall back and insist on Baltic and yellow deal from America.

6. With regard to the cost of those two imported timbers and kauri, is there any very great difference?—That I should not like to say from memory, but they are dearer than kauri as far as I remember. I have been away from Christchurch for some time, and perhaps they have varied since I left.

7. Then, they would not come into competition with kauri so far as the prices are concerned?—I do not think so.

8. Then, with regard to its being better for certain purposes?—It is essential to use it.

9. What other timbers do you think essential to the timber industry?—I think Oregon pine is not absolutely essential. I think we could get on very well without it. It is certainly a remarkably good wood, but good, first-class rimu in nearly every instance could take its place if available. I have always used the native rimu, and have not used the imported timbers unless specially asked for by the client. Good rimu, I think, is an excellent building-material, and if it could be obtained in good quality nothing better could be wished for. I do not think Oregon pine is as essential in New Zealand as Baltic pine and yellow deal.

10. With regard to the sizes, can you obtain in New Zealand timbers in the sizes required for building purposes in connection with large buildings?—Yes, I think so. You cannot, of course, obtain New Zealand timbers in the size or length that you can obtain Oregon pine, but now we use steel joists in the place of beams. Previously timber was used for the flooring, and it was essential then to get long, sound beams, but now we use steel girders in their place, and therefore it is not essential to be able to obtain straight beams of great length or growth. I do not think, with New Zealand timbers, that we should find it impossible to get all we required in that respect.

11. Now, with regard to the cost of building a five-roomed cottage ten or twelve years ago and now, has there been any great increase in the cost consequent upon the rise in the price of the timber?—It is certainly much dearer than it was.

12. How much do you think the advance in the cost has been?—I think somewhere about 15 per cent.

13. On the cost of the timber?—Yes.

14. *Mr. Field.*] Is that the total increased cost of the building?—Yes; say, the building is dearer by some 15 per cent., covering all things.

15. *Mr. Ell.*] I am confining my remarks to the timber only?—Without reference, I could not say.

16. But there has been a considerable increase?—Yes, there has been.

17. Do you think that has anything to do with the slackening of the building trade? There is a slackness at present, is there not?—I do not think so.

18. To what do you attribute the present slump in the building trade?—To the tightness of the money-market, and also to the fact that there has been such tremendous building activity in the last four or five years, and that such sufficient building has been done up to the present. That, together with the fact that it is not a favourable time for building, is the cause of the slackness in the building trade. I do not think the increased price of timber would influence the clients at all.

19. Have you had any difficulty in obtaining supplies of timber for building?—No.

20. Always a ready supply?—Yes.

21. Have you had any restrictions placed upon your securing supplies—have any millers refused to supply you or your clients?—No; it is always done through the timber-merchants and the builders. I have never heard of any objections at all.

22. If a builder is outside the association, have you ever heard of a miller refusing to supply him with timber?—No; but what I have heard is that if I dealt direct with the timber-merchant I should have to pay so much more than the builders who deal direct with them. They allow the builders so much in addition to their 2½ per cent. for cash. I understand they allow them a commission on all the timber they purchase—an allowance. If they are recognised builders or members of the Builders' Association they can obtain timber at a lesser rate than I can. When I say "I" I mean the rest of the public.

23. If a builder is not in the Builders' Association, would he get that discount?—I believe not—I have been told not.

24. Then, in regard to the uses to which kauri and rimu are specially adapted, you have had a good deal to do with such work. I want you to give the Commission your opinion with regard to the adaptability and the ornamental and utilitarian character of rimu for the inside work of houses?—I think I was one of the first architects here to realise the ornamental character of rimu, and I used it in the City Council offices here in 1884. It is an extremely beautiful wood, and I consider it compares very favourably for joinery-work with some of the best ornamental timbers to be found here, and I have used it continuously. I scarcely ever put up a house without using that timber, and have found it always extremely satisfactory, only with this qualification, that there has always been a difficulty in the fact that every line has been terribly mixed, and one has had to exercise the greatest care in examining every individual piece of timber that goes into the building to see whether or not it is the class of wood you want. That should not be. We, as architects, ought to be able to specify a particular class of timber, and we ought to know that that quality of timber is kept separate from all others, and that the timber-merchant would supply it. That is the great need for us as architects. It is not so now; it is all mixed together. There is some difference made if timber is particularly bad. For instance, if lying in the merchant's yard, a yardman throws on one side pieces obviously inferior as a separate line. My point is this: that it is not those which are obviously inferior that matter—everybody can see a bad stick for themselves, and it should not be used; but there are essential differences in the qualities of good timber depending on the part of the tree from which it is cut, and these ought to be separated and kept apart. Then, the difficulties in the use of it would be very much lessened, and we should be less tempted to use imported timbers. I might just mention in reference to rimu that I have used this largely for doors and joinery generally, but in several cases I have had, say, twenty doors made for a work, and perhaps eighteen of those doors will stand splendidly—not a twist or a warp—but the other two, simply by want of classification of timber will twist so much out of shape that they will have to be taken down and discarded. It is that unreliability in regard to the timber which makes us so anxious whenever we use New Zealand timbers.

25. *Mr. Ell.*] Take timbers properly classified and treated: do you know of any imported timber likely to replace rimu for these special works?—Oregon does.

26. Is it ornamental?—Extremely so; it works up to a beautiful finish, and the difference between the summer and winter growth is so marked that if cut on the slant you get a beautiful figure, taking a high polish, and very ornamental. It takes stain readily, and the stain sinking into the softer part of the wood gives a deeper stain, and consequently a fine variety of colour. It is really an excellent wood, and would be likely, if rimu was not available, to take the place of rimu very largely. It is now the same price as rimu.

27. You referred to winter and summer cutting: which is the best time of the year to cut New Zealand timbers?—Winter, undoubtedly.

28. If they are cut in summer-time, is that detrimental to the quality?—Undoubtedly, and it is for that very reason that the New Zealand timbers are so variable, the marketable lines of it: some being cut in summer, some in winter—some shrink enormously, and some stand remarkably well. We have no guarantee that it is cut in summer or winter; it should be so marked; and, indeed, none should be summer-cut—it should all be winter-cut.

29. Two other architects have given us the same opinion. Do you think it is desirable, in view of this fact that more authority should be exercised over the cutting of the trees by the Forestry Department?—Undoubtedly. I consider that a thing of the very highest importance, for the simple reason that the timber is of far greater commercial value if cut at the right time of the year.

30. With regard to the lasting qualities of a house built with seasoned and with unseasoned timber: can you say the difference?—One built with unseasoned timber would show signs of decay in perhaps ten years, and one built with seasoned timber might last up to fifty or sixty or even a hundred years. I have seen timber taken down from old houses which has been there thirty to forty years, as sound as the day it was put in. This was New Zealand timber. It must have been thoroughly good seasoned timber to stand that time. If you put in unseasoned timber you have within that timber the elements of incipient decay, which would be bound to develop, and in a very few years the whole would be of far less value.

31. Then, your experience leads you to the opinion that if houses in New Zealand were built with more seasoned timber they would have a longer life?—Yes, undoubtedly, and so be incalculably more valuable to the community. A house would commence to decay in ten to fifteen years in the one case, and in the other case it would live generations.

32. It would be a financial gain to the people of New Zealand if houses were required to be built of seasoned timber?—Undoubtedly.

33. Have you any difficulty in obtaining seasoned timber?—Very great; we cannot get it. I believe lately the timber-merchants are stacking timber and charging 2s. extra per hundred, but then we cannot always rely on getting that. My own experience is—perhaps now it might be different—hitherto it has been impossible to get seasoned timber. It has come generally straight from the mill to the timber-merchant's yard, and straight from there to the building—often straight from the mill to the building—so that it is impossible to get seasoned timber. The only way is to specify that the building should stand for a certain time, when the framing is up, to dry.

34. You say they charge 2s. extra for seasoning?—For stacking. That does not imply that the timber is seasoned, it only implies that it has been stacked; whether or not it is seasoned by that stacking we have no guarantee. It takes a considerable time, according to the size of the timber, for seasoning. Five or six months is the very least time for small scantlings; some timber ought to stand for years.

35. The difference in price in 1896 is 1s. between seasoned and unseasoned?—It is 2s. now.

36. With regard to the future needs of this country, for manufacturing and for building purposes, what do you think we should do for the future supplies of timber? Should we make certain reservations until such time as our planted trees have matured?—Yes, I have always thought that. It seemed to me to be almost criminal to burn down thousands of acres of splendid trees, as has been done in various parts of New Zealand. It seems to me that we have among our New Zealand timbers all that is required for all building purposes, if properly cut, sorted, tested, and marked. We could then rely on all the timbers we have, and there would be no need to import from elsewhere. I do not know how much of this soft kauri—silver-grained kauri—there is, but if the supply of that is very limited, then we should have to rely upon the imported yellow-pine or Baltic to take its place; but, assuming that variety of kauri to be available, then that is as good a material for joinery as could be obtained anywhere in the world.

37. In view of the fact that kauri is fast diminishing, and according to the Lands Department will be cut out in fifteen years, do you think it desirable to have an export duty upon it?—Yes, I should certainly think so.

38. You speak about people not having sufficient knowledge of our trees, and you have evidently read up something about the forestry laws of other parts of the world. Do you think it would be wise to establish a School of Forestry, as is done in Japan, Germany, America, and France, and other countries?—I certainly think it would be a very excellent idea.

39. To intelligently plant and care for our plantations?—Yes, certainly.

40. *Mr. Hanan.*] Is the building trade brisk in Christchurch now?—I have not known it so slack for very many years.

41. How do the buildings erected in the last five years compare with those erected ten years ago, as regards the class of timber, durability, and permanency of the building?—I do not think there is much difference, because we insist always in having good heart timber, and as long as we get that (we have to get it now with very great difficulty, and we should be able to get it easily) the house will have a good life, providing the timber is properly seasoned.

42. Are you putting in that seasoned timber?—Now it is impossible for us to get it oftentimes. We specify that it shall be seasoned, and we take care to get the timber as quickly as possible after the contract is let, to stack it, and to delay the building in order that the timber is as far seasoned as we can get it; but as to obtaining thoroughly seasoned timber from the timber-merchant here, that hitherto has been impossible. However, as I say, I think they are recognising the necessity of obtaining seasoned timber, and are taking more care than they did in the past. When the building trade was extremely brisk there was not time—the timber came straight from the mill to the work, and they could not accumulate stocks; now it is possible to

accumulate stocks which can stand for years, so that in future there should be no difficulty in obtaining seasoned timber if only they lay in good stocks.

43. Have you any difficulty in obtaining good heart of rimu?—Yes, it is all mixed with partly sap-wood. There are some excellent sticks among the lines, and these have been sorted out. It is impossible to get all heart; we have to take the heart with the outer wood. I have not noticed if there is a diminishing quantity of heart. Some timber I have obtained lately is quite good quality, but it all has to be sorted.

44. Where do the Christchurch people obtain their timber-supplies?—That I could not be sure of. Some of it comes from the south, and some timber from Pelorus Sound, and some from the West Coast. Still, I am not an authority on that; I cannot state exactly where they do obtain their timbers from. Different merchants have different mills in different parts.

45. In Dunedin they complained strongly about not being able to obtain good heart red-pine, and also in Invercargill?—Yes; I have not found any great difficulty, only that it has to be sorted—that is where the difficulty rests. You have to buy a large quantity to be able to pick out exactly what you want.

46. Have you much difficulty in obtaining kauri here?—The kind that is suitable for joinery-work you cannot get here; that is the reason why we fall back on yellow-pine and Baltic.

47. Is there much speculation in the building trade here—builders putting up houses as a speculation?—Yes, a great deal of that.

48. Has that fallen off lately?—Just now it has fallen off considerably, but a few years ago whole neighbourhoods were springing up—put up by builders as a speculation. Large districts sprang up like mushrooms, and perhaps the whole speculative.

49. You spoke of the preparation of a book dealing with New Zealand timbers: would you suggest by whom that book should be compiled?—No; I could scarcely suggest that, because it would be the work not of one man, but the researches of several working on a uniform line. For instance, all the testing would have to be done probably by Professor Scott, of Canterbury College; but if the book was to be valuable he must work in conjunction with others, so that all might be done on a uniform system. One man would have to go to the forest to see the particular tree, get it cut on a definite system, the different pieces marked as to locality and position in tree, and so on. It is valueless to take a piece of timber by chance and get it tested; a test is worthless unless we know from what portion of the tree the wood came, and we want to know whether the tree grew on swampy ground or high and dry ground. If the latter it would be much stronger and more solid. Therefore there should be a sort of committee working together to give us all this reliable information.

50. Do you favour an increase in the duty on Oregon pine?—No, I do not think I should, because we should not use it if we developed our own resources.

51. By allowing it to come in, you think it would conserve our timber-supply?—Yes, it is certainly useful in that way. It would tend to conserve rimu, because it is used in place of kauri and rimu now for joinery-work and ornamental purposes.

52. As to imported timbers, do you not think they have helped the building trade of this Dominion?—You mean that buildings have been put up which otherwise would not have been put up? I scarcely think that.

53. Do you think the price of timber has anything to do with diminishing the building trade?—No, I do not think so. If a person wants a house he will build it.

54. As to seasoning, have you got any scheme to suggest?—Natural seasoning is the only proper way—that is, to take care that the timber is cut at the right time of the year, that it is carefully stacked with fillets between, under a covered shed with open sides, so that the air can pass freely between every piece; that is the only good rational way. Any forced system of seasoning by hot-air chambers dries up the sap too rapidly and renders the timber brittle.

55. Would not that add to the price of the timber?—Yes, because the capital would have to be sunk in the timber, and would remain there perhaps for a year or more, and interest on that money would have to be added to the cost of the timber. That is perfectly natural, and we are quite willing to pay the extra money which the merchants ask for the seasoned timber.

56. Speaking of the working-classes—those of them having buildings erected—do you find that the price of timber is too high to be within their reach to build houses?—That I could not say. Architects usually do not have such people for their clients. These people generally deal direct with the builders, or else buy a house put up by a builder as a speculation.

57. Have the majority of houses been put up by architects?—Oh, no! the majority are the work of builders. For every house an architect does there might be perhaps ten put up by builders—that is, the small class of houses.

58. How does brick compare with wood for building?—Brick is dearer. It is extremely difficult to determine the exact difference in cost; it depends largely upon conditions as to finishing. It generally happens that when a brick building seems to be dearer a great deal of expense is in the proportionately more expensive finishing. A brick house is usually a better class of house than the timber house; therefore the extra cost is not wholly on account of the bricks used. The actual amount of walling done in brick is certainly above the cost of the same amount of walling in wood; how much more is merely a matter of calculation.

59. In the long-run the brick building would be the cheaper?—I do not think in the long-run it would be much cheaper, with this important condition: that the wooden building is built of thoroughly well-seasoned and proper heart timber. In a brick building the greater part is of wood; often only the outside walls are of brick; there are wooden roofs, floors, and joinery, and that has all to last in the brick house as in the wooden house; more than half a brick or stone house is wood. The floors always go first if the timber is unseasoned, and they will go as fast in the brick house as in the wooden house.

60. During the last three years is it not a fact that most of the timber going into the houses you are erecting here has been unseasoned timber?—Oh, yes! that is so, because it is impossible to get it properly seasoned.

61. And, of course, you do not give these houses as long a life in consequence?—No, they will be a source of expense to their owners by reason of repairs and depreciation.

62. Do you know if the white-pine borer is here?—Oh, yes! it is very strongly in evidence in Christchurch. I have seen houses practically riddled with it.

63. And that has helped to sell a number of houses in other places?—It may be. Generally people are glad to get rid of a house with borer in it. I have dealt with houses affected in this way, with sheep-dip; thoroughly saturated all parts attacked; that will check the ravages. I have used Little's sheep-dip, but any arsenical or non-arsenical preparation would do, I suppose. I always take the precaution, when making additions to an old house, to coat the whole of the new timber where it touches the old with a preparation.

64. In Dunedin and Invercargill they had not yet dropped on an effective preservative or destroyer, and you say you find sheep-dip effective?—Yes, it checks the borer wonderfully. I found that out by trying it on a house in which I was living myself. The borer otherwise gets into the soft woods, and the furniture, and into rimu, and even black-pine when adjacent to white-pine. If there is no white-pine the germs do not seem to develop, but white-pine seems to form an active nest, from which the borer attacks the other timbers; so that we have long since given up white-pine for good work.

65. *Mr. Field.*] Talking about the grading of our timber, do you think it can be done fairly inexpensively?—It would cost next to nothing. When it is at the mill the timber could be made into different heaps just as well as into one heap.

66. It would not require close examination of each piece of timber?—No, because at the mill they would know from which part of the tree it comes, and the qualities, as far as we can determine, are owing to that. All European timber is marked, every stick of it, with a special brand showing to which class it belongs; and, as I have said, sometimes as many as eight or nine different grades are classified with one timber.

67. As a rule, every grade can be obtained from the same tree?—In respect of kauri that is so—all except the soft or silver-grained kauri, which grows in a particular locality. That is why the grading should be done at the mill.

68. With regard to seasoning: I suppose anybody can get seasoned timber if he wants it?—He can season it himself, and we take that precaution, and always get the timber immediately. The builder is under penalty to have the timber on the ground immediately, and it remains for as long as necessary to season it; but with the greater number of houses put up for speculative purposes no such precaution is taken.

69. Do you think the practice of putting up unseasoned houses is so rife that there ought to be some legislative restriction put upon it?—Yes, I have always thought that. It is criminal to put into buildings unseasoned timbers, and people ought to be forced not to build with unseasoned timbers; in other words, it should be easier to obtain seasoned than unseasoned timber.

70. With regard to the 2s. extra for stacked timber: does that obtain in Christchurch?—Yes, that is on the lists of to-day—2s. extra for stacked timber.

71. You do not know the practice in other places, of course?—No.

72. Do you express an opinion as to whether the post or pole should be put with the butt or top down?—My own opinion is that it should be put with the top of the tree in the ground, and if put in such a way I think it will last longer than with the butt down; therefore timber which has to be used in such positions should be marked for the top and the butt. That opinion is held by many, but there is a difference among experts, and it is in the interests of the timber trade that it should be determined scientifically which theory is right. My theory is that if put in the way the timber grows, the moisture will more readily penetrate.

73. You have deservedly earned a very high reputation as an architect, and have given a good deal of thought to this timber question?—Oh, yes! I have given careful study to it. It is included among the subjects for examination for the A.R.I.B.A.

74. With regard to the increase in the price of timber, has there been any complaint on the part of persons building houses, builders or private persons?—There have been very many complaints about the price of building generally, but then the price of building is not dependant only on the price of timber, but also upon the high rate of wages, which makes building so dear, more even than the price of timber.

75. Bricks and other materials have gone up in price?—Oh, yes! everything has gone up from what it was a few years ago, and, of course, the high rates of wages are accountable for the high cost of building, very largely indeed.

76. Take an ordinary seven-roomed house, well-finished: what proportion does the timber bear to the cost?—Generally about one-half, I think—that is, for a well-finished cottage having a good deal of internal fittings, but without calculation I cannot give accurate information on this point.

77. You were rather hazy as to the increase in price of timber. The increase, according to our evidence, was 2s. to 1s. 6d. per hundred?—I remember getting rimu at 9s. 6d., and now it is 14s. 6d., from the timber-merchants in each case.

78. Was there any difference then and now between the discounts allowed?—It is only of late years—two or three years—that discount has been allowed to the members of the Builders' Association (when the builders' associations amalgamated) and not allowed to the private purchaser.

79. I understand that you are very much against the destruction of our valuable native timber?—Yes, I regard it as a calamity and a crime that thousands of acres of our valuable timber in the North Island should be destroyed as is done.

80. Have you heard anything from the North as to the statement that Oregon is competing largely with our rimu?—Not from the North, but I know it is here. It is getting a very ready sale. I went to the yards only yesterday, and saw a large stack had been removed within the last few days, all of Oregon timber.

81. For what purpose is it used?—For ordinary building purposes. It is taking the place of rimu in every respect, as far as I know.

82. For framing and flooring and outside work?—Not for flooring—it is not suitable for that—but for other purposes. The difference between the soft wood and the harder growth is too great, and so it would make an uneven floor. Baltic is not suitable for flooring for the same reason; it is apt to splinter. Oregon is used principally for framing, not for weatherboards. I have not seen it used for linings generally, but I have used it myself and have seen it used for decorative panels, for which it is very suitable.

83. It is used very largely for the purposes for which our rough sawn rimu is used?—Yes, it takes the place of that largely.

84. There is plenty of sale for figured rimu?—We cannot get enough of it. I have had great difficulty in getting it, and have had to pay £1 2s. for it sometimes.

85. It is readily understandable that where mills can sell the whole of their best rimu, they may have some difficulty in selling the rougher stuff if Oregon is replacing it?—Yes, that is most likely, but there would be no difficulty in getting rid of good rimu as long as it was available. I should always use it myself.

86. You are aware that a large amount of rimu is being discarded at the mills—near the bark—timber that would be fit for sheds, &c.?—Some of it is, but there is not enough thrown away. Too much sap-wood comes down.

87. Although the sap-timber could be cut into boards, you think it should be thrown away?—I think it is a waste of labour to use it even for shed purposes. It has a life of only a few years, and should never be used except for the merest temporary erections.

88. Have you any opinions on the fiscal question? Are you a Free-trader or a Protectionist?—That depends on the particular article.

89. Supposing that Oregon pine is unduly competing with our rimu, and mills have to be closed in consequence of milling becoming unprofitable, and therefore the timber has to be burnt: do you not think it would be far better to consider whether we should not put a duty on, so long as we sell the local timber at a fair price?—I think that the proper way to prevent this competition with Oregon is to take care that we sell a better, or as good an article. Hitherto no care has been taken with the article which is sold that it is absolutely reliable. As soon as we can rely on New Zealand timber, then we should not seek these outside sources at all. The remedy is within our own hands.

90. If the millers take all the steps you recommend, and still could not make their business profitable, do you think then that the country might consider the imposition of a duty?—They would not find that if they sold a good article; we should be only too willing to buy it.

91. At any rate, the timber should not be burnt?—Certainly not.

92. And if it is true that valuable timber is threatened by fire because the milling is unprofitable, then the matter of duty should receive attention?—Yes.

Hon. the Chairman: I do not think that has been shown anywhere.

93. *Mr. Field.* No, I am putting a suppositious case. Of course, the Commission has not arrived at the North, where we are feeling the difficulty. What have you to say to the statement that rimu is probably second to no timber in the world except English oak? Do you think that is a fair statement, or is it exaggeration?—No, but it wants qualifying. The heart of timber cut from a small tree is a very different thing from the heart cut from a large tree. The tree must be matured. If they cut down immature trees they get an inferior timber, and it is impossible for us to determine that in the yard; therefore that must be seen to in the mill-yards. If the statement was made that the heart of well-matured large trees of rimu was equal to oak, I should agree with that, but the heart of small immature trees is distinctly inferior to oak.

94. *Mr. Leyland.*] I think you are wrong in saying that we can get all the different qualities of timber out of one tree. I think it depends on the district, and whether the aspect is northerly or southerly; and there is also a special kind of soft white kauri which comes from a special district?—Yes, I said that. I said that the red and the white timber can be obtained from the same tree, but the soft or silver kauri is from a different district.

95. With reference to builders' discounts: builders have to spend a good deal of time running to the yard and attending to such matters, and therefore should have a special discount?—Oh, yes! I do not disagree with their getting the discount. I only stated it as a fact that they did get it.

96. If there is no discrimination shown between the builders in Christchurch there would be no fault to find?—Oh, no! that is their lookout.

97. Would you lay the same emphasis on winter cutting for New Zealand trees, for evergreen trees, as for deciduous trees?—Yes, undoubtedly, although the difference is not so marked as in deciduous trees; still there is a considerable difference between the growing period and the period of rest.

98. But the rest is very small. At the conference held in Wellington some years ago specimens were shown of trees as active apparently in winter as in summer. Professor Kirk states that the sap does not rise or fall, but undergoes a chemical change?—Probably all that would apply more forcibly to rimu grown in the tropical climate in the north. The sap does not disappear in evergreens, of course, as in deciduous trees, but it is nevertheless quiescent.

99. With regard to the 2s. extra for seasoning or stacking, you think that the timber should be selected?—Yes. I do not object to the charge of 2s. at all; I think it is perfectly fair, especially if the timber is really selected.

[Document from Californian and Oregon Universities *re* timber-tests submitted to Mr. Seager for his opinion, to be given Commission later on.]

100. Do you not think that engineers are glad to get long lengths of Oregon for work where steel girders would not do—for bridges, *e.g.*?—I do not think that bridge-builders would use Oregon. If there is any part which is confined, it will rot.

101. The steel girders are imported, are they not?—Oh, yes!

102. And the objection to Oregon is that money is going out of the country?—Yes.

103. The Oregon has to be manipulated, and gives a large amount of work?—Yes, and there is also a certain amount of manipulation needed for steel girders, too—cutting and drilling, and so on. They could not be put in as imported.

104. Do you not think it is better for us to import Oregon direct rather than get long lengths from Australia?—Yes, undoubtedly, if it is required.

105. You would not advocate any interference with the importation of Oregon if it is required?—No, certainly not; there are certain circumstances in which we wish to use it.

106. Seeing that there has, according to the British Commission's report, been a general rise in the price of timber, is it to be wondered at that our timber-prices have increased?—No, that is only natural; we should naturally expect timber to be higher now than it was years ago.

107. If Oregon cannot be sold under a certain price, do you think it interferes with the sale of the cheaper line of rimu?—The line of rimu is now the same price—the good line. Rimu must be, I should say, 2s. per hundred cheaper than Oregon to make up the same value to the builders. Oregon cuts so much more freely and quickly, and the sticks are straighter. I think he would be willing to give a difference of 2s. per hundred.

108. You think Oregon affects the local timber industry then?—I certainly think it interferes to some extent; but we cannot have the enormous output of timber we had when there were those tremendous building operations in swing. I say that Oregon, if imported and sold at the same price as now, must interfere with the local timber industry to some extent. But I certainly would not prohibit Oregon coming in. The merchants will be willing to import as much as is asked for, and if it is asked for, there evidently is need for the importation.

109. *Mr. Clarke.*] According to your experience, it is practically impossible to get well-seasoned timber?—Yes, qualifying that by stating that it may be more easy now than in the past, because the merchants are taking more care.

110. And for long lengths, you think we can substitute steel joists?—Yes.

111. Is it not necessary to have ready access to long lengths for roofs—*e.g.*, where steel could not very well be used, such as tie-beams?—Not now, to any great extent. Where we could not get timber readily we should make the roof an iron construction.

112. Would it be easy to get a piece of local timber 40 ft. by 12 in. by 6 in.?—You could not get that here except in kauri.

113. You could not get it in Christchurch?—No, you would have to wait until it came from the North.

114. And that means considerable delay?—Undoubtedly.

115. Then, would it not be better to encourage the use of timber that could be stacked readily by importing in larger quantities, which practice would also conserve the kauri for better purposes?—Oh, yes! I would not do anything to stop the importation of timber, because there are some circumstances in which it would be advisable to use imported timber.

116. You know that, according to the Lands Department's reports, our timber is practically limited to a little over one generation?—Yes, I know that.

117. Would it not then be advisable to secure permanent supplies by means of afforestation?—Yes, undoubtedly.

118. *Mr. Morris.*] In your opinion, you said all timbers should be sorted at the mill?—Yes.

119. Have you had any experience of milling-work at all?—I have seen them working, that is all.

120. And you told us it would cost next to nothing to do it?—I cannot conceive how it could cost very much, and the value of the sorting would be out of all proportion to the very slight cost incurred. It would increase the value of the timber enormously, and the cost must be infinitesimal to mark it to show the kind of timber it is.

121. Does not the merchant sort the timber?—Their practice is to throw on one side sticks which are obviously bad. That is, they would not stack a stick which was obviously bad, but they could certainly not discriminate between the different varieties and classes of timber as they ought to be discriminated, and placed in different classes at the mill, as heart, outside, or cut from the butt or from the top of the tree. The timber is so different in quality in those different parts, and could not be differentiated when the sticks are cut except by an expert in timber-sorting.

122. You told us that timbers were retailed here at 9s. 6d., and now were retailed at 14s. 6d.?—Yes.

123. That is less than the usual discount?—Yes.

124. Bringing it to 13s. 6d.?—Yes.

125. Do you think that this increased price has interfered with building operations?—No, I do not think it is the price of timber only; but the increase is the cost of timber, wages, and everything else, that is the determining factor.

126. Have you experienced any difficulty in getting long lengths of timber, say, rimu, from the West Coast?—I have never used any long lengths of rimu, only marked sizes which could be readily obtained; I have never wanted any rimu, say, 50 ft. in length.

127. The reason advanced, that Oregon should be imported because of its long lengths, does

not hold so far as you are concerned?—No; but still it might happen that I should be glad of being able to use a long stick sometimes. Hitherto I have not required it—other architects might have done so.

128. You say there is at least 15 per cent. increase in the cost of building now?—Yes, quite that, I should think; but, of course, it is difficult to determine, because we never have exactly the same work to reproduce. If we had to carry out the same design now and ten years ago, we could tell the difference exactly; but we do not have to do that.

129. Is not this increase due to the more luxurious class of buildings and fittings and conveniences as compared with ten or fifteen years ago?—There is, of course, a demand for a better class of dwelling than there was some years ago; but it does not necessarily follow that the better and more artistic house is the dearer house of the two. In many cases the inartistic house which was a commonplace of years ago, cost quite as much as the artistic home of to-day. It is not on account of the better designs that are produced that there is an increase of cost. It is on account of the rise in cost of material, &c.

130. You referred to builders not belonging to the association: cannot a builder obtain supplies from other sources besides the merchants belonging to the merchants' association?—I suppose he could; but I qualified my statement by saying that as far as I understood it was so. I have no definite knowledge. I have always understood that they must belong to the association to get the discount, but I suppose they could get their timber direct from the mill, unless there is some arrangement among the millers to prevent this. That I do not know.

131. You told us you thought an export duty should be put on rimu?—Yes, I think on New Zealand timbers generally. I am not in a position to state from personal knowledge whether there is a sufficient supply still in New Zealand, and whether that supply will recur and give us timber for all time; but if there is any likelihood of a shortage, unquestionably there should be an export duty.

132. With regard to seasoned timber: you said you had seen rimu taken out of buildings up for forty years as good as the day it was put there?—No, I did not say "rimu"; I said "New Zealand timber," not "rimu." It was black-pine and totara I referred to. In one case it was totara taken from a building where it had been used as floor-joists, and the space between the floor and the ground was unventilated—the worst possible position—and yet the timber was as good as when put in. In the other case, the timber was black-pine taken from the old mill in Christchurch, and there were some splendid blocks taken from there, which must have been in use forty years. The builder working for me cut these up into beautiful timbers.

133. You cannot say whether that timber was seasoned or not?—No, but I am sure it would not have lasted if it had not been seasoned, and I say this from a wide experience. [NOTE.—If green timber is placed in such a position in a building that it is freely exposed to the air it, of course, will season there as well as elsewhere.]

134. I think it is more than likely it was put in green. Now, with regard to heart rimu for joinery purposes: this is a difficulty that the builders have to contend with, you say you cannot obtain sufficient?—Often I cannot.

135. And the sawmiller cannot supply enough rough timber to be able to have the heart?—But I know that a great deal of choice and valuable rimu is all lumped together and used for ordinary purposes. Instead of using timber valued at 14s. 6d. they are using in its place timber valued at £1 2s. Figured rimu is used for ordinary building-stuff because it is not properly sorted, and consequently there is a loss of that difference in value. In many cases where timber has been brought on to the work, say, 12 by 2, I have looked over it and seen beautiful figured stuff, and have picked it out and used it for special purposes.

136. Have you any experience at all of the artificial seasoning of timber?—Not personally. I only know from study, and from intercourse with those who have had personal experience, that it does render the timber too brittle, therefore reduces its weight-bearing qualities if it is artificially seasoned; the only good form is the natural seasoning.

137. You told us that the cost of timber was half the cost of the building. Did you not make a mistake?—I have not worked it out accurately. I should imagine that the labour would generally be about half the cost of the material; that is merely approximate, it all depends on the amount of work put in.

138. Do you think it would be any drawback to building operations if the duty on Oregon was increased?—No, I do not think so. Supposing the rimu were not available, of course, it would increase the cost; we should have to fall back on the Oregon. If they are really burning and destroying timber because they cannot get a sale for it, then the sooner that is brought into the market the better. We should not buy Oregon, or I should not specify it, except under the necessity that we could not obtain New Zealand timber.

139. You, as an architect, never specify that Oregon shall be put in in preference to native timber?—No, not unless it is specially asked for by the client; then I have used it, and found it very satisfactory, but I consider our own rimu so good that I should always prefer to use it.

140. *Mr. Barber.*] The price of red-pine is 14s. 6d.: is that ordinary building-timber?—Yes, that is on the list of to-day—timber not sorted at all.

141. In order to get that timber dry you have to pay another 2s.?—Yes, that is 16s. 6d. a hundred for ordinary dry building-timber.

142. What is the price at which Oregon is sold in Christchurch—Fourteen shillings and sixpence, and that is dry, of course. It has been cut and stacked for a certain period, so that the Oregon is sold cheaper in Christchurch now than red-pine.

143. In this ordinary red-pine at 14s. 6d. there is a certain percentage which you said it is criminal to put into a house?—Yes. Oftentimes the builders get this and bring it down to the work, and I have to condemn it as unfit for use.

144. So that a policy which excluded Oregon and compelled the use of this inferior red-pine would be unfair and disastrous to the worker building a home for himself?—Yes; I should not like to see it made impossible for us to get this Oregon if we wished it.

145. A policy which excluded it would be unfair to the man who is trying to make a home for himself?—Yes, providing that we cannot get good New Zealand timber. I think it would be unfair to exclude Oregon under the present circumstances.

146. It would be unfair for a man to build a home for himself and find at the end of fifteen years that his capital was lost?—There is no necessity for him to do that if he exercises sufficient care in the selection of the timber, if he takes care to have it seasoned; but the difficulties of getting seasoned timber at present are very great, and they should be removed.

147. You say it is impossible to have the difficulties removed under present conditions?—Yes, that is so.

148. What is the price of kauri in this district?—Thirty-two shillings, I think.

149. Do you think it is fair if there is any other timber that can be had to take the place of kauri to compel the consumer to pay £1 12s. for material when one of equal value might be purchased at 14s. 6d.?—No, I think we should certainly be able to get Oregon.

150. With regard to the association that exists in this district, is that a combination of saw-millers and timber-merchants?—That I do not know; I do not know anything about it.

151. Supposing a contractor gave an order to a miller for a certain quantity of timber, would it be delivered unsorted?—Yes, unless the contractor gave special instructions for a special sort. It would come to him all mixed up, and it would require to be sorted by the contractor himself.

152. *Mr. Stallworthy.*] Is the outer portion of the heart of a large rimu-tree more valuable or durable than the heart of a smaller tree?—I do not know.

153. Do you know the district in which that soft kauri of which you spoke grows?—I forget the name—somewhere beyond Auckland. It comes from one special district.

154. With regard to the competition: when things were busy was there keen competition between the timber-merchants?—There were a good many of them in business, but I do not know that there was any special competition; I think at all times there was a ruling price; I do not remember ever being able to get timber cheaper at one place than at another. There was always plenty of competition among the builders.

155. *Mr. Mander.*] Do you find Oregon equal in quality?—As far as I have been able to judge it has always been well seasoned and of equal quality.

156. Did you ever know of a rimu house, built of ordinary rimu, rotting in ten years?—Yes, I have seen it beginning to rot before then. That would be on the ground and in any place where the water can collect. It used to be the fashion to scribe the stops over the end of the weather-boards, and so form a lot of pockets where the water could get in, and there it would rot under ten years.

157. Do you know of a rimu house lasting for generations?—We have not passed generations yet. I have seen rimu twenty years after as good as the day it was put in, and there seemed to be no reason why it should not last for generations.

158. A house built when I was a boy, fifty years ago, of sap-rimu for inside purposes is standing to-day?—I should regard that as an exceptional example. If it escaped by reason of avoiding ordinary decay it ought to have fallen a victim to the white-ant long ago.

159. You say it is absolute waste to put sap-wood into buildings?—Yes.

160. Are you aware that two-thirds of the timber you get from the West Coast and all other places is sap-timber?—That depends on what you define as sap-timber.

161. Sap as distinct from heart?—But there is an intermediate wood between the heart and the outer casing which is good wood. Sap-wood is sometimes defined as all wood which is not heart. There are really three varieties—outside sap-wood, intermediate, and heart. It is the first which, I say, it is criminal to put into buildings. Intermediate timber should not be regarded as sap-wood, and I do not refer to it as such. That will not last as long as heart, but longer than sap-wood.

162. Is it not a fact that when houses are built for speculative purposes invariably the cheapest kind of timber is put in?—I have not built any such houses, so I cannot say.

163. You spoke of an export duty being put on our timbers. Do you say that, having regard to the risk of fire among native timbers—by settlers clearing their land and so forth?—Yes, I think so. If there is that risk there is all the more reason to preserve as much as possible of our native bush.

164. Are you aware that it is very difficult to preserve it when the process of settling has to go on?—I understand that, of course. I understand that a great deal has been burned by accident—settlers perhaps setting fire to their own timber, and the fire spreading for miles.

165. And do you not think our own employees should be considered—that we should not import timber to come into competition with our own, and have our mills shut down and our employees thrown out of work?—Undoubtedly, and I have always worked on that principle. I have made it a practice to specify anything produced in New Zealand rather than elsewhere if I can do this with justice to my client. But if I cannot get good properly seasoned timber in New Zealand it would be a great injustice to my client not to use Oregon, and I should be sorry if I were prevented from getting Oregon under these circumstances.

166. If the timber-merchants made more profit out of Oregon it would force Oregon on the market?—It does not rest with the timber-merchant, but with the architects and the builders; they buy what they want.

167. Do not the timber-merchants have any influence over the architects?—No. Architects choose what they think best. The merchants, of course, send round their circulars, but the opinion of the architect is what counts.

168. If Oregon costs 14s. 6d. and seasoned rimu 17s., do you not think the Oregon competition would affect the rimu trade?—Yes, undoubtedly it would. Oregon is now finding a very ready sale here, and the builders prefer it because it works so freely and it is drier.

169. *Mr. Ell.*] Have you any experience of the use of native beech?—I used it once for a cottage which was near a beech forest, but it was very unsatisfactory; it casts and twists about in all directions. There are considerable areas of beech forest, and it is useful for rough work—posts and so on—but not for scantlings and boards. I had those cut from it, and they were very unsatisfactory; it was not seasoned before I cut it up, of course.

170. Do you think if it was properly seasoned it would be valuable?—The timber I used twisted up in the drying. I do not know if other examples would answer better. My experience in that instance led me to suppose it would buckle up in the drying.

171. If cut in the winter-time it would be less liable to twist and warp?—That might be so. I should think it would be a thousand pities to see the beech forests go up in smoke if it could be made into good timber for any purpose.

172. With regard to Oregon for finishing—panels and joinery: what is the price of that as compared with the finest description of rimu?—Fourteen shillings and sixpence for Oregon, as compared with £1 2s. 6d. for figured rimu. All Oregon is one class that comes here as far as price is concerned—14s. 6d. I do not say it is the highest class that comes here, but I say selected portions of it can be used for joinery.

173. *Mr. Field.*] You have not had occasion to use Oregon unless specified by clients?—I have not used it hitherto unless asked for by clients.

174. Are you forced to use rubbishy timber of our own in place of Oregon?—No, certainly not. With regard to the use of Oregon: when I used the Oregon it was, I think, 18s. 6d. or £1 per hundred. It is only quite lately that it has come down to 14s. 6d., and therefore forms a rival with rimu. At the time to which I refer rimu was so much the cheaper, and quite as good as Oregon, and therefore I should not have used Oregon except at the request of my clients. To-day, if I could not get first-class heart rimu, I should certainly use Oregon at the ruling price.

175. Can you not get good building-rimu?—Oh! I think so. The yards are not full of rubbish; you can get good timber, but you have to take special care in the selection of it.

176. *Mr. Barber.*] While you are particular to use only good heart rimu, supervised by you as architect, the same care might not be exercised with regard to the selection of timber for buildings run up for speculative purposes?—Well, the poor timber is used somewhere; it is not burned. Unquestionably the inferior timber goes into the construction of buildings, although manifestly bad pieces are put on one side in the yards and sold at a lower rate.

177. So that in the use of Oregon pine there would not be this risk of inferior timber getting into the buildings?—No, because it is all good class.

178. Is it a very large portion of New Zealand timber that is bad. We know that we throw away 30 per cent. of the timber; is a large proportion of this 70 per cent. bad?—No, the larger proportion of it is well fitted for building purposes, and I should say that only 20 per cent. of the 70 per cent. is not fit for building purposes, or rather less perhaps.

C. E. PAGE, sworn and examined. (No. 39.)

1. *Hon. the Chairman.*] Can you tell us anything with regard to the cost of felling and milling?—No, I am a timber-merchant, of the firm of Edmonds and Page, Christchurch, and I only know the price we pay for the timber. The price of red-pine is 6s. 9d. to buy from the miller, and scantlings and timber suitable for dressing, and 8s. 6d. for dressing sizes and sizes suitable for dressing. Of course, that is not the cost to the merchant. In addition we have freight, 3s., by water; railage and wharfage, 1s. 2½d.; marine insurance, 1d. or a fraction over; then, from the railway-truck the cost of handling and cartage to yard is 8d. to 9d. till it is sorted in the racks. The price of kauri is 18s. 6d. f.o.b. Kaipara. We only get one class of kauri here; there are three classes listed. The cost would be the same as above, with the exception of insurance, which would be greater. The price of kauri to the merchant in Christchurch is dearer than to the builder in Auckland—that is, it costs us more at the mill than it costs the builder in Auckland. The price at which kauri is sold varies. Red-pine—for instance, the ordinary building-material—is sold at 14s. 6d. *ex* yard, less 5 per cent. trade discount and 2½ per cent. cash; other lines are sold at higher rates; unseasoned timber selected for dressing is charged at 16s. 6d.—that is, the higher-grade timber. But, as a matter of fact, I think the price-list would speak for itself. [Present price-list of timbers in Christchurch put in.] A great deal has been said as to the difference in the cost of construction of houses owing to the increased price of material. From experience it is altogether wrong, in my opinion. The increase in the cost of material makes but slight difference in the cost of construction of building. I have made one or two notes—one of them taken from our books—the price of contract and timber supplied. This particular house was a single-storied eight-roomed house with all conveniences, and the contract price was £790 (this was within the last month or two), made up as follows: 450 ft. super. V.D.L., £4 17s. 3d.; 1,082 ft. super. red-pine, £9 0s. 7d.; 487 ft. kauri, £6 2s. 11d.; 264 ft. matai, £3 3s. 2d.; Oregon, 11,218 ft., £78 4s. 3d.; jarrah, 840 ft., £10 7s. 7d.; red-pine, dressed, 6,804 ft., £66 13s. 5d.; mouldings, 2,232 1 in. ft., £17 17s. 1d.: total, £196 6s. 1d. The discounts off this were 5 per cent. and 2½ per cent., making a net cost of £182 7s. 3d. I have estimated as near as possible (estimating moulding from 1 in. ft. to superficial feet) that the amount of timber was 22,333 ft. If the price of timber were to rise or fall 1s., after taking out discounts, it would make a difference of only £10 6s. 11d. on a £790 house. I have also got three plans in which there is a gross estimate of timber, which I can give the Commissioner. [Three plans handed in.] These are of houses, two of which contain 12,000 ft. super. and the third 15,000 ft. super. The quality of the timber is pretty much the same in the three houses, rimu or Oregon being about

the same price in Christchurch. Another point I wish to make is this: The general public have an idea that the timber-merchants charge an extraordinary amount of profit on the goods they sell. This is not the case. I happen to be the manager of a company, and have gone carefully through the figures. I do not wish to dish up the figures to the public, but I say that the gross profit on our turnover to the 1st October was 15·65 per cent. Out of that we have to allow for wages, salaries, depreciation, telephones, fire and accident insurance, interest on bank advances, license, rent, rates, and loss on cartage (about £1 per week on each dray), auditors' fees, bad debts (1½ per cent. would be lucky), stationery and stamps, loss on bad timber (which is a considerable item), and the hundred-and-one sundries which could not very well be enumerated. The whole of that has to come out of the 15·65 per cent. before there is anything for interest on the capital invested, and I contend therefore that the profit is very small indeed, and it is wonderful how the business manages to scrape along at all.

2. *Mr. Ell.*] You are a timber-merchant and a manufacturer?—Yes.

3. And a thoroughly experienced manufacturer, because you have worked at your trade, and have had some years' experience in business?—Yes, I have had practical all-round experience.

4. The evidence you have given with regard to the cost of these buildings, and with regard to the eight-roomed house is from your actual experience?—Yes, from the actual entries in our books, and we supplied the whole of the timber in this house—not an estimate, but an actual fact.

5. With regard to the plans which you have put in, the estimates are taken out with a full knowledge of the trade?—Yes. The estimate of so many thousand feet on the plans allows for the discounts.

6. You say that the ordinary rough building-timber costs 6s. 9d. f.o.b. on the West Coast?—Yes, or wherever we get it from. The landed cost in our yard is 11s. 8½d.

7. And for the selected timber for high-class work you pay 8s. 6d.?—Yes, with other charges added as before. We sell the 6s. 9d. timber at 14s. 6d., less 5 per cent. and 2½ per cent., and the 8s. 6d. timber at 16s. 6d., subject to the same discounts.

8. With regard to dressing: the complaint is made that the cost of dressed timber has gone up unduly?—Of course, people do not understand the waste and trouble there is with dressing, or they would not complain. You put timber in to strip; it costs extra for that; there are several handlings, and you have to cart to the mill, back from the mill, and keep it about for other people's convenience, and there is a certain amount lost through milling and the curling. When going into the mill, the yarder will reject a good number of pieces as unfit for dressing, although they have been bought and paid for as millable timber. All this accounts for the extra cost added on by the dressing.

9. You consider that the price of dressed timber only affords a narrow margin of profit?—Yes. It depends on how you gauge profit. I do not think anybody could gauge the profit on dressed timber exactly, because there is so much waste on different lines. In the auctioneers' rooms one may see plenty of dressed timber practically thrown away, sold at 6s. and 8s. per hundred.

10. With regard to kauri, you state that it costs the Christchurch merchant more in Auckland than it costs the Auckland builder?—The Kauri Timber Company will not allow the Christchurch merchant the same discount for timber out of their stacks in Auckland that they allow the Auckland builder.

11. That is, they allow the Auckland builder a trade discount?—They only allow the merchant 2½ per cent.

12. What do they allow the Auckland builder?—I believe it is 10 per cent., but I am not sure.

13. Have you any knowledge of kauri being imported from Australia into Christchurch?—No.

14. Now, with regard to the uses of New Zealand timbers, in your factory what kind of timbers do you use generally?—We use rimu, kauri, and a little beech.

15. Do you know of any imported timbers that are found valuable for this purpose, and can be had at the same price?—For manufacturing purposes, no, certainly not. The only thing that comes into competition with the local timbers is three-ply American timber. It is imported very largely for drawer-backs and for the backs of wardrobes.

16. It is the only imported timber that comes in here that can compete with our local timbers?—Of course, oak is used by people who care for it, and who can afford it—that is, people with money. From the price point of view there is nothing to equal beech. I am speaking of the manufactory we are carrying on ourselves. Some of the imported timbers do compete in other works. We manufacture cabinetwork generally.

17. Suppose we deplete our supply of New Zealand timbers by very rapid exportation, what would the effect be upon the cost of these manufactured articles to the public of New Zealand if we had to rely upon these imported timbers?—By the present rate which they are asking for American oak the prices would go up.

18. And the public of New Zealand would suffer?—They would have to pay more for the manufactured article.

19. A good deal more?—No. There is not so much timber in any one particular article. People have an erroneous idea that there is a terrible amount of timber in a thing, such as we are speaking of, but the labour is six or eight times more valuable than the timber.

20. In answer to the question that I put to Mr. Chisholm, he said that the cost of wood fit for cabinetmaking and furniture-making purposes was about ¾d. a foot, and that the cost of oak and walnut was about 8d. to 11d.?—There must be some mistake about that. Perhaps he said 3d.

21. Threepence, yes, that is it?—American oak does not cost 8d. to 11d. I know that it can be landed considerably less than the figures quoted by you. I have known it to have been landed here for 4½d. a foot.

22. Sixpence to 8d. per foot?—Yes, that is figured oak.

23. In view of the fact that our kauri is being rapidly cut out, and as we have only a limited supply of rimu, do you think it desirable that we should make some permanent reserves?—I can only speak of manufactories and timber-yards. I have not given the bush question much attention.

24. As a manufacturer, and in view of the fact that you might be entirely dependent upon imported timbers for your supply, do you not think it desirable that we should make some permanent reserves of our own forests?—No doubt it would be good if it could be done, but I do not know anything about the milling business.

25. They tell us that kauri will be cut out in about fifteen or twenty years at the outside?—They told us that when I was an apprentice.

26. We have had thorough surveys?—I have not made a study of that aspect of the question, so that any answer I might give would be of little value to you.

27. Have you experienced any difficulty with regard to seasoned timbers?—The position in Christchurch is this: that when a builder wants material he asks for matchlining or anything that has been thoroughly seasoned, and he will not take it unless it is thoroughly seasoned. The whole of the timber that is put through our local sawmills in respect to moulding lines, weatherboards, and suchlike is thoroughly dried timber before it is put into the hands of the builders, and they will not take it unless it is dry. The timber that goes out of our yards is practically dry. In the old days when a man took a contract he stacked the timber on the ground, and thereby dried it; but if you go about the City of Christchurch now you will not find these stacks, for the reason that the timber is now supplied thoroughly dry.

28. Do you sell seasoned timbers at those rates?—Yes, at the rates on our list.

29. Do you not make any difference in Christchurch between seasoned and unseasoned timbers?—Yes, a man will not buy unseasoned timber.

30. With regard to the price?—The people will not buy it. It is always dried before it is sold. The prices show one price for unseasoned—viz., 16s. 6d.—and for seasoned timber 18s. 6d.

31. That is 2s. per hundred difference?—Yes.

32. Assuming that it takes 10,000 ft. for a five-roomed house?—That is rather on the low side.

33. Say an ordinary five-roomed house, with 12 by 12 rooms, that would make a difference of £10 on the cost of the material of that house?—The position is this: Nobody ever buys seasoned scantlings or seasoned rough boards, because it is not necessary. If you refer to my figures you will see that there is only some six or seven thousand feet in that list that I have got down there that requires to be seasoned. It is totally unnecessary to season the remainder.

34. That makes about £6 difference then. Statements have been made that if seasoned timber was insisted upon people would not buy it because of the increased price?—That is not so here, and I am speaking of what I know.

Mr. Ell: That is entirely opposed to the statements made in Invercargill.

35. *Mr. Hanan.*] If it is a fair question, Mr. Page, from whence do you obtain your timber-supplies?—What timbers do you refer to? We get red-pine from Greymouth, and from Pelorus, but principally from Greymouth.

36. Do you draw anything from Otago and Southland?—No.

37. Have you ever done so?—No.

38. Have you any difficulty in getting supplies from the West Coast, and if so, what is the nature of the timber you have difficulty in procuring?—The West Coast only supplies us with red-pine, and we have no difficulty whatever in getting that from the West Coast.

39. Have they lowered their prices within the last twelve months, or have they increased them?—I cannot tell you. The price used to be 8s. all round, f.o.b., but now it is 6s. 9d. for the scantlings and rough stuff, and 8s. 6d. for the dressing lines.

Mr. Mander: That is less.

40. *Mr. Hanan.*] Has your trade or business increased during the last two or three years in imported timbers?—Very little in oak and cedar. Lately we have gone in for Oregon. Our sales of Oregon have increased, and that is an imported timber.

41. Would that be during the last twelve months?—Yes, during the last twelve months.

42. Your sales of Oregon timber are increasing, then?—Yes.

43. There has been a slump in the building trade?—Yes.

44. Did that slump take place before Oregon began to come in here in quantities?—It gradually came on. I do not think that Oregon had much effect upon the building trade one way or another.

45. The importation of Oregon does not affect you?—Yes, that is so. The tightness of money is the cause of the slackness of trade.

46. I suppose to-day the requirements, generally speaking, are met?—I think so. Of course, there is some little amount of building going on, but not much.

47. Do you manufacture furniture?—Not actually furniture. We employ cabinetmakers, but we confine ourselves mostly to fittings, mantelpieces, and that kind of thing.

48. For sashes, what do you find is the best kind of timber?—There are several timbers that are very good. Californian redwood is good timber for that purpose.

49. Is there much of that coming into New Zealand?—No, there is not a great amount.

50. Is it increasing?—I cannot tell you that.

51. What about Oregon for window-sashes?—I have not seen it used much here.

52. What do you use here principally?—American yellow-pine, Californian redwood, and Baltic.

53. Have you a high opinion of kauri?—I think there are not many finer woods than kauri

54. Is it not one of the most valuable timbers we have?—I should say it is the most valuable all-round timber in the world. It can be used for anything.

55. Do you favour an export duty being placed on kauri?—I have not considered the matter.

56. As to imported timbers, what is your opinion as to duties? Would you remove the duty or would you put it on?—It does not matter whether you put it on or take it off. It will be all the same whatever is done.

57. You say it has got to come?—The imported timber here cannot hold its own.

58. Supposing that you encourage Oregon, and it displaces some of our New Zealand timbers in the market, would that not mean a falling-off in our railway-earnings, seeing that the carriage of timber is a big item in the way of freight?—Naturally it would.

59. That would not be desirable, in your opinion?—I am only thinking of the timber trade. The duty here and the railway charges added is equivalent to 2s. 4d. per hundred feet. There is 4d. over and above red-pine. You cannot handle Oregon in this country now.

60. You think that as things are at present Oregon is sufficiently handicapped?—I think it is pretty well handicapped just now.

61. Would you say it means to prohibit Oregon timber?—I do not say that, but I say that it is handicapped. If you take Oregon from Christchurch to Culverden there is extra railage to pay on it, and if you add that to the duty there would be a handicap of 3s. 8d., or if you took it to Methven there would be a handicap of 3s. 6d.

62. Would you suggest taking the duty off Oregon?—It does not matter to us. I am in the capacity of a merchant.

63. Speaking as a citizen of New Zealand, and knowing what you do about the timber trade and the resources of the Dominion in that direction—although perhaps you may not know all about it—I say, speaking as a citizen, do you think it desirable that we should conserve our New Zealand timbers to meet the needs of the future?—I would certainly not take the duty of Oregon. I should leave the duty as it is.

64. *Mr. Field.*] You are a timber-merchant, Mr. Page?—Yes.

65. You regard your business as a necessary evil. Is it possible for the consumer in all cases to buy direct from the sawmiller?—If they bought direct from the sawmiller they would lose by it, because they would have so much handling and waste. It is necessary to have a distributing centre.

66. Even although you get a greater profit, it pays the consumer?—They buy now from the merchant because they find it more profitable.

67. As to the profits you make, we have had it in other evidence that the profit of a timber-merchant—the price he receives—should be, over and above what he pays for the timber, from 2s. to 3s. 3d. per hundred feet to cover all expenses. Is that too much?—It depends entirely on the cost of the thing in the first place.

68. Speaking generally?—If you are selling timber at 8s. or 9s. you would not expect the same profit in it as on timber you were selling for £1 10s.

69. I am speaking of the ordinary red-pine?—I am sure you want 2s. or more. With 3s. you could make a do of it, because there is a lot of waste and trouble about timber.

70. If you are buying timber which is costing you, say, 11s. you are not robbing the public very badly if you are charging 14s. for it?—No, we are not robbing the public at all. We are not here to rob the public. Competition regulates that.

71. We were told this morning that you timber-merchants charge 2s. 6d. per hundred feet for stock in seasoning?—That is wrong. We charge 2s. per hundred feet for stripped timber. I think that when money is invested for a length of time in timber for seasoning and drying purposes it is worth 2s. per hundred.

72. Two shillings, not 2s. 6d.?—Yes, 2s. Then there is the labour on it.

73. In regard to this question of seasoning, do you think that a man should be compelled to season timber whether he wants to or not? I just want your opinion in the matter?—It would be very foolish to try and do that.

74. Do you find people using unseasoned timber?—They see that it is properly seasoned in this part of the world.

75. As to the framing?—It is pretty well seasoned before it is covered in. It is usually thoroughly dried before it leaves the timber-yard.

76. You think it is unnecessary to have legislation?—I think the people in Christchurch can look after themselves. They are now well catered for.

77. I suppose you get no timber here from the North?—We get kauri, but very little ordinary building-timber. We did not find it satisfactory. A lot of it was dozy.

78. There is another element of cost in your operations, particularly in the case of our New Zealand timbers: Is it not a fact that while stacked in the yard they go off very much in quality?—You lose the top boards in every stack.

79. If your boards are stacked close together, what happens in three months?—You have to dig them out with a spade.

80. You cannot give us any opinion on this question of our timber-supply at all?—No, I know nothing about that.

81. About the quality of the timber that you get here, what proportion of the timber received into your yard is subsequently found to be absolutely unfit for building purposes?—When we get timber of that kind in our yard we send it away for pigsties.

82. What proportion is there of that timber?—Very small.

83. Is it not due to that fact that it is necessary to have Oregon timber?—No, certainly not.

84. You were speaking of yourself. Speaking generally, are there large sums of money made in the business here?—I do not know other people's business. The money has not come my way.

85. Would you be surprised to know that well-known firms of timber-merchants in the Dominion are in a state of liquidation at present?—I would not be surprised to hear that.

86. About this increase in price of O.B. rimu, we had in evidence this morning that the price had increased from 9s. 6d. to 14s. 6d. in ten years?—I think you will find that ten years ago it was 13s., and now it is 14s. 6d. One of our witnesses has the figures.

87. You are sure that from 9s. 6d. to 14s. 6d. is not correct?—It is incorrect.

88. What is your opinion regarding the likelihood of an increase in the importation of Oregon?—I do not think much more will come.

89. Do you think it will cease?—No, not quite. I think that the price of Oregon is likely to affect the amount that will be imported. In many cases it is desirable for beams, and it will be brought here for such purposes, but I do not think it will be imported for general use.

90. You have heard that in the North Island the millers are alarmed and are closing down?—Yes, I have heard that.

91. In the house which you gave us an illustration of—that is, the house containing 280 pounds' worth of timber—I notice, of rough red-pine there is only 9 pounds' worth, whereas of Oregon there is 78 pounds' worth. What is the Oregon used for in that house?—All the framing.

92. For no other purpose?—Possibly the rough boards.

93. You do not use Oregon here for flooring or weatherboarding?—I would not recommend it.

94. What was used in the case of this house you speak of?—Dressed red-pine.

95. You said the importation of Oregon would have no effect on the building trade here. Have you any opinion as to what effect it would have on the millers?—It stands to reason that if there is less red-pine used there will be less asked for from the millers, and that is the only conclusion I can come to. If there are so many millions of Oregon imported there will be much less red-pine to be cut.

96. You spoke of Oregon being handicapped in the matter of railway freights: that, of course, does not exist at the ports where there is no railage?—No. It only exists from here to the port at Lyttelton.

97. In the case of the main towns of the colony there is little or no railage. There is none at Auckland, Wellington, or Dunedin?—It is a matter of 4d. here.

98. It is not seriously handicapped in the big towns of the colony?—That is so. You cannot send it to the country.

99. *Mr. Leyland.*] You stated in your evidence that, taking the actual figures, that was a gross profit of 15·65 per cent.?—Yes.

100. Out of that you had to take wages, rent, fire and accident insurance, &c.?—Everything except labour that produces value.

101. If a statement were made that timber-merchants would get the gross profits, would that be an absolute reply?—Our books are kept as a company's books should be kept, and that would be the gross profit.

102. Do you not think that a man who embarks in enterprise of that kind takes a big risk?—It means a big risk—that you must have a very big turnover before you can meet your expenses. What I want to convey is that there is a 2½ per cent. cash discount, but the builder gets a trade discount which we do not get.

103. With reference to trade in Auckland, a builder gets 10 per cent.?—In that case the merchant is paid 18s. 6d. f.o.b. Kaipara, and the merchant does not have to pay cartage. In that case you have got 2d. advantage.

104. The timber-merchant carts the timber to the consumer, and you pay no wharfage?—I am making no reference to the price we pay at Kaipara, and every time you handle timber you have a loss.

105. But he gets discount and does not pay cartage?—He gets it, according to our reckoning, at 2d. of a higher rate. But timber you sell at 18s. 8d. costs more than ours at 18s. 6d.

106. *Mr. Mander.*] They have got to cart to the vessel for you, you know?—They sell very cheap.

107. Are you not selling at a very little profit, if any margin at all?—At a very low profit.

108. Not a payable margin?—I question whether it meets expenses.

109. Are quotations from American agents increasing?—Certainly.

110. Can you offer to quote for an Oregon pine?—You would lose money if you did.

111. Are there orders going forth for Oregon?—I think very few.

112. It is very evident that with the increased cost there would be less Oregon imported?—Yes.

113. The question is that the price would rise to a prohibitive rate?—Yes.

114. The prices have risen to a prohibitive rate?—Yes.

115. The reason Oregon was not imported was because it was too dear?—Yes.

116. Seeing that importations are likely to leave a diminishing quantity, is it not likely that the amount imported will not keep pace with the consumption? Our consumption of timber has doubled for ten years. Is the import likely to increase? If it is not there will be a bad effect on the millers?—According to the way you put the question, you take it that there is an increased demand now being made.

117. But we want to take the average consumption of the colony?—I cannot answer a question of that sort, because you are putting a fact which I do not approve of altogether.

118. You have said that it is the custom here for the timber-merchants to supply seasoned timber for matched lining and dadoes?—Yes.

119. We have had it in evidence that in Southland that is not the custom—that the people buy all the timber green. We have also had it in evidence that the timber-merchants in Invercargill were starved out, and there is no merchant between them and the mills. Is not the in-

ference this, that owing to the merchants having been starved out there is no seasoned timber to be got?—If the merchants have any chance of making money they will remain, and will supply the article that is required, and if the thing is cut to such a fine degree that must be the natural consequence.

120. If people want seasoned timber they must support the timber-merchants?—Yes. If the timber-merchants were not supported the very same thing would prevail in Christchurch.

121. *Mr. Clarke.*] With regard to kauri, do you think it would be advisable to increase the export duty on kauri so that it covered all classes and all sizes in view of the great advance in the price of kauri within the last ten years?—I think it is working its own cure as far as Christchurch is concerned; but with regard to the export duty, I have not gone into the thing carefully. With regard to the price, if you refer to the figures I quoted this morning you will find there was a small amount of kauri used in very fine houses. You will find it is 480 ft. if you refer to the figures.

122. If kauri is as superior a wood as you have stated, would it not be to the advantage of this Dominion that that valuable timber should be retained, even although we imposed an export duty on it?—One naturally likes to have the best for ourselves, but at the same time it is getting a pretty broad question as to whether we should protect the industry for the sake of the few people who use kauri here. I have not gone into that matter at all.

123. I have here a price-list which shows that in 1898 12 in. kauri here was 16s., and in 1909 it is £1 9s. 6d. Do you not consider that increase out of proportion to the increase in the cost of production?—I do not know what the cost of production is.

124. Now, it is alleged there is in existence a timber ring to control the price: is there any such ring or combination existing?—We have an association here. I should like a definition of a "ring." We have an association here, and we work together for our own good. We arrange prices, and according to the statements I have given you and the privileges we receive, it is not a high price or a high rate of profit. There are other matters with reference to the association whereby we save, and are thereby enabled to sell at a lesser rate than if we had not the association. For instance, our railway down here is a bit of a pandemonium sometimes, and a little while ago before this association was in vogue every merchant had to go down to the railway or send somebody down to get his own timber. We now employ a man who is recognised by the Railway Department, to whom we pay £10 each, and it is work which used to cost us a long way more than that. We also help one another in many matters. There are matters of policy we talk over amongst ourselves the same any any body of men will. With regard to prices, we have the association price-list. That is a thing we are not at all ashamed of, and we do not consider our association, or, as some people call it, a ring, has ever taken advantage of the combination to fleece the public. If you refer to the figures you will see that the percentage on our sales is a very small one.

125. Now, can a builder or any one of the general public obtain supplies from anywhere at less than the prices quoted in the price-list?—Yes, by taking 10,000 ft. of red-pine. He can get ordinary building-material at 12s. 6d. at the Christchurch station, and dressed lines at 14s. 3d.

126. *Mr. Field.*] Any buyer?—Yes, any buyer.

127. *Mr. Clarke.*] If any buyer or any builder places an all-round order for a moderate amount for the requirements of one particular contract he might have, would he have any chance of getting it at other than the list prices for a smaller quantity?—What quantities do you refer to?

128. Supposing an ordinary building order without any 10,000 ft.?—If you take an ordinary building order, say, a five-roomed cottage, you would get 10,000 ft. to start with.

129. Assuming you only wanted to build one room to-day, could a man obtain the necessary amount of timber at less than the list price?—We have merchants in Christchurch outside our association, and they use our price-lists, but how they treat the discounts, of course, is a very moot question. They may give a greater discount or they may not. If you ask them they will tell you they do not.

130. Then, in fact, your association really does control the retail price?—We have no control of anybody who is not in our association. If they choose to sell at a given rate it is a matter for them to say themselves whether they can sell at that price.

131. Would there be any difficulty put in the way of a builder or any one of the public in obtaining further supplies if he dealt with one of those men?—No. There is absolutely no power to prevent a man getting his timber where he likes, and if any one went to such a man as the one in question for the rough timber and came to us for the dressing-stuff we would supply him.

132. A given class of timber is sold at a good rate from whatever source it may come. We had a case at Riverton where it was sold on the truck for 6s. 6d. and 8s. 6d. Do you still sell it at the same price in Christchurch? It has been said in evidence that it was landed by some millers at 6s. 6d. and by others at 8s. 6d.?—We do not have any time for Southland timber, which is no good to us. We buy at 6s. 9d. and 8s. 6d. at Greymouth and Pelorus Sound, and we charge the ordinary building rate.

133. From Greymouth or Pelorus Sound, is it all the same price?—It is one price from Pelorus Sound or Greymouth.

134. So that this stuff you sell retail, plus machinery work on it, at £1 2s. and £1 7s. 6d. costs the same as sawn timber?—No, one is 14s. 6d., and that is a lower-grade timber. Dressing lines cost us 8s. 6d., f.o.b.

135. So that 8s. 6d. is the maximum price at the port of sale from your wholesale men?—I am speaking of ordinary timber when I say 8s. 6d.—that is, ordinary dressing-timber. Of course, some timbers cost more if they are wider or longer.

136. Is it not the same cost to you whether 6s. 6d. or 8s. 6d.?—If you go for longer lengths, which cause the sawmiller a lot of trouble, he has, of course, to be paid for it.

137. *Mr. Morris.*] The figures which you quoted in your evidence prove that the cost of the timber in a building is less than 25 per cent. of its total cost?—Those figures prove that conclusively. Of course, I should like it to be made clear on this point that I have not included doors—they are in a separate heading—but the amount of timber in the doors is not a great deal. I am speaking of the timber which a merchant supplies as timber.

138. The excessive cost of the timber at the present time has not, in your opinion, brought about the present slump in the building trade?—In the first case there is no excessive price.

139. But the man who buys it says there is?—Well, he should know. The slump in the trade is due to the tightness of money, I think; there is no other cause for it.

140. In your evidence you mentioned what you considered a fair price for stripping and seasoning timber: did you take into consideration the loss incurred in seasoning the timber—the depreciation while it was stacked?—I said a lot of it was lost when taking it to the mill.

141. That is, split ends?—Yes, there is no end of trouble in that way.

142. What would the loss amount to?—I could not tell you that without reckoning it up.

143. Would it run to 10 per cent.?—No, not 10 per cent.

144. Would it be 5 per cent.?—I should not like to say until I reckon it up.

145. There is a large consignment of Oregon pine landed in the colony at the present time. Have you any knowledge what percentage of that is coming to Christchurch?—I have no idea. The only things I hear are from the man in the street.

146. I understand a very good portion of that cargo is going to Lyttelton?—I know there is none coming to us.

147. It is thought by some people that the whole of the timber that grows in a timber district is fit for building purposes, but, of course, you know it is not?—Yes, I know it is not.

148. Do you think it will tend to reduce the cost of rimu for dressing if there is no use made of the rough stuff which is now being replaced by Oregon?—It will increase the cost of the dressing line.

149. Do you think that will be the case?—I am absolutely certain. You cannot throw stuff away—you must get rid of the log.

150. That means that a miller cannot place his rough second-grade timber, but has to supply the first-class stuff for which there is a large demand. We were told this morning that you cannot get enough of it, so what is he going to do with it—will he burn it or what?—I should say if he could not get rid of the product of the log he had better close down.

151. Then, you certainly consider it would not tend to improve matters by introducing Oregon to take the place of our timber?—Oregon is a very good timber, but I do not think it will do any good. I trade in Oregon as a merchant—I am grinding my own axe when I get a chance.

152. As a New-Zealander you think it would be in the interests of the country that we should use our own timber, employ our own people, and keep the cash in the country?—There is no doubt that the amount of money that has gone out of the country has had something to do with the depression, but I cannot say how much of it has gone in Oregon pine.

153. In regard to the matter that Mr. Clarke questioned you upon, is it not a fact that the builders prefer to deal with the merchants instead of the millers because they cannot get supplied with all their reqiurements from the millers direct?—If a builder wants to deal with the millers direct he has to become a merchant himself to supply his own wants.

154. That is, he has got to stock it and trade in it?—Yes, and he cannot do so for his own particular jobs only.

155. I take it the association was formed to prevent cut-throat tactics and that sort of thing between business men?—Some people think that all they have to do is to start in the timber business and make a fortune by cutting prices, and we want to avoid that if possible. We do not ask for big prices, and we have other objects in our association. We have also a big lift with the railway, and we are recognised by the Union Steamship Company; but as individuals we could not get that protection. If anything goes wrong over milling matters you are not dealing with the representative of one firm, but the representatives of the timber-merchants, and therefore we all save money by having the association.

156. You do not think it is a crime for the merchants to pull together and to try and conserve each other's interests in this way?—If we did not pull together we should fall to pieces. We have the labour unions against us, and that is the only possible way to become united. We are up against combinations of all descriptions, and some people ask us to stand alone, but we should be very foolish if we did.

157. *Mr. Barber.*] With regard to the association, you say that if a builder wanted to purchase his own supplies from the mill he would have to become a member of the association?—I did not say anything of the kind.

158. You said he would have to stock the timber?—I said he would have to become a merchant.

159. Why would he have to become a merchant?—Well, you cannot send to the West Coast an order for so many lengths of 3 by 2 and 4 by 2, and so many mouldings, because they cannot supply it in that way. A man has to have 10,000 pounds' worth of timber before he can supply builders anything like decently.

160. Why cannot a timber-merchant on the West Coast supply an order of that kind—can't he, or won't he?—You could not expect the West Coast people to do it unless they were merchants The sawmiller cannot supply mouldings and that sort of thing.

161. I am not talking about mouldings at all—I am talking about ordinary building-timber and flooring, and such timber as is turned out from the mills?—The flooring and weather

boarding is finished in the mills in Christchurch. As a matter of fact, if you get the weather boards from the mills you have to dry them after. You have got to dry the stuff first and then mill.

162. Otherwise the buildings are not satisfactory?—I do not quite say that. If it is dry you produce a better article.

163. Why does that system prevail in Southland?—I do not know anything about Southland.

164. The builder almost invariably orders his supplies straight from the mill, and from Catlin's, and the freight is charged as from Riverton?—I have had many years' experience in this city.

165. Supposing a resident of this district was willing to give an order for, say, 50,000 ft., or even a scow-load of timber, from one of the West Coast mills, would they supply it?—Through a merchant.

166. They would not supply him, then?—I dare say. I do not know.

167. That would look as if there was collusion between the timber-merchants and the timber-millers?—We arrange to buy it all if they will sell it to us.

168. With regard to the retail selling-price of red-pine, you say it is 14s. 6d., less discount, which brings it to 13s. 5d.: is that the price of ordinary building-timber?—Yes.

169. If it is stacked and dried it is 2s. additional?—We do not stack and dry scantlings. It goes straight from the ship to the yard and from the yard to the building after it is all sorted.

170. What percentage of 16s. 6d. timber is there in a building then?—I would again refer you to my list. That will give you the proportion.

171. Unfortunately the example you give provided for a building that was erected almost entirely of Oregon or imported timbers?—It would have been the same if it had been erected of red-pine. All the Oregon that was used in that building had not one stick of it dressed. It was only replacing red-pine in that respect.

172. It would make no difference to the cost of the building?—No, none at all in either timber.

173. First of all you told us you could not tell us exactly what the cost of timber was some years ago?—I should say it was about 13s. ten years ago. We have witnesses here who can give you that.

174. Timber has always been dearer here than in Wellington?—Yes, it should be.

175. How is it that 13s. was the lowest ten years ago if timber was 10s. in Wellington ten years ago?—I think they were a lot of fools in Wellington, because they could not do it for the money.

176. They were doing it, and that was before the combination existed?—They could not do it.

177. Even with the increase in wages and the difficulty there is in milling timber at present, we have evidence that timber is being sold in Wellington to-day at 9s. 6d.?—I have sold timber at 8s., and was glad to get quit of it.

178. This is good timber that is sold for 9s. 6d.?—I should say there is some more madness going on.

179. Now, with regard to the increase in the price of timber, you say that it has not been very much in this district, whilst I wanted to show that while you gave an example that 1s. rise in timber would not add very much to the cost of the erection of this eight-roomed house, if the timber had been going up periodically and had risen 6s. in nine years it would have added considerably to the cost of the erection of this house?—Yes, that is apparent. It is about £10 for every 1s. rise per hundred feet of timber. It is easily reckoned out. I have not known the conditions to prevail that you speak of.

180. It will be proved by documentary evidence directly. While the cost of rough building-timber has increased, do you think that the cost of furnishings and fittings for a house has increased—for instance, register grates and similar fittings—have they increased in price, and are they dearer now than ten years ago?—I can tell you with regard to the iron-market only. During this last six months there has been a very steady decrease in the price of any goods manufactured from iron. The lists were quoted at list prices, less 50 per cent., plus 10 per cent., and in many cases now—just this last month or two since the depression—it is quoted at less 50 per cent., less 10 per cent., less 5 per cent.; and that is what it used to be in the old days. The price six months ago in grates was considerably higher than a few years ago.

181. That evidence is different to the evidence of an architect in Dunedin, who said they had been reduced in price?—I have documentary evidence in my office.

182. *Mr. Stallworthy.*] What discount do you allow to builders?—Five per cent. and 2½ per cent. for cash.

183. How long has that been the practice?—Ever since I have been in the timber trade as a merchant seven or eight years ago.

184. Has there been no corresponding increase of price because of the builders' discount?—You will not give something for nothing. Nobody else but builders buy our stuff. Our sales are almost entirely through builders.

185. Where a builder gets a discount of 12½ per cent., does it affect the price to the public?—We have to provide for our profit.

186. Are we to understand that if a builder gets 12½ per cent. trade discount the price of timber must be advanced to meet that?—I should like to say that the builders do not get 12½ per cent. I am speaking of our own case. We protect the men who earn their living by the use of timber to the tune of 5 per cent.

187. Do you think that 5 per cent. is a reasonable amount to allow builders?—That is our reason for putting it at 5 per cent.

188. If they are allowed 12½ per cent. in some places do you not think that a bit high, seeing that you have settled 5 per cent. as fair?—Builders and others in other places are purchasers of timber. The matter of discount does not matter very much here because nobody else buys timber.

189. Can you give us any idea of the amount of kauri you purchase and that passes through your hands in twelve months?—I do not know that I should say if I knew. I think I should refrain from answering that question.

190. You told us that the cost of your timber was increased because of some inferior pieces in the 8s. 6d. lot; now, is it not a fact that sometimes you find some superior pieces in the lower-price timber and place them in the higher grade?—When they come to the mill after drying if they are curled we then do not send them to the mill for dressing purposes, as it would be a waste to do so. We put timber of that kind with the rough timber.

191. Is there not a certain degree of regrading by placing timber for which you paid 6s. 9d. at the mill in a higher grade?—There is no danger of the mill making that mistake. It is the reverse way.

192. Then, the grading at the mill itself is always against you?—We sort the timber, and the agent for the miller sees to it. We get them to make any needful alteration.

193. You buy timber at 8s. 6d.?—Yes.

194. Sometimes you have to throw out pieces because they are not fit?—Yes, that is so.

195. Is it not a fact that there are some superior pieces in the lower grades which you can lift up?—Very few indeed.

196. There are some?—I have not run across them. There may be some. When you come to work out a cargo you generally find that the miller is not a liberal grader: he works more to the higher grades.

197. Do you class your timber as it arrives, or do you take the mill classing?—We class it when it arrives. If the classification is not correct, there is a reclass.

198. Do you obtain all your West Coast timber from the one man?—No.

199. It is possible, then, to obtain timber from the West Coast from more than one agency?—There are four sources. There is an association, and there are people supplying timber outside of the association.

200. Are you interested in sawmills?—No.

201. *Mr. Mander.*] Have you heard of timber being imported from Australia to Christchurch and sold at less money than it can be purchased for at the mills in Kaipara?—I have heard a lot of funny talk, but I do not take any notice of the man in the street.

202. Considering there is 3s. freight to Australia and 3s. back again do you think it possible for such a thing to take place?—Utterly impossible. You could not do it.

203. Do you find any difficulty in getting your orders supplied from the Kaipara?—I have had no difficulty.

204. You heard Mr. Seager say that Oregon was coming into competition with rimu in Christchurch. Do you believe that to be the case to any great extent?—There is a limited amount of business doing in Christchurch at the present time, and Oregon has got a big slice out of it, but I do not think there will be much brought in.

205. You think that unseasoned scantlings put into a building in Christchurch would rot in ten or twelve years?—I am sure it would not.

206. Do you think if it were seasoned that it would last fifty or sixty years?—I have not lived long enough.

207. Do you think there would be that difference?—It is nonsense to talk like that.

208. Suppose you frame a house with red-pine?—It gets thoroughly weathered before the building is finished. It will be thoroughly dried by the time the building is covered in.

209. You are aware that kauri has gone up in price during the last few years?—Yes.

210. You were asked if you believed in an export duty. You are aware that there is already an export duty on kauri timber logs of 5s. and 3s. on flitches?—I do not know anything about the kauri trade, and I do not feel inclined, therefore, to wade into deep water.

211. Considering the royalties on kauri timber have gone up during the last twelve or fourteen years from 6d. to 3s. 6d., do you not think that would account to some extent for the increased prices of the timber at the present time?—Of course, it must do so.

212. You are aware that there is a great risk of fire in the bush, there is also the loss of sap, and many other contingencies in connection with the trade?—I am not surprised.

213. Are you aware that benchmen's wages have gone up from £1 10s. to £2 10s.?—I know that all wages have gone up.

214. Do you find that the cost of handling timber in your yard has very much increased?—Everything that has to do with labour at all has very much increased.

215. Do you have to employ any more hands now to handle the same quantity of timber that you handled ten or twenty years ago?—I cannot well answer that question because our stacking is done by contract. The contractor having to pay extra wages the contract price has had to go up.

216. In purchasing rimu have you ever discriminated between inside sap and outside sap in the rimu log?—My experience of red-pine is that you sometimes get what some people call heart quite away out from the bark, and again you get timber that is only just missing the bark that is a good, sound timber.

217. In such cases I suppose you have a difficulty in discriminating between inside and outside sap?—From the side view you could not tell the difference.

218. In regard to a miller supplying a builder in Christchurch with timber, if he had to select long lengths and keep a retail yard do you suppose he would charge a very much higher price than the merchant, or could he do it at the same price he is now selling it to you for?—He would have to charge an extra price.

219. *Mr. Field.*] We heard this morning that there were three classes of timber in rimu—viz., the heart, the timber which was neither heart nor sap, and also sap close under the bark. You have told us that there is good timber to be got right close out to and near the bark. Would you

regard it almost as criminal to put that timber in a building?—You get a good timber in rimu right close out on to the bark. I should not hesitate to put it into a house of my own.

220. We have heard a good deal said about this alleged timber combination. Do you think that combinations are confined to the timber trade between buyer and seller—that is, in other trades have you not heard of so-called combinations?—I have heard of combinations in other trades; we all have, right up to the newspapers which we read in the morning.

221. *Mr. Clarke.*] Now, with regard to the question of discounts, it was stated by Mr. Seager that the members of the Builders' Association have preferential discounts. Is that so?—Our way of doing business is that we give a trade discount to any man who makes his living by the use of timber, whether cabinetmaker or manufacturer.

222. *Mr. Ell.*] With regard to the last shipment of Oregon, can you tell us what price was charged for it, c.i.f.?—You are opening up a pretty big question, and I cannot give an answer to that in a straight-out way, because certain classes of Oregon are sold at certain prices—that is, when you get into different sizes you pay different prices.

223. I am speaking of No. 1 merchantable?—That is the only class that is coming here. If you get lengths up to 16 ft. and 24 ft., that is one price; up to 40 ft. is another price. I can give you the market quotations to-day. The flat rate for Oregon to-day would be about £4 5s. per thousand, c.i.f.—that is the last quotation, or rather it is three of four weeks since I received it; and since then I have not looked the quotations up. There is, however, an upward tendency in the price of Oregon.

224. You do not think there is any immediate danger of Oregon displacing the rougher building rimu timber, such as is cut at our sawmills?—No, unless there is a slump in the American timber-market again, and then the danger would recur.

225. At present you cannot afford to sell Oregon at a lesser price than you receive for ordinary building-timber—viz., 14s. 6d.?—When we bought that Oregon timber we were on a good wicket. The ordinary rate then was 7s. 6d. per hundred, and it has gone up over 1s. already. Of course, if you get long timber you pay more, and you cannot get long timber for that price.

226. For what would you be able to sell a 30 ft. length red-pine?—I cannot tell you unless I go and look it up There is 6d. per hundred feet extra for every additional foot. I think 30 ft. would be about 4s. extra.

227. What would you sell a 30 ft. Oregon at?—Oregon costs 16s. and rimu 19s. 6d.

228. So that it is in the greater lengths that Oregon scores?—Yes.

229. That is due to the fact, is it not, that sawmillers have difficulty in getting long lengths out of New Zealand timbers?—I am not going into the sawmilling trade.

230. You cannot get it at the price from the sawmiller?—There are other factors to be taken into consideration. For instance, the freights charged by the railway and also by the Union Company are greater in proportion on long lengths than on short lengths. There is so much extra per hundred for carrying the long lengths. Then, there is only a certain amount of overhanging allowed, and if you start to bolster timber you have to pay for that. Therefore the difficulty in transit is one of the main factors.

231. These long lengths are occasionally required for building operations?—Yes.

232. In view of that fact, do you not think it would be necessary to our building industry to allow Oregon to come in at a reduced rate, at least in the larger sizes?—I have already stated that if you left it alone it would be all right. I do not say it should be increased.

233. *Hon. the Chairman.*] Are you aware that there is a shipment of Oregon in Dunedin at the present time?—I hear so.

234. Do you know if there is any of that for Christchurch?—I have none coming to my yard.

CHARLES TAYLOR sworn and examined. (No. 40.)

1. *Hon. the Chairman.*] What are you?—A member of the firm of Taylor Bros., builders, Tuam Street, Christchurch. During the evidence this morning I gathered that the Commission desired some definite information with regard to the amount of timber contained in a given house. I have a plan here of a contract we carried out, of six rooms and conveniences, also a detailed statement of the cost. Approximately there are 15,500 ft. of timber in the building. [Statement put in.] The rooms are 15 ft. by 12 ft., 14 ft. 6 in. by 14 ft., 11 ft. by 5 ft. 6 in., 12 ft. 6 in. by 14 ft., and 10 ft. by 10 ft.; pantry, 7 ft. 6 in. by 5 ft.; bathroom, the same; wash-house, 7 ft. by 8 ft.; and scullery, 7 ft. by 8 ft. There is also a verandah in between.

2. And what is about the cost of that-sized house?—The contract price for that house was £495.

3. How long ago was that?—That was in 1906—July—and the whole of the rough timber came from the Coast. It was a direct order, and was supplied at 12s. 9d.

4. Did it come direct from the mill?—Direct from the mill to the station through a Christchurch merchant. It was put on to the job, but I am not quite sure whether the 12s. 9d. was at the station or on the job.

5. Can you say what that-sized house would cost at the present time?—No, because the price of timber has considerably advanced.

6. How much?—There is a considerable increase in almost every line.

7. But can you specify any amount which you think it would cost, showing the increase during that time?—I could not tell exactly. I should say there has been about a 10-per-cent increase since then.

8. That would be 1s. per hundred feet?—Yes.

9. *Mr. Ell.*] In regard to the house you mentioned costing £495, have you any idea what the house would cost now according to existing prices?—I should say about £550. As a matter of fact, that house was too cheap at the time. There is an advance generally all round.

10. *Mr. Field.*] It is not quite a fair example?—That is the minimum. If you examined the sheet you would see how it worked out.

11. *Mr. Ell.*] In that £500 how much would be represented by the advance in the price of the timber?—It is difficult to say, but I think it is plain enough. There is about 15,500 ft. of timber, and at 1s. it would be from about £7 to £10.

12. Now, in regard to dressed timber, I understand there was a rise in dressed timber recently, and a reduction in the price of the rough timber—is that so?—Yes, I believe that is the case.

13. How much has dressed timber advanced by?—I really could not tell you. We very seldom buy any timber for dressing. We usually get a cargo for ourselves, and dry it, and do all our own milling

14. And all the rough timber is reduced 1s. per hundred feet?—Yes.

15. Do you know what that reduction was due to?—The reason, I think, was that it was difficult to get the dressing-sorts. It has become more difficult to procure timber suitable for dressing.

16. With regard to building-timber, what kinds of timber does a builder require in a house of the sort you mentioned?—In this particular house the plates were V.D.L., and the whole of the other timber was red-pine. The sashes were redwood, kauri doors, and redwood or Baltic front doors.

17. What kind of timber is used now in the building of an ordinary house?—It entirely depends on what is specified—sometimes it is Oregon and sometimes red-pine. It is usually red-pine for all roof-framing, and sometimes kauri for window-frames; redwood or Baltic for sashes, but generally houses of the description I mentioned are of red-pine.

18. Now, for rough building-timber, the price of rimu and Oregon is about the same?—Yes.

19. So that it is just a question of choice—there is nothing to gain by buying Oregon instead of rimu?—The only gain is that it is easily worked and costs less for labour, and is a better job. It is more suitable for framing than red-pine, because it is more reliable. It is lighter and stronger, and you can depend upon it, and that is more than can be said for red-pine.

20. Is that not owing to its seasoned condition?—No, I think it is the nature of it. Red-pine is a good timber, but Oregon is better for the particular purposes for which it is used.

21. Can you tell the Commission your experience as to the difference in the value of seasoned timber as compared with that out of the forest green?—Do you refer to red-pine?

22. Yes?—Well, with regard to red-pine, that is usually used for framing purposes. To start with, I do not know of any other timber that seasons so quickly as red-pine does. Three or four weeks' drying will be quite sufficient, especially if it has had a good rain since leaving the mill. If it gets a good soaking of rain it will take the sap out much quicker than dry weather, and the timber will be better for it. With regard to the timber usually used for framing, my contention is that if the timber leaves the mill straight for the job before the place is covered in, the timber is practically dry enough for all purposes. That is for a wooden building, because in a wooden building there is a certain amount of circulation of air through the weatherboards that does not take place in a brick building, and the timber is improving all the time. Notwithstanding that, I maintain that Oregon pine is better for the job.

23. So, then, it is on account of its greater suitability that it is selected?—That is so.

24. Have you experienced any difficulty in obtaining long lengths and large sizes in New Zealand timbers?—Yes, it is very difficult to secure the sizes you require. In fact, usually in jobs of any considerable size a special order has to be sent away as soon as the job is secured, and then there is usually a delay before the timber is on the ground, and then it is not suitable. There is no doubt that with large timber such as 12 by 3 and 12 by 4 coming direct out of the bush, it is not conducive to a good job, nor to the reputation of the man handling it. Moreover, it costs anything from 50 to 100 per cent. more to handle it on account of its great weight.

25. Now, supposing the specifications require that to be cased in, what is the effect if you put a green stringer into a building?—I do not think that would have any material effect on the wet timber, because there is usually sufficient air circulating round any casing so long as the ends are not sealed. If the end of the timber is painted or tarred, or in any way sealed up, then decay must take place on account of the sealing-up of the pores.

26. Now, with regard to the price, do you find Oregon pine cheaper in greater lengths than New Zealand timbers?—It is—we have used it considerably.

27. According to the last witness it was a difference of 4s. 6d. in a 30 ft. length?—We have used a considerable quantity. We had lengths of 36 ft., and they were charged at 16s. per hundred, and if it had been red-pine it would have been 2s. more.

28. Seeing that Oregon pine can be obtained in long lengths, which is necessary for the building industry, do you think in view of that fact it is desirable to impose a heavier duty?—No, I do not think so. I think Oregon pine should come in free of duty simply because it is not going to replace our red-pine. There is sufficient room for both timbers. The class of Oregon pine that is coming in will never compete with red-pine for the purposes for which red-pine is suitable. It is a very rough, inferior class of Oregon pine that is coming into the colony; it is the lowest grade. There is no question about that, and the highest grades of that pine are expensive.

29. For studs and rough work it is well adapted?—Yes, well adapted. You could never work that class of timber into joiners' work.

30. It would never come into competition with rimu suitable for joinery work?—No.

31. Such as inside work?—Yes, that is so, and it is not suitable in exposed places, because it will not stand the weather.

32. So that you do not think the sawmillers have anything to fear from the importation of Oregon pine?—I do not know anything about that. I am not prepared to say what the effect will be on the sawmillers, but I think there is room for both timbers, and one is more suitable for the class of work it has to be used for.

33. And it is required by the public?—Yes, I think it undoubtedly is.

34. Seeing that rimu is used and so well adapted for finishing, cabinetmaking, and joinery work, and that kauri is also suited not only for joinery-work and for carriage-building and railway-car building, do you think it is desirable the country should retain by some means those timbers for the use of our own people?—I do. I think there should not be another bit of kauri allowed to go out of the Dominion, because I do not know of any other timber which can be used for so many purposes. I do not know of any other timber that would replace kauri.

35. You indorse the statement of the last witness that it is one of the best timbers in the world?—I do without any hesitation.

36. Now, with regard to rimu, seeing that we shall require it for our various industries which employ a large amount of labour, do you think it desirable we should make certain reservations to preserve the supply, and also prevent its exportation?—That is a big question, but I think, where large tracts of forest are destroyed simply for the purpose of settling the land, that it would be better to allow those tracts to remain until such time as the timber could be profitably placed on the market.

37. When I tell you that the operations of the Forestry Department of this country have only succeeded in planting 9,400 acres of land, and that the nearest time we can expect to draw on those forests is forty years from now, do you not think it desirable to retain possession of some of our rimu forests so as to preserve them till the planted trees are sufficiently matured?—Yes, I think it is desirable.

38. *Mr. Hanan.*] You have a Builders' Association here?—Yes.

39. What is the membership?—I could not say. I believe the president of the association will be giving evidence, and he will give all that information.

40. Is there much cutting in the building trade?—Yes, it is very keenly competed for.

41. Have the number of builders increased during the last three years in Christchurch?—I could not say. There are a great number of builders here.

42. And you find a falling-off?—Yes, there is not the amount of work that there was.

43. Have you ever tested the quality of wood underground so far as the preservation is concerned?—I have seen wood removed—kauri, totara, and black-pine.

44. What opinion have you formed in that connection?—I have seen kauri after being in the ground for between twenty-five and thirty years as good as it went in. It depends entirely on the class and quality of the timber. Of course, there are various grades in both totara and black-pine, and also kauri, but if you get the best of each they are, I think, equally durable.

45. Now, as to the effect of the water, have you had any experience in regard to rivers and streams in connection with protective works and bridge-making?—No, I have seen it used, but I have not had sufficient experience to be able to pass an opinion upon it.

46. Does it pay to build a house to let in Christchurch?—I do not know. I have not built any for letting purposes.

47. Have you much difficulty in obtaining kauri in Christchurch?—Yes, it is rather difficult. We have had several orders cancelled or delayed for a time. It is very difficult in Christchurch to get kauri from the mill.

48. What about the price?—It seems an excessive price.

49. You believe that we should let the timber from other countries come in here free?—The one particular timber, Oregon pine, in bulk, but I would not admit it in the small sizes.

50. Why?—Simply because by bringing it in in bulk we shall insure, I think, a better quality of timber, and it will make labour in New Zealand in cutting it up to the sizes required. If we brought it in in large pieces not less than 12 by 2 or 12 by 3 it would have the effect of not coming into direct competition with red-pine, because red-pine would be there in the specific sizes required. The Oregon pine would have to be cut into the different sizes, and, rather than go to the trouble of having the Oregon cut, they would use the red-pine.

51. Have you had any difficulty in obtaining good red-pine here?—There is not the same amount of good figured rimu in mixed lots that there was some years ago, but my opinion is that with all red-pine there is very little of it bad. There is the figured class of red-pine and also the milder dead colour that often passes as such, and if you examine it you will find the heart there just as you find it in the figured timber.

52. How does building in wood compare with building in brick in Christchurch?—I should say about 10 per cent. extra for brickwork.

53. Has building in brick increased in Christchurch?—Not to any appreciable extent.

54. You think it is just as profitable, from a permanent standpoint, to build in wood as in brick?—I do not know. I think the majority of people prefer wood. I think the feeling is that they think it is a better house and more wholesome.

55. But from the standpoint of repairs, depreciation, and the difficulty of getting good seasoned timber, is it not more profitable to build in brick?—I think you could get the timber all right—there is no difficulty about that.

56. You get all the timber from the timber-merchants here, do you?—No, a considerable amount of it comes through the timber-merchants from the bush, but they are direct orders obtained through the timber-merchants.

57. Would it not pay you to get it yourself direct without the middleman?—I do not know whether it would.

58. Have you ever tried it?—No.

59. Have you ever obtained timber from the South?—No, we have from the Coast and from Havelock.

60. Is there a big market here for timber from the Coast?—I am not in a position to answer that.

61. Do you think the recent reductions in connection with the railway freights on timber has helped the building trade?—I do not think it has had any effect one way or the other.

62. Do you suggest any alterations in regard to the railway freights on timber?—No, I have not considered the matter.

63. *Mr. Field.*] Are you a speculative builder?—No, I have never built any houses for speculative purposes.

64. You say that Oregon pine is better than our rimu for framing purposes?—Yes, it is more reliable.

65. Do you say it is not competing with our rimu?—To some extent it may be.

66. Well, take the house you built in 1906, all the framing there was red-pine?—Yes.

67. That was before you could get Oregon pine?—Yes.

68. If you built that house to-day the framing would be of Oregon?—Not necessarily; the client may not wish it.

69. You say the Oregon is better?—Yes, I certainly prefer it myself, but I would not use any undue influence over any client.

70. If you were putting up a house for your own use?—Then I would use Oregon pine.

71. And probably the customers would be guided by your advice in the matter?—I do not know. We have just completed a house for a client, and he had his own way, after forty-three years' experience of the New Zealand bush, and he had a house built of Oregon pine. He eleminated red-pine entirely from the job, and would not have it under any consideration.

72. Well, taking your own case, assuming you were building a house for yourself, you would certainly have built that house in 1906 of red-pine, and to-day of Oregon?—That might apply to myself, but not to any one requiring a house, simply because they would be deterred by the Oregon coming in in certain sizes.

73. It could be used for framing?—Yes.

74. Can it be said it does not compete with red-pine?—It does in a way, but not as much as it would if it was coming in in different sizes, such as 3 by 2 and 4 by 2.

75. But it is coming in in small sizes?—Not to my knowledge.

76. Have you not seen any inch boards?—Yes, but they have been cut here.

77. For what purposes do you consider red-pine better than Oregon?—We use it for all kinds of furnishing and finishing, for mantelpieces, wardrobes, &c.

78. In that case what are you going to do with the rough rimu?—I maintain that it would be used in preference to Oregon for certain work.

79. If Oregon was not here this rough rimu would be invaluable?—No doubt.

80. We were told this morning that timber adjacent to the bark in red-pine logs was so bad that it was practically criminal to put it in a building?—I think that red-pine is different from all other timbers so far as its sap is concerned. I have seen very little sappy red-pine. There is no comparison between the sap of red-pine and the sap of totara or kauri. In the case of rimu the sap is practically all good inside the bark.

81. Fit for building purposes?—Yes, all fit.

82. We had it on evidence also this morning, I think from Mr. Seager, that Oregon was very good for joinery work if properly treated and cut. Do you know anything about that branch of the subject?—In all my experience I have not seen it used for joinery work, with one exception, and that was for fine work, and then it was a failure. You cannot dress it beyond the chisel or the plane, because immediately you use a scraper or glass-paper you bring it out in holes and lumps all over, owing to its softness in certain parts as compared with other parts in the same piece of timber.

83. Then there is no danger of it coming into competition with red-pine?—That is so.

84. I did not think so, myself, and I was rather astonished at that evidence. You say the Oregon that comes in here is of a rough quality?—It is not so fine as some of the pines.

85. Do you think that the best Oregon—that is, heart—is kept in the country in which it grows?—I do not know what becomes of it.

86. It does not come here?—I have seen a considerable quantity of Oregon in Melbourne, and the Oregon we get here is similar to that, and all it ever was used for was for rough purposes.

87. Something was said about the strength of Oregon as comparing favourably with that of rimu. Have you ever seen any tests, or the results of any tests?—I am of opinion that the one is as strong as the other, but the Oregon is very much lighter.

8. A test was made in Wellington, at a foundry there, in the presence of fifty well-known business men, when it was found that the Oregon broke at a certain strain of so many tons, whilst the machinery they had was not equal to break the rimu?—All that I can say is that they had a very rotten bit of Oregon and a bit of very tough red-pine.

89. They were careful men?—I have worked amongst Oregon for ten years, and I have worked amongst red-pine since I was sixteen years of age, and I am now nearly fifty, and I am satisfied that in a fair test between Oregon and red-pine Oregon would beat it every time.

90. You have never made a test?—No, only in a rough-and-ready sort of way.

91. You said you thought that tracts of timber should be preserved?—What I said was that at the present time I understood that a great amount of bush was being sacrificed in the interest of settlement simply because it is far away from the market. I think that that hilly country should be left as it is for the present, allowing development to proceed, and thereby bringing the market in time to the timber.

92. What would you suggest, Mr. Taylor, with regard to timber lands in the hands of private individuals? Whilst I quite agree with you regarding the timber on Crown lands, I would like to have your opinion as to what you would do in the case of privately owned lands?—As to privately owned timber lands we have no recourse.

93. You can see for yourself that you cannot expect private individuals to keep it?—That is so.

94. You could not do it, and I could not do it?—I quite agree with you.

95. You said, and quite correctly, that there should be discrimination between small sizes of Oregon and large sizes as far as the duty was concerned; now, do you not think that if the duty were taken off the large sizes the buyers here would import only large sizes and resaw it here?—I would remove the duty from Oregon altogether, because it is required and there is room for it. I would not admit any under a certain size.

96. When times are bad in the colony, and only a certain amount of timber is being used, you will readily understand that where Oregon is competing with red-pine the tendency must be towards the closing-up of our own mills; in such a case is it not a fair thing to protect our own industry?—Yes, that is so, provided you at the same time study the interests of the greater number.

97. Assuming the price charged for our local timber is reasonable?—Yes.

98. Assuming that, do you not think that the industry deserves protection?—Yes, but the public also requires protection. I think you would have all the protection you require if you limit the importation to certain sizes—that is, allow no Oregon to come in under certain sizes, say, 12 by 3 or 12 by 2.

99. You have heard that Oregon is competing with our timber?—The statement has been made, but I do not know whether there is any truth in it. I know myself there is a slump here at present. The timber is not being used, but that has nothing to do with the importation of Oregon.

100. You say it is being used very generally for purposes for which our rimu would be used?—Not in comparison to rimu.

101. At any rate, if it were so that our bush was being burned and destroyed through the advance of settlers, if our railway freights were being reduced, our railwaymen thrown out of employment, our mills unused, and our money going out of the country, would not these considerations influence you to protect our industry in hard times?—Yes.

102. *Mr. Leyland.*] Do you think, Mr. Taylor, that any large areas of native timbers are being burned owing to the importation of Oregon?—I do not know. I say if such is the case it is a mistake and waste.

103. You are aware that in the past very large areas were burned, and at that time no Oregon was imported at all?—Yes.

104. With reference to competition, is it not a fact that Oregon is exceptionally cheap?—Yes.

105. Then, if it were increased in price that competition would practically cease?—That is so.

106. You say that it is lighter, stronger, more reliable, and more reasonably worked?—Yes.

107. You said that the lowest grades only are being imported?—Yes.

108. Then, if the better grades were imported it would be better?—Yes, it would be better in every way, because it would be more expensive, and it would not enter into competition with the red-pine.

109. We inspected a cargo at Dunedin, and we found it was not of a low grade. We found that it was all heart and no sap?—I am only speaking of what I have seen.

110. You do not know how Oregon is graded?—No.

111. I can tell you, as a matter of fact, that two of the lowest grades of Oregon are not sent here at all. They are exported to China. The sap of the timber turns black after it passes through the tropics, so it is kept in a temperate zone and sent to China. You were emphatic in stating that there should be an export duty placed on kauri?—Yes.

112. We have evidence to show that Oregon is largely used in place of kauri?—No. I do not know any purposes for which Oregon would do where kauri is used at the present time.

113. Is it not used now for long lengths, and where they do not want any sap timber they take Oregon?—I do not know.

114. Do you require Australian hardwoods here?—Yes, they are being used.

115. We know that jarrah is necessary, and the same thing applies to some extent to blue-gum and ironbark?—Yes, it is difficult to get black-pine or totara now.

116. If we impose a duty on kauri and Australia reciprocates, what will be the result?—There is no reason why black-pine and totara should not be reproduced.

117. You would have to live a long while?—Yes.

118. *Mr. Clarke.*] You stated that you have experienced difficulty in getting supplies; say you wanted to give a good large order, especially with a reasonable amount of long lengths, if there is difficulty now in getting supplies, will that difficulty not increase, seeing that the bush portions of the Dominion are rapidly receding from the towns and cities?—No, if Oregon is allowed to come in here it will take the place of those special sizes that had to be specially ordered.

119. With reference to the procuring of our local timbers, will it not be much more difficult to get these same timbers years hence, when the supplies are very much farther back, and therefore it will be desirable to replace these timber?—Yes, that is the position.

120. Now, with regard to plastering, if you were about to erect a building with a considerable amount of plastered partitions would you not use Oregon in preference to red-pine for the plasterwork of the house?—Yes.

121. It is much more suitable for that work?—Yes.

122. The question was raised as to a man using Oregon when he could obtain rimu: now, would you consider that a man would be within his rights, even if he chose timber that came from

abroad, in such a case—I mean there would be nothing outrageous in it?—Certainly he would be within his rights.

123. With regard to the burning of timber on private lands—lands independent of State forests—do you think there are any settlers in this Dominion so foolish as to burn good red-pine nowadays?—I do not know, I am sure.

124. As to the facilities for obtaining supplies here, supposing you wished to get your supplies from any one outside the Sawmillers' Association or the Timber-merchants' Association, would you expect any difficulty in getting a good reliable supply of stuff?—I never tried it.

125. Is that because from your own common-sense knowledge of the trade you would be courting trouble if you did try?—We have reason to believe that we should be better treated by the merchants than if we went to the miller.

126. *Mr. Morris.*] You told us, Mr. Taylor, that there was sufficient room for both timbers in this market?—Yes.

127. You consider rimu for finishing-work preferable to anything else?—Preferable to Oregon, but not to anything else. Oregon is no use for finishing.

128. With regard to rimu, there is only about 25 to 30 per cent. fit for the finer work, and I want to know what you are going to do with the remainder if you use Oregon—that is, for purposes that this rougher class of rimu is specially suited for?—The great percentage of rimu is suitable. Even the dull-coloured unfigured stuff is suitable for anything.

129. The rough heart of the tree, as long as it is sound timber, is quite suitable for framing-work?—Yes.

130. And strong enough for all practical purposes?—Yes, but it is not as good as Oregon.

131. Not as good as Oregon?—No.

132. I think that must be your opinion?—I am giving you my opinion.

133. With regard to the tests spoken of by Mr. Field as between rimu and Oregon, in which the rimu stood over 3,000 lb. more than Oregon under an hydraulic jack, and did not break, whilst the Oregon gave way at 3,000 lb. less, do you know whether the architects specify for an increased number of joists when erecting buildings of Oregon instead of rimu?—No, it is the other way. They generally consider that Oregon is stronger than rimu, notwithstanding the test that has been cited.

134. Would it surprise you to learn that they place alternately Oregon and rimu, because they say the rimu is the strongest?—I am not surprised at anything a man may do. Men have their fancies.

135. I suppose your fancy is not due to this being foreign lumber?—No. I have had long experience in connection with Oregon.

136. Have you ever experienced any serious trouble in obtaining a 12 by 2 or a 12 by 3?—They are not stocked in Christchurch. They are difficult to get. On almost every occasion the order has to go direct to the bush, and generally you have to wait a fortnight or three weeks before you are supplied. When it comes to hand it is not difficult to imagine what this green stuff is like. It is hard to handle.

137. Speaking of the colony as a whole, do you think it advisable to import Oregon here?—Yes.

138. Rimu is not so difficult to drive nails in as Oregon?—I think, from a contractor's standpoint, Oregon is a superior timber to work.

139. There are a great number of people employed in the timber industry?—Yes, but you must remember that the public are also a considerable number. Further, there would be a considerable amount of wages paid away for the manipulation and handling of this Oregon if it came in in bulk.

140. I believe myself that if Oregon was restricted to large sizes and long lengths I do not think the millers in general would very much object?—That is a matter of opinion. The percentage used would not be very large.

141. *Mr. Barber.*] Regarding the opinion which you have expressed as to the importation of Oregon, do you know whether this opinion is held by others following the same occupation in this district?—I cannot speak for any one else: it is my individual opinion.

142. We read that builders generally throughout the Dominion have passed resolutions emphasizing the wisdom of importing Oregon duty-free?—I have not taken particular notice of that.

143. *Mr. Mander.*] Have you ever regarded Oregon as a particularly beautiful and ornamental timber?—No.

144. You would not think of using it for panels or furniture?—I have never seen it used as an artistic timber at all.

145. You said if you had your own way you would prevent any more kauri going out of the country?—Yes.

146. In face of the fact that large areas of kauri timber are held by private individuals, which they have purchased at very high prices, say, 3s. per hundred royalty, would you prevent these people from exporting and compel them to hold on for an indefinite period, and at the same time run the risk of fire, which you must know is very considerable?—I am not prepared to state the nature of the machinery that would have to be brought into operation in order to retain this timber for the colony. I do say that it is very difficult now to obtain kauri from the North, and I think that is not fair, when we know that there are thousands upon thousands of feet exported every year.

147. The Australian market at the present time is the best market for kauri?—I know that. I was there, and we could buy cheaper there than in Auckland. That is sixteen years ago.

148. We get much better prices for the timber in Australia than in New Zealand. Considering we get such very much higher prices for our kauri timber in Australia than we can buy Oregon for, do you not think it is a very good exchange?—We are not importing Oregon from Australia. I do

not know. I do not think it is a fair exchange, because we are sending away something that we are absolutely in need of, and that we cannot get any other timber to replace.

149. We have had evidence in other parts of the Dominion that Oregon will answer all purposes for which kauri is used, or very nearly all?—I have never heard of wash-tubs being made of Oregon, neither do I think it suitable for vats. There are a hundred and one things for which it cannot well be used. Oregon would not do for the outside linings of window-frames. It will rot in a very short time.

150. You are aware, in regard to our New Zealand forests, and especially kauri, that there are very great risks in regard to fire?—Of course, there is a risk in regard to fire—that exists all the time. Nearly all the timber that the Government have tried to conserve has been destroyed by fire.

152. *Mr. Ell.*] With regard to the use of kauri, Mr. Taylor, you are speaking with a knowledge of twenty or twenty-five years' experience?—That is so.

153. You say, with a knowledge of both timbers, that Oregon cannot be used for the same purposes to which kauri can be put?—No.

154. Do you consider it wise to put huge beams of kauri into a building, when the kauri is exceedingly valuable for cabinetmaking and for the finer descriptions of work?—I think it is absolute waste. The same remark applies to figured red-pine. Oregon could take the place of these timbers for beams, &c.

155. Have you used beech?—No, I have no experience of beech.

156. *Mr. Jennings.*] Would you give preference to local timbers, under fair conditions, if you had a chance?—Yes, if all things were equal. If I was satisfied that red-pine was as suitable for a job as Oregon I would use red-pine.

157. Have you had any opportunity of using totara from the Waimarina forests?—No. I have used totara, but I do not know where it came from.

158. I judge that you are in favour of the importation of timber for the general good of the public?—That is so.

159. If you followed that out, would you not destroy the principle that was initiated—viz., the protection of our own industries?—Well, that opens up another question altogether. What I did state was that I am favourable to importing timber where we have no timber equally suitable for certain purposes. In my opinion there is no native timber so suitable for certain purposes as Oregon is.

160. You are a member of the Builders' Association?—Yes.

161. Is that a local asociation or a colonial one?—Local.

162. Does it exist for the purpose of keeping up prices?—I do not know what it exists for, but I suppose there is acertain amount of mutual benefit.

W. Goss, Timber-merchant, of Christchurch, sworn and examined. (No. 41.)

1. *Hon. the Chairman.*] Will you kindly tell us what you know of all or any of the subjects within our order of reference?—Gentlemen, I am a timber-merchant in Christchurch, and as such I am appearing before you. We are prepared to show that the profits we are making in Christchurch are not only not excessive, but we consider that they are really not enough considering the amount of financial liabilities that we have. The position of the trade in Christchurch is very different from any of the other large centres. We are a long way away from the source of supply, and we are handicapped in that we are a long way from our harbour. Owing to that the timber-merchants have to hold extremely large stocks to be able to do their business, and, in addition to that being so, of course, our expenses are very much greater than those of the southern merchants that have been referred to by the Commission to-day, and I think in dealing with the Christchurch trade that is a matter which should certainly not be overlooked. To explain the system that obtains, I might say that, as has been pointed out to-day, we draw the main quantity of our supplies from the West Coast. That is principally due to the fact that they were the only people from whom we could be sure of getting a sufficient supply. Some few years ago the position of the trade in Christchurch was bad. Then we had the Exhibition mooted, and that was the cause of what I was going to call a boom, but it meant a tremendous increase in the building being done. The Exhibition building consumed an immense amount of timber. We found there was at that time some difficulty in getting our supplies, and, owing to the fact that the West Coast millers were then doing their best to encourage sawmilling there, and enlarging their output, we drifted to them for our supplies. Before that we had been getting our supplies from various parts of the colony. We had had supplies from the South, and in the early days a good deal of timber came from our own peninsula here, and we were also drawing some of our supplies from Little River. We have also had supplies from the North Island and from Pelorus Sound, but we found those people were not able to supply, and therefore we drifted to our present source of supply. There was a considerable amount of timber being used at the time of the Exhibition, and owing to the Exhibition, trade increased very largely and very rapidly in Christchurch. Owing to that the output of the mills increased, the stocks held by the Christchurch merchants increased, and the industry became a very large thing. Things went on well until, of course, the financial stringency pulled us up, and now we find that we are not only not able to keep ourselves fully employed, but in many instances we find it extremely difficult to keep going at all. I might say we have never, even during the immense increased business, increased our profits beyond what any one would call a reasonable amount. I am satisfied that were any body of competent men to go into this question of what the timber-merchants in Christchurch have been charging for their commodities, it would be proved conclusively that we have been only reasonable in our demands, taking into consideration the amount of expenses we are put to. We get our timber

from Greymouth, and pay 3s. per hundred feet freight, and f.o.b. price is 6s. 9d. for ordinary building-timber, and 8s. 6d. for the better class of rimu. With regard to rimu, that is the main timber we use in Christchurch, and leaving Oregon pine out of the question, the amount of other timber that has been used in Christchurch during the last number of years is infinitesimal. We have to pay the Union Company 3s. a hundred for freight, and our charges from Lyttelton to Christchurch are 3½d. for wharfage, 3d. for loading into the truck, and 8d. railage, making a total charge of 1s. 2½d. Now, in regard to the figures that have been gone into by Mr. Page, I might say I entirely agree with them. I made out some figures myself, and they almost agree with Mr. Page's. I am situated somewhat differently from Mr. Page. I receive the timber at my siding, it is then tallied up and carted to my particular yard, and the timber that is for dressing purposes has to be sorted. It remains on the stacks for an average of perhaps six months, it is then taken down from the stacks, and, as Mr. Page has said, what is not fit for dressing has to be thrown on one side. The rest is put away for the market and is then dressed. This method of doing the business is a source of considerable expense. It is necessary in Christchurch to have a considerable amount of room, and that means a large area of land. In Christchurch, as you know, we are rated on unimproved values, and thus, unfortunately for the timber-merchants, their rates are very heavy in proportion to their business and the amount of capital invested. I consider I am right in saying that we pay more in rates and taxes than any other class of the community. All those things should be taken into consideration in dealing with the cost of the timber. I might say I am not discussing the question of right or wrong of unimproved values—I am rather in favour of the unimproved values, which has been the means probably of increasing building, and what we have lost hitherto in one way we have probably gained in another; but, still, when taking into consideration the cost of the timber, we must not overlook the fact that this is one factor in connection with our expenses. There is a big item in insurance, as we run a big risk from fire, and not only that, we must of necessity put up with the average clause so that we may be paying a premium on a very large amount, and we only get a certain amount if a fire takes place. Another question is that of depreciation. We have depreciation all along the line; timber cannot be handled without being depreciated. The longer the time it is kept in stock if it is exposed to the weather the more it will depreciate. We have depreciation from all sorts of causes; we have depreciation through the north-westers that we have in Christchurch, and we will sometimes probably find that we will have it wet one day and the timber will get very wet, and the next day we will have a howling north-wester, and the consequence is that the timber will pull asunder through the rapidly increased temperature. Then there has been some talk to-day in regard to the question as to whether the sawmillers can supply the builder. Well, I consider that one reason why the sawmillers do not supply the builders is that they very much prefer that they should have a go-between as far as the risk of bad debts is concerned. They are quite satisfied that the merchants should take that upon their own shoulders, and that has been a very large item—in fact, too much of it in the past. In a season of this sort, when there is a slump in the industry we feel that more than we do at any other time. That is a thing that always affects the timber-merchant far more heavily than if the conditions are better and good times ruling. Then, of course, we have the accident insurance, which has been increasing, and is still increasing. Rates are going up, and we are liable now for more than we ever were before, and consequently our rates are increasing, so that I consider in some items we are selling we are really not making any profit whatever. I have some extracts here from a balance-sheet of a firm which balanced at the end of February this year, and Mr. Page has told us that the gross profit on his business for last year was 15·65 per cent. The trade expenses of the firm I am referring to now were 19·09 per cent. of the turnover, and I am prepared to allow any recognised accountant to verify these figures for the Commission. So that, should 15·65 per cent. be the amount of gross profit that can be made by timber-merchants at the present time, and I maintain under existing conditions it is not possible to get more than that, then it will be readily seen that with trade expenses amounting to 19·09 per cent. of the turnover, it would be impossible to make a net profit at all, and that is the position of the firm I am referring to—that is, that they have no profit at all to show for their last year's working.

2. *Mr. Jennings.*] Is that business still in existence?—Yes, unfortunately it is. Another point has been made, and has been somewhat elaborated. That is with regard to the difficulty of getting the larger red-pine. I want to say here that we had excellent testimony from Mr. Seager along certain lines, but I also want to state that he has been away from the colony for some two years or more, and his last experience of the timber industry in Christchurch was at the time we were extremely busy, when the Exhibition building was going on, and, as I have stated, there was a tremendously large amount of business being done at that time, and it may have been a little difficult to get certain sizes of red-pine; but I will defy any one to prove that it is impossible to get the ordinary requirements for building purposes in red-pine from the yards in Christchurch now. A point has also been made with regard to rough timber—what we call ordinary building-timber. Now, our rule is not to dry the ordinary building-timber, but to send it out of the yard just as it comes in. It has also been pointed out that it is only used for framing, and in consequence of that it is exposed to the air for some considerable time before it is covered in. As a result of that, in building weatherboard houses in Christchurch there is a considerable amount of draught and seasoning going on till the studs are dry. I have not known of any serious results in consequence of putting unseasoned framing into a house. I might say that, owing to the badness of trade, merchants in Christchurch have had to fillet their ordinary timber, and that is a loss to the merchant. They cannot get any more for it, for the reason that timber when dry is liable to twist. When wet is is generally straighter than when dry, and of course any one with any knowledge of house-building knows it is essential that the studs should be straight when put in a building, otherwise they have a tendency to pull the whole wall crooked. With regard to the price we are paying

now for kauri, I have had a good deal of experience in kauri, and I want to say this for those who are supplying kauri, that I do not consider there is very much in it if you take the difference we have to pay for it here and what the Auckland merchant has to pay. I consider that the grading that is required to supply our market must of necessity carry an increased price. We have only one purpose for which we can use kauri, and that is for joinery-work, and therefore it is essential that the kauri kept in stock by the merchants here should be nothing but the very best grade. No merchant will take inferior kauri from the mills—we will only take the best. Mr. Seager has pointed out that there are differences in what is called the best kauri, and we strive to get the white kauri if it can be got, and we are careful that we get nothing but clean kauri. The sawmillers are always trying to get the merchants to buy an inferior grade of kauri so that they can produce it at a lesser cost, but, seeing that we will not do it, they have to charge the increased cost in order to supply the article we must have. Then, a point has been made with regard to Oregon pine being dry. The Oregon pine we get into our yards is not dry. It may have dried partially from the time it has been cut in the bush, but there has never been any system of drying with the Oregon. If one would take the trouble to cut up some of this stuff when it comes in you would find it was very wet. It certainly cannot be called dry, taking the stuff right through. We shall probably be asked in Christchurch here if anything can be done to better the existing state of the trade. Well, gentlemen, speaking from a purely parochial point of view, I consider the only thing that is going to make Christchurch a busy centre is our canal. I do not want to preach canal here, but if we had the canal, and we could get our timber right alongside our yards, we should be making a great saving in expense. I have often envied the merchants in other centres on account of the ease with which they can get their timber into their yards. Could we do away with the handling at the railway I consider there would be great saving in the cost of handling the timber. Consider for a moment that if we were able to get down to the seaport we should have a harbour, and the timber would be landed on the wharf and carted to our yards, and in that way it would save a tremendous amount of handling. Without that we cannot possibly expect to be able to sell timber at the same price as they do in the other large centres. I have here the ruling prices of timber running back as far as October, 1900, and I might say that, as far as the alteration in the pricing of red-pine by the millers is concerned, that has only come into vogue since October, 1908. Before that we only had one price from the miller for his product, and I understand we must take what is called the product of the log. Well, it is true that there is a large amount of timber thrown out at the mill which is not a merchantable commodity, and the rest of the timber we have to take, whatever it is like, and that has always been the difficulty with us. I do not say that we cannot get a better class of rimu, because we can, and we get all we want, but in getting all we want of the better class of timber we have to take such a large quantity of the poorer class. As a merchant it matters little to me whether I sell Oregon pine or red-pine, providing the profit is as large on the one as on the other. The merchant is here to supply the demand, but the difficulty I see is that if Oregon is coming into the place we must deal in it and we must have it. Then, gentlemen, what are we going to do with the inferior quality of red-pine? If that question can be satisfactorily answered to me I will then say I do not fear Oregon pine. As Mr. Taylor has pointed out, Oregon is suitable for long joists and beams, but for studs and for the smaller sizes I consider that red-pine is quite equal to Oregon, but as merchants it matters little whether we deal in Oregon or not, providing we know what to do with the other, and that seems to me to be the difficulty. There is one other point I should like to emphasize, and that is with regard to what Mr. Taylor has told us, that in 1906 it cost less to build a house. I do not propose to deal with the cost of the house, but with the cost of the timber. I have price-lists here for 1906. In September, 1906, the price of sawn timber up to 12 in. wide was 15s. for red-pine retail; to-day the scantling size costs 14s. 6d., but the timber fit for dressing is 16s. 6d. That is the increase between then and now. It is not 1s. 6d. increase, because there is a rebate of 6d. on the O.B. sawn timber, while it is only the timber selected for dressing purposes that is up 1s. 6d., so that is not a 10-per-cent. rise, taken all round.

3. *Mr. Barber.*] Do you mean to say that you did not pick the timber in 1906—that it was all 15s., heart and ordinary building-timber?—The position, so far as the Christchurch merchant is concerned, is that they have always picked the timber. They have always been asked for the two classes of timber. We take the product of the log from the sawmiller, and up to the latter part of last year they charged one price at the mill, and it was left to us to do the best we could with the lot.

4. With regard to the price of 15s., I want to know whether that was the universal price that the merchant charged for all-round timber?—At that time. The date of the price-list I have in my hand is 2nd July, 1906. The price of sawn timber at that time was 15s., and then we had an extra shilling, all unseasoned timber selected for dressing was 1s. per hundred feet above that price. That is equivalent to what we are selling to-day at 16s. 6d., and it was then 16s. What we are selling to-day at 14s. 6d. was then 15s. Mr. Taylor said there has been a rise in price of 10 per cent., but I submit it is no rise at all, and my figures will bear me out. Those are the absolute figures which we were charging in those days, the discount being exactly the same. There is one thing probably that might be of interest to the Commission, and that is this, that the Christchurch merchants have been apparently under a cloud for some considerable time. There has been a feeling abroad that the Christchurch merchants have been robbing the public. We have been already tried and condemned by one of the newspapers here. The Commission undoubtedly is not responsible for that, but we want to clear up the position, and we are prepared to prove anything that may need proving. We want to clear up all doubts, and to show that we are doing a legitimate business here, and also that we are indispensable to the public; and for that purpose I should very much like the members of the Commission to take a turn round the yards and see how we are doing our business, and if the Commission would take the trouble to go round and see the yards I should be very glad to show them my yard and show them the expenses we are put to. Some little time ago the Minister of Labour made some statements with regard to the price we charged for

kauri in Christchurch, and we thought we should have been examined on that point by some one in authority, but instead of that those statements appeared in the papers, and were absolutely erroneous.

5. *Mr. Arnold.*] The present Minister of Labour?—No, this was in 1907. I should like to read a letter which was written and sent to the Minister of Labour, and it explains the position of the merchants in Christchurch. The letter is dated July, 1907, and was written by me as president of the association. It reads, "To the Minister of Labour, Wellington.—Sir,—I have the honour, by direction of the members of the above association, to write you on the matter of the prices ruling for kauri timber in this district. The matter has attracted considerable attention in the daily papers, and the members of this association have not been afforded any opportunity of being heard on the subject. It has been deemed proper that I should place before you the true facts of the case, and it is believed that, after due consideration has been given to them, you will have reason to modify the views which we fear you have hitherto held with regard to this very important matter. Briefly stated, the position is as follows:—

	£	s.	d.
Cost f.o.b. at shipping port	0	17	0
Schooner-freight to Lyttelton	0	2	9
Insurance	0	0	2½
Railway charges from Lyttelton to Christchurch	0	1	2½
Discharging and cartage from railway to yard	0	0	4
Stripping and stacking in yard	0	0	6
Total cost	1	2	6
Selling-price	1	7	0
Less 5 per cent. trade discount and 2½ per cent. cash discount ...	0	2	0
Net price received by merchants	1	5	0

The foregoing leaves a margin of gross profit of 3s., but from this has to be deducted the cost of giving delivery. This is a considerable item owing to the fact that kauri is only used here for special purposes, and as a good deal is consequently sold in very small quantities, 6d. per hundred feet would be about the average cost of doing so. As indicated, the timber is always stripped for drying, and we cannot, therefore, reckon less than twelve months as the average time kauri is kept in stock in Christchurch. This being so, 5 per cent. must be added to the cost to allow for this—that is another 1s. 1d. off the gross profit. We now have a bare 1s. 5d. left of our gross profit, and out of this all expenses incidental to running a timber-yard have to come, and it also has to provide for all risks, many of which are very considerable in a timber trade, such as fire, split boards, and other damage done to the stock through exposure to the weather, besides unavoidable damage in handling, and, in addition, the ever-present risk of bad debts. In the matter of fire, we would point out that in insuring against this we are heavily handicapped, for not only are the premiums high (higher, too, than in most other large centres owing to the absence of a high-pressure water-supply), but we cannot effect an insurance on a timber-stock without the general average clause being inserted. We must also point out that timber-merchants in Christchurch are very heavily taxed in the matter of rates through the rating being on unimproved values, a timber-yard requiring such a large area of land in proportion to other businesses." The selling-price at that time was £1 7s., and we deducted a discount which left our net price at £1 5s. That states the case, and, as I have said before, the merchants are quite prepared to answer any questions that might be put to them, and they hope to give to the Commission any information it may require, and if not in their possession they will try to procure it.

6. *Mr. Ell.*] Referring to the matter of prices and cost, what are you charging here for scantling and for rough timber up to 8 by 1?—Up to 12 in. we are charging 14s. 6d.

7. Flooring, tongued and grooved, 4 by 1, what are you charging at the present time?—£1 0s. 6d. All the prices that I am quoting are subject to the trade discount and 2½ per cent. for cash.

8. The price in Dunedin is 1s. less on the building-timber?—Yes, but they do not have the same quality. We maintain that ours is a better quality.

9. Better seasoned?—No. Their timber is from the south and ours is from the West Coast, and we hold that our stock is better than theirs. I would not have Southland timber in my yard if I could get the other.

10. There is a difference in the price of tongued and grooved of 2s. 6d. For an 18s. timber they charge £1 0s. 6d. here?—I think that their price is a better price than ours. I have explained the expense that we are put to with regard to that. It is impossible to make the same job in working wet timber as in working dry. The architects of Christchurch are very particular, and the timber must be worked dry. Some years ago we worked it wet, but now it must be seasoned first and worked after.

11. What is your price for rusticated weatherboards?—£1 0s. 6d., the same as the other.

12. There is 4s. difference between the Dunedin price and the Christchurch price. It is 16s. 6d. in Dunedin?—What discount?

13. Two and a half per cent. for cash?—They are very much nearer the sources of supply.

14. You admit there is a great difference?—Just about the difference in the railage from Dunedin to Christchurch.

15. They pay railage from Riverton?—Their railage would not cost as much as we have to pay for sea carriage here. Their railage from Riverton to Dunedin is 2s. 10d., whilst our sea carriage is 3s. to Lyttelton.

16. With regard to lining 6 in. by ½ in., what is your price here?—Fourteen shillings and ninepence. I had better put this price-list in. [Price-list handed in.]

17. *Mr. Barber.*] I think it would be as well if the witness put in the price-list of previous years?—I do not know if I can trace them back to 1900. They are hard now to get, and I want to keep these copies of previous lists.

Hon. the Chairman: We can have a copy made, and you can have it back again. [Agreed to.]

18. *Mr. Ell.*] You say that your rates have been going up a great deal?—Yes.

19. You know that the general rate was 3 1/16d., and this year it is only 2½d.?—I meant the general rates right through. I did not say this year from last year, because our prices have not gone up.

20. The rates are down in that respect?—They are up in other respects.

21. The other rates have not been altered. With regard to the rates which you pay, are you not gaining some advantage in this way, I mean in the large increases that have taken place in land-values in the city—is that not some compensation to you?—Am I to understand that you ascribe the increase to land-values rating?

22. No. I only say that your business sites are gaining in value?—I cannot say.

23. I know of one yard that was valued at £4,500, and it was sold for £8,400?—We pay increased rates on those values.

24. I admit that?—We may reap a benefit ultimately. Of course, we hope to get more when we sell out.

25. You are a timber-merchant, and you have had, as I know, a lifelong experience in business: now, what special sizes are you asking for in Oregon?—We are not asking for special sizes at present. If a job is Oregon it is Oregon right through, but we are not asking for any special sizes at present. I say that Oregon would be preferable to rimu only in a few sizes—that is, in long lengths and for large joists. I may say here that I was under the impression that Oregon was of a higher breaking-strain than rimu, and I think that this is one of the things that the Commission should inquire into and make public. My experience has been confined to Christchurch. I have not had a very great deal of experience in respect to Oregon, and my opinion has been formed from expressions of opinion from others.

26. You charge, as Mr. Page has told us, 6d. per foot for every foot over a certain length?—Yes, in rimu.

27. So that in a long length, say, 30 ft., it would make a difference in the cost of that?—Yes; but there is this to be thought of: in the house that has been before the Commission to-day there is not a 30 ft. in the whole lot of it. It is only in very few instances that these are required. Sometimes they use steel girders.

28. There is a good deal of Oregon used in a building I know of now?—That is a store.

29. Yes. Have you experienced the same difficulty as other merchants in getting long lengths?—No. We have had no difficulty in getting long lengths in native timbers, but the cost is more. The reason that the cost is more is this: I know a little about milling. I am interested in a mill. The reason that the cost is more proportionately for long lengths is because the demand is small. The case is different in America, because they would rather cut long lengths than short lengths. Their plants are more up to date than ours, and that is chiefly owing to the fact that they are able to take up larger areas than we do. Eight hundred acres is all that is given here, and it does not pay to put up a big plant, and that being so our mills are at a disadvantage in cutting long lengths. We should have no difficulty if we could get the Railway authorities and the Union Company to carry these exceptional lengths at no greater charge.

30. As a timber-merchant, knowing the demand there is for large sizes in big buildings, would you think it a wise thing to increase the duty upon Oregon in large sizes?—I do not know that there is a demand. If you could prove to me that there is a demand and that the demand cannot be filled in any other way, it would be a different matter. I do not see what we are going to do with the rough grade of rimu if Oregon should replace it. I have now a large supply of scantlings that I do not know what to do with. You have only to leave red-pine together for a certain time when it will become a fungus, a pulp, and rot away. I have to strip that stuff to keep it from becoming bad. Now, if Oregon is allowed to come in it will displace that class of rimu. If Oregon takes the place of that we shall have to say to the sawmiller that we cannot take lower than a certain grade of red-pine. He would reply that owing to the fact that he was unable to dispose of the rougher class, he would be compelled to charge a higher price for the finer qualities. It would simply mean that that grade of red-pine would have to be increased proportionately, as much as 30 or 40 per cent. The bringing-in of Oregon will not help the building trade whatever, and that appears to me to be the only logical conclusion in regard to the matter. We shall have to throw back on the miller a certain percentage of his product which will be valueless for commercial purposes, and so he must increase the value of the rest correspondingly. That being so, we had better pay the increased duty on the Oregon than have that occur in New Zealand.

31. You are aware that in the finishings of buildings it is not all heart and figured rimu that is used?—I have listened to what Mr. Seager said this morning. In many instances we sell timber that has absolutely no heart in it at all for finishings. If it is clean sap it will go. There is no other timber that I know of where sap can be used to such advantage as rimu. It takes the stain well, and finishes well. It is infinitely better than Oregon for outside work.

32. As to furniture-making, I understand the cheaper stuff is used—that is, there is a large quantity of sap?—All sap practically. We have now great difficulty to get figured rimu in New Zealand. The public now want it because they have discovered its value. A taste has been created for it, and there is a demand for good clean figured red-pine. The merchants have great difficulty in getting it, and, to my mind, it is really the finest timber any one could use in the internal finishings of a house. When I said it was all sap for cabinetmaking purposes, I might

explain that when the workman comes across a board half sap and half heart, it would pay him better to cut off that 6 in. and thereby get another board and so preserve that 6 in. of heart, and it is done in order to get the quantity required.

33. They use all sap for cabinetmaking purposes thoroughly dry?—Yes, thoroughly seasoned.

34. Even if your market was partly shut out for rough timbers, there is a market—I do not say to what extent—for inside finishings to houses?—I think you misunderstood the position. The demand is for that sap. We talk about rough timber. I do not call that O.B. It is too good for rough work. The heart often has a streak of resin in it; that is what we call "gummy heart," and that is not good for decorating purposes. We have trouble in getting rid of that.

Mr. Hanan: Will you bring your balance-sheet to-morrow?

Hon. the Chairman: There must be no more questions, as the witness wants to get away to meet an engagement.

Witness: The balance-sheet can be inspected by a competent auditor.

35. *Mr. Hanan.*] Have you any objection to let the members of the Commission have it?—I have no authority, and I cannot get at the other man.

36. Would you try to obtain it?—I am quite prepared to have my figures substantiated by a public auditor.

Hon. the Chairman: I think it is fair if you appoint an auditor.

CHRISTCHURCH, WEDNESDAY, 7TH APRIL, 1909.

W. GOSS, examination continued from previous day. (No. 42.)

Witness: Mr. Chairman, I have typewritten out a copy of the balance-sheet of that particular firm that I was talking about yesterday, and am putting it in before the Commission. As I stated, it can be verified by anybody whom the Commission likes to appoint. I would ask that it be treated confidentially. I have also prepared another statement. Of course, I did not know exactly on what lines the Commission had been going; if I had I should have been better prepared with information; but last night I went back through the books for thirty-five years to see the prices of various timbers. Our price-list, which I am leaving with the Commission, goes back to the latter part of 1900. I have gone back every six months to June, 1896, and then I have taken December, 1895, and gone back each five years to 1874, and I find that the selling-price of red-pine in 1874 was 17s. and 18s. At that time we were getting red-pine from Banks Peninsula, principally. It was being brought over the Sumner bar, and of course there were not the expenses then that we have now in many ways. I thought this information might be interesting to the Commission. [Documents handed in.]

1. *Mr. Hanan.*] Have you any objection to producing the balance-sheet previous to the one that you now submit of that company, or is it obtainable?—I will show it to anybody you like to appoint, and the auditor can make any comments he likes about it.

2. Will you show it to the Commission in private?—I have no authority to do that from the company concerned.

3. When you give us a list of the expenses, is it not fair to give us the other side of the ledger also?—If there is one.

4. If you give the expenses of the firms you have mentioned, in order to allow the Commission to arrive at a true knowledge of the position so far as the building trade is concerned, do you not think it but fair that we should also have from you the other side of the ledger?—If there is one.

5. What is your answer to that?—I will undertake that the Commission shall be supplied with the same information for the previous year.

6. You will give the other side of the ledger?—I will give the same information for the previous year.

7. But only as to expenses?—I do not quite see the drift of your remarks. We are giving you all the trading expenses in connection with this business on the turnover. Now, I say here that "The above percentages are on the turnover for the year. The cost-price in truck at Christchurch being 11s. 1d. for O.B. timber and 12s. 10d. for timber suitable for dressing purposes, while the prices to the consumer are list prices less 5 per cent. trade discount.

8. That does not enable one to get at the true position?—It gives you all the information that should be required for the purposes of this Commission, I take it. You can take our trade prices, and you will be able to draw your own conclusions from them.

9. To boil it down, you are not willing to let us see the previous balance-sheet to the one you submitted in respect to the business of the firm that you refer to?—I will make the same statement with regard to that balance-sheet that I have made with regard to this one. You have got the selling-prices of timber, and you know the difference between the selling-prices and the purchasing-prices.

10. Has your income-tax, so far as relates to your own business, increased or decreased during the last two years?—It has decreased very largely.

11. During the last three years?—Yes, it is a diminishing quantity. The best term was at the time of the Exhibition. Then there was practically a boom in Christchurch.

12. And it has steadily decreased since then?—Yes.

13. As to the sawmilling business, how has that come out on the West Coast?—That I do not know.

14. You have had no balance-sheet?—Yes, I have seen balance-sheets of some businesses.

15. Are you interested in more than one sawmilling business on the West Coast?—Yes, I have one of my own, and am also interested in others.

16. How has the sawmilling business paid, taking the last five years?—I cannot tell you exactly, because I have not seen a balance-sheet of the sawmill business only. The two businesses are mixed up together in my case.

17. Did I understand you to say that the amount of Oregon that came here was infinitesimal?—No. I referred to the other timbers that Mr. Seager mentioned, such as yellow-pine, Baltic pine, Californian redwood, and such timbers. I said that I was leaving out Oregon pine for the moment.

18. At about what time did the slump take place in the sawmilling trade in Christchurch?—I do not think any one could put his finger on any particular date and say that was the time when the slump started. It has been a gradual decrease.

19. Is that in consequence of Oregon timber coming in?—No, but Oregon timber I consider has been a small factor in the case.

20. Can you give us any information as to the quantities of Oregon that have come in during the last three to five years?—Prior to 1908 only one cargo of Oregon came into Lyttelton for a great number of years—over a period of perhaps twenty or thirty years. I suppose the Commission will be able to get the exact figures from the Customs.

21. The slump had taken place in the sawmilling business before 1908?—No. It probably was approaching, but it had not really taken place.

22. Seeing that only one cargo came in during the time you have mentioned, would you say that the importation of Oregon was a factor worthy of consideration so far as the slump was concerned?—Certainly, to a sawmiller.

23. But how much Oregon came in?—I will tell you the bearing it had on the matter, to my mind. There was a fear that Oregon pine was going to flood the market, and, that being so, merchants would not order red-pine from the sawmillers, and since then—since the beginning of 1908—the demand for building purposes for which red-pine or Oregon is suitable has been so small that, although the amount of Oregon that has come into the place has been proportionately small compared with the quantity of red-pine that had been coming in in previous years, it has been sufficient to act very detrimentally to the millers.

24. But the timber had to be obtained somewhere?—Timber was not required. I am not talking of any particular class of timber, but timber generally.

25. As a matter of fact, Oregon has not to any extent displaced New Zealand timber in the local market?—In the local market Oregon has displaced red-pine foot for foot for every foot that has come in.

26. You base that statement on how many cargoes of timber?—On the whole of the timber that came in in 1908.

27. Do you know what quantity that amounted to?—No. It would be only guesswork on my part.

28. Prior to 1908 the market here was not troubled much with importations of Oregon?—No, although probably a good deal was ordered before 1908.

29. As a matter of fact, there were no importations?—No, but if it is ordered people know it is coming.

30. Do I understand you to say that the timber-merchants here are making no profits at all?—I did not make that statement.

31. I ask you if that is so?—I am not speaking for the others. I am not making the profit I ought to make. I am not making the profit that should be made on the amount of money invested in a business of the size of mine.

32. How many years have you been in business?—The business I am in was established in 1859. It was my father's business before mine.

33. And it has gradually grown?—It has grown with the place.

34. And up to twelve months ago it was a successful, flourishing concern?—Yes. I do not say that it is not a successful concern now, but I say it is not so successful as a business should be with the amount of capital that is invested in it. I say it would probably be better if the capital were invested in something else.

35. That is based on the trade of the last twelve months?—Yes.

36. Have you made out your balance-sheet for the last twelve months?—Not yet. It is being made out.

37. *Mr. Jennings.*] Are there any timber lands in Canterbury within reasonable distance of Christchurch—on the Peninsula, or such places?—No, none that I know of at all. There is supposed to be a little timber at Kaikoura. I sent a practical sawmiller up there to report on the district, and he brought back word that timber was not there in sufficiently large quantities to make sawmilling payable.

38. Then you are dependent altogether on outside sources for supplies of timber?—Absolutely, at present. There was originally some timber in the Oxford district, but it was principally birch, and it has practically been burnt out or cut out.

39. Are there any other factors that have determined what is thought to be the high price of timber beside the disadvantage that you labour under in having to get it from outside? It has been aserted in other places, for instance, that the men do not work so well, and that wages have gone up?—That is undoubtedly so. Wages have gone up all round, and everything that we use in connection with our industry is costing us more.

40. What is the increase so far as wages are concerned, comparing to-day with ten years ago?—That I do not know without looking up. I do not remember exactly what the wages were, but they have undoubtedly risen.

41. Do the men work as well now?—No, I do not think they do. I do not think there is the same output of work that there used to be.

42. Can you assign any reason for that?—No.

43. Has our race deteriorated?—I should not like to say so.

44. In America and Australia I have found that the New-Zealander has always held pride of place for work. Why should he go back here?—I do not think New-Zealanders have gone back. If there were the same necessity for work probably they would work just as well.

45. With regard to the seasoning of timber, do you put an extra price on timber that is seasoned?—Yes, our price-list provides for that. There is an extra 2s. a hundred to cover the cost of seasoning.

46. That is owing to the length of time that you keep it in stack?—Yes, and the cost of stacking and the depreciation through waste.

47. Are you familiar with modern appliances for seasoning timber, such as Powellising?—No. I have had the Powellising process explained to me, and have been told it is a good process, but I have had no personal experience.

48. If you were satisfied that it lessens the cost, would you adopt it? Take timber that is put through that process in the North Island. It seasons the timber almost within a fortnight or so?—I think the merchants would be glad of anything that would save them from the necessity of keeping such large stocks.

49. Can any person outside of the Builders' Association purchase timber from you?—Yes.

50. There is no combination to prevent it?—No.

51. *Mr. Field.*] You probably heard Mr. Seager say that many foreign timbers were sorted and graded into as many as nine grades?—Yes.

52. And it was argued that the same thing should be done with our rimu, and that sawmillers could do it inexpensively. Have you anything to say on that subject?—From my own experience I do not think it at all practicable to do it at the sawmill, without a tremendous increase of expense.

53. Do you say it is necessary, or do you say that what sorting is required could be done better at the yards?—We should still have to sort at the yards, because the timber would get damaged in transit, and, seeing that we should still have to stack, I think we might as well do it here as there. I do not think there would be any saving in expense by having the timber sorted at the bush mill.

54. Can you tell me how the importation of Oregon has increased as compared with the output of our own New Zealand timber—that is to say, when it commenced to come in in large quantities?—We have very little to go upon in Christchurch. Oregon has only come in last year with any degree of certainty. Business was bad when it commenced to come in, and there would not have been anything like the same demand for red-pine as there had been, even if Oregon had not come in; but Oregon coming in of course decreased what little demand there was for red-pine.

55. Of course, we have had a slump, as you describe. Supposing we had not had the Oregon coming in, do you think the millers could have pulled through better than they have?—They would have had so-much more cutting.

56. Do you know anything of the durability of Oregon timber?—Not of my own personal knowledge; but, of course, I have discussed Oregon very largely with those who have had experience of it, and I am told that Oregon is not durable unless it is kept well away from the damp.

57. Can you tell me whether this is correct: I am told that recently in Christchurch some large pieces of Oregon had to be taken out of a building after it had been erected only a few years—I think about four years—because they were beginning to go. It is only fair to say that they were in contact with brick?—I heard that the beams had to be taken out, but I did not hear that they were Oregon beams.

58. Do you know what was substituted?—No.

59. Do you know anything about the durability of timber in contact with brick—that some timbers stand better than others?—I consider that timber that is going to be in contact with brickwork should be very dry when put there, and should be kept dry, and then, I think, there are plenty of timbers that would stand; but I think that being dry and having ventilation and air-space at the same time are the two essentials.

60. You are quite satisfied that the evidence we had yesterday with regard to the price of rimu increasing from 9s. 6d. to 14s. 6d. is incorrect?—Nine shillings and sixpence was not supposed to be the recognised price of timber at any time in Christchurch; 10s. was supposed to be the recognised price. Some merchants did cut the price down to 9s. 6d., but that was about 1895 or 1896—fourteen years ago. In 1897 my father had a contract with a sawmiller on the Coast to supply him with red-pine timber at 5s., f.o.b., Greymouth, and the freight then was 2s. 6d., instead of 3s. Timber has gone up 2s. and freight 6d., and we are paying a halfpenny more for wharfage. That is 3s. 6d. more we are paying now for timber than we paid them, and besides that we have our extra expenses.

61. It is not correct to make the bald statement that timber has gone up from 9s. to 9s. 6d. in a few years?—I should not make that statement, because if you go back to 1884 timber was 13s., in 1879 it was 16s., and in 1874 it was 17s.

62. We were told the timber-merchants charge 2s. for stacking, do you do that or guarantee seasoned timber?—I said yesterday that I considered the timber-merchants in Christchurch were able to supply ordinary requirements for building purposes dry, and we undertake to do so. For that we charge 2s. per hundred, and I consider 2s. is, if anything, too little, owing to the immense expense we are put to in producing the timber.

63. Do you hold any opinion in regard to the conservation of our timber?—I do not know that I do. I think it is a very large question to discuss. I have the cutting-rights of bush on the Coast, and I have a great dread that unless I have that timber cut out very soon it will not be there for me to cut out. Greymouth is usually a wet place, but if they have a dry season they have all sorts of dangers to contend with. They have had several fires there already, and also a fire very near my boundary, and unless the timber is cut out very soon it may not be there to

cut out, but will be burned out. There is another big question, but which I do not feel competent to deal with, and that is whether the land which it is proposed to conserve for bush areas would not give a better return to the country if opened for settlement. That seems to be the greatest question as to which would pay the country best, whether to have the land settled upon and so producing every year probably more than it does at present, or to keep that land tied up for the purpose of the timber on it.

64. Do I understand that you would be in favour of using our timber as we want it?—Certainly. As far as I can see, that seems to me to be the safer plan.

65. I suppose you would not object to the Government reserving a fair area of timbered land so long as they do it with care and without the risk of fire?—No, I would not have any objection to that. As I say, I think it is a question that requires a lot of consideration, and careful consideration at that, to see whether this land would not produce more if it was cleared and settled upon. The lands in Taranaki, I consider, are bringing in more from settlement now than if left in virgin forest. The unearned increment would not give us so much as if the lands were settled upon, and the only way to get settlement is to cut the timber off, otherwise it may be burned.

66. You agree with regard to timber lands held for milling purposes, that there is only one course open to them?—Yes, that is the only one way to get settlement—to cut it.

67. The main trouble you say in regard to Oregon pine is that it displaces our rough timber?—I said yesterday that I held very strongly to that opinion. If we are going to use Oregon pine in any large quantities, it will mean that it will only displace the red-pine that we are at present most anxious to use. If the sawmiller has no outlet for that rough class of red-pine, and we only use the clean timber, then he must of necessity charge us more for that clean timber, and although the public may be reaping the benefit through getting Oregon in at a lower rate than rough rimu, they would have to pay more for the dressed lines of rimu which Oregon is not suitable for.

68. I think you gave expression to the opinion that in the average rimu log there is a certain quantity of timber in the vicinity of the bark that it would be almost criminal to put into buildings?—Well, that, of course, never comes here—that part that is of no use is left at the sawmill and burned.

69. From your knowledge of the rimu logs, is there a large proportion of it which is unfit for building?—Yes, there is a lot of it in the log which never leaves the mill. It is left there in heaps, and in most places it is burned.

70. But is there not so-much timber that it is necessary to cut off with the bark?—Yes.

71. Where they can cut a square junk of timber they cut it?—Yes, if they can cut it clear.

72. Well, the timber they can cut in that form, is it good timber?—Yes. The timber that comes here, with few exceptions, is all right for building purposes. I have used any amount of it in buildings, and I should not like to be called a criminal.

73. *Mr. Leyland.*] I understood you to say just now that you owned a sawmill yourself?—Yes.

74. And that you are financially interested in some other sawmill?—Yes.

75. *Mr. Clarke.*] With regard to the extent of the sales in this district and in your particular business, do you sell most from your own sawmill?—Yes, mostly from my own sawmill.

76. Do you apportion the balance from sawmills in which you are interested financially?—No, not necessarily so. The other sawmills I am interested in send their timber here through an agent, and the agent sends the orders there, and they are executed by the sawmills. As a matter of fact, I order very little outside what I get from my own mill.

77. Then, in the case of your own mill you get two profits, the sawmiller's and the timber-merchant's?—Yes, and I run two risks.

78. With regard to the use of Oregon pine, you know, of course, that our annual consumption of timber is on the increase—our statistics show that?—I do not think the last twelve months will show that.

79. If it is an established fact—and I think we can easily find out—that all over the world the consumption of timber is increasing all the time, would there be any reason to suppose that this country is using less timber than any others?—No, I should think not.

80. Would it not be a fair inference that we should be increasing our timber-output?—Yes, if normal things obtain once again.

81. Is it not a fact that going a little beyond the normal in busy times there has been some difficulty in keeping the building trade going and supplying the timber?—None whatever here If we have had a reasonable time to execute an order we have generally been able to do so.

82. Would not that depend on what might be called a "reasonable time"?—No, I do not think so.

83. Assuming that evidence has been adduced before this Commission in other places that difficulties of that kind have been experienced, then it would be fair to say that there have been difficulties in some parts of the Dominion in obtaining sufficient supplies?—That I have nothing to do with. I can only speak from a Christchurch point of view, and I consider that Christchurch has never had any difficulty in getting supplies, not within the last few years.

84. Look a little beyond the immediate surroundings, and from the point of view of a citizen of this Dominion: If the increasing demand for timber is likely to grow, would it not establish this fact, that the importation of the Oregon that is being carried on now would be barely sufficient to cope with the increasing demand?—I have not the figures to prove that, and it has never been proved to me that that is so, and I do not consider I am in a position to discuss it.

85. I think you said it would be advisable to clear the bush for the purpose of obtaining a better return from the land: do you apply that to all bush or only some bush?—I stated that it was a question that required very grave consideration—I did not give it as an opinion.

86. With regard to clearing the bush, have you any idea what would happen from a climatic point of view if we cleared all the bush?—No, but I have had considerable discussion with people as to climatic influences. What do you mean by "climatic" changes?

87. Is it not a fact that where forests have been largely denuded of the bush the effect of the rainfall has been disastrous instead of beneficial?—I have heard it stated very positively but I do not give it as my opinion, that the bush has nothing whatever to do with the rain, but that the rain zone has a great deal to do with the forest area. It was said we had no bush worth talking about on the Canterbury Plains, and it was said very positively that the bush existed on the West Coast because it was in the rain area; not that the rain area was there on account of the bush, but the reverse.

88. Is it not a question as to whether or not the bush causes the rain, but whether or not it conserves the rain, and whether the gradual absorption of the water is not a benefit to the farmer and producer? Would it not be much better if the bush and undergrowth was allowed to remain, and be conserved for the special object of benefiting the farming people?—I think that is a very deep scientific subject that it would be very unwise for me as a layman to express any definite opinion upon until I had much more data at my disposal to deal with it.

89. So far as the experience of other countries is concerned, would you be prepared to accept and recommend this Commission to accept the opinion of men, or specialists who have been appointed by the Government, to report on these matters, and especially where they have reported in the direction I have indicated?—I should want to see both sides of the ledger first. I have in my mind just now countries where there is no very great rainfall, and they produce some of the best cereals. South Australia has a very low rainfall, and there they have very good products. Still, I do not consider that that is a question that I am at all competent to express an opinion upon.

90. *Mr. Morris.*] You are concerned in the importation of Oregon pine into this market?—Yes.

91. And your experience is that a great deal of it is not dry?—I do not think any of it is really dry.

92. We have been told the timber is dry and that is the reason it is used in preference to our native timbers?—That is not according to my experience—my experience is that it is not dry.

93. In connection with the depression in the sawmilling and building trade, I think if you told the Commission what is the average amount of your purchases from the West Coast mills for the last twelve months, compared with the two years previous, it may be of interest to us?—I have not got the figures for February yet, but I think they are not getting more than 25 per cent. from the West Coast mills now of what they were getting, say, eighteen months ago.

94. Can you also tell us what is the percentage of red-pine fit for dressing and manufacturing purposes obtained from your own mills?—Of course, my mills are an exception.

95. You think your mills are better than any one else's?—Yes, certainly. I should say about fifty per cent. is the most, under favourable circumstances, that you can expect to get. I would also say that, with all bush that is worked that I know of, the timber varies throughout the bush: you may get a very good run of bush and a very poor run. It has all to go to the market, and I should say fifty per cent. is the maximum amount of good clean timber you can get out of red-pine logs.

96. Then, in the event of this foreign timber being admitted into this country free, what are we going to do with the balance of our timber—would it not tend to increase the price of the dressing-material?—I answered that question yesterday. If that timber is not going to be used I really do not see what we are going to do with it, and it must of necessity increase the cost of clean timber very considerably.

97. You told us that you consider it is equal to Oregon in every way for framing purposes and building?—Yes. The only thing I excluded yesterday was long beams and big joists. It is probably lighter to handle, but the tendency in all good buildings in Christchurch is to make them fireproof as far as possible, and therefore they are using steel joists, and hence Oregon is not very much required in Christchurch.

98. In regard to the profits, do you consider, as a sawmiller, that the prices of timber now charged by the West Coast mills are too high?—I do not. I do not think they are enough.

99. Then, of course, as a citizen of New Zealand, you consider it is in our own interests to keep our money in the country and employ our own people?—Yes, I do. I look at it in this way, that if it could be proved to me that the country was going to be benefited by getting other timber to take the place of ours and conserve our forests, then I would be prepared to consider the position, but I do not think that has been proved.

100. You know that on the West Coast there is a tremendous amount of land which, after the present crop of timber has been removed, could be reserved for future timber-supplies?—Yes.

101. *Mr. Barber.*] You are interested in timber-milling?—Yes.

102. You are also looking out for further timber interests?—No, I am not at present.

103. You said you sent a man to Kaikoura to advise you in regard to some timber areas as to whether they were worth going in for?—Yes, but that happened three years ago.

104. But you would not pay a man to report in such a way unless you were looking out for some further interests?—You said "at present."

105. Now, you have been endeavouring to show that thirty-five years ago timber was very high in price, and that it would not be fair to say that timber has gone down?—No, I did not say that. I said it was as fair to say that as to say that there had been an unnatural increase in the price of timber, say, since twelve years ago.

106. Are you aware that twenty years ago timber was being placed on the railway-trucks in Southland at 4s. a hundred feet?—Well, twenty years ago we were not concerned with any timber that was placed in trucks, because our timber was always brought by sea.

107. Do you think it would cost more to place it in a schooner than on a railway-truck?—It depends upon how close the schooner can be got to the mill.

108. Taking into consideration the conditions twenty years ago and now, do you think there would be any difference in the cost in placing the timber on a schooner as compared with a truck?

—I do not know of any place, except on the peninsula here, where the vessels could get very close to the mills, and, that being so, there would be railway freight to the port. I do not think the peninsula timber was ever supplied at that price. The prices I referred to are the selling-prices of the timber.

109. You admit you were buying timber at 5s. f.o.b.?—Yes, twelve years ago.

110. What were the facilities for milling timber thirty-five years ago?—I do not know.

111. Can you tell me whether the mills were better equipped thirty-five years ago?—I had not seen a mill thirty-five years ago. My experience of bush sawmilling goes back to ten years ago.

112. In regard to the importation of Oregon pine, you say Oregon has replaced foot for foot the red-pine?—That is so. You must bear in mind that I did not say, in New Zealand, but in Christchurch.

113. You disagree with the evidence that has been given in Christchurch that Oregon has been used to replace kauri more than red-pine?—I am giving you my own opinion to-day.

114. And that is that none of it has replaced kauri?—Not that I know of. We do not use kauri in long lengths here in Christchurch.

115. Now, with regard to the 2s. extra for stacked or seasoned timber: I presume if you had a quantity of timber stacked and a builder came to you and said he wanted timber out of a stack he would have to pay 2s. extra if it had only been stacked for a fortnight?—That is true, but I do not know of any builder who would do such a thing.

116. It comes back to the question that if it is once stacked that timber is 2s. extra?—We undertake to supply dry timber, and for that we charge 2s., and if the builder pays 2s. a hundred he gets dry timber.

117. You say that Oregon pine does not come to this country dry?—That is so.

118. In what part of the ship does the Oregon come that you handle?—I do not know.

119. Has it been deck cargo?—No, not deck cargo, but I do not know what part of the ship it comes in.

120. We saw a cargo landed in Dunedin which was all wet: it was not sap, but was sodden with salt water, and that may account for your experience that Oregon pine was landed in Christchurch wet?—I do not think so.

121. You made a statement that you are not importing more than 25 per cent. of the timber from the West Coast that you did eighteen months ago?—Yes.

122. Have you been importing timber from anywhere else?—No, I am talking about the timber coming into Christchurch. The red-pine that Mr. Morris was referring to comes from the Sounds and Collingwood district, and from Greymouth.

123. It is all reduced in the same proportion?—Yes.

124. You stated you were prepared to submit a balance-sheet to an accountant: will you also submit invoices giving exact figures?—Yes, I will show the cost.

125. You say that you are not importing more than 25 per cent. of the timber that you were eighteen months ago?—I say that Christchurch is not importing, and that was the question Mr. Morris asked me.

126. How are you in a position to say that?—Because I saw the returns.

127. You cannot submit the invoices?—That is so. I have not got them. I think you could get the whole of these returns from the Customs.

Hon. the Chairman: I think we shall have to curtail these questions. Many of these questions have a tendency to confuse a witness who is at all nervous.

Mr. Barber: I do not feel inclined to let certain statements go without cross-examination.

Hon. the Chairman: I am sorry I did not curtail the statement made previously.

128. *Mr. Arnold.*] If a duty is placed upon Oregon pine, or if it is increased, is there not a likelihood of the local or native timbers rising in price in proportion to the duty?—I do not think so, unless the demand largely increased.

129. You think the internal competition will be sufficient to keep the price of the local timbers down?—Yes, for some years to come.

130. Is the supply of local timbers—rimu, totara, &c.—sufficient to cause that?—I think so.

131. Now, you have a very heavy stock in your timber-yard, which we were very interested to see this morning, of well-seasoned timbers, and I want to ask if you are prepared to take an order from anybody for timber?—Yes, I am prepared to take an order from anybody. I do not care who it is. The only condition that I stipulate for is that he will pay for it.

132. You have a combination amongst the merchants?—We have an association.

133. Can you tell me when that association was first formed?—The association was in existence in an informal way I should say nine or ten years ago, and it was formed as the Christchurch Timber Merchants' Association some seven years ago, and then a year or so later it was formed into the North Canterbury Timber Association. It has been in existence now for six years.

134. What are the objects of the association as it now exists?—The mutual protection of its members, the betterment of the timber trade, and the arrangement of all matters in connection with the business.

135. You have price-lists?—We have a price-list accepted by all members of the association.

136. You are united with regard to arbitration matters and things of that sort?—We have discussed the advisability of being registered under the Act.

137. What is your relationship with the Builders' Association?—We have none whatever.

138. No relationship?—None.

139. If you received a communication from the Builders' Association requesting you not to serve a certain builder who was outside of their association and who refused to join, what would you do?—In the first place, I do not think that the Christchurch Builders' Association is at all likely to send such a request; and, in the next place, I do not think that we should consider the letter.

140. You have never had such a letter?—No, not a suggestion of such a thing. It could not possibly come from the Builders' Association without my knowing it.

141. Do you purchase from the mills outside of those you are interested in yourself?—Yes, but not latterly, because there is not the demand for timber.

142. Do you know whether the members of your association are ever influenced as to purchasing from those mills because they are outside the Millers' Association?—I do not know of any mills that are outside the Millers' Association. They are either in one association or in another association.

143. There are outside mills?—I do not know of them.

144. You said just now, or at least I took it from what you said, that your men are working under an arbitration award?—Yes.

145. Do members of your association pay exactly according to that award, or in some cases do they pay higher wages than that specified in the award?—I have known of a few instances where men have been paid higher than the award. I do not know what the others do.

146. So that there is no real complaint so far as the timber-merchants are concerned as to the high rate of wages?—No. I consider that wages here are reasonable in our trade—that is, taken as a whole—although there might be certain instances that I would not consider right.

147. It is not suggested that an alteration should be made in wages so as to reduce the cost of timber?—Personally I should be sorry to see it done.

148. I understand that you are favourable to the bush land being used up for our requirements?—Yes.

149. You appreciate the fact that the time may come when there will be a scarcity of timber?—Yes. That is a point, however, that requires more consideration, because there are large tracts of the world where timber can be readily grown, and we have some of this land in New Zealand. The question arises whether it would not be better to get our timber from there in times to come.

150. Do you know sufficient of the bush country in the Dominion to give an opinion as to whether it would be wise after the big timber suitable for sawmilling had been cleared, to leave the remainder as a timber reserve for future use—that is, with the view of allowing the younger timber to grow up?—I should say not, unless there were special conditions attached to the land. Of course, the land might not be fit for anything else, and in that case it might be left, although I may say that the young bush gets terribly knocked about when felling the big timber. As a matter of fact, the small timber is generally damaged.

151. Is it a fact that the undergrowth is likely to come up and choke the young growth of timber left after the large trees are cut out?—I do not know that.

152. Have you an opinion on the subject of afforestation?—No, nothing more than I have already said.

153. If it can be shown that we have large tracts of land in New Zealand that are not so far used for ordinary cultivation—not even for grassing purposes—and that they are suitable for imported trees which might be planted and grown successfully, do you not think it wise that this Dominion should go in for such a scheme?—Most decidedly. It would be a great boon, and the country would be beneficially affected by it.

154. *Mr. Stallworthy.*] Have you generally been present at the meetings of your association at which rates have been fixed?—Yes.

155. On these occasions were there members present who thought the prices agreed upon too high?—No, I do not remember any member who thought the prices agreed upon too high, but I certainly remember many occasions where many members thought they were fixed too low.

156. There has been a difference of opinion then?—I do not think our association would be composed of humans if it were otherwise.

157. What timber area do you hold for the mill you yourself own?—I think it is 2,469 acres.

158. From the Crown?—No; freehold. I have cutting-rights over that freehold, none of which is Crown land. I think I have a lease of a very small bit of Crown land of about 200 acres, I should say, in addition to the other. It is an educational reserve.

159. You take, I believe, the outputs of mills which you are interested in?—My principal sources of supply are from my own mill, and apart from that I can get timber from any mill on the Coast. I do not contract to take any output of any mill, and I have no arrangements with any mills.

160. *Mr. Mander.*] Will sap rimu stand inside a building as long as heart rimu will stand outside?—Yes, I think so. It only wants to be kept away from the damp.

161. You have never discriminated between the inner circle and the outer circle of sap?—I do not know what the terms mean.

162. You consider all sap equal outside the heart?—I think there is more variation in the heart than in the sap.

163. In your experience, do you not think that there is sufficient hilly country in New Zealand on which to conserve timber without conserving valuable timbers for climatic purposes?—I do not know much about the areas of land that are hilly or otherwise.

164. Are you not aware that there are very large areas of hilly country containing timber that is not valuable for milling purposes?—I have no figures.

165. Do you not think it would be wise to take into consideration the advisability of conserving the hilly country for climatic purposes rather than some of the more valuable low lands?—I should certainly say so if it is not valuable land.

166. Would you be in favour of conserving our timber areas as much as possible, consistent with the requirements of the people of this Dominion?—You mean, provided the people of the country needed sufficient land for settlement.

167. Yes, and consistent with the requirements of the country for timber purposes, as well as for other purposes?—I do not know. As already stated, I cannot speak about the conservation of the bush until I see more definite statistics than those we at present have.

168. Do you consider it perfectly legitimate to lock up further timber areas to provide for our future supply?—I think that if a timber-merchant did not do that he would be very foolish.

169. If you purchased an area of timber lands, which might otherwise be destroyed, and held it for twenty years, would you not by so doing conserve the timber-rights of this country?—Yes; but I do not think it is possible to do that unless you could buy the freehold, and you cannot get the freehold from the Crown.

170. That is so, but you could buy from private individuals?—There is not much freehold bush land left now. The position obtaining on the West Coast is different from the position obtaining in the kauri districts.

171. When importing timber from other countries—say, Oregon—do you consider it would come out drier in the hold than on the deck: which would you prefer if you were importing?—I should very much prefer to have my timber below, because on the deck it stands a chance of getting washed about and saturated with salt water.

172. Do you not think that timber in the hold of a vessel sweats considerably?—The Oregon that I have had here all came in vessels—steamers that were not long in coming—and I have not noticed any deterioration from that point of view.

173. In regard to conserving the smaller trees in a bush that has been leased for sawmilling purposes, do you not think that the dead tops, &c., of the larger trees which would be strewn about would be very liable to catch on fire, and so the whole scheme might go up in smoke?—There is more danger in that respect than in the virgin forests. There is very little doubt but that what you state would take place sooner or later. There is always a lot of wood left about where timber has been worked out of a forest.

174. *Mr. Field.*] Were you in Wellington last year when that large deputation from the Timber-millers' Association waited on the Government?—Yes.

175. Do you remember any offer made to the Premier at that time with regard to milling at a certain price?—They said the Government could fix the price, and several made a statement to the effect that they would hand over their books to the Government. I think they are still prepared to do that.

176. *Mr. Ell.*] You said that the Timber-merchants' Association was prepared to supply anybody: are you prepared to allow anybody the same discount?—Anybody who earns his living from the use of timber.

177. Do you not discriminate against the two men?—We do not discriminate at all in the matter of discount.

178. With regard to buying, is it possible for any miller outside the association on the West Coast to sell to any one of the timber-merchants in Christchurch?—I do not think they would buy from them, because we have been so messed up in our supplies that we have arranged with the West Coast sawmillers that if they will lay themselves out to supply the Christchurch market we will get our supplies from them so far as they are able to supply.

179. With regard to leaving the young timber, are you aware that the timber regulations in America, in any considerable forest, require them to take the bigger trees out with great care, and thus leave the younger trees to develop?—No, I did not know that that was being done. It would require much supervision in the felling. I have also heard that in several districts in America the timber is nothing like so inflammable: for instance, the redwood is almost uninflammable, and will not burn.

180. *Mr. Barber.*] With regard to the association, are there any printed rules belonging to it?—No. We have rules just in the ordinary way, and each member is supplied with a copy of the rules.

181. Could you supply the Commission with a copy of the rules?—Yes.

182. *Mr. Morris.*] Mr. Ell asked you if you were aware about certain timber regulations under which they only took the heavy timber and left the young trees standing. Do you think it is practical to do that on the West Coast?—No, I should not say so. I think the sooner it is cleared the better, once the big timber is removed. It would be very liable to be burned. The timber that is left is of little use.

183. *Mr. Mander.*] Do you think that the Government regulations in some measure compel the destruction of timber by compelling the lessee to cut it out in a certain period?—Of course, there is only a certain area, and it has to be worked out in a certain time, and you must keep on working.

184. And work it out in a certain time?

185. *Hon. the Chairman.*] You are wrong, Mr. Mander. Have you not had an extension?—Yes.

186. Did you ever know any one that was refused?—No, I do not think I have.

187. I would like you to quote the price of flooring from the Southland mills?—The price is: Tongued-and-grooved flooring and lining—4 by ½ T. and G. per 100 ft., 12s. 6d.; 4 by ⅝ T. and G. per 100 ft., 13s. 6d.; 4½ by ¾ T. and G. per 100 ft., 14s.; 4½ by 1 T. and G. per 100 ft., 15s.; 6½ by ½ T. and G. per 100 ft., 11s. 6d.; 6½ by ⅝ T. and G. per 100 ft., 13s.; 6½ by 1 T. and G. per 100 ft., 14s.; rough T. and G. per 100 ft., 1s. 6d. less than above: ½ in. extra in width added for tongue.

188. That is the price in Dunedin in the yard?—Was it seasoned?

189. It does not say?—I have been making inquiries, and I find the practice in Dunedin is not to season their timber, and that wants to be taken into consideration when comparing the prices with ours. The price that we quote is for seasoned lines.

190. *Mr. Ell.*] There was a difference of 4s. per hundred feet?—We only make 2s.

191. Here is the price-list of John Murdoch and Co., of Dunedin. Their price for tongued and grooved, 4 by 1, is 18s.?—Ours is only £1 0s. 6d.

192. Yes, but that is the price there?—Then you quoted rusticated.

193. That was 16s. 6d.?—Ours is £1 0s. 6d., and I may say that it is very seldom used here.

194. Allowing for the 2s. difference for seasoned timber?—It is an anomaly, because it costs us as much to purchase the one as the other. Our lengths are up to 22 ft., whilst theirs are only up to 20 ft. Moreover, it does not say there whether it is dry or not.

195. *Mr. Morris.*] It would seem from what we have heard that the practice in Southland is to dress the timber green after being sawn at the mill?—Yes.

196. How would you get on if that was adopted in Christchurch?—I do not think the Christchurch trade would take that, because it would not be good enough for the trade. Timber that is dressed green is nothing like so good as timber that is dressed dry. A few years ago we always dressed it green, but we found it did not give satisfaction. We now dry the timber first and put it through the mill, and we find it makes a good job, but that costs more money. We could supply timber at about 16s. 9d. if it came straight from the mill. If we supplied it green we should get it straight from the mill on the other side, and we could supply it at something like the Dunedin price-list, and our price would be in that case 16s. 9d.

EDWIN HENSHALL, Timber-merchant, Papanui, sworn and examined. (No. 43.)

1. *Hon. the Chairman.*] I understand you are a timber-merchant at Papanui, about three miles from Christchurch?—Yes.

2. I shall be glad if you can assist us in the subject of our inquiry?—I do not know that I can say very much, as the subject seems to have been thoroughly threshed out from a merchant's point of view by the previous gentlemen who gave evidence before you. We are in business at Papanui, and we keep stocks there. I cannot say anything about the cost of felling. Nor can I speak of the cost of cutting at the mill. We are not interested in any mill. We get our supplies from the West Coast.

3. Will you state to the Commission how you get your supplies?—We get our supplies from the mills through the agent here.

4. Are there many agents in Christchurch attending to the West Coast millers?—I only know of two.

5. There may be more?—I could not say. I only know of two.

6. Will you name those two agents?—The West Coast Trading Company have an office in Christchurch, and there is also a Mr. Budd who handles timber here.

7. Those are the two agencies that you deal with?—I think Mr. Reese handles timber also. He was in partnership with Mr. Budd at one time, but they have dissolved partnership.

8. That makes three?—Yes.

9. Do you do much business direct with the millers through them?—The order goes direct to the miller through them. They forward the order on. We understand that it is to the convenience of the millers to have one representative, so that all orders can go forward in order and be executed.

10. How is the trade of Christchurch now compared with what it was two years ago?—It is very much less. Our experience is that there is much less trade being done at the present moment.

11. Less building trade?—Yes, less sales of timber.

12. That accounts for less building, I take it?—Yes.

13. Do you take any contracts for building, yourself?—If any one comes to us and wants a house built, we do it.

14. So that you are a builder as well as a timber-merchant?—Yes.

15. *Mr. Hanan.*] You are not interested in any sawmills?—No.

16. How do the timber-merchants in Christchurch who have no mills compete with those who have mills?—I do not know. You see there is one price set by the West Coast sawmillers. It really matters little whom you get the timber from; it is one price, I understand. Perhaps the man with a mill would have an advantage; he would be entitled to that to compensate him for his capital invested.

17. How long have you been in business here?—As a seller of timber, about six years.

18. Has your business increased during that time?—Yes, it increased rather rapidly up till a couple of years ago, but there has been no increase since then.

19. Does your last balance-sheet show a falling-off?—Yes.

20. What is the date of it?—The 31st March twelvemonths was our last. We have not completed our present one. We are working at it.

21. As regards expenses, comparing your balance-sheet with the previous balance-sheet, how do you stand with regard to increased expenses?—Do you mean the yard costs and so forth?

22. The expenses of carrying on your business?—They have been less during this last year.

23. *Hon. the Chairman.*] Does that mean that you have fewer hands?—Yes, and we have also had to economize. We have had to do a little paring on account of the state of the trade.

24. *Mr. Hanan.*] It is only within the last two years that you have found a falling-off in your business?—Yes, the last twelve months, strictly speaking. It has been more pronounced then.

25. Business has been fairly good with you, and there was really nothing to complain of up to the last twelve months?—No, nothing much to complain of.

26. Can you say that that remark applies to the timber-merchants so far as your knowledge goes?—I can only speak for ourselves.

27. Have you been importing any Oregon?—Yes. We have taken Oregon, with others. Cargoes come here, and we have taken some.

28. Have you taken a share of a shipment?—Yes.

29. When did the last shipment arrive?—We have not had any for six months.

30. You are aware that there are complaints from the West Coast in respect to the importation of Oregon affecting the sawmilling industry?—I know nothing of the matter with the exception of what I read in the newspaper.

31. Speaking from the standpoint of the local market, would you say that if there be a falling-off in the sawmilling trade on the West Coast it is due to any extent to the importation of Oregon?—In my opinion, it is not all due to the Oregon. Oregon must take a share, of course. The proportion of Oregon that has come into the place probably would have been replaced by rimu had there been no Oregon; but it is owing to the state of the money-market, I take it, that the falling-off has occurred. In our business, contracts have been held up owing to the money-market. We consider that a lot of our business has gone off owing to the state of the money-market.

32. Is not the quantity of Oregon compared with the quantity of West Coast timber used in Christchurch very small indeed?—I do not know. There seems to be a lot of Oregon about the place.

33. Since when has there been?—During the past twelve months.

34. And all you know of is one shipment that has come in during the last twelve months?—I have read of others. We have only had one, but I understand there have been other shipments come in.

35. What quantity did that ship bring, do you remember?—No. I believe it was about 800,000 ft., but I am not stating that authoritatively.

36. Do you know anything as regards the class of Oregon to which it belonged?—It seemed fair Oregon, as far as I know Oregon. Of course, we have always handled it more or less in small quantities.

37. Do you send much Oregon to country stations? Does it pay to do so?—No. We do not look upon Oregon as a very profitable timber. It is right down on bed-rock.

38. Then, what does find its way into the local market is utilised locally and does not go out into the country?—I understand that that is so. It is mostly large stuff, and therefore, I take it, it goes into big buildings for beams and so forth.

39. Now, as to duty: do you think that Oregon is at present handicapped sufficiently?—I am only giving my own opinion, but I think the duty is all right as it is. I do not think it would be wise to take it off or to increase it. I should say, leave things as they are.

40. Is there any agreement between the timber-merchants with regard to the price of jarrah?—Not that I know of.

41. There has been no alteration made in the price of jarrah in the local market within the last twelve months?—I understand there has been a slight rise.

42. When did that rise take place?—Probably about eight months ago.

43. Are you all charging the same price for jarrah?—Yes, I understand so.

44. Then, this rise was in consequence of an agreement come to between the timber-merchants?—I could not say that at all.

45. How did you come to increase your price for jarrah? Was it in consequence of any agreement or understanding or suggestion on the part of any other person in the trade?—It was mutually arranged by the timber-merchants that the price should be a certain figure, and it is not a bit too much. There is nothing much in it.

46. What was the reason for the increase taking place?—That I could not say.

47. Before you agree to an increase do you not know the reason why such increase should be made?—I was not at the meeting that regulated that matter.

48. Whatever the others do you fall in with—is that so?—Certainly, if it is reasonable.

49. But in this case can you say whether the increase in the price was reasonable?—I should say it was.

50. What were you selling jarrah at before this increase was made in the price?—£1 2s. a hundred.

51. What are you selling at now?—Twenty-three shillings.

52. As regards kauri, do you favour an export duty on kauri to keep it in the country?—I could hardly say; it is a matter I have never gone far into. I should think that is more a matter for the Government to decide. But there is no doubt kauri is a very good timber. It can scarcely be done without.

53. You are a member of the association. Can you tell us how many are in the association?—No.

54. Is there any fee payable to join the association?—Yes.

55. Do you know the amount of it?—Five guineas, I think.

56. Are all the timber-merchants in Christchurch in it?—I think there are some outside of it.

57. Do you know the reason why they will not join?—I have not the least idea.

58. Do they sell cheaper than you people?—I do not think so.

59. You are all the same?—I understand so. I have been told so. I have seen no price-list, so I could not state authoritatively.

60. With regard to jarrah, do you combine together for the importation of jarrah, or how is it brought in here?—It is taken in much the same way as Oregon, I think. If a man wants it he takes a portion of the cargo.

61. Can you tell us what quantity of Oregon you have sold in the last twelve months?—I should have to go into the books to state definitely, but, judging by the stack of timber as we got it and as it is at the present moment, I should think about 12,000 ft. to 14,000 ft.

62. Could you say what amount you sold for the twelve months previous to that?—None. Well, there might have been two or three hundred feet.

63. Have you any objection to giving the Commission the quantity of timber all round that you sold twelve months ago?—No, I do not know that I have; but to give figures like that I should require to go to the office.

64. Would you mind getting that information for us? I want the amount shown as sold in the last balance-sheet, as compared with that in the previous balance-sheet—the figures for all timbers, rimu and Oregon pine being particularised?—Yes.

65. *Mr. Field.*] Have you had any complaint here as to the price of timber?—No, I have heard nothing about the prices.

66. Do the timber-merchants complain of the price charged by millers? Do you think it is a reasonable price?—I think so. I should say so.

67. Have any builders complained of the price charged by timber-merchants?—I have heard none. Of course, you will always get men when buying a thing wanting to get it for less.

68. Have you ever heard of any timber-merchant, or builder, or private consumer of timber being, in your opinion, oppressively treated by reason of the understanding said to exist between the sawmillers and you timber-merchants and the people who work in timber?—No, I have heard no complaints at all.

69. There is really no difficulty in Christchurch so far as you know?—No. As far as I know, every one is satisfied. The builders do not complain. I have not heard any serious complaints.

70. You say that Oregon has been largely used in Christchurch for the past year or so?—I should say that it must have been, because there appears to have been a fair quantity come in, so some one must be using it.

71. A good many ships have come to Lyttelton, have they not, with Oregon?—I think so.

72. *Mr. Leyland.*] With reference to the fixing of the price of jarrah, I have here the association price-list, and I find that with regard to jarrah, yellow-pine, and Baltic there are no prices fixed by the association?—They would appear on the Jarrah Company's list. The Jarrah Company post the list out.

73. Then your association does not fix the price of jarrah?—No. It has practically nothing to do with fixing the price.

74. You told us just now that the association fixed the price of jarrah. You were not thinking, I suppose?—I was going by the list. There is a list issued by the Jarrah Company, and we are charged accordingly.

75. Then the jarrah people fix the price of jarrah?—Just so.

76. I suppose the timber-merchant is allowed a special discount?—He gets a buying discount.

77. Now, with reference to the quantity of Oregon used: do you know that the amount of Oregon timber imported last year was equal to one month's importations of rimu?—That I could not say. I do not know how much rimu came into the port or how much Oregon.

78. Are you in favour of prohibiting the importation of Oregon?—I think that Oregon for beams is a good timber. For long lengths it is a very good timber.

79. I have a letter in my pocket which states that certain jobs in Auckland are hung up till long lengths can be got. Under such circumstances, do you think that any hindrance should be placed in the way of the importation of Oregon?—That is a very large question. I do not know that I am capable of answering that. It is a matter of policy. If Auckland people are waiting for long beams, I should have thought they could get some kauri.

80. We cannot get half as many long kauri beams as are required?—That goes to prove that Oregon is useful and necessary in that instance.

81. *Mr. Clarke.*] With regard to fixing prices, you said that the prices were mutually arranged. In the event of competition being prevented by foreign timbers being barred, would there be anything to prevent the prices being mutually arranged for local timber, to the detriment of the public?—That would not occur, because any one can start in the trade. If too high a price were being charged for an article some one else would immediately start. It would rectify itself, I think.

82. You think that if the price of timber went up 1s. a hundred feet, that would be sufficient inducement for any one to set up in the timber business in opposition to your association here, for instance, or its members?—I do not say that 1s. a hundred would make a very great difference. If you take a house—for instance, an ordinary five- or six-roomed house—it takes from 10,000 ft. to 12,000 ft. of timber. That is only an increase of £5 or £6.

83. Assuming we multiplied that house by a very large number, and the quantity of timber by very many hundreds, would that not amount to a considerable tax on the community, that 1s. a hundred all round?—If wages rose and everything along the line rose, the timber would have to go up. I could not say whether it would be detrimental or not to the public. It is a thing that is not likely to be done, anyhow.

84. What is to prevent its being done by the association?—They would not raise the price above what a yard can be handled at. The present price of scantling does not give you a sufficient profit to handle it.

85. Am I to take that as an indication that the sawmillers would be very likely to increase the price if there were no competition?—I do not know that they would. It would be a matter of local conditions. If wages and other things rose, I suppose they would increase it then.

86. In view of the possibility of prices going up, and in view of the increased demands of the Dominion, would it not be better to use a certain proportion of foreign timber and save a certain proportion of our own as long as we can do so to advantage?—I could scarcely say. I do not know whether it would be wise to save our own forests or not. I should think it a matter of what the land will produce: whether it will produce more from the growing of timber or from other uses—agriculture or whatever it may be.

87. *Mr. Morris.*] With regard to Oregon, do you not think that if this timber is admitted into this country on the same basis as at present, its importation will increase a great deal, and so "cut out" our native timber?—I think it will decrease unless the trade alters a lot. I do not think there will be many orders going forward for it, because there are pretty large stocks on hand now.

88. Can you give us any idea why Oregon is sold in this market at 14s. 6d. when they are charging 19s. for it in Dunedin—21s., less 12½ per cent.?—No, I could not give you any idea why that is so. It only shows that they charge a very low price for timber here.

89. It is not done with the object of bringing it into competition with our native timber?—No, I do not think so.

90. *Mr. Barber.*] I understand you to say that you are opposed to a reduction on the duty on imported timber?—It is a matter I have never gone into, therefore I cannot really say whether I am opposed to it or not. It appears to me that the present duty is sufficient. I should say it is about a fair thing.

91. Your opinion is that that should be retained?—Yes. I do not think there will be very much more Oregon come forward. I do not know authoritatively, but I hear that the price of it is rising, and if it rises at the source of supply Oregon will not come into this market. It cannot be sold any cheaper than it is sold now, and if the price rises at the source of supply that will block it from being profitable to handle.

92. You said that you are a member of the association?—Yes.

93. Do you know whether the association has, as an association, decided to oppose the removal of the duty on imported timber?—No, I have heard no discussion on the matter whatever at any of the meetings.

94. Why do you, as a timber-merchant and builder, advocate the retention of the duty which imposes an additional 2s. on the price of timber to all the people who purchase it, and consequently makes the cost of building dearer, and therefore rents higher? What is your reason for advocating a policy such as that?—I have not gone into the matter, and therefore I do not strongly advocate it one way or the other; but I suppose our local men will require protecting. We do not know under what conditions the Oregon is cut. It may be cut by cheap labour, or under other conditions which give it an advantage. That is a matter I do not know much about.

95. Do you consider timber a manufactured article or a raw material?—I suppose it is partly manufactured when it has had a saw through it.

96. In that case, would you class wool, after it has been clipped off the sheep's back, as a manufactured article?—I could not say. I have seen a few sheep in the paddocks—that is all.

97. Do you believe that the 2s. duty on timber is responsible in many ways for the high rents which prevail throughout New Zealand at present? It helps to increase the cost of building, and consequently increases the rent to the working-man?—No, I do not think that has much to do with it. For instance, the scantling in an ordinary cottage would not amount to very much. In an ordinary six-roomed cottage there would not be more than 5,000 ft. of scantling all told, and it would not all be Oregon.

98. But it is not used only for scantling, but for flooring, sarking, lining?—Oregon is only useful for scantling; it is not a bit of good dressed. It would not be used for flooring or lining.

99. It would not be used for the lining of a house?—No, it is never used here except in framework.

100. *Mr. Arnold.*] If Oregon and other imported timbers are only used for scantling in connection with a house, then their importation could not do very much harm if they came in free?—They would compete to a certain extent.

101. Only to the extent of the scantlings?—Yes.

102. It is a mere bagatelle?—The scantlings would represent about 50 per cent.

103. In an ordinary five-roomed house the increase in the price of the timber would represent something like £18 to £20?—No, it would not.

104. You say that that evidence is wrong?—There is about from 10,000 ft. to 12,000 ft. of timber in an ordinary five-roomed house, and 10,000 ft. at 1s. increase is £5. If the whole of the house was built of Oregon an increase of 2s. in the duty would only amount to £10.

105. If the whole of the duty were removed it would make very little difference so far as the building was concerned?—It would be a very small item.

106. Have you any idea how many men are employed in the sawmills in New Zealand?—No.

107. Then, you have not the slightest idea how many men would be displaced by the importation of Oregon pine?—No, I could not say. I do not know how many men there are working in connection with the sawmilling industry.

108. Then, you have no idea which is the better for the Dominion—to displace the small number of men employed in the bush mills or to tax the whole of the community by an increase in the duty on Oregon?—No.

109. So that your evidence is quite valueless so far as that question is concerned?—Yes.

110. *Mr. Stallworthy.*] In regard to the business of a timber-merchant, am I right in presuming that the man in a large way of business has an advantage over the man in a small way of business?—Well, naturally his output would be larger. He would be able to effect economies in the handling of it, I should say.

111. And he could sell his timber at a cheaper rate than the small man?—I do not know. He would have to get a bigger plant; he would have to allow for interest on his larger stocks and plant, and that would perhaps counterbalance it.

112. But it is not natural that a man in a large way would be able to sell at a larger profit than the man in a small way?—Perhaps so in some instances, but there are higher wages paid in large firms sometimes than is the case with a man in a small way of business, and therefore it brings the selling-price of the article to about the same.

113. Who fixes the price in the association—the larger or the smaller man?—It is a mutual arrangement.

114. But the influence of the men in a large way of business is greater than that of the men in a small way?—No, I think it is equalised. I should not say that the big merchant has much to do in the matter of regulating the prices any more than any one else.

115. You buy your timber from the West Coast through the agent here?—Yes.

116. Is it a uniform price?—Yes.

117. It covers the whole of the timber you buy?—No, there are two prices.

118. What are they?—6s. 9d. and 8s. 6d.

119. *Mr. Mander.*] You say that within the last year or two you have increased the price of jarrah 1s.?—I think it has gone up 1s. The Jarrah Company has raised it 1s. We simply go by their list.

120. And they put the price up on you first?—Yes, certainly. We simply charge their list price. We have practically nothing to do with it.

121. You had to pay 1s. extra for the jarrah, and consequently charged that extra?—Yes. If we are charged 1s. extra we have to charge that amount in addition.

122. Would a reduction of 2s. in the duty on jarrah reduce the price of rimu, do you think?—I could not say.

123. Would a builder get the whole of that 2s. if the duty were taken off jarrah?—There is not a great deal of jarrah used. It is only about 4 per cent. of the timber in a building.

124. But supposing the duty were taken off Oregon pine, do you think that would reduce the price of the building to that extent on all the timber used for building in Christchurch?—I could hardly say what effect it would have.

125. If it did reduce the price by 2s. on the market, would it also reduce the price of rimu to that extent?—Well, rimu could not be sold at that price.

126. Could the rimu-producers compete with Oregon if the duty was taken off and it was sold at 2s. less in Christchurch?—It could not compete. There would have to be a cheaper way of producing it than at present.

127. Do you not think that, if a merchant in Christchurch made a larger profit out of Oregon than out of rimu, he would force Oregon on the market?—I suppose it would be natural that he would sell the best-paying line.

128. *Mr. Ell.*] Are you interested in sawmilling at all?—No.

129. You are purely a timber-merchant?—Yes. We have no interest whatever in any mill—we deal entirely through the agent.

130. You told us with regard to Oregon that it was mostly imported in large sizes and used for big buildings?—I should say so. It is very useful for big work.

131. And necessary?—Yes.

132. That being so you would not advocate any higher duty to exclude it from the market?—No, I do not think I would advocate a higher duty on it.

133. Now, with regard to jarrah, was there not an Australian company in operation here two years ago?—Yes.

134. Was the timber that was then being sold at the price competing with some of our local timbers—black-pine or any other timber?—Yes, it was certainly competing with black-pine.

135. Is it a fact that the Australian company was bought out by a local syndicate of merchants?—I could not say.

136. Is the present company a Christchurch company?—I do not know who it consists of. It is called by the same name—the Jarrah Timber Company.

137. You never heard there was a change of ownership of the yard in Moorhouse Avenue?—I heard there was an alteration taking place in the business. The manager here went north.

138. Who is the manager there now?—Mr. West.

139. A Christchurch man?—That is more than I can say.

140. Is it not a fact that after the change in management the price advanced?—I think it advanced.

141. You say the price went up 1s.?—I think it was something like that. I could not say unless I had the list here.

142. I understood you to say that jarrah had gone up 1s. within the last twelve months?—Yes, it went up, I think. We only get a buying discount.

143. That is since the change in the management has taken place?—I think that is so, but I could not say for certain.

144. *Mr. Field.*] Is Oregon being used for framing in the small buildings and cottages in Christchurch?—I think there is some of it being used.

145. Is it not a fact that rimu would be used if Oregon were not here?—Yes, I think rimu would come in.

146. Then Oregon is to that extent displacing red-pine?—To that extent, and also for scantlings.

147. Mr. Arnold asked you a question in which he apparently suggested that as a result of the sawmills being closed a number of men would be thrown out of employment. Would not other results take place besides? Would not the capital of the sawmiller be lost?—Certainly, if the mill were closed. It would depreciate very considerably if the mill were shut up.

148. He could not get anything for his trams?—That is a thing I do not know. The thing must be worth something.

149. But if milling is bad all over the colony it is no good trying to sell sawmilling machinery?—I suppose it would be on a falling market.

150. What about the timber on the ground? Would not that be burned and the land used for farming?—That is a thing I could not say. I really do not know which pays the best.

151. It would be a pity to see our valuable timber go up in smoke?—I understand a lot of it is burned, and if they could make money out of it by milling it you would think they would do so.

152. Then, you do not think it would be better to have the money spent in the colony instead of sending it to America?—Yes, I think we can do with all the money we can get here.

153. There is also the railway freight which would be lost. Would not that have a bad effect also?—Yes, it would lessen the revenue of the country.

154. *Mr. Arnold.*] Do you say that, if it was necessary to discharge one-fourth of the hands in any particular mill, the capital would be lost?—I understood Mr. Field to suggest the shutting-up of the mill altogether.

155. That was not the question I asked you. I asked you the question as to a certain number of men being thrown out of work. Mr. Field is trying to minimise the reply I got from you. If the whole mill is shut down, do you say then the whole of the capital will be lost?—Not entirely. There must be some value attached to it.

156. What do you mean by "capital"?—Money expended on the plant and land.

157. Is that all the capital expended in a sawmilling business?—As I have said, I know nothing about the sawmilling business. I do not know the amount of capital required. We buy our timber from the mills, and are not interested in any mill in any shape or form, but if you discharge your hands there would be a loss of wages in the district.

158. Now, if you have a capital of £2,000, and you close your business, would you not use that capital for some other purpose?—You might not get £2,000 for your mill.

159. Again, with regard to the railway, do you suggest that if a certain portion of the milling labour that is done now ceased to be done, that the railway is going to suffer? Would there be a less consumption of timber in the Dominion?—Well, I should think that the railway in the district would suffer to the extent of the loss of freight on the timber it previously carried.

160. But, then, the Dominion is the proprietor of the railways?—But America's timber comes into our ports, and there is not much railway freight on it.

161. You know there is an extra railway freight on the imported timber?—Yes.

162. And therefore if there was the same consumption there would be a gain and not a loss?—It cannot be a gain if the Oregon comes into a port and is not carried on the railway. I take it that nearly all the Oregon that comes to this country goes to the four large centres, and there would not be much railage on the stuff that goes to three of them. I do not think there is much Oregon used in the country districts.

163. But the suggestion is that if the duty were taken off it would be used, and if it were used would not the railway suffer in consequence?—I think the railway would suffer the same because, as I pointed out, the Oregon comes into the ports, and there must be a greater percentage of Oregon used in the cities than in the country.

164. Why not in the country?—In the first place, there is not so much work done in the country as in the cities.

165. At the present time there is a certain revenue derived from the local scantling, and the suggestion is that if the imported scantling is to be used instead, would it not have to go into the whole of the buildings wherever they were?—Certainly, if we do not use our own article we shall have to use the other.

166. Therefore the argument that the railway is to lose the revenue is a bogus argument?—Well, I should say the railway must get a good deal of revenue from the bush sawmills, because there are millions of feet of timber carried from the bush sawmills to the port of shipment. The mills are getting further back, and there must be railage paid on that timber from the sawmill to the boat, and, seeing that such a large proportion of the timber comes from the coast to this market, I should take it that the Westland railways would suffer considerably if they lost all their timber trade.

167. But would they lose it all? You do not suggest that, do you?—I am not suggesting anything. When you go into statistics and what might happen I have nothing to say, because I am not an authority on it.

168. You admit that Oregon pays a heavier freight on the railway than the local timber?—Yes, they pay a little more on it, but I am not certain.

169. *Mr. Stallworthy.*] What is the relative proportion of the West Coast timber you buy at 9s. 6d. as compared with the 8s. 6d.?—About 50 per cent.—about half of each.

170. *Mr. Field.*] When I asked you about the sawmiller's capital being lost, you assumed the capital actually invested in the business; you did not think I meant his outside capital?—I took it that you meant the money spent in his mill and bush.

171. *Mr. Mander.*] Supposing Oregon timber displaced the rimu timber in the principal towns of New Zealand, would that not prevent the country millers from sending their timber into those principal towns?—If the duty on Oregon pine was reduced by 2s, I do not see how rimu could compete in the cities.

172. But rimu could compete in the country in consequence of the extra freight put on Oregon pine?—Yes, I should think so.

173. *Mr. Morris.*] As a builder and timber-merchant, can you say what percentage of the timber you get from the mills is fit for dressing and manufacturing purposes?—About fifty per cent., roughly speaking.

174. *Mr. Barber.*] With regard to the question of railway freight, have you any idea whether or not there is any profit made out of carrying timber on the railways?—That is not for me to say. I do not know whether they get a profit out of it or not.

175. Do you say the Dominion is going to have a very heavy loss through not having this timber to carry?—I do not think it would be a very heavy loss. I should say it is reasonable to assume that it must lose something if there is no rimu carried on the railways.

176. And when the Government, for the purpose of helping the industry, carry it at a very low rate, you do not know whether they are carrying it at a loss?—I do not think they would carry it at a loss.

177. *Mr. Hanan.*] Can you tell us if the timber-merchants in Christchurch have increased in number during the last twenty-five years?—I think there are one or two more in the town.

ERIC CHARLES GOLD SMITH, Commissioner of Crown Lands, Christchurch, sworn and examined. (No. 44.)

1. *Hon. the Chairman.*] You are Commissioner of Crown Lands for Canterbury?—Yes.

2. It is not expected that you are in a position to deal with the whole of the subjects relating to our inquiry, and a number of them you are not expected to trouble about?—I do not know anything about the first four on your order of reference.

3. We want to know specially from you with regard to the timbers of Canterbury—their quantity, how they are disposed of, and what the position is for the future?—We have given all that in one of our returns.

4. Have you the return here?—Yes. [Return produced and deposited.] The total amount available is 31,545,000 ft. In stating a quantity like that it is quite a guess, because it is impossible to estimate the quantity of timber in a forest for milling purposes unless a proper survey is made.

5. Then, no survey has been made?—No. An experienced miller might go through the forest and estimate the quantity of milling-timber, but you cannot do it accurately. A more accurate and perhaps the only way of estimating the quantity of timber in a given area would be to select an acre here and there of fair average bush, survey these acres carefully as to quantity, average them, and from that arrive at an estimate of the total timber in the whole quantity.

6. Then, you are only able to give an opinion on that small piece that you measure?—You take that as an approximation. If you were careful it would generally run the same. You take an acre here and there, and then you get a proper estimate.

7. Have you a statement to show where this timber is situated?—Yes, there is a map here.

8. Can you tell the Commission how many mills are operating on this timber at present?—Not from memory, unless it is in one of these returns.

9. *Mr. Mander.*] That does not include the West Coast?—No, only the Canterbury Land District.

10. *Hon. the Chairman.*] Will this map not help you to give the information as to the number of mills?—I only came back last night from the south, and I have not had time to look at this. As a rule, these estimates of milling-timber are very wide. I can furnish the Commission with a return of the mills that are working in the district, and you may have it this afternoon.

11. Do you know the number of leases that were issued to millers?—Yes. They are all in these schedules.

12. Could you tell us the principal number and where situated, how long they have been in operation, together with the quantity of timber still left unoperated-on?—Near Waihau there is a bush, but it is only 270 acres; there is another bush in the same neighbourhood containing 5,500 acres; in Mount Thomas, 2,500 acres; and Kawai, 900 acres.

13. *Mr. Ell.*] What kind of timber?—Forest Bush, 350 acres; Peel Forest, 1,000 acres; White Rock, 1,400 acres: making a total of 2,750 acres leased at the present time.

14. What are the conditions of your leases in Canterbury? How much do you let to one mill?—We have no big milling leases.

15. Are there any of them extending over 800 acres—they are generally in 200-acre lots, I understand?—These leases are for milling purposes. I did not think you would want me until to-morrow morning, and I have not taken the information out.

Mr. Ell: I think we had better leave it until you get it out.

JAMES ROWE sworn and examined. (No. 45.)

1. *Hon the Chairman.*] You are the president of the Builders' Association?—Yes.

2. You know the points the Commission wish to get information on?—Yes.

3. Can you throw some light on them—the matters set out in this order of reference?—Of course, my experience is only as a builder. I am here to answer any questions you may ask me. I cannot say that I have any knowledge of the actual timber industry, so far as the sawmilling and felling of timber is concerned.

4. Can you tell us something about the builders and how they get their stocks?—The timber is mostly purchased locally by the builders from the different merchants.

5. Where do the merchants generally get it from? Can you tell us?—I understand that most of the merchants purchase from the sawmillers in the different parts of the Dominion. Some of them are sawmillers themselves, and are owners of sawmills.

6. You know there is an association among the builders?—Yes, there is.

7. Can you tell us anything about that?—As far as the association amongst the builders is concerned, it is merely what you might call a mutual association—not for any combination for the raising of the price of building in any way. It is for the mutual benefit of the trade in general. The Builders' Association in Christchurch was started in this way: Some years ago there was always trouble with the architects with regard to conditions of contract. Every architect had separate rules and sets of conditions, and if a dispute arose the architect was the sole arbitrator; the builder had no redress. Often a case went to the Court, and the first thing the Judge would ask the contractor was whether he signed those conditions, and he would answer, "Yes." Well, then, he was simply thrown out of Court through having signed conditions that he should not have signed.

8. Did the association get that altered in any way?—Yes. After forming an association they met the architects, and at the present time we are working under a set of conditions that has been accepted by the architects throughout the Dominion—by the Architects' Association and the different builders' associations.

9. They understand one another now?—Yes.

10. This association does not interfere with tendering for work?—Not in the least.

11. Each member is a free agent?—He is a free agent when tendering for a job.

12. *Mr. Field.*] Have you any complaint to make about the price you pay for timber?—Personally I have no cause to complain, as far as that goes. It is a recognised fact, I think, amongst builders that if they have to pay a high rate for their timber and are working on a certain basis on the cost of the building, they lose nothing by it.

13. Knowing what you do about the matter, do you personally think the timber-merchants are getting too much?—Of course, you might say it may be purchased cheaper.

14. Some lines cheaper and some lines dearer?—Yes.

15. Taking it all through, is it a fair price?—On the average there is nothing to complain of. The timber-merchant has always to keep a certain amount of stock on hand to supply the demand.

16. Could you give the Commission any idea as to how much timber has gone up in price in the last ten years? Have you been here ten years?—Yes, fifteen years.

17. Take the last ten years. You know that timber has gone up all over the world, of course?—Yes. I think, taking it right through, it would average 15 per cent. That is, over ten years.

18. What is Oregon pine used chiefly for here?—Principally for joists, beams, and truss-work, and all like that—big timbers. Latterly it has also been used for lathing for plaster-work. It is far preferable to kauri in that respect.

19. Have you seen it used for framing?—Yes.

20. The framing of an ordinary building?—Yes. I had eleven years' experience in Victoria, and the same thing applies there. You might say they have their ordinary building-timber, which is used similarly to our red-pine here for the common class of cottage-work, but principally Oregon is used for the better class of buildings—for framework and so on.

21. If Oregon were not here, rimu would be used for that purpose?—Yes. The greatest trouble we have as regards the rimu is that we cannot get sufficient stocks in hand for the supply of what you might call thoroughly seasoned timber. I heard Mr. Goss and several of the timber-merchants on this point. The builders' idea of seasoned timber and the merchants' idea are two different things.

22. What is it, precisely, that you have to complain of, then?—That you cannot get it seasoned as you would like it seasoned. The timber does not stand a sufficient time to season. If the Commission took the trouble to walk round the different yards in Christchurch they would find that most of the timber is stacked out, exposed to the hot wind and sun. Necessarily that involves a great deal of waste.

23. That is the loss of the timber-merchant?—Yes.

24. While so stacked, of course, it is seasoning?—Yes, to a certain extent.

25. When the merchants charge you—as I understand some of them do charge—2s. a hundred feet extra for seasoned timber, do they not give you seasoned timber?—It is not always what you would call seasoned timber. It might have been in stack three, four, or five months—sometimes less if there has been a run on particular lines.

26. Is not that sufficient for ordinary framing and ordinary boards if properly stacked?—No, I do not think so. I consider that with most of the New Zealand timbers it requires from eight to nine months. The best time of the year for seasoning timber is the winter, when it gets the frost. The frost draws the sap out better than the north-westers.

27. Do you mean to say that if you take any New Zealand timber, in small pieces, that has been stacked for four months, you cannot rely on that?—No, you cannot. I had an experience some nine years ago with black-pine. It was taken out of a building that had been up here for forty years. It was some heavy beams—12 in. beams. It was taken out, and I cut it up for joiners' work—for panelling—and after that had been put through the mill again and left to stand and was glued up, it shrank even then. That was the old Lane's mill. That is one of the greatest drawbacks with New Zealand timber—we can never rely on it.

28. Is there a serious result arising from using timber that has been stacked four months?—If the sap is not thoroughly out of it and it is placed in a position where the air does not get at it, it rots quicker.

29. It is not that it opens at the joints?—No. Often enough it will twist and warp, especially if it is for plaster-work. For instance, if it is for the first floor of a building where the ceiling underneath is plastered, if the joists are not thoroughly dry, directly the atmosphere makes itself felt the timber begins to shrink and the plaster to crack. Of course, it is put down to the unseasoned timber that is used.

30. If timber has been stacked for nine months, what would be a fair additional price to pay for it? It is rather an expensive matter, I suppose?—Yes, most decidedly. There is another thing. Most of the timber is felled at the wrong time of the year. Timber is felled all the year round.

31. You say that it ought to be felled in the winter-time?—Yes. From the reports we have, if it is felled then and is left lying before it is cut, the sap gets out of it quicker. For special-order stuff we have to send the order away, and get the timber and use it straight away. We can never rely on going to any yard in Christchurch and ordering a sufficient quantity of joists and putting them into the job next week.

32. Do you think it makes as much difference in the case of our evergreen trees as in the case of the trees in the Old Land that shed their leaves in the autumn? Do you not think there is more sap going up in the spring, when the trees are budding, than is the case with the evergreens?—I do not think so.

33. Has Oregon been coming in in large quantities here during the last year?—In fairly large quantities, I think, this last twelve months. Of course, there is a slump in the American market, and the price of Oregon went down; and the freights, I think, were reduced on Oregon coming here.

34. Does the importation show any sign of easing off?—I think it is easing off, because there is no market either for Oregon or red-pine at the present time. The building trade has dropped off.

35. Do you think the building trade in Christchurch has been in any way affected by the increased price of timber: you say it has increased 15 per cent. in ten years?—I do not think the increased price of timber has affected the trade in any way.

36. It is the dull time?—Yes.

37. Do you think that, economically, it would be a good thing to-day for the sawmillers to sort their timber and grade it at the mills before it comes here?—Yes, to a certain extent it would.

38. Do you think it would pay to do so? Would you be prepared to pay the additional cost of the grading?—As far as I am concerned, it is not I that would pay for it.

39. Would the consumer be prepared to pay, do you think?—I think that in the majority of cases he would. As regards red-pine, the great trouble is that there is a lot of theory as regards sap and heart; what one man will call sap another will say is heart. If we were to condemn all that some people say is sap we should condemn fully three-fourths of the red-pine in New Zealand.

40. What is ordinarily termed sap is, as a matter of fact, very fair building-timber, is it not?—Yes. In fact, I have brought along to the Commission a sample to exemplify what I mean. [Samples produced and explained.]

41. With regard to this question of Oregon, you say that Oregon is used for the framing of buildings, and that to some extent it displaces our red-pine?—To a certain extent—not to such a great extent. It is used more for large sizes.

42. Still, it is used for framing?—In the better class of dwellings; but in, for instance, a four-roomed cottage, for the match-lining or anything of that sort I do not think there is much preference as regards Oregon and red-pine. Every one has the idea now that Oregon is the better timber, and people will use it in preference.

43. There is always a prejudice against the local article, is there not?—Yes.

44. And it is sold quite as cheaply here, I understand, as red-pine?—At the present time it is. That is only since these few shipments have come in, but in a few months I do not think it will be so cheap.

45. Of course, we are told, where Oregon is dearer than red-pine, that red-pine has nothing to fear; but where it is cheaper than red-pine we are asked, "Why put a duty on Oregon and prevent people building as cheaply as possible?" What do you say about that, and the effect it might have on our timber-mills and our milling-country? Do you know anything of the conditions which prevail in the North Island?—No. My experience has been in the South Island.

46. Have you given much thought to that question?—No, I cannot say that I have given any thought to it.

47. Do you yourself think it would be wise to provide for the compulsory seasoning of timber, or do you think the people have the remedy in their own hands at the present time?—I think the people have the remedy in their own hands.

48. *Mr. Leyland.*] With reference to the architects' conditions, you have managed, as the result of your association, to get conditions that apply equally all over the Dominion?—Yes.

49. Do those conditions apply to Government contracts?—Not as far as the Public Works Department are concerned; but several local bodies have adopted them.

50. Not Government Departments?—No.

51. Do you not think it desirable that they should?—Yes. We have approached the Government on the matter.

52. A friend of mine—a builder—tendered for the erection of the Post-office in Auckland, after giving a fortnight's work. He was the lowest tenderer, but no tender was accepted. Do you not think he should have had some remuneration for all that trouble?—Most decidedly. A builder is entitled to payment for his work as well as anybody else.

53. Do you think it desirable that the importation of Oregon should be restricted?—I do not think it would be desirable to prohibit it altogether.

54. Do you think the present duty is quite sufficient?—Yes.

55. Do you not think the present duty should be taken off the long lengths—the lengths that are so difficult to get in New Zealand timbers?—The association went into that matter some few months ago, and a recommendation went before the Federal Council, and it was recommended that the duty should be taken off altogether; but since then we have rather modified our views. I have the resolution here, "That this association is of opinion that any reduction in the duty on Oregon would not improve the building trade, as the price of dressing-lines in red-pine has already been and would be increased if millers could not find a market for the rough timber."

56. *Mr. Field.*] That is, the rough red-pine?—Yes.

57. *Mr. Leyland.*] With reference to those beams that you mentioned having had cut, were they heart or sap?—All heart.

58. Do you think, for the purposes of beams and for joists, that heart of Oregon is superior to sap rimu?—Yes, most decidedly.

59. Then, if a builder or proprietor wished to build a brick building, do you not think it would be folly to put in sap rimu if he could get Oregon at a slightly increased price?—Yes.

60. Then, if it would be better for the building, do you think it would be better to restrict the importation of Oregon?—Yes, that is what we think, as far as the builders are concerned; but we do not want to restrict the using of it.

61. The reason for asking you that is because there is a difficulty in getting large beams in rimu, especially in long lengths?—Yes; in fact, I have found myself that in ordering a large quantity of 12 by 2 or 12 by 3 you might order a dozen or so extra so as to get some heart, but it is very little heart you get.

62. But supposing you wanted a hundred 12 by 4 in heart of rimu, could you get them in Christchurch?—No.

63. Do you think you could get them more quickly in heart from the mills?—In perhaps six or eight weeks' time.

64. And in the meantime operations would be stopped?—Yes, if you wanted them immediately.

65. If stocks of Oregon were held there would be no difficulty in getting an order like that?—No.

66. Do you not think that is an advantage to the trade and also to the colony?—Yes. I had that experience this time last year. A warehouse was burnt, but the walls were perfectly sound, and a new roof had to go on. It was six weeks after signing the contract before I had a stock landed on the ground. An order had to be sent away specially to get the tie-beams for the roof. After that Oregon came in.

67. Do you think there would have been anything said about Oregon if it had not been for this depression? Would not the builders have rejoiced if they could have got Oregon?—I do not think there would have been anything said myself as far as my experience goes, and I do not think the merchants are losing anything on the Oregon. In fact, I think they are making more on Oregon than on red-pine at the present time.

68. *Mr. Clarke.*] With regard to the retail price, the commonly accepted retail price of sawn timber here is—what?—Fourteen shillings and sixpence, less a discount.

69. But does not that represent the price of only a portion of the timber; for instance, is there not an increased price for timber over a certain width?—Yes.

70. How much a hundred feet for the first?—I have not a price-list with me, but as far as I recollect now it has increased in price up to 19 in. in width.

71. And does the price go on increasing as the width increases?—Yes.

72. And there is a further increase over a given length?—Yes. Over 22 ft. it is 6d. a hundred feet extra per foot in length.

73. Further than that, over and above your rough-timber price, you have a price for timber suitable for dressing-lines—how much is that?—I think it is 2s. a hundred extra for dressing.

74. Is not a large quantity of that used in building operations?—Yes, for ordinary building you might say there is more than one-half of it dressed timber.

75. Then, in addition, there is a further price for timber that is filleted?—Yes, that is another shilling, I think.

76. Is it not 2s. for what they call seasoned timber?—All stripped timbers selected for dressing up to 12 in. is 18s.

77. So that quoting 14s. 6d. per hundred as the market price of timber conveys a very poor idea of the actual cost of the timber used in that case?—That is quite so.

78. In regard to the necessity of having foreign timbers, assuming you had an urgent order for a building for temporary purposes requiring a large number of not long lengths, but moderately long lengths, could you procure them at short notice?—I should say that from my experience it would have to go through as a special order. None of the merchants care to stock those large sizes of ordinary building red-pine for that particular purpose.

79. Then, you do not agree with the statement which would imply that any builder can get anything he wants in the building trade in Christchurch at short notice?—Certainly not.

80. *Mr. Morris.*] This question of seasoned timber seems to be a very serious one in Christchurch?—Yes.

81. Have you any experience of artificially seasoned timber?—No, I cannot say I have. There is no such process in Christchurch as far as I know. I have seen artificially seasoned timber in Melbourne, but have not had any experience in using it.

82. How does it stand after being put through the process?—I could not say.

83. We were told yesterday that the artificial process generally deteriorated the material?—I have seen the process, and I should say it would have that tendency. It is principally steamed.

84. Do you consider the samples of wood you have shown us here a good class of wood for finishing-work in buildings?—For ordinary housebuilding purposes I consider it is the average class we always get.

85. In regard to the question of big joists and beams, is it not usual for a builder when he gets a job to order those things right off the reel: he does not wait till he wants to use them?—No, the orders have to be sent straight away.

86. And in most cases they get them on the ground before they are required?—Yes.

87. But not sufficiently long to season?—No.

88. There is really not much in regard to the question of having to wait long for big joists?—There is this in it: the timber when you get it is not seasoned. Very often we get it on the jobs in such a condition that men have remarked that they have heard the birds singing in it.

89. We have heard that Oregon is not seasoned, too?—That is a mistake. I have had a good deal of experience in Oregon.

90. How long do you think it would take to season an Oregon beam, say, 14 in. square?—Probably it might take two years.

91. And do you think the timber that comes here should be kept in the stack for two years?—The sap is virtually out of the log days before it is milled.

92. I understood that the timber in many cases goes straight off the saw on to the ship?—That is different to what I have heard. When being brought down from the mill it is generally done by water carriage, and that has a tendency, even if the timber is long in the water, to take the sap out of it. The water will gradually draw the sap out of the timber. The experience we have is that if you have unseasoned timber, especially colonial timber, it will very soon show itself.

93. Did you not make a mistake when you said you paid more for 9 in. timber. Does not the difference in price commence at 12 in. in width?—Yes, that is right.

94. And over 22 ft. in length?—Yes. I think the last price-list stated 9 in., but there was a former price-list.

95. *Mr. Barber.*] You said you were a member of the Builders' Association?—Yes.

96. How many members are there in the association?—I could not say from memory, but I think 130.

97. And do they comprise the largest contractors in Christchurch?—Yes.

98. Mostly those who tender for large jobs?—Yes. You might say the whole of the large contractors are members of the association.

99. How many builders are there outside the association?—I have heard various statements. In fact, I have heard it said that at one time there were double the number outside; but I believe there is another association started, and its membership has dwindled down to something like half a dozen.

100. What was the other association formed for?—It was more for the small builders.

101. What is the fee for joining your association?—Two guineas for membership, and the other is only one guinea.

102. The builders outside of your association must have been dissatisfied with the conditions?—No, they were not. There are a lot even outside of the association who look at paying two guineas—it is too much of a tax on them. Speaking of our own association and the majority of the members, it is not for the individual benefits that are to be derived or for the receiving of discounts from the timber-merchants; but we recognise that if we can only uphold our present conditions instead of reverting back to the conditions which existed two years ago, it is worth two guineas for us to combine into an association.

103. You claim that the members of your association are the most experienced builders in Christchurch?—Yes.

104. What reasons can you give for a body of men who are experienced in the building trade reversing a decision they came to previously with regard to the importation of Oregon pine?—I think it was more in sympathy with the local product that, if they were to advocate the duty being taken off the Oregon pine altogether, it would affect the local timber.

105. Was it the outcome of a threat from the timber-merchants that they would increase the price to you of all timber you wanted for dressing purposes?—No, we have had no intimation from the timber-merchants.

106. Are you aware that the alteration of that resolution is in direct conflict with a similar organization in New Zealand? Take Dunedin, the resolution passed by the association there was very strongly in favour of the removal of the duty on Oregon pine. Are you aware that your association is acting counter to the wishes of the trade in other parts of the colony?—No. Of course, I think, so far as our association is concerned, they would have no objection to the duty being taken off Oregon pine in the large sizes, so that if anything required to be cut up into the smaller sizes it would then give work to the millers here.

107. You do not object to Oregon being imported duty-free in the large sizes?—No, not in the large sizes. The reason why the resolution was altered in that respect was that we thought that if the duty was taken off altogether on the large sizes, we should not object to it being put on the small sizes, so that if it was brought in it would give a certain amount of work to the saw-millers here in cutting it up; and that also would increase the price of it, so that it would counteract against ordinary red-pine for building purposes.

108. With regard to seasoned timber, would it be possible for any one to tell, when a shipment of Oregon pine arrived, whether it had been seasoned and had become sodden with salt water?—Yes, I think we could distinguish the difference by cutting it.

109. You say that seasoned timber has a great advantage over unseasoned timber?—Yes.

110. And you say it takes nine months to properly season timber?—Yes.

111. If you had a large contract in which you wanted long lengths, you say you would have to order them after you got the job?—Yes.

112. And the job would be proceeding while you were waiting for them?—Yes.

113. And those beams would be put in without being seasoned?—Yes.

114. Is it possible under any conditions to get those long beams in all heart?—Not in all heart, as some theorists ask us to believe it should be.

115. And it would be put into a building in a condition of heart and sap in unseasoned timber?—Yes.

116. And that would be covered up almost soon after it is put in?—Yes.

117. And that would be a natural weakness to the building?—Yes.

118. *Mr. Arnold.*] In regard to removing the duty on the large sizes of Oregon only, have you considered whether it is not a fact that the better class of timber comes in in smaller sizes?—I have never heard that the better class of timber came in in the small sizes.

119. For instance, if you were having 4 by 3 brought in, would it not be necessary for them to send a better class of timber than they do in the large block?—I do not think so. I have understood as regards Oregon that there are about four or five different grades, and the extra first grade is a very fine grade of Oregon. That is used in America for joinery-work, I believe, but I am certain it could not compete with red-pine, because I happen to be acquainted with one of the officers on the boat that came here, and he told me that the sister boat in the company he was in left with the same quantity of Oregon pine on board, but it was valued at double the price of the Oregon that was brought here.

120. You think, then, that even at the present moment we are getting an inferior class of Oregon pine—that they do not send their best timbers here?—It is not the very best Oregon pine.

121. You say their timber is felled and then brought down by water?—Yes.

122. Do you know that as a fact or by reading?—It is only from what I heard those acquainted with it saying. The officer of this boat told me it is floated down to the boat in millions of feet bound together.

123. Are you aware that they tap their timber, and that the trees which are tapped produce very inferior timber, and that it is that timber which is sent to New Zealand?—I have not heard that. I should think it is hardly likely. I do not think they would go tapping the timber-trees purposely.

124. But is not that their system for the purpose of getting a large product?—It is quite possible it may be.

125. Do you not think that, as the demand for Oregon increases, as it is increasing in the different markets of the world, there is a greater likelihood of our getting unseasoned timber here?—I do not think so. As far as my experience is concerned in regard to Oregon both here and in Melbourne, it always seems to come here in the same state. It has never come in green. It always seems to have been cut a considerable time before.

126. You have had experience in the factory with Oregon pine?—Yes, fifteen years ago. My experience here covers twenty-five years.

127. You say that the timber you receive here now is as well seasoned as that which you received twenty-five years ago?—Yes.

128. *Mr. Stallworthy.*] Do you think 5 per cent. is a sufficient builders' discount?—No, I do not.

129. You think the merchants should allow you more than that?—Yes.

130. Would you consider 10 and 12½ per cent. too high for a trade discount?—I think 10 per cent. would be a fair discount.

131. Are the list prices the actual prices, or do you know of any special discounts allowed any individuals?—I do not know of any special discounts except from hearsay. As far as the list produced is concerned, there are some merchants who allow a further discount, and I think that is done to gain trade.

132. There is cutting into the prices even below the list prices?—Yes. I know one firm which gives 7½ per cent. besides the 2½. In fact, I bought a small line myself and received that discount.

133. In tendering for building-work, is it the practice for builders to give the customer the benefit of the builders' discount?—No, it is not.

134. The effect of the competition does not tend to make builders do that?—Not as far as my experience goes. I think the builder is as justified in having his perquisites as a draper is in receiving his profit on the material when making a suit of clothes.

135. What does the builder do for his customer for that discount — what service does he render for it?—He has an office staff to keep up and an establishment.

136. But he charges for all that?—And he has a certain amount of wear-and-tear on his plant, and losses, to make good.

137. Has the importation of Oregon lessened the cost of buildings?—No, I do not think so. It has made no reduction.

138. I suppose your association discusses matters affecting the building trade?—Principally.

139. Has the association anything to suggest in the way of developing the building industry?—I cannot say that we have, because I think it is financial. When finance is easy and money plentiful there is generally more building going on.

140. There is no other cause?—I do not think so.

141. You told us that a merchant said there were more builders outside your association than in it. When the merchant made that statement was your association asking for any special concession, and so caused him to say that?—I forget the circumstances under which that was said.

142. Has your association ever asked for any special concession?—No. I think when that statement was made it was with regard to this discount business. There were a great number, we found out, outside the association who were receiving discount, and this merchant made the statement then that there were as many outside the association as in it, and that he would be very glad to have them on his books. He would like the whole of their trade without the 5 per cent.

143. *Mr. Mander.*] You said you had to pay extra prices for wide timber, and for timber over a certain length?—Yes, sir.

144. Do you know whether the merchants have not also to pay a higher price for that class of timber to the timber-merchant?—I could not say.

145. Do you not think it is likely?—As regards the Oregon that has been imported here, it has been landed at Lyttelton all at the same price, but nevertheless the price has gone up for lengths over 24 ft.

146. Considering the merchant would make a very small profit on the ordinary timber, would it not be legitimate to charge a small profit for the special lengths and sizes to make up for that?—Probably.

147. If the duty were taken off Oregon timber doubtless all rough timber would be used for building purposes?—I do not think so.

148. If it was put in cheaper than rimu?—Provided it was imported in larger sizes and had to be cut up into smaller sizes.

149. If the duty were taken off it altogether and the small sizes were introduced into this country?—It would cut a good deal of it out of the market.

150. If that happened you would have to pay very much higher for rimu for better-class work. Do you not think, under such circumstances, it would be reasonable for that result to take place?—Yes, the association recognises that probably that would occur.

151. If the merchants allowed you 10 per cent. instead of 5 per cent., do you not suppose they would have to put up the price of timber to meet that?—Yes.

152. Then, it would be very little benefit in that case. Do you think it honest, when a combination takes place in the timber business, or in any other business, and it is arranged to allow a certain discount to builders, for one or two members of that association to allow a higher discount in order to get the trade?—You ask me in reference to the timber-merchants?

153. Yes. They allow now 5½ per cent. discount: in order to secure trade from other members of the association do you think it would be fair for some to allow 7½ per cent. discount?—No, it would not be honest to do that. They should be true to their association.

154. *Mr. Ell.*] You do not agree with the statement of the timber-merchants that there is an abundance of seasoned timber always to be obtained in Christchurch?—No, I do not agree with it at all.

155. I may say that this scarcity of seasoned timber was also complained of in both Invercargill and Dunedin. Now, from your experience as a builder, is a house built of seasoned timber of more value to the person having it erected than if it were built of unseasoned timber?—Certainly, and the amount of difference in the cost would be trifling—not more than £10 on a five-roomed cottage. It would be 2s. per hundred feet extra, and that would only mean on the dressing-lines, as the ordinary rough stuff would only be 1s. extra.

156. It would be less than £10 extra?—Yes—about £7 10s. The public would be gainers, because houses so built would last much longer. There would be a distinct gain from a national standpoint.

157. Do you think that the matter of not being able to obtain seasoned timber is due to the trees being cut at the wrong season of the year?—I think so.

158. If a sawmiller in the Riverton district told me, as he did, that beech cut in the winter-time was not so liable to warp and shrink or split as beech cut in the summer-time, would he be saying what was correct?—I think so.

159. You have already told us that you do not approve of a heavier duty being put on Oregon?—I would allow the duty to remain as it is. It would not hurt if it were taken off the larger sizes.

160. If any alteration was made, it should be taken off the larger sizes?—That is my opinion. It would be a greater benefit to the consumer to take the duty off the larger sizes and lengths.

161. With regard to prices, have they advanced materially lately on dressed lines?—There has been a slight increase lately in these last price lists on dressed lines and a small reduction on the rough lines.

162. According to the Christchurch price list, rusticated red-pine boards have been sold here for £1 0s. 6d.?—That is so.

163. In Dunedin, 16s. 6d., being a difference of 4s.?—Yes.

164. Do you consider that the difference in the price of timber justifies a difference of 4s. per hundred feet?—As far as Christchurch is concerned, and as far as the timber-merchants are concerned, they do more as regards having dried timber, such as rusticated and flooring, than the other centres do.

165. It is only fair for me to say that the 16s. 6d. priced timber is not seasoned?—That is so far as Dunedin is concerned.

166. There is still a difference of 2s.?—Yes.

167. Are there any different conditions? The labour is about the same. Can you explain why there should be such a difference?—There is extra handling in connection with dried timber. After it is run through the mill it has to be stacked again and put away. There is a certain amount of extra handling.

168. With regard to jarrah, has it advanced a little in price?—Yes, I think it has.

169. You were able to obtain it twelve months ago at less than black-pine?—Yes, a little under black-pine.

170. Are you aware of any change having taken place in the management or ownership of the Jarrah Supply Company in Christchurch?—Yes. I believe the present company is a local company which bought out that Western Australian Millers' Company.

171. With that the price advanced?—I cannot say for why.

172. The price was advanced?—Yes.

173. You do not know whether it was due to the rise of the price of jarrah in Australia?—I could not say.

174. With regard to the supply of timber, will the millers on the Coast or down south supply any builder in Christchurch with a line of timber should he want it?—Yes, I think so.

175. Without going through a merchant?—There are some mills that you can get a supply from.

176. Now, with regard to the supply of timber generally, you have had a lot of experience as a builder, and you know the needs of the country: are imported timbers essential to the building operations of this town—that is, where New Zealand timbers cannot well take the place of them?—There are no timbers required as essential if we had a sufficient supply of our own. We have plenty of timber here. For myself, I consider we have timber equal to Baltic in the kauri, or even in totara, for certain classes of joiners' work outside. We pay £2 2s. for Baltic, and those timbers if properly grown and selected are quite equal to any of the imported timbers.

177. That is, kauri and totara are quite equal to any of the imported timbers if properly sorted and seasoned?—Yes, that is so. Because they are not properly sorted and seasoned you cannot rely on them. They would command a better position in the market if they were properly treated before they passed into the hands of the builder.

178. In view of the fact that kauri is one of the best timbers in the world for general purposes, and is needed by the people of New Zealand, do you think it desirable that we should place an export duty on it with the object of preserving it for our own needs?—Well, it is an open question.

Of course, it is this way: if we cannot get anything to replace it it would be better to do so. For instance, some four or five years ago I had a building in which kauri was provided for in 40 ft. lengths. I ascertained that the lowest quotation I could get for kauri delivered in Christchurch was £1 9s. at that time. I asked the architect whether he would object to Oregon being substituted for kauri in respect to the rough work, and he agreed. I landed the Oregon from Melbourne in Christchurch, after paying the duty, at £1 2s.

179. That is 7s. less?—Yes.

180. You consider that using kauri for such purposes as that is a waste of extremely valuable timber?—Yes, if we can get more suitable and cheaper timber.

181. You consider that, when beams of kauri are put into a building, and when kauri can be used for joinery-work and for coach-building, as well as for various descriptions of furniture, to put it into beams would be a great waste, as much so as if mahogany were used for some purpose when a rougher timber would serve the purpose as well?—Yes.

182. We are told by the Lands Department that the kauri-milling industry at the present rate of output will not last more than fifteen years, although it is not suggested that there may not be some kauri-mills here and there twenty-five years from now; still the industry, as we see, has only about a fifteen-years life. In view of that fact, and of the fact that we cannot obtain any imported timber so suitable for our various purposes, I want to ask you as a builder and a citizen whether you do not consider it desirable to place some duty on the exportation of kauri?—I think most decidedly we should have the benefit of the timber.

183. With regard to the use by the Telegraph Department of totara, I saw a totara pole at Dunedin the other day 16 in. square used as a telegraph-pole, whilst an ironbark timber one-half the size would have served the purpose as well. Seeing the value of totara for cabinet-work, do you not think it was waste on the part of the Government to use it for such a purpose?—Yes, decidedly. They could get jarrah for less.

184. The reason for the large size was because of the brittleness of totara as compared with hardwood timbers?—Yes, that is so.

185. It also took up a considerable portion of the footpath. Now, with regard to making some reservations—I do not suggest making reservations on rich agricultural lands, but reservations of forests upon broken and extremely steep and hilly country, reservations, say, of rimu for the future needs of the country. I may point out here that we have planted up to the present only about 9,400 acres of land for our future needs, and the Department tells us that the nearest date at which any of that timber will mature is forty years hence. In view of that fact and of the increasing requirements of an increasing population, do you not think that it would be a wise thing for the Government to make some permanent reserves?—Yes, I think so. I think our association has sent in a requisition to the Government.

186. *Mr. Hanan.*] Do you know of any timber-merchants that have closed down during the last three years in Christchurch?—No, I cannot say that I know of any that have closed down.

187. They are still continuing their business?—I know of a good few builders.

188. Who have gone to the wall?—Yes.

189. The result of extreme cutting in the trade?—More than 5 per cent.

190. Can you give us any information regarding the durability of timber—I mean New Zealand timber—when placed in the ground?—It all depends upon the nature of the timber in the first place and the nature of the ground it is put into.

191. What have you found yourself?—We always recommend totara as the best timber for standing in the ground. I may say that I have seen kauri taken out of the ground that had been in for thirty years, and it was found to be as sound as the day it was put in.

192. How does rimu stand?—There is only a certain class of rimu that would stand any length of time—that is, the very rough heart, with a resiniferous texture. I think some of that will stand as long as other timbers.

193. Have you seen anything of imported timbers in the ground: can you speak of their durability?—I have seen a good deal of jarrah and ironbark. They are good timbers, but Oregon does not stand in the ground—in fact, Oregon will not stand exposed in any way for any length of time.

194. Have you any experience of timber under water, say, as piles?—I have had no experience of timber under water.

195. Have you used Southland timber, and if so, how does it compare with the West Coast timbers?—Well, it is a much harder and coarser-grained timber than the Coast timber. In fact, very few architects in Christchurch will allow Southland timber to be used. There is one firm of architects here who provide in their specifications that no timber grown south of Christchurch shall be used on the job.

196. What is the name of the firm?—I do not care to mention the name.

197. Is there any reason why it should be kept secret?—I do not think there is any particular reason.

198. Do you know if the firm has any connection with the West Coast millers?—That I could not say.

199. Is that the only firm you know of?—I think there is another one of the same kind.

200. Is there a member of that firm giving evidence to-day?—That I could not say. I do not know if his name is on the list.

201. *Mr. Leyland.*] I want to try and clear up a doubt about the difference in the cost of tongued and grooved here and in Dunedin. First, here it is dry and there it is green, and we have evidence to show that there is a difference of 2s. in favour of Dunedin, and that the dry timber is worth the difference?—Yes.

202. And 8d. railage, with extra handling costing 3d.; then there is the discount on the extra 4s., which is equal to 4d., so that they are really putting 4s. 6d. on the cost, and the timber-

merchants here are giving you the timber at 6d. less than entitled to when it is worked out?—That is so.

203. *Mr. Morris.*] You told us you believed that some merchants were giving preferential discounts?—That is so.

204. Have you any personal knowledge of this matter, or is it only hearsay?—I have knowledge myself of it personally.

205. You know it to be a fact, then?—Yes.

WILLIAM ALLEN JEWELL, Joinery-works, Christchurch, sworn and examined. (No. 46.)

1. *Hon. the Chairman.*] We wish to get some evidence from you to assist the Commission in the questions enumerated here?—I am conversant with some of them. I am a joiner and cabinet-worker.

2. You are a builder?—No.

3. Then you are concerned most with the finer timbers?—Yes.

4. Will you tell the Commission of any special features in respect to timbers used by you which might be of value to them in the inquiry, together with any particulars as to your business generally, the employment of labour, the position of the retailer, manufacturer, &c.?—There has always been trouble with regard to the seasoning of timber, such as kauri and red-pine. Sometimes we have been able to get seasoned timber, whilst at other times there has been great difficulty in getting it. With regard to prices, freight, railage, &c., I have not gone into that fully, but I have seen several statements about it. In furniture we use kauri chiefly, and most furniture is now stained to imitate walnut. We invariably use kauri unless it is in the cheapest lines. A great deal of furniture manufactured now is made of red-pine, or rimu, but this is generally put into the auction-rooms. I consider these woods very unsuitable for furniture. They do not stand well. My experience of red-pine is that you may have had it for years, and then it will go.

5. You mean it will twist?—Yes, twist. The same thing applies to my little knowledge of building. It is all right whilst wet, but rimu twists very much in drying; and when used on a plastered wall the walls very often go to pieces, probably twelve months after the work is completed. We have one trouble with regard to kauri. We are supposed to get in New Zealand first, second, and third classes, but we only get one quality in Christchurch at the present time.

6. Do you know which of the qualities you do get?—No, I do not.

7. It would be the third quality you get?—Sometimes.

8. But you said just now that you only get the one quality here?—Yes.

9. My question was whether you knew which of the three qualities you did get?—Lately we have been getting a very good quality, but some months ago it was a hard matter to get a good quality.

10. *Mr. Ell.*] What you mean is that it is all called first-class?—Yes; it is paid for as first-class. At the same time we have circulars sent from Melbourne quoting us for first, second, and third quality of kauri. Of course, I have not had ocular demonstration with regard to that; I only know from the price-lists, and from firms in Melbourne and Sydney supplying first, second, and third qualities of New Zealand kauri. Of course, the kauri at the present time is very high, and according to those who are, as we say, "in the know," it will only be a few years when we shall not be able to get any kauri at all. Then I should like to know what we are going to use in New Zealand to take its place, because rimu is not suitable.

11. You say that kauri is the most valuable timber that you have for cabinetmaking purposes?—Of the colonial timbers.

12. How does that compare in price with the cheapest imported timbers that are equally suitable?—Favourably.

13. The price is favourable to kauri?—The price is favourable to kauri—that is, if you got imported timber suitable for furniture you would have to pay in many cases more. I have got oak in. Good kauri you cannot reckon less than, roughly, 4d. a superficial foot. I got oak here, kiln-dried, from America last week, and it did not run me into more than 6d.

14. About 50 per cent. increase if you could not obtain kauri?—Yes. Oak would not suit for stained work, but there are other woods used in America and England that are very cheap there, but they would cost as much as kauri to land here, probably more.

15. So that the effect on the general public would be, if the kauri-supply were depleted entirely, to advance the cost of furniture?—Under the present tariff?

16. Taking existing conditions?—Yes.

17. That being the case, and with the knowledge you have that a large number of people are employed in the trade in this country at good wages, and that you are able to supply cheap and good furniture to the people—furniture that will last—do you not think it would be an extremely wise thing on the part of the Government if certain provision was made for the future needs of these woodworking industries to preserve our supply of kauri for such purposes?—Yes, I have thought so for many years.

18. You think it would be the duty of the Government to make some provision for the future needs of these woodworking industries?—I think, myself, in view of the Kauri Syndicate and what Australia is able to get from New Zealand, that we ought to be protected in that way.

19. Seeing that we are not growing in our forests any timbers that are equally suitable for this work, and in view of the fact that those trees will not mature for forty years at the very earliest, what are we going to do in the meantime if we do not make some provision for the supply of native timbers for our industries?—I really do not know.

20. As regards beech, or birch as it is called here, have you used that at all?—We use a quantity of it.

21. Do you find it suitable?—Not for manufacturing furniture.
22. For what purposes do you use it?—For drawers' sides and the bottoms of drawers, and also for dowels.
23. Have you had experience of it with regard to chairmaking?—Yes, it is very good for chairmaking.
24. Does its tough character recommend it?—Yes.
25. Does it take the stain well?—Yes, but it is not suitable for doing up into joinery in wide boards, such as table-tops.
26. Do you find any trouble in getting it in seasoned condition?—We always have to season it ourselves.
27. Do you find it shrinks at all, or to any great extent, if it is properly seasoned?—No, if it is well seasoned, and especially if it was cut at the proper time of the year. That is what I consider the trouble with the timber. I think that if our colonial woods were cut at the proper time of the year they would compare favourably with any other timber.
28. So you agree with the Southland sawmiller who told us that the beech cut in the winter-time was not so liable to warp and shrink?—That is so.
29. Seeing that we have very large areas of beech forest, which is regarded generally by builders as a useless timber, do you think it would be a good thing if the Forestry Department took the question in hand and tried to show that under proper treatment beech could be turned into a good marketable timber?—Yes, I do.
30. That would be far better than the timber being burnt on the ground?—Certainly.
31. *Mr. Hanan.*] Do you favour an export duty on kauri?—Yes.
32. Do you think it desirable that the duties should be removed from imported timber?—Not altogether
33. Off what would you remove the duty—Oregon?—I would not remove the duty altogether. I certainly believe in a duty being placed on it—a certain duty. I also contend that if we require a timber for building purposes here, and it is of better quality for building than any colonial timber, we ought to allow it to come in here favourably.
34. What timber would you suggest should come in here favourably?—Oregon.
35. You would have a duty on Oregon, would you?—Not a prohibitive duty.
36. What would you suggest—that it should come in free in balk or in small sizes?—Of course, I am not conversant with that. That has more to do with the builder than myself. Builders always use certain sizes, and they would know. If the timber seasons well in the cut lengths without twisting I say it would be better to come in in that way.
37. Would you increase the duty on Oregon, or allow matters to remain as they are?—I should leave them as they are.
38. As to furniture made of New Zealand timber, have the prices gone up in the last five years?—Yes.
39. How much per cent. would you say?—About 10 per cent.
40. The cost of furniture has gone up about 10 per cent.?—The cost of furniture has gone up more than that (cost of production).
41. How much would you say in the last five years, speaking generally?—At the present time you can get furniture much cheaper in Christchurch than you could five years ago.
42. Of an inferior class, is it?—Yes.
43. But taking a certain class of furniture—a good class of furniture—what would you say the increase has been?—Now I think of it, I do not believe there has been any increase at all in the price of furniture (selling price).
44. That is, first-class furniture?—Middle-class or first-class.
45. Has the price of labour gone up in the last five years in your business?—No, labour has not gone up in the cabinetmaking business.
46. Is there any more machinery employed?—Yes.
47. That has not tended to bring down the price of furniture?—Yes, it has. It would, naturally.
48. That is, on the cheaper class of furniture?—It is essential now to use machinery for all classes of furniture. It is different from when I learnt my trade, and took everything out in the rough and trimmed it up.
49. Those doors that you spoke of, did you make them or your father?—My father made them. Although I am supposed to turn out a fair quality of work now, I do not think my father would have cared to turn out anything of the kind.
50. That applies to other things as well?—Generally speaking, in our line the youths have to go to the Technical Schools now to learn their trade.
51. That is due, I suppose, to the desire for cheapness—everything cheap?—Partly so. You do come across some people who want good furniture. I have private orders now for furniture that probably would be taken out of an English design-book.
52. You find, then, that the class of furniture being sold now is, generally speaking, much inferior to the class sold ten years ago?—Oh, yes! Mind you, there are men here capable of turning out work as good as the first class in England; but, generally speaking, it is not so.
53. There is more demand for inferior, cheap furniture?—Yes.
54. Can you tell us anything about the importation of furniture? Is it increasing in Christchurch? Is more coming in?—I do not know definitely. I have been told that it is. I have been told that the colonial workmanship is down very low in some people's estimation, and that they are buying imported furniture.
55. You do not know whether the imports are increasing or not?—No.
56. Is the industry in a good position, generally speaking?—Yes. Of course, for the last two months it has been down very much, but two or three months ago it was impossible to get cabinetmakers.

57. *Mr. Jennings.*] What is your opinion so far as labour is concerned? Do the apprentices and the journeymen show the same desire to turn out good work that they did ten or twelve years ago?—That is hardly going back far enough, to my mind.

58. Say, twenty-five years ago?—No. The trouble is that in those days the master took great pride in saying that a lad served his time with him, while now it is immaterial; he does not care for the journeyman to waste his time showing the lad how to cut a dovetail or make a joint, and he cannot afford the time himself. The consequence is that the lads go to the Technical School, where they are supposed to learn their trade, instead of the bosses teaching them, as it used to be.

59. I take it you are a New-Zealander?—I have been forty-seven years here, and am pretty well a New-Zealander.

60. Do you think that the deterioration or want of interest in the work is due more to machinery than to the individual?—That has been a great cause.

61. Would you prefer to use the local timbers that are suitable for your own particular industry rather than foreign timbers, at a fair rate?—No, I would not say that.

62. *Mr. Field.*] You are a joiner, are you not?—A cabinetmaker. I make shop and office fittings and cabinet-work.

63. You do not profess to know as much about the respective merits of building-timber as the ordinary builder, I suppose?—No.

64. Do you know anything about Oregon pine and rimu?—Yes, I know something about that.

65. You say that Oregon pine is more suited for big timbers, mainly because it is cheaper and lighter?—I reckon it is better as studding in a house, also, than rimu.

66. You think it is better for framing a house?—Yes.

67. Why?—Because it does not warp or twist so much as rimu.

68. Have you had very much trouble with rimu warping or twisting?—Yes, a great deal.

69. In the framework of houses?—Yes, such as window-frames and so forth.

70. You would not use rimu for window-frames, would you?—It has been used.

71. But it is not usual?—No.

72. I am talking about the framing. Have you heard of any difficulty about the twisting of rimu?—I have seen it.

73. Often?—Yes, often.

74. What is it due to—the timber not having been seasoned?—Yes; it is put in when it is wet.

75. Do you think there is much building in unseasoned timber in Christchurch?—I do not mean to say that the timber is absolutely wet, but it is not seasoned in a great many cases.

76. Do you mean to tell us that all the Oregon pine that comes here is seasoned?—No.

77. I suppose that most of the rimu you buy is first-class stuff?—The first-class rimu—what we call figured rimu—it is a hard matter to get dry. We have to stack it ourselves. That is, in certain thicknesses—larger sizes. With regard to the other rimu, that is used in furniture, and if it is well seasoned it will stand all right—that is, if it is straight-grained. There are different kinds of red-pine; some of it has a very straight grain and is clear-looking, and another sort is what we call heart.

78. Do you buy a good deal of rimu?—Yes.

79. What you buy is not the rough rimu, but what is fit for furniture-making?—Mostly so, unless it is a shop-fitting job. We buy rimu for that. It is not necessary for it to stand so well in ordinary shelving.

80. Still, you do not buy rough timber for shelving?—No.

81. And what about the resinous stuff and so forth?—We would not buy it if we had the other.

82. But there is a good deal of that in the rimu-tree?—Yes.

83. Is it not a fact that it is that class of material which the Oregon is shutting out—that is to say, it is that timber stuff which is used for framing in a building?—I do not think the builders would care to execute orders for that.

84. What is to happen to it?—I do not know. They are talking about felling and burning some of the timber which cannot be used, and clearing the land for settlement.

85. What is to happen to some of this rough, resinous rimu?—Are you alluding to post-and-rail work?

86. No, to heart rimu. It is rough, because of the resin in it?—That is different from the figured rimu.

87. Yes, but you do not buy the resinous timber I refer to?—No.

88. You have seen plenty of it in the framework of buildings?—Yes. I mean ordinary rimu, not resinous.

89. That is what it is well fitted for, is it not?—I should not like to say it is. I should not like to condemn the building that had it in. It is durable.

90. Oregon pine is used for the framework of buildings, is it not?—Yes.

91. And our rough and resinous timber is also used for that?—Yes.

92. Now, if Oregon pine is taking the place of rimu for this purpose, and you admit it is, do you not?—I have never known that any builder would buy a line of resinous rimu to put in a building if he had a contract.

93. But plenty of it goes into his trade?—Probably without his knowledge.

94. What is to happen to it? Is it to be thrown away? If Oregon pine takes its place what are we to do with it?—Will it not do for posts and rails?

95. Rimu does not do for posts and rails?—It is used a lot, not for posts in the ground, but for rails, and it would stand in the ground if it were resinous.

96. What I want to get at is, what is to become of our rough rimu if the Oregon takes its place for the purpose we have been using it for?—You mean the ordinary rimu used in the construction of the framework of a house?

97. Any rough rimu that is used for framework?—Yes.

98. Until last year that was used always?—Yes.

99. Now you say you prefer the Oregon?—I said I preferred Oregon, but I would not take the duty off the Oregon. I also said that if the rimu were seasoned it would be all right, but the trouble is that it is not seasoned when it is put into the houses.

100. How long do you say it takes to season an ordinary 3 by 2 or 4 by 2?—It ought to go through a good summer and winter, at any rate—nine months.

101. Before it is actually covered over with boards?—Yes, to be thoroughly seasoned.

102. What about the Oregon? It is cut green in the forests and is brought over here in a week or two?—Oregon is totally different. It would not twist in drying or warp like rimu.

103. Would you prefer to put that in green, rather than rimu?—Yes.

104. Coming back to the main question: we have used rimu all these years, and now it is being displaced by Oregon. What are we to do about it?—It could still be used, without having a prohibitive duty.

105. You think the duty might be adjusted?—Yes.

106. I suppose you are aware that the Americans put a big duty on our wool, which prevents our inferior wools being used by them at all?—Yes. I believe in protection every time.

107. If you were satisfied that this Oregon pine was shutting up our mills, and our timber was going to be burnt as a consequence, and the money invested in milling machinery and tramways and so forth was going to be lost, would you not think it would be fair to take into consideration the question of protecting our industry?—Certainly. I was asked a direct question with regard to my knowledge of Oregon and red-pine for building purposes, and I have given my answer conscientiously. When it comes to the protection of the sawmilling industry in this country, that is a different matter altogether.

108. You are aware that Oregon can be sold as cheaply as rimu? That is so, is it not?—Yes.

109. Are you aware that in Dunedin it is very much dearer?—Not being in the building trade I am not conversant with that.

110. In Dunedin, where it is dearer, those who want to help the timber industry are told that we have nothing to fear, because the Oregon is so much dearer. Here, where it is not any dearer, or is cheaper, we are told, "Why should you put a duty on Oregon when the people want to build as cheaply as they can"? What do you say to that? Do you think all these matters should be taken into consideration and a fair thing done in the adjustment of the duty?—Yes.

111. *Mr. Leyland.*] With regard to your kauri requirements, you like to get the soft, white kauri or the soft, yellow kauri that does not warp?—That is right.

112. One of the reasons why you are unable to get it is this: for building and construction purposes we have so many orders for specified lengths that when we get a nice, soft log suitable for your purposes we are compelled to take it in order to get the specified lengths for constructive purposes. If Oregon is admitted and is a good substitute for these specified lengths, do you not think it a good thing, for cabinetmakers could get the supply they require of that soft and white and yellow kauri?—Certainly I do. I understand, however, that you can get these in Melbourne. Is that not so?

113. No; that is a fairy story. Would not that modify your opinions in regard to imposing a duty on exported timbers if you found we could replace the loss by importing Oregon?—No, I do not believe in kauri being exported at all.

114. Do we not require large quantities of Australian timbers such as jarrah and other hardwoods?—Yes.

115. If we impose a duty on kauri, do you not think it likely they will impose a duty on the timbers we require from them?—I do not think so.

116. This desire to get timber is becoming keener in all countries?—But I am speaking of the matter of kauri, but not on account of reciprocity, and in a few years you must admit that our kauri will be very low.

117. I ask you if you do not think it fair that we should weigh this consideration?—No, not in this case.

118. In view of the fact that if the timber is not milled it will be burned—would you prefer to see it burned?—No, certainly not.

119. There is a report here which shows there are 2,138 sawmillers in the Auckland District, or men employed in the industry, as against less than nine hundred in Westland and Canterbury combined. Would you throw those 2,138 sawmillers out of employment by placing a duty on kauri and burning it?—By agreeing to an export duty on kauri you mean you would be throwing so many men out of employment?

120. Yes?—If the kauri gets wiped out of the country altogether, where are they going to get employment then?

121. But it will still be gradually milled?—I should still be in favour of an export duty.

122. The sawmillers in the Auckland District have invested thousands of pounds under the present existing conditions, and if you alter those conditions would it be fair to put on a duty and stop that milling unless you are prepared to compensate them?—Well, it would be impossible that that kauri could be used for a number of other purposes for which it is not used at the present time without a reduction in price.

123. Though you will admit Oregon pine?—Not free.

124. If you prohibit it you are increasing the difficulty. If you make it easy of admission you find a substitute for the kauri and relieve your own trouble indirectly?—Not a substitute for the kauri, but perhaps a substitute for rimu.

125. It is being chiefly substituted for kauri?—You would not use Oregon in place of kauri.

156. But use kauri in place of Oregon?—You might do that.

127. *Mr. Clarke.*] With reference to the local supplies, you say you find it impossible to get dry timber. Do you have to season it even after you have paid the 2s. additional per hundred for timber that has been filleted?—I have had to send it back many times.

128. That means that it is not what it is supposed to be?—Yes.

129. Then, the 2s. a hundred imposed on the general public is a wrong imposition?—Not always. I have sometimes bought a few feet of kauri, and it has been beautifully dry, and when the Exhibition was on here I wanted 9 or 12 by 1 which had been stripped, but it was not dry, and I suppose I was paying more for that than I ought to have done.

130. Then, the guarantee is no guarantee for dry timber?—Not always, but lately we have been able to get it better.

131. *Mr. Morris.*] You have heard of Mr. Chisholm, of Scoullar and Co., furniture-manufacturers?—Yes.

132. Do you consider him an authority on our timber for manufacturing work?—I do not think he is a practical man. I cannot say definitely, but only from what I have heard.

133. What do you think of his opinion when he says that rimu is the best manufacturing-timber for furniture and the best in New Zealand for the purpose?—I may have asked the late A. J. White the same question, and he would not know. It does not necessarily follow that a man in the furniture business is an expert.

134. Would you not take it that a man who has put a lifelong work into it understands it?—But he is only the proprietor.

135. But does he not get to know all those things?—Only from hearsay.

136. Can you say, if our timber was cut at the proper time it would be better for your work?—That is well recognised.

137. Have you had any experience at all in felling timber?—No.

138. You have had a good deal of experience in manufacturing?—Yes.

139. Can you tell whether the timber is felled at the proper time?—No.

140. Are you able to tell the difference between summer- and winter-felled timber?—No, I am not. We all admit that it is very essential that all timber should be cut when the sap is out of the tree. That was always recognised in England when hewing the oak.

141. Can you account for the fact of their felling all oaks after the sap has gone up in England?—No, I cannot. It has always been recognised that when sap was in the tree it would warp quicker when drying than if the tree was cut when the sap was down.

142. Can you say whether the duty that was imposed on imported furniture has assisted your trade at all?—No, I could not say.

143. Mr. Chisholm said it had increased their business considerably?—Yes, I would believe that. If a person wished to buy English-made furniture he is prepared to pay more for it, and in that case it is different. Generally speaking, it would naturally make the furniture trade much better by having a duty on the imported furniture. Of course, the trouble with the furniture that is imported into the colony is that it is mostly made in the East End. It does not come from the leading firms in London, and in most cases it is inferior workmanship.

144. You told us that the price of furniture has not increased during the last five years?—Yes, and in the last two months it has gone down. There are three people in the furniture trade who have given up within the last month in Christchurch.

145. I suppose you say that the trade in inferior furniture has increased?—Yes. It is owing to the small manufacturers who are not in business in retail shops, but supply auction-rooms and other firms, and the timber that is put in in many cases is wet and the work comes to pieces, and that is really the cause of the talk about the colonial-made furniture.

146. Have you had any experience of artificially dried timbers in your business?—Well, I just got 1,000 ft. of oak from America a week ago really dry. We have not worked it up, but apparently it is in very good condition. Whether the grain will come out owing to the process I do not know; but in order to make it antique it is put in a fumigator to give it the appearance of aged oak. This is the first lot of oak artificially dried we have landed.

147. You are not able to say whether through being artificially dried its value is depreciated in any way?—No, I should not say it has. We have to pay extra to get it artificially dried, because the oak takes such a time to season, and if you get it from Melbourne as a rule it is not seasoned.

148. In America, I understand, at a great many sawmills they dry their timber in about three days?—Yes, it is very quickly done.

149. According to your evidence you are antagonistic to the use of rimu for ordinary house-building and studs and joists. Have you had any serious trouble over this timber?—I said that when rimu was placed in buildings as it was in Christchurch a number of years back it was not dry when used for framing, but if it was dry and seasoned then I say it would be all right. I also said that I would sooner put in wet Oregon than wet rimu on account of standing the air and not warping.

150. This question of the twisting or warping is a new one to me. You must have had some trouble with it?—Yes, I have had some trouble with it. It accounts for the plaster cracking all over the rooms.

151. Do you not think it would be much better for this country to employ our own people in pushing our own industry along and keeping the money here instead of sending it out of the country and employing the people in some foreign country?—Yes, I always thought that.

152. That is a sentimental reason?—No, I think it is a proper reason.

153. *Mr. Stallworthy.*] Have you an association of cabinetmakers?—No.

154. What quantity of kauri do you consume?—I can hardly tell you that; we use some thousands of feet.

155. A hundred thousand feet a year?—Yes, I suppose all that—perhaps more.

156. You mentioned some Melbourne price-list: can you compare the prices of kauri at Melbourne and Auckland?—No, not in Auckland, I could not do that.

157. Have you imported kauri from Melbourne?—No.

158. Do the timber-merchants allow you a discount on the timbers purchased the same as the builder?—Yes.

159. What export duty would you place upon kauri?—I am not in a position to say that. I think that would be for a man more conversant with it than I am.

160. Would you think 5s. a hundred would be a fair duty?—Yes. I am not conversant with what it is. I understand that when you ask me the question, that this 5s. would be an extra duty to what it is at present. Is there an export duty now?

161. There is a 5s. duty now?—On what condition?

162. On kauri going out of the colony in any large size?—Well, put more on.

163. Supposing you were living in a district where there are about seven settlements built up on the kauri-timber industry, with almost every home dependent on that industry, with hundreds of men directly employed and having wives and families dependent upon them, would you still prohibit the export of kauri?—Yes. You are speaking from a sentimental point of view, and I am looking to the interests of the colony.

164. Just now you said you would put a duty on it to protect the industry?—Yes. I would not put a duty on it if we could not grow it here.

165. You believe in the protection of our industries?—Yes. I am looking at it from a sentimental point of view. According to those who are supposed to know, it will be only a few years before you will not be able to employ the hands you employ now, you will not have any country to take it from you, and we shall be without that timber that we ought to have for manufacturing our furniture.

166. You do not mind placing our kith and kin in other colonies in the position of being without kauri, but you would not place ourselves in that position?—Placing ourselves in a position to get the kauri, and place them in a position that if they did want it they would have to pay the duty on it. I have seen Moore's list, and the prices at which they are offering to sell it in Melbourne. I have seen the late price-list for the first, second, and third qualities, and I can land it here, paying everything, as cheap as I can buy it is Christchurch at the present time.

167. *Mr. Leyland.*] I have here Mr. Moore's price-list, and in the 1909 list there is no kauri quotation, and in the 1908 list kauri is £1 7s. for 12 by 1?—I may have an old list.

168. *Mr. Stallworthy.*] Do you approve of a 25-per-cent. duty being placed upon imported furniture?—Yes, certainly.

169. Would you increase it?—Yes, I would.

170. And yet you object to 5s. a hundred on kauri?—I hold the opinion with regard to imported furniture that it can be made in the colony just as well.

171. *Mr. Mander.*] Do you consider that resinous rimu will last as long as Oregon or longer in any position you like to place it?—Yes, I think it would.

172. Why do you object to using it in buildings in preference to Oregon?—I have never seen any building erected with it. No builder will buy a line of that stuff if he can get out of it. A man would take too long to drive a nail in.

173. That is the principal reason?—No. I do not object to rimu at all, but I object to rimu being placed in buildings wet.

174. But you specially objected to resinous timber: you said you would not use it?—Certainly I would not use it.

175. But is the main reason that you find it difficult to drive the nails in?—I am not a builder.

176. If it lasts longer than Oregon in any position you like to place it, why do you object to use it?—I do not say I would object to use it. I said that I did not consider any builder would buy a line of resinous rimu with which to erect a house. I say he would sooner give 5s. a hundred more for the other than put that in.

177. Simply because it is more difficult to drive nails in?—Yes, but I did not say it was not as durable.

178. Do you not consider that, if it is necessary to conserve kauri at all, it is necessary for the State to take that matter in hand?—I would not say that the State should take that in hand. Do you mean take over the kauri bushes?

179. Take over the matter of conserving the kauri forests?—I think they should take that in hand, but not take it away from those in possession of the forests at the present time.

180. Would you compel private individuals to hold that timber for definite periods for the benefit of the State and run the risk of fires?—No.

181. Then, why do you say you would impose an extra duty on kauri?—Because I should like to see kauri being used in New Zealand in twenty years' time.

182. Would not that compel the private individuals to hold it for that time?—Not necessarily. If the private individual held it for twenty years, and thought he could get 5s. more for it he would do so. I do not think the merchants would do it, but the Government might do it.

183. By imposing an extra duty on kauri you prevent those people from sending this timber out of the country, for which purpose they produce it, and you would simply ruin them?—I do not think so. I think the price of kauri is altogether too high. Why is kauri so much dearer than red-pine? And if the kauri were brought here at a cheaper rate, should we not use it?

184. You can buy first-class kauri in Auckland as low as 18s. 6d. and 19s.?—Probably so, but we do not see it here.

185. I can supply you with kauri from my mill at 6s. a hundred upwards?—If I gave an order for 8,000 ft. at 6s. would you supply it?

186. Yes?—What kind?

187. Shaky heart?—No, thank you.

188. When calculating the price of kauri, have you not to calculate the price of the whole log?—But I never buy anything but the best class.

189. We have to charge a special price in order to compensate for the prices at which we sell the lower timber at?—Yes.

EDMUND GEE, Venetian-blind Maker, Christchurch, sworn and examined. (No. 47.)

1. *Hon. the Chairman.*] What is the principal timber used in your industry of venetian-blind manufacturing?—Californian redwood. That is used for the thin laths, and for top and bottom laths, pulley-pieces, we use kauri.

2. Are these the only two classes of timber used by you?—We used New Zealand timbers many years ago—probably ten or fifteen years ago—and we found them very unsuitable.

3. What is the cost of American redwood landed here in Christchurch?—Twenty-three shillings—that is, the thousand running feet. We get it milled.

4. Do you get it in small splits packed?—Yes, packed together in 5,000 ft. bundles.

5. It costs you how much?—It costs us £1 3s. per thousand running feet. That is at the present moment; recently it has been £1 5s. It really costs us landed here about £1 5s. now, and £1 7s. a little while ago.

6. Then you are not much interested in the question of the importation of Oregon timber?—Very little. In fact, we have only used it occasionally.

7. Do you find any trouble with regard to the redwood?—Very seldom. It is thoroughly seasoned when we get it Sometimes it may be a little water-wet, but it is fresh-water wet. It comes across in the logs in timber-ships, and they cut it in Sydney. We find we can land it here already milled very much cheaper than we can mill it ourselves.

8. The industry is not large enough to put up a plant to do it cheaply?—My father used to run a plant here, but it was greatly to his disadvantage.

9. Then you are not interested in the kauri and Oregon question much?—No, very little.

10. *Mr. Ell.*] You only use kauri in the top pieces?—That is all. We have used American white-pine and clear-pine, but those timbers are not so good as kauri—at least, so we think—because the kauri has a certain natural lubricant in it, and as the pulleys wear against the sides it forms a glassy surface. The other timbers are inclined to wear away in the pulley-holes, whilst the kauri does not wear away, and the pulleys run very smoothly against the sides. Still, we have to pick the kauri.

RALPH DAVISON, Manager for Messrs. Strange and Co., of Christchurch, sworn and examined. (No. 48.)

1. *Mr. Ell.*] I would like you to make a statement as to the timbers you require in your business, both imported and colonial. First, with regard to New Zealand timbers, what kind do you use?—Kauri, rimu, white-pine, and beech.

2. Roughly speaking, about what quantity of kauri do you put through in a year?—I do not buy any small lots, as I season in large quantities. We get through about 75,000 ft. to 100,000 ft. a year of kauri.

3. How much of rimu?—That all depends upon the quanity of beech we use. We use a lot of beech. About 75,000 ft. of rimu.

4. In regard to beech?—About 30,000 ft.

5. Do you intend to use more beech in the future?—Yes. It is specially suited for furniture, and especially in connection with the larger make of couches.

6. With regard to rimu, what special use is it put to?—Desks, sideboards, and different articles of furniture, also wash-hand-stands, chests of drawers, tables, &c.

7. What do you use kauri for?—Extension tables generally, and chairmakers' work. For the best class of furniture we use kauri stained as walnut.

8. Do you find that the workers in the factory appreciate the value of kauri and rimu for furniture-making?—I do not know anything about them. I am the outside man. I have to give them the dry article inside and keep up the stock.

9. You require roughly about 250,000 ft. a year?—Over that. Large quantities come in from New York.

10. Now, with regard to imported timbers, what do you require in that way?—Walnut; mahogany; cedar; oak, figured and plain; and a little blackwood.

11. Now, I suppose you are familiar with the cost of kauri, rimu, and beech. How does the cost of these imported timbers compare? Are they very much greater?—Oh, yes!

12. It is obvious, then, that if the furniture for the people of this country were made out of imported timbers it would cost much more?—I do not know how you could import it for cheap furniture. Decidedly the furniture would cost more. I have timber now that costs £5 10s. for 100 ft.

13. What kind of timber is that?—Walnut, figured oak, and mahogany range at the same price.

14. Roughly speaking, what does the rimu cost you?—We buy a high class. It costs 13s. 6d. at the railway.

15. As compared with £5 10s. for imported timber?—Yes.

16. That is the best quality rimu?—It is of best quality.

17. In the evidence you are giving us you are speaking as the result of many years' experience in the trade?—Since 1862.

18. So we have a right to assume that you have some knowledge of what you are telling us now in respect to these timbers?—Yes.

19. What does kauri cost you?—Kauri costs us £1 5s. at the Gasworks Company's works railway siding. No discount.

20. There is a very considerable difference in the cost of timber imported for furniture and the cost of the native timbers?—Decidedly so.

21. *Mr. Morris.*] Where do you obtain your rimu from?—For five years I have got it from George Erickson, of the West Coast.

22. Where does he live?—He does not belong to the association. I went over there and arranged with him. We also get a lot from Havelock, as one man's timber is not good enough for us.

23. Do you get better timber from Mr. Erickson than from other places?—It is not all rimu that comes to Christchurch. There are heaps of miro.

24. You do not mean to tell me that Mr. Erickson would send that to you?—All millers will pass it in if they get the show, but I happen to know miro when I see it.

25. You told us that this gentleman does not belong to the association?—Mr. Erickson—no. Not at Christmas time, although he might have joined it since.

26. Do you not consider that he might have used you just as well if he belonged to the association?—When other people do not know the difference in the two woods I pass it on. It will shrink little more than rimu, and it is a durable timber.

27. I have heard Mr. Erickson state himself that you have paid him more money for his timber because it was better than anybody else's?—He sends along the best quality. He always had a higher price than any one else, but I did not tell him that.

CHRISTCHURCH, THURSDAY, 8TH APRIL, 1909.

ALFRED ELLIOTT, Collector of Customs, sworn and examined. (No. 49.)

1. *Hon. the Chairman.*] I understand that you appear here to give the Commission the quantity of imported kauri, and Oregon, and other timbers of that class?—I can only deal with the imported timbers—not kauri. We have no record at all of the timber brought here coastwise. Do you wish me to read the statement which I have here?

2. If you put it in we can see it?—It is a return for the years ended 30th June, 1907, and 30th June, 1908. Fortunately, this return had been asked for by the Government, or I should not have been able to supply it now. It took a long time to compile. It shows the imports of the different kinds of timber, and the countries from which imported.

3. *Mr. Ell.*] Is there any kauri shown there—any kauri imported from Australia?—No.

4. You have no record of any kauri having come in?—No. [Return handed in.]

5. *Mr. Field.*] Would it be difficult to prepare a return of the amount of Oregon imported up to, say, the end of last month—that is, another nine months?—I could not let you have it to-day, and I understand the Commission rises to-day.

6. Could you send it after us?—Yes, I could do that.

7. *Hon. the Chairman.*] Will you kindly send it to Greymouth, then?—Yes.

8. *Mr. Field.*] What I should like would be the importations up to the 31st March—all the imported timber?—Yes.

WILLIAM JACQUES sworn and examined. (No. 50.)

1. *Hon. the Chairman.*] You are the secretary of the Builders' Association, Mr. Jacques?—Yes.

2. Can you give the Commission any information on the matters set out in the order of reference—questions 1, 2, and 3?—I have nothing to say on Nos. 1 and 2, and scarcely anything on No. 3. The only information I can give with regard to the price of timber is what it is sold at in Christchurch from the yards.

3. What are the prices of timber in Christchurch?—The price in 1901 for the ordinary material up to 8 in. was 13s. 3d. a hundred.

4. What difference was there between dressed and undressed?—The same as now—2s. a hundred. Last year we had two lists presented to us. In January the ordinary timber was 16s. In November it dropped down to 14s. 6d. But that does not represent the actual decrease in price, because the list was somewhat altered. In January of last year we had sawn timber at 16s., and 14 in. joists at 17s. 3d.; 9 by 1 and 12 by 1½ was 16s. 6d., and after that there is a gradual increase in price. In the list that was recently issued the only mention is of sawn timber, not suitable for dressing, under 12 in., 14s. 6d. There is no other mention of rough timber, but all unseasoned timber selected for dressing, up to 12 in., was 16s. 6d. So that the quoted price of 14s. 6d. might mean ordinary rough stuff up to 12 in., or it might not. They struck out the price of 8 in.—it was always quoted up to 8 in.—and then from 9 in. to 10 in. there was generally a rise

of 6d. I am speaking of rough stuff. In 1908 the position was this: Sawn timber up to 8in. was 16s.; 9 in. to 10 in., 17s. 3d.; 12 in., 17s. 6d.; 14 in., 18s.; 16 in., 19s. 6d.; 18 in., £1 1s. 6d. That last was the top price. The prices of 14 in. to 18 in. timbers were raised in November last. As I say, the list does not actually show the position. The other material for dressing has all risen in proportion. Kauri, of course, has risen considerably since 1901. The increase in the price of kauri in Christchurch from 1901 up to the present time has been 9s.—that is, for the ordinary sawn timber. The cost of joinery has also increased considerably.

5. *Mr. Ell.*] You say that the price of ordinary sawn kauri has risen in eight years 9s. a hundred?—That is the ordinary sawn timber; 12 in. has risen 9s., and 24 in. 11s.

6. I think if you put that table in it would be very instructive to us?—I will give you a copy of it.

7. Rough building-timber, so I understand, was reduced by 1s. a hundred a few months ago: is that so?—One shilling and sixpence a hundred.

8. In January, 1908, the price was 16s., and in November of last year it dropped to 14s. 6d., at which price it still remains?—Yes.

9. That is, a drop of 1s. 6d. a hundred?—Yes.

10. That was done, of course, by the timber-merchants of Christchurch in common agreement?—Yes.

11. And is it not a fact that at the same time the dressed timber was increased in price?—Yes.

12. By what amount?—Sixpence a hundred all round.

13. That makes a difference of 2s. a hundred?—Yes.

14. I have a price-list here for 1894, issued by a large firm of timber-merchants in town here, and they charged for seasoned timber a difference of 6d. a hundred?—Yes.

15. Now they charge for seasoned timber a difference of 2s.?—Yes.

16. The price at that time for 6 by 1 red-pine weather-boards, bevelled, back-dressed, unseasoned, was 11s. 9d., and for seasoned 12s. 3d.?—Yes, that would be about the price at that time.

17. Making a difference of 6d. a hundred for seasoned timber?—Yes. Ordinary timber was down to 9s. 6d. then.

18. Do you think the cost of yarding has gone up to such an extent as to justify an increase of 1s. 6d. a hundred as between the cost of seasoned and unseasoned?—Of course, wages have gone up, and there has been an increase in the value of land. Timber takes up a lot of ground for stacking.

19. Notwithstanding that wages have gone up, and that the value of land has gine up and rates in consequence, do you think that is sufficient to justify such a big increase?—Everything was very low then.

20. Everything was cut very fine at that time?—Yes.

21. There have been no recent failures among timber-merchants in Christchurch, or timber-merchants gone out of business recently that you are aware of?—I do not think so. One firm went out of business not long ago—Wallace and Co.

22. That is the only one you know of?—Yes.

23. It was not due to financial failure, so far as you know?—No.

24. The other businesses appear to be thriving all right?—Fairly well.

25. Notwithstanding the fact that they have reduced the price of rough building-timber 1s. 6d. a hundred?—As far as I know, that is so.

26. Can you give us any information with regard to the increase in price that has taken place in jarrah? When did that take place?—There was a rise of 2s., I think, when the company changed hands. It is only fair to say, however, that the price was increased a little before that again. I have not dealt largely in jarrah.

27. But there has been a rise since the local company took the Australian company over?—Yes.

28. Up to that time was jarrah competing with black-pine?—Very largely.

29. Jarrah was being used in preference to black-pine for fencing purposes?—Oh, yes! for building purposes as well.

30. You do not know whether the rise was due to an increase of price in Australia or not?—No.

31. About how long ago is it that the local company took the Australian company over—eighteen months?—About that, I suppose.

32. Now, with regard to the use of Oregon: what sizes are really necessary to the building industry?—They mostly come in, I think, for joists in the first place—about 10 in. or 12 in. The smaller stuff is not used much here.

33. And it comes in in long lengths?—Yes.

34. It is used largely in long lengths and larger sizes for special purposes?—Yes.

35. Have you experienced any difficulty in obtaining New Zealand timbers in these unusual sizes for special work?—Personally I have not, but I know from others that there is a difficulty in getting them.

36. And that would cause a certain amount of delay from time to time in building operations?—Sometimes when they get the joists the architect will not allow the builder to put them in for a time.

37. Because they come in such a green state?—Yes.

38. Do you think it desirable that, in the interests of the building industry of New Zealand and the public generally, there should be an increased duty put upon Oregon?—No, I do not think so at all.

39. Do you think there ought to be a reduction on the larger sizes?—That is my personal opinion. The large sizes should come in free.

40. And if there is any import duty it should be put on the smaller stuff?—Yes.

41. Is kauri used to any considerable extent in building a house?—Yes, a good deal for the internal work.

42. In the event of this class of kauri being cut out absolutely, do you think it would be detrimental to the people of New Zealand if we had to depend upon some imported timber to take its place?—I think it better to keep the best material as long as you can.

43. You think that in the interests of the people of New Zealand it would be best to keep the kauri as far as we possibly can?—Certainly. I think there should be an export duty on kauri—a large one at that.

44. To your knowledge, it is not only required for building, but is used by coachbuilders in the construction of vehicles?—Yes.

45. And by furniture-makers?—Yes. In fact, I think it is our principal timber.

46. Do you know of your own knowledge—you are not a native of New Zealand, I take it—of any imported timber that is equal in quality to it for the many uses to which kauri can be put?—No.

47. You consider it one of the best timbers in the world?—Yes. In the Old Country American pine is principally used.

48. And the prices for these timbers are advancing in the Old Country?—Yes.

49. So that, if we were dependent upon imported timbers for our various building and other woodworking industries, it would mean a serious tax upon the people of New Zealand?—Yes. I think you are allowing a very valuable asset to leave the country. When that is gone you will have to pay a larger price for an article that will be inferior.

50. And that will be a serious tax upon our people?—No doubt.

51. With regard to rimu, I want to ask you whether, in view of the various purposes to which rimu can be put, and is put, you think it would be a wise thing on the part of the Government to conserve large forest areas in rough and broken country where much rimu grows and which country is not specially adapted for settlement, to supply the future needs of our woodworking and building industries?—Yes; I agree with the idea of reafforestation, but I do not agree with the manner in which they are looking after the present.

52. I am talking now of our native forests—making reservations of forest areas in rough, broken country for future needs. You think that would be a desirable policy for the Government?—I do not think they should destroy any of the timber on such land.

53. Now, with regard to our forestry operations, I know you have taken a very deep interest in these for years past. Do you think the operations of the Forestry Department are as vigorous as they ought to be, considering that this country requires a constant supply of timber?—I do not think so.

54. You do not think that the Forestry Department, its operations having covered only 9,500 acres of land, is doing what it ought to be doing as a Department for the future needs of the country?—No, I do not think so at all. I do not think they are doing enough. They ought to plant quicker.

55. With regard to our sand-dunes and waste sand-lands, running into tens of thousands of acres, do you think some special effort ought to be made in the way of planting, to make those great areas of waste country profitable?—I think so. I think that is an object which the Government should always have in hand.

56. You are aware, of course, that France planted a great stretch of waste land along some part of her coasts, and that it is now valuable forest?—Yes, I have read of that.

57. *Mr. Hanan.*] You have studied the question of forest-conservation?—I have read a good deal about it. I take an interest in it.

58. Have you any suggestions to make as to where plantations should be established?—No. I think it is a matter for observation as to the best position for different kinds of trees.

59. Can you offer any suggestions as to what class of trees we should plant?—I think that possibly oak, ash, and elm are three kinds that should be planted largely. Those are timbers which will always be of commercial value, and they grow fairly quickly in this country, provided they are attended to.

60. What opinion have you formed of the prisons plantations?—I have only seen the one at Hanmer, and that was just as it was started, so I could not give an opinion on that point.

61. *Mr. Jennings.*] Has the increase in the price of timber retarded building operations to any extent, in your opinion?—I do not know that it has to any extent. I think there is a general depression all over the country.

62. And that has come within the last twelve months or so?—Yes.

63. You told Mr. Ell that you are in favour of allowing Oregon timber to come in in long lengths. Would you apply the same principle to the farming machinery of the Harvester Company of America? Should it not come in without a prohibitive duty also?—It is a question of whether you want it.

64. The farmers want machinery. The same principle applies, does it not?—Not always. We cannot produce Oregon. We cannot produce a timber that is so easily handled and worked in the rough.

65. But you stated that some of our timbers are superior, especially kauri?—For special work. It would be totally wrong to use kauri for beams and joists in the way it has been used.

66. Have you any knowledge of the totara that is in the Waimarina Forest?—No.

67. Do you know that it is used freely by builders and also by the Public Works Department for very heavy work, and that there is, in my opinion, an almost unlimited supply—at any rate, for the next fifty years? If you could get that timber at a fair rate and it would stand the tension

that builders would apply so far as structures are concerned, would you give that timber preference over foreign timber, at fair rates?—Yes, but then we know that it will not stand the strain, as compared with Oregon. That is the report I have.

68. We have evidence to the contrary?—I am only saying what I am told.

69. The decrease in the trade is owing to the depression, you say?—I dare say that has something to do with it.

70. *Mr. Field.*] Have you anything to say in complaint of the price of timber that is being charged or has been charged in the past?—No. I have not studied the question of merchants and millers.

71. Has there, to your knowledge, been any serious complaint about the price of timber in Christchurch?—No; general talk, that is all.

72. I suppose some people always complain?—Yes. The public always like to get the cheapest.

73. About this understanding, or, as it has been called, combination, between builders and timber-merchants and between timber-merchants and millers: do you think that has been in any way harmful to the timber-consuming public?—I do not know.

74. Do you think it has been anything but a fair understanding?—I do not think so at all.

75. You said that timber-merchants were keeping their businesses—that only one had gone out of business. I suppose you are aware that it is not a simple matter to give up a business of the character of a sawmiller's? I mean to say that if you were a timber-merchant, although you might be losing money or making nothing, you would probably hang on hoping for better times; in any case, you would probably find some difficulty in selling out at a fair price?—You might.

76. You cannot walk out of such a business in the same way as you could walk out of, say, a fruiterer's?—No. The business would have to be wound up.

77. Even though a merchant might not be making any profit and might desire to get out, difficulties would present themselves. There might not be anybody to buy at a fair price. You can see the difficulty of getting out of business and can understand a man keeping on, hoping for better times?—Yes. All of us are hoping for better times.

78. *Mr. Leyland.*] In reply to Mr. Ell you stated that kauri timber had risen 8s. a hundred in eight or nine years, I think it was?—Nine shillings a hundred.

79. That is about 30 per cent.?—Yes.

80. As that might convey the impression that the increase had been unduly large, would you be surprised to know that the royalties alone had risen 250 per cent.?—I knew that they had risen, but I did not know by what percentage.

81. With reference to the rise in the price of jarrah, is it not a fact that the world's timber-supplies are rapidly diminishing?—Yes.

82. All over the world the prices of timber are rising, so it is only to be expected that jarrah should rise?—Just so. I only quoted the price-list.

83. *Mr. Clarke.*] I have before me a price-list for kauri, printed in this city and dated 1899. The price marked on it for sawn kauri, 12 in., is 16s. That was ten years ago. Opposite that is a statement in writing that the price is now £1 9s. 6d. Is not that more than an 8s. rise?—I was quoting figures for 1901. The price was £1 0s. 6d. then.

84. I am speaking of the difference between now and ten years ago. Is this list correct which shows that ten years ago the price was 16s. and now it is £1 9s. 6d.?—I have not that list; I have only the figures for 1901.

85. Now, with regard to preserving kauri as much as possible for our future use. It is recognised that it is one of the best timbers in the world, is it not?—Yes.

86. Would it not be desirable to do all we can to preserve our timber for our own use? And I may say that the best boats that Lieutenant Shackleton says his party ever used were made of kauri. Should we not preserve our own timbers for our own use as much as possible?—I think we should.

87. With reference to our future supplies, if you will look at the latter part of our order of reference you will see that we are asked by implication to consider the future, are we not?—Yes.

88. We are now working on, practically, a limited supply in this country, are we not? There is not any being grown?—That is so.

89. Is it not good business that a man should not attempt to work on his capital only? You would not like to be working on your capital only, and not getting some return?—I said before that I think the Government should make some provision for future supplies.

90. With reference to a duty on Oregon, you were asked a question about letting machinery in duty-free. I suppose you recognise there is a difference between machinery and timber. Machinery is already manufactured when it comes here, whereas timber needs a large amount of labour bestowing on it when it gets here. Is not that a fact to be taken into account?—Yes, I think so.

91. We heard a good deal about keeping the money in the country. Assuming that we can land Oregon here at about 9s. without any duty, we get a product for 9s. that is sold, in some places, at any rate, for 16s. Where is the remaining value? It remains in the country, does it not?—Yes.

92. With regard to long lengths and the special uses of this timber: suppose you are putting up a building with a good deal of plastered work in it, would you not rather use Oregon than red-pine?—Yes.

93. For partitions and joists where they are to be plastered?—Yes.

94. You think it a decided advantage to have the opportunity of buying Oregon for those special purposes, and that therefore any extra duty on it would be a further tax on people who wish to build in that way?—Just so.

95. *Mr. Morris.*] With regard to Oregon, if our native timbers were used in all the building going on here, would not the same amount of labour be employed?—It makes very little difference with regard to labour.

96. So that there is practically no advantage from the labour standpoint in bringing Oregon into the country?—No, only we get a better material for the same money.

97. Do you think the general public derive any benefit from the importation of Oregon into this market at all?—I should say that if a person gets a better article for the same money he does derive a benefit.

98. Are you prepared to tell us now, as a practical man, that Oregon is a better article?—Yes, for some purposes it is better than rimu.

99. Have you ever had any serious trouble as a builder with our rimu when used in buildings?—Yes, it does not always stand in its position as it ought to.

100. It does not stand so well as Oregon?—No.

101. But before you got Oregon here you always got along very well with rimu?—Yes. A man does with an ordinary suit of clothes before be can buy a good one.

102. What I want to get at is this: You have never experienced any difficulty with your architect, for instance, in getting a job passed in which you used rimu when you had no other timber to work with—I mean, on account of it twisting or warping?—Oh, yes! I have had to take some out.

103. Have you had any experience at all in the milling of timber?—No.

104. Then you cannot tell us whether the miller is getting more than he should get for his timber at the present time?—No.

105. But you put in a price-list for 1894—I suppose with the object of showing that timber was much cheaper at that time than it is to-day?—I did not put in a price-list for 1894.

106. Then, you quoted figures from it?—It was 1901 I quoted the figures for.

107. If I told you that at that period the millers were trying their best to cut each other's throats, so to speak, and that none could pay their way, would you be surprised?—It was the general thing all over the country then. It was the same with builders, I think.

108. Do you consider that a desirable state of business?—Certainly not.

109. You will admit that the class of rimu you have generally had in this market has been good?—We get all kinds, I think—good, bad, and indifferent.

110. Take Oregon, for instance, and compare it: Do you not think it is cheap enough at the present price?—It is much the same price as the other. I see no reason why we should not get it cheaper if we can.

111. If you are buying Oregon to-day, as I understand you are, at 14s. 6d., less 7½ per cent. discount—that is, with the present duty on it—I think the public are being fairly treated, do you not think so?—No, I think the large sizes of Oregon should come in duty-free.

112. Have you ever experienced any difficulty in getting long lengths of rimu over here when carrying on your business?—Yes, we do at times.

113. I suppose if you ordered them in time you could get them?—People generally want their job done in a hurry.

114. If you get a contract placed in your hands for execution you generally have sufficient time to obtain these big sizes of timber long before you require them?—Not always.

115. Do you think that if the merchants here stacked them it would help matters?—It might help a bit.

116. It would mean that a considerable extra charge would have to be made for them if the merchant had to hold large stocks?—Yes.

117. *Mr. Barber.*] It has been stated that the importation of red-pine into this district has been reduced by 75 per cent. as compared with eighteen months ago—that is, there is only 25 per cent. of the red-pine being imported now that there was eighteen months ago. Do you think that is a true statement?—Of course, business is not so brisk.

118. Do you think it has fallen that much?—It must have fallen considerably, I should think.

119. What do you attribute that to?—There is not the demand.

120. Why is there not the demand?—There is no building going on. There is a general depression.

121. A good deal has been attempted to be made of the fact that sawmillers and timber-merchants have not done well. I think you said that only one of them here has ceased to carry on business?—That is all, I think. I spoke of timber-merchants, not sawmillers.

122. With regard to the general depression that has prevailed, do you think the timber-merchants have felt the depression any worse than those engaged in other industries, such as the boot industry, or even the woollen industry?—I suppose all businesses have felt the depression. There is not much difference.

123. You are secretary of the Builders' Association?—Yes.

124. It was stated in evidence yesterday that a resolution was passed some time ago in favour of the free importation of Oregon pine, but that resolution was afterwards rescinded, and the association as an association altered their opinion on that question. Do you know anything of that?—The resolution was not rescinded. The two resolutions will read very well together.

125. Can you submit the two resolutions to the Commission?—I can give you copies of them.

126. *Mr. Mander.*] You said that some time ago 6d. a hundred was charged extra for seasoning timber in the yard?—One shilling for stripping and 2s. for seasoning.

127. That is at the present time?—Yes.

128. But I mean some years ago?—Yes, it was done at 6d.

129. Do you consider 6d. a reasonable price for timber-merchants to charge for holding timber in the yard from six to twelve months?—No, I do not.

130. Then, they were doing it at less than cost-price?—I do not think it paid them at 6d.

131. Do you not think it legitimate that, when business people find they are doing business at less than cost-price, they should raise their prices?—Yes, but that is a matter for their business.

132. Do you think it wrong to raise the price of any commodity in proportion to the cost of the production?—No.

133. If you were satisfied that the cost of production has gone up so very largely on kauri timber, would you be satisfied that it was legitimate to charge the present price?—Yes, I am not complaining of the present price, only the difference in the cost.

134. When kauri timber was selling so cheaply some years ago—at about 8s. a hundred—are you aware that at that time there was very keen competition, and the people were losing very heavily over the business?—I am not.

135. If you were told that was a fact, you would not be surprised at that change which has taken place?—There is always cutting when business is low.

136. And that is not good business for the individual or the community?—No.

137. *Mr. Ell.*] Have you used beech at all for building purposes?—No. Twenty-five years ago I used a little in the country.

138. Have you any knowledge of it at all?—It is not a good timber for building, generally speaking.

139. I think you stated in evidence that you considered that to use kauri in large lengths and great beams was a waste of timber, because it is more valuable to the country for other purposes?—Yes, there is no doubt about it.

140. With regard to the Telegraph Department putting in huge poles 16 in. square, can you tell the Commission whether you do not think totara is more valuable for other purposes?—Yes, I think that most of the best totara should be limited to certain purposes.

141. Have you had any experience of it with regard to window-sashes?—Yes, it stands very well, but it is very short in the grain and liable to break.

142. But it stands the weather well?—Yes, there is no doubt about that.

143. As a builder, for what purposes do you think totara is specially adapted?—Ground plates or posts, or anything that is required to stand in the ground or where there is likely to be dampness.

144. But with regard to house-work, finishing, or panelling?—I do not care for it myself in joinery-work.

145. *Mr. Morris.*] Do you not find that the building trade feels the pinch or tightness of the money-market before other trades?—No.

146. For instance, a man can do without a new house or a new building when he cannot do without clothes?—I think our boot-factories feel it first.

147. But it is a fact that a man can do without a new house when he cannot do without clothing?—Yes.

ROBERT ELLISON sworn and examined. (No. 51.)

1. *Hon. the Chairman.*] What are you?—Secretary of the Central Dairy Company.

2. Can you give the Commission some information in regard to the timber you use in your factory?—All I wish to say, Mr. Chairman, is that the price of white-pine appears to have gradually increased. Some years ago we found that the cost of our butter-boxes had somewhat increased, and at that time we could not make a contract in Christchurch for a finished box under 1s. 6d., and we had to arrange for our supplies from the North Island. We found that by getting the boxes down in shooks and fitting them up here we were able to get our finished article for about 1s. 2½d., as against 1s. 6d.

3. So you are gaining 3½d. by the change?—Yes. I am speaking of three years ago.

4. And has that continued down to this time?—That is the position at the present time.

5. What price would that run into per hundred superficial feet at the price that it is at the present time?—It takes, roughly, about 8 ft. to make a box.

6. So that it is less than 1d. a foot?—Yes. Some considerable time ago the question as to whether something should not be done by the Government to preserve the white-pine forest was brought before the notice of our National Dairy Association, and at different times resolutions have been passed asking that an export duty be imposed on the white-pine. Whether that would be altogether desirable or not I am not prepared to say.

7. Have you any knowledge of the amount of white-pine that is exported for the Australian trade?—No, I could not say what is exported.

8. But for the benefit of the dairy industry you think that the white-pine should be conserved?—Yes, that some endeavour should be made to conserve it as far as possible. I understand that the Egmont Butter-factory of Taranaki, who supply largely the requirements of Taranaki and Wellington Districts, have a large quantity of country reserved to last them for the next twenty years.

9. Are there any white-pine forests suitable for butter-boxes in Canterbury?—No.

10. Where did you get your supply from previous to getting it from the North Island?—We always had the finished box supplied to us.

11. From where?—From the contractors. The timber, I believe, in some instances, came from Southland.

12. Not from the West Coast?—I have heard that a certain amount of it came from the West Coast as well.

13. *Mr. Ell.*] You say you believe that a large dairy company in Taranaki has secured an area of white-pine forest so as to provide for the future needs of the industry?—Yes, I understand that.

14. It is a matter of national importance that one of our largest industries should be helped in every way?—Yes.

15. Do you think it would be rather a matter for the State to bear the cost of preserving the supply and holding an area of white-pine forest, rather than that the different companies should do so?—Well, I think it would be quite within the province of the Government to provide for the future. It is only natural that as the supply becomes depleted the price must of necessity advance.

16. So that this company you mentioned evidently see there is a possibility that the price may be raised, and they are taking it by the forelock and trying to protect the interests of their business?—That is so.

17. Do you not think it would be a good thing for the Government, looking to the future needs of the industry, that certain reservations should be made so as to preserve a supply of pine timber for this purpose?—Yes, I do, certainly.

18. Do you know, where the Forestry Department are planting trees, whether they will be suitable for your purpose or not?—I understand they are planting, but I do not know whether any of the trees that are being planted will be suitable for our business.

19. In view of the fact that our natural forests are bound to disappear in course of time, the Forestry Department should make some special plantations, seeing that this is one of the great industries of the Dominion?—Yes, I feel that way very strongly. The only thing is that there may be the possibility of some substitute being found to take the place of wooden butter-boxes. There are already certain substitutes being offered, but they will only come into use if the price of white-pine very much advances.

20. Those boxes you are now speaking of are dearer than the boxes made of white-pine?—Well, they are as dear.

21. Can you give us any idea as to the quantity required by your company annually for this purpose?—Well, we want, roughly, from 20,000 to 30,000 boxes a year.

22. That is your company alone?—Yes.

23. And, of course, you are only sending out a small portion of the butter shipped from this country?—That is so.

24. So that that would have to be increased many times to cover the needs of the various companies in New Zealand?—That is so.

25. *Mr. Hanan.*] What was your last export for this season?—We usually ship for the London market from 250 to 300 tons of butter in a good season.

26. Have any changes taken place so far as your company is concerned in regard to the supply of white-pine during the last three years?—We never buy or handle the timber itself. We always buy the finished box.

27. You found you could bring the boxes all the way from the North Island cheaper than you could get them in Christchurch?—Yes.

28. Do you find the white-pine borer affecting your boxes? No, they do not have time.

29. *Mr. Leyland.*] I understand the boxes from the North come in shooks?—Yes.

30. And the price you paid for the local box was a box made up?—We had them made up.

31. And now you have to make them up?—Our finished box at present is costing us 1s. 2½d. We pay 1d. a box to have them put together, and we supply the nails.

32. Are you aware that the export of white-pine as returned from the Customs Department for last year was 57,330,565 ft., of a declared value of £222,914, and in view of that fact would you advocate an export duty on white-pine seeing the number of men who might be thrown out of employment?—I think the proper position to take up is to ascertain what quantity of white-pine there is in the colony, and base your decision on that.

33. In this case we are not only keeping the money in the colony, but taking the other fellow's money. It is said here that we ought not to allow Oregon to come in because it is sending money out of the colony. Do you not think the other fellows might say they ought not to allow the white-pine to come in because it is sending their money out of their countries?—We cannot be accountable for what they will do.

34. In other words, our imports for 1907 were £17,000,000, and our exports were £20,000,000. Do you not think it is a bit cool of the New-Zealander to talk about keeping the money in the colony when he wants to prohibit his timber going away and when he takes three million more?—I do not know whether my opinion is worth anything on that question.

35. *Mr. Morris.*] I suppose you feel justified in getting the best price for your butter?—We always try to do that.

36. Do you think it would be fair if the Government put an export duty on butter to prevent people paying 1s. 6d. a pound, as they did last year?—I do not think that affects the position. The price of butter is ruled by the outside market, and not by local conditions.

37. Do you not think it applies to timber too?—Yes, it does to a certain extent.

38. If there is no demand timber is cheaper?—That is right.

39. Instead of looking to our timbers for the future generation, which may not require it at all, do you not think it will be more likely in this progressive age that some substance cheaper than wood will be discovered which will be more suitable than white-pine for boxes?—It is quite possible that might take place, but it is only on account of an advanced price in the timber that will bring that about. At present there is nothing superior to white-pine.

40. *Mr. Stallworthy.*] You said it would be wise for the Government to inquire into the amount of white-pine in the colony. How many years' supply would you reserve? Supposing we have enough for the next fifty years, would you still advocate an export duty on white-pine?—You mean sufficient to supply the whole of the industry?

41. Sufficient white-pine for fifty years for the whole industry?—I do not know that it would be necessary to take any immediate steps under those conditions.

42. *Mr. Mander.*] If you held a bush of kahikatea for fifty years at 6d. per hundred, have you any idea what the value of that at 5 per cent. would be in fifty years hence?—No, I have not.

43. It would be a very large increase?—Yes.

44. Do you not think that it is legitimate that an increase should take place in the price of timber if it is held for any special purpose?—Well, it would have to. I do not see anything else for it.

45. If we could get rid of our timber now legitimately at a reasonable price, is it not probable that we may be able to put our money to as good a use as if we held the timber for fifty years?—Yes.

46. You spoke about a dairy company in New Plymouth buying a timber holding for the purpose of their business. Do you suppose the company will use the timber as they go along?—Yes, I think they will. The company I referred to is largely composed of butter and cheese factories.

47. Do you not think it legitimate that the large holdings of timber at the present time should not also be used for legitimate uses as they go along?—For legitimate uses, certainly, but at the same time I think that provision should be made so that our forests are not depleted. There is nothing to take its place.

48. I suppose you are aware there is great danger in holding timber, in consequence of fires?—Yes.

49. Do you not think it would be better to open up your country and settle it legitimately and dispose of that timber?—Well, I am not very much interested in that standpoint of the question. Of course, we are looking to our own side of the question principally.

50. *Mr. Ell.*] Looking to the needs of your industry?—Yes.

CYRIL HOLM BISS sworn and examined. (No. 52.)

1. *Hon. the Chairman.*] What are you?—District Railway Engineer.

2. Can you give the Commission any information with regard to the timbers you use?—Yes. The timber which has been used in the Maintenance Branch of the Railway Department on the Christchurch Section of the railways has been, during the year 1908—red-pine, rough, 322,000 ft., average price 13s. 6d.; red-pine, dressed, 243,000 ft., average price 16s. 6d.; kauri timber, not specified whether rough or dressed, 35,000 ft., average price £1 6s.; totara, not specified, 27,000 ft., at £1 3s. 6d.; matai, 1,100 ft., at £1 1s. We have made a rough estimate of what we shall require for the year 1909—namely, red-pine (rough), 300,000 ft.; and red-pine, dressed, 300,000 ft.; kauri, 25,000 ft.; totara, 20,000 ft.; matai, 4,000 ft.: and we anticipate a slightly higher price than that charged for 1908.

3. How much of Australian hardwood have you imported?—During the past six or seven years the quantity of Australian hardwood used for bridges has been approximately a quarter of a million superficial feet per year, the average cost of which has been £1 2s. 6d. per hundred superficial feet. Our 1909 contract, of course not yet delivered, is for 156,000 ft., at £1 4s. per hundred for hewn and £1 10s. for sawn, and 2,200 lin. ft. piles, at 2s. 6d. a foot. We also use a large quantity of hardwood sleepers on the Canterbury Section. This is all for maintenance and new works. The sleepers are not included in the 156,000 ft. The 7 ft. sleepers which we used in the year ending 31st March last were 85,345 jarrah sleepers, and the price quoted by our Stores Branch, delivered at Lyttelton, is 3s. 9d. We had a few ironbark sleepers—namely, 1,024—which were quoted at 6s. at Lyttelton, and we have used 1,720 silver-pine sleepers during the year.

4. Were those imported?—The silver-pine sleepers were brought from the West Coast. They did not arrive during this year, but had been on hand for some little time, and the price at Lyttelton was 4s. 1d. That makes the total quantity of sleepers used on this section during the year ended 31st March last 88,000. That is for the Canterbury Section, which goes as far south as the Waitaki River. The average annual consumption on that section could be put down at 70,000 sleepers. The extra quantity used during the last year was due to the fact that we had extra works, such as the duplication from Addington to Rolleston. In addition to that we imported during the year ended 31st March last 150,550 superficial feet of sawn ironbark sleepers. The cost of those was £1 2s. 9d. per hundred superficial feet. That is about all the information I am able to give you.

5. Those silver-pine sleepers from the Coast, have you used many of them?—In former years a good many were used.

6. But you have not been using so many latterly?—We have used none latterly. We have not had any during the last twelve months.

7. Did you ask for any?—No. The head of the Department settles the classes of sleepers that will be used. The district officers are not asked to make a requisition for different classes of sleepers. We say that we want so-many sleepers, but the head of the Department decides what timbers will be used.

8. So that, as far as you know, no orders have gone for West Coast sleepers?—I do not know of any that are coming from the West Coast at the present moment. Our Stores Branch would be able to answer that question.

9. Have you a creosoting plant for dealing with them here from the West Coast?—No, we do not do creosoting on this division. The creosoting is only done at Woodend, in Southland, and at Woodville, in the North Island.

10. *Mr. Ell.*] I think you told us that the jarrah sleepers cost 3s. 9d.?—That is so.

11. Have you any knowledge as to whether there has been an increase in the cost of jarrah sleepers in recent years, or not?—I cannot quote the prices from memory. I have not had a great deal to do with jarrah sleepers until the last year or two, so I could not go back any length of time.

12. With regard to any of the hardwoods that are necessary in any of the works of the Railway Department, have the prices hardened?—Yes; there has been an increase in the cost of ironbark.

13. To any extent?—I do not know that I have got the exact figures. Twenty-four shillings is the present price, and I think we have had ironbark at about £1 or 19s. 6d. within the last ten years. But that is only an impression from memory.

14. You say that you require about 70,000 sleepers a year for this section?—Yes.

15. And I think they told us in Dunedin they require about 48,000 a year. Do you know whether the Railway Department, or the officers occupying the position which you occupy, are making any provision at all with regard to the future supply of sleepers for the railway system of New Zealand?—In what way?

16. By planting or——?—No, the Railway Department are making no provision by planting, so far as I know.

17. You do not know of any special provision?—No.

18. So that at present they are entirely dependent upon importation?—Upon importation, or local timber to some extent, or possibly they depend on what the Forestry Department are doing. The Railway Department did plant years ago, but on the formation of the Forestry Department the Railway Department turned over the business to them. We have not paid any attention to the raising of timber since the formation of the Forestry Department.

19. Do you consider that sufficient provision is being made when I tell you that only 9,400 acres have been planted since the Forestry Department started operations?—Are you asking for my private opinion, or my opinion as an officer of the Railway Department?

20. Your opinion as an officer of the Department?—It is really a question for the Forestry Department. I could not hazard a guess even as to what amount of timber is expected to be got from an acre. At a rough hazard I should say it is not sufficient.

21. You are aware, I suppose, that the policy of the great American systems of railway, conducted by companies there, is to plant considerably?—Yes.

22. Notwithstanding the fact that they have vast areas of forest there even now untouched?—In certain parts of the country; but America is a very vast country compared with New Zealand. What is good provision in one part of that country might be no provision at all for another part.

23. Notwithstanding the fact that they have vast areas of forest there, they still consider it necessary to provide for plantations?—Yes, I know they are doing it.

24. Now, the railway system of Australia, of course, is growing rapidly?—Yes.

25. And there the demand for sleepers would increase year by year?—I should say so.

26. That being so, we are drawing from a supply which they will want for their own system. Do you think it is at all possible that the time may come when the price will harden further, with the constant demand?—I think that will be the tendency—for the price of hardwood to increase.

27. Do you think it would be a wise thing on the part of the Government to set to work and make provision by planting for the large demand that will be made for sleepers for our railway system in New Zealand?—I am not prepared to give a definite opinion on that subject. I think it is a little outside the province of a Government officer in my position to give an opinion on such a large question as that.

28. *Mr. Jennings.*] You have had experience of the North Island as well as the South with regard to timbers for the Department?—Yes.

29. What has your experience been of North Island sleepers that have been creosoted, as compared with jarrah and other woods?—The creosoted native timber is inferior to jarrah as a railway sleeper.

30. What is the difference in life—have you any knowledge?—We have hardly had sufficient experience for me to say. The creosoted native timber might possibly last as long as the jarrah, but it gets cut and damaged by the spikes and other fastenings very much faster than the jarrah sleeper; consequently with heavy traffic it tends to cut out very soon.

31. Have you any knowledge of what is called the Powellising process?—No. I know just a little of what they are doing in New Zealand in the way of creosoting.

32. The works have started?—I have seen the works. That is all I know about it.

33. You express the opinion that the creosoting of our New Zealand timbers does not render them equal to jarrah?—In my opinion it does not produce a sleeper equal to jarrah, considering the present price of both.

34. *Mr. Field.*] Why do you not use creosoted sleepers here?—I think it is chiefly on account of the distance we are away from the creosoting-works. All that they can put through are absorbed nearer to the works.

35. Do you know the difference between the cost here of a jarrah sleeper and the cost of a creosoted white-pine sleeper?—Not having used any creosoted sleepers for a long time, I do not know what our Stores Branch are quoting them at at present. I should say they are slightly higher in price, from what I remember, than the jarrah sleepers at their present price.

36. What is the difference in life between a hardwood sleeper and a creosoted New Zealand sleeper, putting aside wear and tear altogether—I mean, considering only climatic and other such conditions?—I should say that we have not had sufficient experience of either yet to tell you that. I think the probability is that the life of jarrah might be reckoned at thirty years on an average—that depending, of course, on the density of the traffic over the line.

37. You would not hazard an opinion as to the life of a creosoted sleeper?—No.

38. If the cost of creosoting were very much reduced, you might express a different opinion from that which you expressed just now?—Certainly. My opinion is formed taking into account the comparative price of each at present.

39. Have you heard of any new creosoting process?—The creosoting process is being modified, and experiments are being made, especially in parts of America. I have read of them, but have no personal knowledge.

40. Have you heard that under the new process the creosoting can be done with about half the quantity of creosote?—I know that processes are being modified, but I have not read the details.

41. *Mr. Leyland.*] Will you give us your opinion as to the comparative life of a puriri sleeper?—I should like to see the sleeper first—I have seen puriri and puriri.

42. What would be its length of life as compared with jarrah?—In my opinion a first-class puriri sleeper—a sleeper which I think it would be extremely difficult to get now—from what I remember would outlast jarrah in wearing qualities.

43. There is a large puriri bush open now in the North?—Puriri was scarce when I had experience of it.

44. *Mr. Morris.*] How do you think our birch timber at about 2s. a sleeper would compare with jarrah at 3s. 9d.?—My experience of birch timber for sleepers has been insufficient for me to form an opinion. We have not used any birch sleepers for a long time. I have only been in Canterbury for a year.

45. You do not know whether there is any birch now in use on the Canterbury lines?—None is being put in now. I have no doubt there are some birch sleepers left in the lines here, but I cannot give you an estimate of the number that are still left, or where they are.

46. *Mr. Jennings.*] What did you say was the life of a jarrah sleeper?—I think probably we might expect the average life of jarrah to be thirty years, except where the traffic is exceptionally heavy.

47. An architect has reported to the West Australian Government that the average life of an American oak sleeper in the States is from six to seven years, and creosoting makes it much longer, while the life of such a sleeper as ironbark is from fifteen to twenty years?—I still think that jarrah sleepers will last thirty years where the traffic is light.

HAROLD LIGHTBAND sworn and examined. (No. 53.)

1. *Hon. the Chairman.*] You can give us some information with regard to creosoting, I understand?—Yes. I have information with regard to the Rueping process, which is at present being used very largely by the railway companies in America for creosoting their sleepers and also their constructional timbers.

2. Will you tell the Commission shortly about the process and improvements?—The advantage of the Rueping process lies chiefly in the lesser consumption of creosote and a more thorough impregnation of the timber treated. Thus, by the old method an ordinary railroad-sleeper, 7 ft. by 8 in. by 5 in., equalling nearly 2 cub. ft., absorbs about 2½ gallons of creosote, while by the Rueping process a more thorough penetration would be obtained, with naturally more efficient preservation of the timber treated, and only 1 gallon of creosote would be finally retained in the sleeper, showing a saving of 60 per cent. in the quantity of creosote absorbed. Based on the consumption of creosoted sleepers by the New Zealand Government in 1905, stated as being 120,000 annually, absorbing 2½ gallons of creosote each, equal to 300,000 gallons, by the old method, a saving of 180,000 gallons per annum would be effected by using the Rueping process, equal to £5,625 per annum in cost of creosote alone. Then there is another feature that comes into the question, and that is the cost of creosote of approved quality. I am advised from America, where nearly the whole output of creosote for the world is handled, that creosote is quoted in Europe at the present time at 2¾d. to 3d. per gallon net, the estimated outside cost landed in New Zealand in bulk or barrels being 5d. per gallon. At this price for creosote, based on practical experience of treating by this process in America, the cost per sleeper would be approximately as follows: One gallon of cresote, 5d.; mechanical part of impregnation, wages, &c., at most 2d.: making a total of 7d. per sleeper for material and labour. There is another feature which I can illustrate by samples of New Zealand timbers and a small section of American timber, and these are very much in favour of this process as against the old processes. As already stated, 2½ gallons are absorbed by about 2 cub. ft. of timber, and none of that is taken out—that is absorbed by the timber. The consequence is that the timber is in a very stodgy and dirty condition for handling. By this process the creosote is extracted from the timber again—that is, all the creosote that is not necessary for thoroughly impregnating the cells of the timber is forced out of the timber again, leaving only just as much as is required for thoroughly preserving the timber. The consequence is that you get a timber in the condition of this sample. [Sample produced.] That is American pine. It is a section of a cross-arm of a telegraph-pole.

3. *Mr. Jennings.*] How long is it since that was treated?—I should say about six months. Here are some sections of New Zealand timbers, which I sent to my principals in New York for the purpose of having them treated in order to test the effect of creosoting on the principal timbers used here. I have here a piece of rimu and a piece of white-pine. These are the untreated sections which I retained. [Samples produced.] This will serve to show the thoroughness of the impregnation and the desirable condition of the timber after it has been treated. Here is a piece of honeysuckle [produced] which has been thoroughly impregnated, and it takes a polish very readily. From the condition of the timber after it has been treated by the Rueping process the field of use is very much widened as against the old method of saturating the timber with creosote, which was not only expensive, but was very much less desirable, inasmuch as the timber could only be used for very rough work or work that was half buried. It was impossible to use it for any exposed work that would be likely to be come into contact with by persons or other agents. Now it can be used not only for railway sleepers, but for bridge-work, culverts, telegraph poles and cross-arms,

marine piling and wharfing, mining purposes, fencing, street-paving, and all classes of rough buildings such as goods-sheds, grain-stores, stables, factories; and the framing of dwelling-houses. It is already known to the Commission, I suppose, that creosoting renders timber not only impervious to rot, but also to the attacks of any wood-destroying insects, such as the white-pine borer. To show the effect of the introduction of this process in America, probably one of the greatest railroad countries in the world, I might mention that during the last four or five years this business grew to such an extent that last year there were over 10,000,000 sleepers creosoted and put into use by the railway companies there. During the examination of the last witness the question arose as to the length of life of a creosoted sleeper. There is one small paragraph in this report which I hold in my hand in which they give the result of a test in France, and they say that after twenty-one years of use of creosoted timbers, only 6 per cent. of them required to be taken up, the balance being still in good condition. So that even then it was not fully proved what time they would last. They simply say, "We will mention in addition the fact that on certain railways, within a space of twenty-one years, only 6 per cent. out of all beech-wood railway ties which had been impregnated with tar-oil had to be exchanged. This should be the best testimony for the superiority of the tar-oil impregnation." That timber was not treated by this process, but by the old processes at a very much greater expense.

4. Were those softwood sleepers that are referred to in that quotation?—It was beech wood, which is a soft wood. In America they are using all softwood, such as short-leaf pine.

5. *Mr. Mander.*] Do you find that the softwood sleepers wear out by the dogs cutting in?—No. The American companies could get hardwood, but have adopted the creosoted softwoods on the score of economy generally. They, by their adoption of it, I think, have undoubtedly put the stamp of commercial utility on the thing. I have a good deal of other information in reference to this matter, but it would take too much time to give it to you. I have all the departmental reports from the United States Government Forest Service, and they go into the matter thoroughly of railway ties and the effects of the spikes and the wear generally; but that is too long a matter for you gentlemen to listen to now.

6. *Mr. Field.*] Could you leave those pamphlets with us?—Yes, I will do so with pleasure. Of course, this matter could be thoroughly tested by sending to America, where there are a number of plants at work, and getting our own timbers creosoted there; that I can get done easily, and there is little doubt of the rot-proofness of it. Creosoted ties have already been tested in France for twenty-one years, and in some countries even longer than that.

7. *Hon. the Chairman.*] You have not alluded to the life of creosoted timber in America. I take it that the principal information you can give us to-day is derived from America?—Yes.

8. You have not given us the life of any creosoted timber in America?—That has not been proved because it has not been in vogue a sufficient length of time to test it. It has been longer in vogue in France than in America, and also on the German railways.

9. Do you represent any syndicate?—I am the representative of Messrs. Lembcke and Co., of New York, who own the Australasian rights for this process.

GEORGE EDWARD RICHARDSON, Manager, Railway Workshops, Addington, sworn and examined.
(No. 54.)

1. *Hon. the Chairman.*] You are manager at the railway workshops at Addington?—Yes.

2. Can you give us any evidence concerning matters coming within the scope of this inquiry?—I can give evidence concerning the amount of timber we use, the class of timber, and the price we pay for it. We use kauri, rimu, and totara.

3. What are the quantities?—Of kauri and rimu for repair-work for the year our consumption is about 20,000 ft. for carriages and wagons.

4. What proportion will rimu bear to the amount of kauri you use?—Roughly speaking, about seventy-five per cent. of it is kauri.

5. For new carriage-work what was the average consumption for the last five years?—A hundred thousand feet, of which 75,000 ft. was kauri and 25,000 ft. rimu.

6. Has it increased or decreased during that time?—Last year we used very little. It all depends upon our orders. We have had practically no orders for new carriages recently.

7. Then, you have been making no new carriages?—No, there has been very little carriage-work this year. The timbers I have mentioned are our principal timbers. We also use totara and teak.

8. What do you use totara for?—For beading windows, for carriages, and for the flooring of sheep-trucks. Teak we use for window-sashes, and we use jarrah for wagons. In some classes of wagons lately we build them of jarrah right through.

9. Would not rimu be good enough for the boxing of the wagons—that is, the top boxing?—Oh, yes!

10. What proportion does the price of rimu bear to the price of jarrah?—Our price for rimu is 13s. 8d., and the price for jarrah is from 19s. to £1.

11. Can you tell the Commission anything in regard to the life of rimu as against jarrah?—We have used about 360,000 ft. of jarrah. We have only used it for the last eighteen months. As to the difference of life between jarrah and rimu I am not in a position to state. We have not used jarrah long enough.

12. *Mr. Ell.*] You say you pay 13s. 8d. for rimu per hundred feet?—Yes.

13. Is that ordinary building-timber, or is it of higher quality?—It is rough timber.

14. What quality?—Best quality.

15. We had a witness here who told us yesterday that he bought his timber for 13s. 6d.?—Our specification states all heart, but I am not quite clear on that point, because I do not buy the timber. It is certainly not all heart that we get.

16. It is not all heart, and yet you are paying top price?—No, it is not top price.

17. You require about 100,000 ft. a year?—Yes.

18. Are all the carriages built here?—I am only speaking of the Addington Workshops. We sometimes prepare the timber for other sections.

19. The timber required for the various workshops would be very considerable?—Yes. Petone built about sixty carriages during the last few years, whilst we only averaged about ten in the same time.

20. I want to ask you respecting our future needs for timber for various purposes. Would it not be wise on the part of the Government to make some provision by more extensive planting; and until such time as these trees mature would it not be desirable to have certain reservations secured for our needs in the meantime?—I think that some provision should be made.

21. You do not know of any special provision just now?—No.

22. *Mr. Hanan.*] Would it not be desirable for the Government to have timber reserves, and cut timber for their Departments?—I cannot answer that question, as I regard it as a matter of policy. I should not care to commit myself to that, and I would rather not answer it.

23. *Mr. Leyland.*] Have you any difficulty in getting your orders executed for your kauri-supply?—Yes, long lengths and short lengths as well.

24. Are you aware that the Railway Storekeeper has had to cancel orders for some millions in Auckland?—Yes. I experienced trouble at Newmarket.

25. Considering that Oregon is very largely taking the place of kauri for rough purposes in Auckland and elsewhere in the Dominion, although for some purposes kauri is best suited, do you not think it is desirable that the importation should be encouraged?—The form in which Mr. Leyland has now put the question enables me to answer it. Yes, because it would enable one to get kauri-supplies easier, and if that would be the case I should be in favour of the importation of Oregon.

26. *Mr. Morris.*] Is there any other of our native timbers that could take the place of kauri?—Not for carriage-building.

27. You consider that Oregon is a good substitute for it?—Yes. For framework it is very good. We have found no other native timber to take the place of kauri.

28. *Mr. Arnold.*] Do you know from what part of the Dominion your timbers come?—It is only by chance that we do know. I think a good deal of our rimu comes from the West Coast.

29. Do you get any from Southland?—I could not say.

30. Do you know anything about New Zealand bush country?—Not to speak authoritatively.

31. What do you mean exactly when you say that you think it desirable that the Government should reserve certain bush areas?—To provide timber for the future.

32. Do you mean, in bush where there are large trees now suitable for felling, that that bush should be reserved?—No, I do not mean that.

33. Do you mean that, if there are areas of bush where there is not suitable timber, that should be reserved?—No, I do not.

34. What are we to understand exactly?—Mr. Ell asked me whether I thought the Government should plant; and I said "Yes; and reserve the native timber until such time as they had matured."

35. You have no idea as to whether it is likely that there are areas of bush land at the present moment where the whole of the trees are not matured?—I expect there are large areas of trees that are not matured.

36. You do not know of any?—Yes, between the Waimangaroa River and the Mokihinui River.

37. Is there a large area there?—I did not say a large area of native bush, but trees that to my mind are not matured.

38. With regard to planting, what trees do you suggest should be planted?—I have no opinion to offer in that direction.

39. *Mr. Stallworthy.*] Do you use much Oregon in the workshops?—Very little.

40. You do not use it regularly?—That is so.

41. *Mr. Mander.*] Is it not a fact that the Government when buying kauri timber always specify for the best quality?—I believe so.

42. If you were a miller and you found it very difficult to get rid of your inferior qualities, would you not hesitate in selling the better qualities to the Government?—From a miller's point of view I think that would be a reasonable position to take up.

43. Do you not suppose that that accounts for the difficulty in the Government getting first-class timber?—I think it has got a deal to do with it.

ERNEST WEBSTER WALLER sworn and examined. (No. 55.)

1. *Hon. the Chairman.*] You are in business here, Mr. Waller?—Yes. I am a member of the firm of John Waller and Sons (Limited), timber-merchants, Christchurch.

2. How long have you been in business?—Thirty years.

3. Are you a member of the Timber-merchants' Association?—Yes.

4. I understand that you offered to make a statement to the Commission. Will you please do so in your own way?—Yes. I will make a short statement, and shall then be prepared to answer any questions. As I have stated, I am a member of the Timber-merchants' Association, and have been a member since it started. There have been a large number of attacks made on the Christchurch timber-merchants by certain newspapers, and in letters in the newspapers. Our association have not replied to these attacks, with the exception of writing to the paper, pointing out that we were willing to appear before the Commission in Christchurch, and anything the Commission wished to

know we would let them know. I take it that as timber-merchants we are not expected to go through the Court periodically, as has been suggested, but are supposed to have a fair return for the capital invested in the business. Whatever the finding of this Commission may be, the fact will remain that if we could not get a fair return for our capital we should have to leave the business. We as timber-merchants are prepared to show the Commission that we are getting nothing more than a fair return. Our prices show that. With regard to the price-list, there are one or two things I should like to speak about. In the first place, concerning kauri. Some time back we sent a letter to the paper, showing the exact cost of kauri to us as timber-merchants, and the price we were selling it at. That letter applies exactly to the present position, with the following exceptions: The cost of kauri when we wrote the letter was 17s. a hundred; it is now 18s. 6d and 19s. The next item that has been altered is freight. It was then 2s. 9d.; it is now 3s. The cost of carting was 4d; it is now slightly more than that. And, of course, our selling-price has gone up correspondingly. We have heard a good deal about the cutting of kauri in winter or summer. I do not profess to know anything about that; but it is essential that we should get as large a supply as possible into our yards in the winter months. For my part, I would prefer to lose the interest on the money than not to get the kauri in in the winter, because the interest on the money invested in the kauri is not such a large item as the waste that is occasioned through getting the kauri in in the summer. If we got a cargo of kauri into our yards when the north-westers were blowing, we might lose more in a week than possibly we should make out of the timber. For this reason the firm I represent gave an order the other day for 80,000 ft. or 90,000 ft., in order to get it in in the winter months. With regard to red-pine, the other timber-merchants who have been before you have told you the exact cost to us, and we defy anybody to show it is not that. And the same with our selling-price. As to the 2s. a hundred that we charge extra for seasoned timber, after thirty years' experience I can safely say that never in the history of the timber trade in Christchurch has the standard of timber required by the builders and private people been so high as it is at present. It is very high. After we timber-merchants get our timber seasoned we have to pick out a big proportion of it, which we have to sell as a lower quality of timber. If you gentlemen will come down to our yard I will prove this statement up to the hilt. A gentleman who gave evidence yesterday was asked whether he always got dry timber from the merchants, and he said "No." He was asked, "What do you do, then?" and he said, "I send it back." That is about the position. Competition is so keen that if a merchant cannot supply a man's orders he loses the custom. That is the position. With regard to expenses, our experience is that the whole of our expenses are continually creeping up—labour and everything else. I am saying nothing about the work of the men, but the requirements of the trade are such now that more men are required to keep the yards going. The labour is greater. This I am prepared to prove.

5. *Mr. Ell.*] With regard to kauri, you say that you lose a good deal if you do your seasoning in summer-time?—Yes. I wish to explain that, in this way: if we get the timber in the winter-time it seasons so much slower, consequently we do not lose so much in waste, though, of course, the interest is running on the whole time. If we can get the kauri in in the winter-time we prefer to do so.

6. With regard to this Jarrah Timber Company—I want to tell you what I have heard, and you can tell me whether it is true or not. I am told that the Jarrah Timber Company imports all the jarrah into this town, and also the Oregon, and that the different timber-merchants interested in the company draw their supplies from the Jarrah Timber Company's yard, and that the members of the Timber-merchants' Association are members of the Jarrah Timber Company. Is that so, or not?—I will tell you the exact position. The Jarrah Timber Company is a private firm. There are three or four timber-merchants in Christchurch who are members of that company; but, as far as the company is concerned, it has absolutely nothing to do with the Timber-merchants' Association. With regard to Oregon, the Jarrah Timber Company are not the only importers of Oregon.

7. Can you tell me whether it is true, as reported, with regard to the Jarrah Timber Company, that jarrah could be obtained much cheaper—1s. or 1s. 6d. a hundred cheaper—before the local company took the business over than it could be obtained directly the company had taken it over and made an alteration in price?—The only increase that has been made since the company took the business over is about 1s. a hundred. I am speaking now as a member of the company. The price charged for jarrah is, I maintain, absolutely fair. It is impossible to sell it for any less.

8. *Mr. Hanan.*] Do you anticipate an increase in the prices of timber, or a drop?—I cannot say that I anticipate either. I think timber will remain about the same as it is at present.

9. *Mr. Field.*] You said that the timber-merchants' prices were reasonable and did not give more than a fair margin of profit. Do you know anything about the millers' prices—whether the same can be said of them?—The company I represent is interested in a mill on the Coast; we have a half-share in it. Our experience of sawmilling during the last few years has been very bad. I do not think timber can be cut for a lower rate than at present obtains to make it pay.

10. Speaking generally, what profit are you getting per hundred feet, over and above the cost of production—what are the millers getting?—Speaking from our experience of the last two years, we have made nothing from the sawmill.

11. Absolutely nothing?—Absolutely nothing. I do not say it is impossible to make anything at the price, of course, or we should stop; but I maintain that timber cannot be cut for less money. I may add that I am a timber-merchant, not a sawmiller, and do not speak as a great expert on sawmilling.

12. We have heard that there is some sort of combination between the merchants and the builders, and between the millers and the merchants. Can you tell us anything about that?—With regard to the Timber-merchants' Association and the builders, there is no arrangement or

combination of any sort. The practice of the association now is to allow 5 per cent. discount to any man making his living by the use of timber; then we allow 2½ per cent. as a cash discount to any one, either builder or public, off our prices. There are no other rebates or anything of the kind connected with the building trade.

13. Is there not some understanding between the timber-merchants and the West Coast millers that the Christchurch merchants shall take their timber?—The Christchurch Timber-merchants' Association get their supplies from the West Coast Sawmillers' Association, and also from outside mills. A timber-merchant doing a large business must have an absolutely certain way of getting his timber, and be able to rely on getting all his orders executed in good time, so that there may be no trouble. There has been a good deal said about the difficulty in getting timber. As far as I am concerned, I have not experienced it. I think that any orders we have had on our books we have executed promptly. Of course, we have put ourselves in the position of being able to do so.

14. Do you mean to say positively that in this so-called combination or understanding there is nothing at all harmful to the consuming public—the people who use timber?—Certainly there is not—nothing whatever.

15. So far as the timber-merchants are concerned, are they a necessary evil, or would it be possible for the builder or the consumer to get his timber direct from the mill? Would he lose or gain by so doing?—Our experience through many years of trade since we have had a fixed price-list is that we have held our business together. I think you will find that the builders in Christchurch, or the larger proportion of them, will tell you that it is better for them to stick to a responsible timber-merchant. We have placed ourselves in this position: we are timber-merchants; whatever a man likes to order we will supply; we will take the risk of supplying it. If we have not got it ourselves, we purchase it.

16. By that means the builder, I suppose, is saved from keeping stocks, whereas you have to keep large stocks?—That is so. I should like to point out to the members of the Commission that we quote for special truck orders. In our list we quote for red-pine, 10,000 ft. or upwards, sawn timber not suitable for dressing, 12s. 6d.; and timber suitable for dressing, 14s. 3d.

17. *Mr. Barber.*] Is that net?—There is 2½ per cent. discount for cash—no 5 per cent. discount. To any builder or other person who wishes to stock 10,000 ft., that is the price.

18. *Mr. Field.*] In selling ordinary smaller lines, what, roughly speaking, must you get in order to allow yourself a profit? What do you get per hundred feet over and above what it costs to buy?—A statement of the actual cost was put in yesterday.

19. I thought you would have the amount in your mind?—I could work it out.

20. It has been estimated that the timber-merchant wants to get from 2s. 2d. to 2s. 3d.?—If I could get that profit and sell the timber as it came in, I should be prepared to close the yard.

21. Things being as they are, and a merchant having to keep large stocks, and pay rates, and rents, and wages, and so forth, what ought you to get in order to give you a fair profit?—I could not say roughly like that. It would depend altogether on different items. On some lines a good deal more profit must be made than on others. Take, for instance, skirting. Directly you get a split in a 12 in. skirting-board it is a dead loss.

22. But, taking all these things into consideration, what ought you to get?—I will say this, that the gross profit of the firm I represent was last year between 15 and 16 per cent. Out of that we have to pay all rents, taxes, rates, labour, office expenses, bad debts, and everything connected with the business. I can assure you one has to be pretty careful to make a profit.

23. We have heard that of all the timber-merchants in this city only one man has gone out of business—in recent times, I presume that is. Does that indicate that all the rest are making large profits?—With regard to that particular business, I may say that the stock was sold to anybody who liked to buy it, and the land also was sold. I do not think there was any question of trying to sell the business as a going concern at all. They simply retired from business. If it had been a good business, I take it the owners would have been able to dispose of it.

24. Was the firm in the position of having to waste a lot of machinery?—It was a timber-business pure and simple.

25. As long as they got rid of the stock they could easily get rid of the premises?—Yes.

26. There was not a large sum invested in machinery?—No.

27. Where you have a large sum of money invested in machinery, that makes it all the more difficult to get out of business, I suppose?—Yes. There is one thing I should like to say with regard to the question of red-pine or Oregon. I am speaking now as a timber-merchant. My firm sell Oregon or red-pine, and, as far as we are concerned, provided we get our profit, we do not care whether we sell Oregon or red-pine. We have a half-share in a sawmill, but it is a small thing compared with our business. But the position is with regard to red-pine, that we have to purchase the whole output of marketable timber; and when we bring this timber into our yards it may be 50 per cent. dressing-lines, and the remainder ordinary building-timber. Under old circumstances—before the Oregon came in—we were in the position of being able to deal with this timber—to sell it all. Now the Oregon has come into the market, it has taken the place of the ordinary building red-pine, and we are now called on to supply the better class only of red-pine in greater proportion than ordinary building. Consequently our yards are becoming stacked up with the ordinary building-rimu. We have got, I suppose, a couple of hundred thousand feet of ordinary scantlings in our yard which we have to stack. Of course, it is partly on account of the dullness of trade. As to the quantity of Oregon that has come into the market, we have a large stock of Oregon. I admit that the quantity coming in is not very large, but I think it is a growing business. The Oregon is becoming fashionable. A lot of witnesses have told you that they consider Oregon better for ordinary building purposes than red-pine. At the present time we are supplying, I think, five jobs with Oregon scantling, and the better class of red-pine for the finishing-timber.

28. Does this apply, in a greater or lesser degree, to other merchants also?—I think it must.

29. Assuming this state of affairs is as widespread as you indicate, what are you going to say presently to the millers?—I suppose that if we cannot sell the other timber, the millers will have to find some way of giving us just what we want.

30. And you told us just now that the millers cannot mill at a lower price than they are charging now?—I was trying to persuade one of our customers to use red-pine instead of Oregon, and he said, "Your trade is something like a butcher's: he buys a sheep, and if every one wants only legs and hind quarters he must either charge a great deal more for them or get rid of the other parts in some way." It must necessarily make the price high. I have nothing at all against the importation of Oregon, provided we could get the better red-pine without the inferior.

31. That is the difficulty—you can get rid of the finer class of rimu, but the rough stuff is stacking up in your yard?—That is so.

32. Heart of rimu with the resin in it, and our rough rimu generally, is not bad stuff for framing, is it?—I am not a builder; I am a timber-merchant.

33. But if a builder is careful in the selection of his timber, need it warp or twist to any extent?—The builders have managed to get along with it all right so far. As far as I personally am concerned, within the last ten years I have had two houses built for myself, and I can see nothing wrong with those. I listened with very great pleasure to Mr. Seager's evidence the other day. He said that the lifetime of a house built of unseasoned red-pine was ten years; but, unfortunately for us, these houses are not falling down at the end of ten years.

34. Tell us something about seasoning. Would you be frightened to put up a house with timber that was not absolutely and completely seasoned, and rely on its seasoning with the air that got round it while the house was being built?—With ordinary red-pine, for the rough studding and joists, and that sort of thing, the majority of builders like to get it nice and fresh, because it is straighter; and I think that all the seasoning that is necessary it gets before the house is properly covered in.

35. We have heard that it takes nine months to season timber—that it ought to be stacked for nine months?—Our experience as timber-merchants is that if we have scantling in the yard that has been stacked and stuff that is wet, the majority of people take the wet for preference. I should like to say, with regard to the seasoning of timber, that at present we practically supply the dressed lines—that is, weatherboards, match lining, flooring, architraves, &c.—ready for the builder to put into the job; and if it comes to a question as to whether or not we send the material out before it is seasoned—why, the competition in Christchurch is quite keen enough now to make a timber-merchant careful he does send seasoned timber.

36. You say that anybody building a house can get the timber seasoned if he wants it: is that so?—With anything in the way of an ordinary dwellinghouse, if a man wants seasoned timber he can get it out of the Christchurch yards. If it were a large warehouse, some of the stuff would require to be ordered, probably.

37. We were told by one witness that timber has gone up in about ten years from 9s. 6d. to 14s. 6d. a hundred?—I have the prices here. In 1899—ten years ago—ordinary building red-pine was 11s. 6d. in Christchurch, and that carried discounts of 5 per cent. and 2½ per cent. Now it is 14s. 6d.

38. It has gone up 3s. in ten years?—That is so.

39. Each of these prices is subject to discount?—I think so. My list with the discount mentioned on it only goes back to 1900. At any rate, in 1900—nine years ago—the price was 12s. 6d., and that was subject to the 2½ per cent. and 5 per cent. discounts.

40. You say you are supplying timber for four or five jobs now. Is all the framing of those jobs Oregon?—I do not think quite all, but it is mostly Oregon. We have one order for, I think, a Government institution, for 20,000 ft. of Oregon, which we are getting direct.

41. Has there been any serious complaint in this city about the price you charge for timber?—No. About all the complaints I have heard have been through the newspapers. There have been letters in the newspapers.

42. Can you assure the Commission that there has been no combination between millers and timber-merchants or between merchants and builders that has been at all harmful to the users of timber in Christchurch?—Certainly there has not.

43. If there is anything you have forgotten to tell us, you might mention it now?—There has been absolutely nothing between the builders and the sawmillers and the Merchants' Association that has been injurious to the public of Christchurch.

44. *Mr. Leyland.*] Have you any investments outside of your own business?—I am trustee for my father's estate, which has investments that I have to look after.

45. Have you any objection to telling the Commission whether those investments are less or more profitable than the investment of your money in your own business?—They are more profitable at present—investments in trading concerns.

46. With reference to Oregon, I understand that the timber-merchants here are selling Oregon at a very small margin of profit indeed; is that so?—Yes. It is too low, in my opinion.

47. The amount of Oregon that has been imported into Christchurch—does that include the quantity held in stocks as well as that which has gone into consumption?—It must.

48. The point is this, that it does not follow that the quantity imported has gone into consumption?—No; but the Oregon, in my opinion, is at present the fashionable timber, and the demand for it is growing at the expense of red-pine.

49. Can you tell me if Oregon is increasing in price? If you wish to buy Oregon to-day, have you to pay more when the shipments come to hand?—I believe it is increasing in price.

50. If that is so, will it not, very shortly, be unlikely to compete with red-pine for use in framing, owing to the cost? You will have to raise the price of Oregon if you pay more for it?—The price will have to be raised, certainly.

51. As a matter of fact, is it not true that very few orders are going forward now for Oregon?—That I cannot say. I do not know.

52. Did you see a letter in the *Lyttelton Times* this morning from the captain of the "Den of Ruthven," a timber-ship that comes here with Oregon? He says that he will have only about 500,000 ft. of timber to load, that the Canadian mills are getting more orders than they can possibly supply, and that the New Zealand market is pretty well filled up at present?—He states that, and he also states that the boat is trying to get a further subsidy. They are bringing Oregon over here in subsidised boats. The position is this: Oregon will, in my opinion, require to be 2s. a hundred feet more than red-pine.

53. *Mr. Clarke.*] With regard to seasoning, you say that you have no difficulty in filling orders for seasoned timber. Has that been so during the past three or four years, when things were busy? Were you at that time able to fill all orders for seasoned timber fully and properly and without trouble?—Yes, I can safely say that for more than the last three or four years any orders that have been intrusted to us I would guarantee to supply.

54. And they have been supplied in properly seasoned timber?—Yes, to satisfy our customers.

55. With reference to price, you said it had gone up 3s. in ten years. Do you say that that represents the whole increase in the price of timber over the last ten years? Were those extra prices for extra widths and extra lengths charged at that time?—The extra prices for lengths and widths have always been charged.

56. Were they charged the same ten years ago as now?—I could not say without looking it up.

57. Then, you could not say whether timber has gone up 3s. a hundred?—The basis of the timber has gone up 3s. The other things would follow in proportion.

58. With regard to profit, you said—as far as I remember—that all the millers wanted was a fair return. What is a fair return?—On the money invested in our concern, if we could get 7 per cent. we should be thoroughly well satisfied, as things are.

59. *Mr. Morris.*] With reference to the question of jarrah: when the Jarrah Company first established offices here they sold the timber at a very low price to introduce it to a new market, did they not?—Yes.

60. At practically below cost-price?—That I do not know.

61. You have not been able to make any profit?—For the last two years I said we had made no profit from our West Coast sawmill.

62. Do you know from your experience whether millers can supply builders with their requirements, doing without the merchant altogether?—I should be quite willing to show the Commission our day-books for a month's sales. I do not think they would think the millers able to supply builders' requirements.

63. You do not think it possible for the millers to supply the builders direct?—Certainly I do not. They could not do it.

64. *Mr. Barber.*] You said that your experience was that builders came to you and preferred wet scantling to dry scantling?—We get orders on our books for scantling, and if we send out the wet we shall have fewer complaints than if we send out the dry. I do not think the wet is so good, myself.

65. The evidence given by the president of the Builders' Association yesterday was in the contrary direction. Do you consider him a better authority on building than yourself, who have had no experience in building?—I should say he is.

66. A better authority as to the suitability of particular timbers for a builder?—Certainly.

67. You stated that the gross profit for your timber-yard was between 15 and 16 per cent.?—That is so.

68. How do you arrive at the gross profit? What do you mean by "gross profit"?—A gross profit is a profit made between the cost of a thing and the price you sell it at, and all expenses are deducted from that to get the net profit.

69. The expenses have all to be paid out of this percentage?—Yes. All labour has to come out of it.

70. What other charges?—Rates, taxes, bad debts, all sundry expenses.

71. If that is all you pay out of it, it is not really a gross profit, and it is not a net profit. You pay something out of it, but not everything?—The books of our company are audited by a public auditor, and I can ask him to give evidence if members of the Commission wish it.

72. I want to know what this gross profit is. Is it just the difference between the bare cost of the timber delivered in your yard and the selling-price?—Yes.

73. At what price is the timber charged to you from the mill in which you have a half-interest?—We charge it from the mill at the price ruling at the time.

74. But what is the price?—The same as we are paying now—6s. 9d. and 8s. 6d.

75. And there is no profit from that mill at all?—For the last two years there has been no profit.

76. The other part-owners are running the mill without receiving anything at all?—That is so, for the last two years.

77. According to that, the price of timber must be invoiced to your timber-yards at too low a rate?—We do not like working for nothing. You understand that? We are hoping for better things.

78. You say that times have been very bad in the timber trade in Christchurch: do you think the timber business has suffered any worse than kindred industries, such as the boot trade or the woollen trade?—I think it has. I think, looking at it from a common-sense point of view, that a man, before he starts to build a new house, has to clothe his family and buy everything that is necessary.

79. *Hon. the Chairman.*] He can leave building a new house till better times?—Yes. I maintain that when things get bad, the first business to suffer is building.

80. *Mr. Barber.*] You do think that the timber trade has felt the depression more than the boot trade or the woollen trade?—I know nothing about the boot or the woollen trades, but I certainly think, looking at it generally, that the timber trade must feel the depression worse.

81. Is your company a public company?—No, a private company.

82. Are there any public companies carrying on a timber business in Christchurch?—I do not think so.

83. Have you any idea of the value of their shares?—No.

84. Are their shares quoted at all?—No, I do not think so.

85. With regard to jarrah, what is the price charged in Christchurch for it?—I have not got the list with me, but I think it is £1 2s., basis. Previous to that it was £1 1s. There is a 1s. rise.

86. How long ago is it since this rise took place?—One rise in jarrah before the present Jarrah Company had anything to do with it. There has been a rise of 1s.

87. When did the Jarrah Company take it over?—About twelve months ago, and there has been about 1s. rise since then.

88. *Mr. Arnold.*] Did I understand you to say that your association favoured an import duty on Oregon?—No. I certainly did not say that. I favour a duty, personally.

89. You said that there was no understanding between your association and the Builders' Association?—That is so.

90. Do you know that the Builders' Association has recently passed two resolutions with regard to the duties on Oregon?—Well, I heard it stated so here this morning.

91. Do you know that it is suggested that the second resolution was passed in consequence of pressure being brought to bear, either by the merchants or by the sawmillers? Do you say that the merchants did not bring any such pressure to bear?—I say this: that the merchants have never approached the builders in any shape or form, and I attend every meeting, and I am likely to know. There is absolutely nothing in it.

92. *Mr. Stallworthy.*] When the freights went from 2s. 9d. to 3s., did the price go up?—I cannot tell you the exact time the price went up.

93. Did the merchants bear that loss?—I do not think so. My list only goes back to October, 1900.

94. You have no recollection?—No.

95. When freights go up 3d. per hundred has it been the practice to advance the price of timber 1s. per hundred?—It has not been the practice.

96. *Mr. Mander.*] Can you buy Oregon now as cheaply as you could a few months ago?—I do not think so.

97. That accounts for you putting the price up?—I do not think the price has been put up.

98. I understood it had gone up by 1s. recently?—(No answer.)

99. *Mr. Ell.*] Are you a manufacturer?—No, nothing at all.

100. *Mr. Hanan.*] When did you have your best year for profits?—The Exhibition year.

101. Take the following year?—I cannot tell you from memory.

102. Have you got your balance-sheet, and when did you balance last?—At the end of September last year.

103. Did you show a loss or a profit?—The balance-sheet showed a profit.

104. *Mr. Ell.*] There seems to be some misunderstanding with regard to the question that I put this morning. I asked the question as to whether any timber-merchants had gone out of business, and that was misunderstood by Mr. Field. My object in asking the question was this: Mr. Jacques stated that the price of rough building-timber had gone down from 16s. to 14s. 6d., and I very properly asked if the timber-merchants were able to carry on successfully with the lowered price, and since then had any merchants gone out of business, or were they able to carry on?—I did not have that impression. You simply asked me if they had gone out of business, and I said "Yes, one had."

W. Cook, Timber-merchant, Christchurch, sworn and examined. (No. 56)

1. *Hon. the Chairman.*] Can you give us some information with regard to your business in the timber line?—I am practically not in the timber line.

2. You are down here as a timber-merchant?—My business consists practically of freights only—that is, shipping.

3. You do not retail?—No.

4. Do you take orders from builders?—Practically none.

5. How do you get the trade of shipping?—Most of my cargoes are disposed of to the merchants.

6. You are agent from the mills to the merchant?—Yes.

7. If a merchant applied to you for a certain quantity and class of timber you would forward the order to the mill?—I would forward the order to the mill and deliver the timber. I have three vesesls of my own; otherwise I should not be in the trade, and I should leave the trade entirely.

8. You do not think, then, that it would pay you to purchase vesels for the purpose of starting the trade?—I should be very pleased to sell my vessels to any gentleman at the table.

9. At a profit?—No, you can take them over at valuation.

10. *Mr. Stallworthy.*] They trade to Greymouth, Kaipara, and Westport?—Yes.

11. *Hon. the Chairman.*] What class of timber do you get from Kaipara?—Kauri, totara, rimu, and matai.

12. Then you can get rimu and matai from the Coast?—Rimu from Westport and Greymouth.

13. About how much rimu and matai have you brought from Kaipara during the last two years?—From Kaipara, well, without looking at the books I could not quite tell you, but probably one-half of my cargoes.

14. The other half would be totara and kauri?—Yes, totara and kauri.

15. So that there is only about as much totara and kauri combined as rimu and matai?—Yes, that is so for the last twelve months.

16. Are you confined altogether to rimu from the Coast?—Yes, together with white-pine.

17. What is about the freight from Kaipara here on timber?—Three shillings on kauri, 3s. on rimu, and 3s. 3d. on matai and totara.

18. You land it at Lyttelton, and there will be railage on it from there to the yards, but you do not enter into that?—Sometimes I do.

19. Then, you deliver anywhere?—Yes, whatever suits the merchant.

20. *Mr. Hanan.*] How long have you been trading with your boats?—Not quite a lifetime—twenty-six years.

21. When did you find the trade with the Coast falling off?—Two years ago, fully.

22. Was that due to competition, or was it due to there not being the orders?—It was due to the tightness of the money-market.

23. Not due to the importation of Oregon?—No, sir, none whatever.

24. Do you have any competition, Mr. Cook?—Yes, there is always competition in all classes of business. Any man who has a vessel can compete with me. There is no ring whatever.

25. Who brings the majority of the stuff?—The Union Steamship Company.

26. Do you find it difficult to compete against them?—No, it is the same freight.

27. Can you account for them getting the bulk of the orders?—I cannot fetch more than I am fetching even if I wanted to. The three vessels that I have are fully engaged, and as the merchants must get their timber shipped it comes by the Union Company; but if there were other sailers available it would come by them for the reason that the timber is landed in better order from a sailer than from a steamer owing to coaldust in the latter.

28. You say your vessels are full every time?—Yes, sir.

29. So that the quantity is not falling off?—We were shipping over-supplies in the company's vessels, but we have not done so for three months.

30. Is it increasing?—No.

31. Has it been decreasing?—It has decreased for the last two years.

32. Not from the cargoes you bring?—I was getting timber through the Union Company besides my own vessels in larger quantities.

33. Do you find it pays you?—Not always, but having the carts I have got to keep them running.

34. When did you find you were carrying timber at a loss?—Twenty years ago. It depends on the number of days the vessel takes to make the round—more days more dollars.

35. Did you say you lost money in the shipping trade during the last twenty years?—No, I did not say that, but the trade has fallen off.

36. Have the freights been lowered?—The freight was increased inside the last two years from 2s. 9d. to 3s.

37. What was the reason for that?—It could not be carried on the two-and-ninepenny basis on account of the labour laws.

38. You had to pay more for wages?—Yes.

39. Was that the chief item?—No. Under the shipping laws I have now to carry certificated officers. For instance, a schooner of 100 tons has to carry the same number of officers as the "Mararoa" that carries passengers.

40. Did the Union Company put up their freights?—Yes.

41. As a matter of fact, you are losing money by what you are doing now with your boats, is it not so?—I do not say so. It is not so, not always. It depends on the number of days the vessel makes the round voyage in.

42. On the whole the business pays?—Yes.

43. Do you sell to builders, Mr. Cook?—Unless they take a full cargo. If a builder takes a certain quantity he becomes a merchant.

44. There are no different charges on account of extra widths or lengths?—If a man orders 14 in. timber, of course he has got to pay for it in the extra price because it is above 12 in. I have to pay extra at the mills myself.

45. That difference is made at the sawmills and not at the yards?—The sawmillers get the benefit.

46. With regard to Oregon, do you import that?—Yes.

47. Will you tell the Commission what you land it here at, and what you sell it at?—I do not think I am entitled to do that.

48. The Commission is entitled to know, I think?—I do not think that is a fair question.

49. *Hon. the Chairman.*] You can please yourself?—Then I refuse point-blank.

50. *Mr. Hanan.*] You can give the answer to the Commission in committee?—Any gentleman may have it.

51. Could you not put it down in writing and hand it to the Chairman? That would do equally well. It would not be then public property in any way?—Yes, I have no objection to that if it is not made public.

Hon. the Chairman: Anything that comes to me will not be made public.

52. *Mr. Barber.*] What is the carrying-capacity of your vessels, Mr. Cook?—One hundred, eighty, and forty-eight tons respectively.

53. The price is from 3s. to 3s. 3d.?—Yes.

54. How does that compare with the carriage of Oregon?—Well, I cannot answer that question, and I will tell you why: Oregon is bought c.i.f. Lyttelton.

55. Is it not possible to land Oregon for 3s. 6d. from America?—Seeing that you make such drastic laws compelling even small vessels to carry the full complement of officers in New Zealand waters, that must enter into the rate of freight. When these laws are repealed the question might be gone into, but not otherwise.

56. Do you suffer from greater restrictions than those big liners on the Coast?—What class of vessels?

57. Any vessel—those vessels that are carrying Oregon pine?—I cannot tell you what restrictions they are under.

58. They come exactly under the same conditions as you do?—There is a vast deal of difference in a steamer carrying 5,000 tons having to be manned by first and second officers, and a schooner going to sea carrying 100 tons registered, and because she crosses 300 miles of ocean she is compelled to carry first and second officers, but if she goes 299 miles she can start with a first officer.

59. Is there no means of reducing the freights by increasing the capacity of these boats where you would have no greater restrictions?—I cannot tell you anything regarding that question.

60. *Mr. Stallworthy.*] What is the average length of your trips to the Kaipara?—Twenty-one to thirty-seven days.

61. Do you get good cargoes to Kaipara?—Yes, sir.

62. *Mr. Mander.*] Can you load your vessels half-way up the mast in coming here?—No, sir.

63. You could not put your own son as a mate, nor can you employ Chinese cooks?—Yes, I have got to pay them colonial wages.

64. The American vessels come here and run under their own rules and conditions, and are more favourably treated than you are as a Britisher?—I could not tell you that. I do not run their vessels, and I do not know.

65. *Mr. Field.*] If the American vessels were loaded up to 14 ft. above the deck, could you do so also?—No. We are resctricted to one-twentieth on deck. A vessel carrying 50,000 ft. of timber will be allowed to carry three to four thousand, if the timber is not too heavy, on deck. If you have a full cargo of kauri you would be able to bring down another five or six thousand extra on deck.

66. How deep would that be on the deck?—Probably 18 in.—that is, if you take the deck all through.

HENRY J. NIGHTINGALE, Builder, Christchurch, sworn and examined. (No. 57.)

1. *Hon. the Chairman.*] What is the nature of your business?—I am a builder.

2. We shall be glad to have some information from you regarding the building trade?—I can speak as to Oregon against rimu, and concerning the parts building-rimu is suitable for.

3. Would you tell the Commission what part of a building rimu is unsuitable for?—Yes, I think so. I think rimu is very unsuitable for any place where it is plastered over. Scantlings are always wet when you get them, and so it twists when drying, and so cracks the plaster. Another reason is that in nearly all plastered walls you will see a stain or mark opposite the stud, and it does not keep straight. These are the particular reasons why rimu is not suitable for plastered walls. Rimu is suitable for ground floors, joists, and suchlike, and for rafters and roof-timbers, where they are not long. I heard it asked to-day what would they do with this resinous rimu, and in my opinion that would do in many places for plates, and last almost as long as totara.

4. *Hon. the Chairman.*] Is resinous rimu difficult to get nails into?—Yes, it is rather difficult to get nails into, especially lining-nails, but with the larger nails it is not so difficult. There are a great many places where you do not require to put many nails into it.

ERIC GOLD SMITH further examined. (No. 58.)

1. *Hon. the Chairman.*] Have you the copies of those questions which we were asking for before?—They have all been sent in to the Commission.

2. You might state the number of mills there are on Crown lands?—There are four on Crown leases at Oxford—one of 240½ acres to Howard Bunn, another to Edward Feary of 200 acres, John Rossiter 200 acres, and Ryde Bros. 200 acres. Those are all the mills.

3. How long have these leases been in force?—I am not quite sure. They are not finished—they are let for seven years.

4. But if the timber is cut, what then?—But the timber is not cut—they are working on them.

5. The evidence we had down South is that they can cut out 200 acres in about eighteen months?—It depends on the mill.

6. How long do you think it will take to cut those out?—It will not take very long. I have not been up there. They pay 6d. a hundred royalty for birch and 9d. for pine.

7. How is the royalty estimated, by the standing bush or by the output?—By the output.

8. They pay on what they put through the mill?—Yes, and then there are splitting licenses.

9. *Mr. Ell.*] With regard to the class of timber growing upon the greater part of the area, that you say is under milling-timber?—It is principally birch. There are a few rimu, white-pine, and matai trees scattered about.

10. But not sufficient of those kinds of timber of the valuable kind to justify putting in a mill to mill it out?—No.

11. What kind of birch?—Black. There is very little of it on the high ranges, and no good for milling.

12. So that, although there is a large area, as stated in the return, it is of very little value for milling purposes?—Yes.

13. And what little rimu and totara and white-pine there is would not pay for putting a mill in?—No. You could not reckon it as milling-timber. There is a little black-birch and very little totara.

14. *Mr. Hanan.*] Do you think the areas taken up by the sawmillers should be increased or decreased?—If he cuts it out to a profitable purpose, I do not see that it would matter.

15. Do you know anything of the North Island bush?—Yes.

16. How does it compare with the milling-timber in Southland in regard to quality and quantity per acre?—There is no comparison at all with the bush in this district.

17. And the West Coast?—I do not know anything about the West Coast. I know, in the North Island there is different bush altogether. We do not see any black-birch there except in the high ranges—the bush there is principally good timber.

18. In your opinion, is it desirable that a mill should go through the bush before settlement?—Certainly, and it should be followed up with settlement.

19. Have you formed any opinion on the subject of forest-conservation?—I have not given the matter very great consideration.

20. Do you think we ought to give more consideration to forest-conservation?—I think it ought to be conserved.

21. Why have you come to that conclusion?—Because I have been in the North Island and seen so many valuable bushes burned. I have been all over Hawke's Bay, Gisborne, and Moutoa districts. If a mill went through first you could cut all the valuable timber out, and you would not be at such a loss.

22. *Mr. Ell.*] You mean burnt in course of settlement?—Yes.

23. *Mr. Hanan.*] Can you suggest any place where we could establish State forests?—I think the matter has been taken in hand so exhaustively that they are conserving forests as much as they can.

24. Are there any particular classes of trees that you would suggest?—Well, the forests are all so mixed. There is hardly a place where you can get a forest, say, of rimu. There are white-pine forests, but the average bush in the North is so mixed.

25. *Mr. Jennings.*] Can you remember the amount of bush that was destroyed in Dannevirke by accidental fires: do you remember the big fire there twenty years ago?—Yes, it went all through the land we were cutting up there.

26. There are many instances where bush has been destroyed by fire?—It has been destroyed, but sometimes it is not destroyed although a fire may go through it. If a fire goes through it quickly, as it does in some places, it does not destroy it.

27. *Mr. Leyland.*] Would you not deem it wise to first settle all the open lands if there was no market for the milling-timber?—Yes, if you have open lands fit for settlement.

28. If there is plenty of open land in the hands of the Maoris, do you think it wise that those lands should be made available if it is possible before putting settlers on the land and destroying the timber if not near a mill?—Yes, I am of opinion it should be. Of course, in the North Island there has been a difficulty in acquiring them.

29. *Mr. Clarke.*] Did I understand you to say that the amount of timber within these areas was a mere guess?—The milling-timber?

30. Yes?—No. What I wanted to explain was this, that they have no system or proper way, in my opinion, of deciding it. You have to take an acre here and there and count the trees, and then you know what is on that acre. You can then strike about the average of what the whole bush would run, but where that is not done it is simply an estimate.

31. It would surely be somewhat approximate?—It would be somewhat approximate.

32. Otherwise what value are these printed documents that state that within a certain area there is a certain amount of milling-timber if it is mere guesswork. It would be more correct to say they are approximate estimates?—Very approximate, I should say.

33. But within a given area supposed to contain a certain number of acres, it would not vary a great deal?—I think the opinion amongst the millers is that it would vary very much.

34. There might be more and there might be less?—Yes. You cannot tell unless you make a proper inspection of the bush. Of course, there are experienced men who may be able to arrive very closely at the amount of milling-timber in the bush, but there are very few of them.

35. In many of those returns given in the various provinces, have the areas been surveyed or merely approximate?—I only know of one place where a survey was made—in the big Motu bush. We took an acre and counted the trees, and got an approximate idea of the amount of milling-timber to the acre, and then struck an average. We would take that average to be about the amount of milling-timber in that neighbourhood of 1,000 acres; but even that is approximate.

36. *Mr. Morris.*] There is no extensive sawmilling business carried on in this district?—No, not at the present time.

37. *Mr. Barber.*] Are there no timber reserves in this district at all?—There are lots of reserves, but the timber is of very little value. It is mostly birch and very stunted.

38. *Mr. Stallworthy.*] In referring to the report you said the estimates were very approximate—you did not mean very close?—No, rather the other way. I mean it should not be taken as very close.

39. There are some areas not even explored yet?—I should say there are a lot, but not in this district.

WILLIAM GOSS further examined. (No. 59.)

1. *Hon. the Chairman.*] Do you wish to say something further?—Yes. May I be allowed to make an explanation with regard to the question raised here this afternoon as to whether anything had been done between the Builders' Association and our association in regard to the duty on Oregon. I just wanted to state that the question of a duty on Oregon has never been discussed in our association. As a merchant, I might say that there are very few in our association who are interested in mills, and therefore they look at it in this way, that it matters not to them whether Oregon or red-pine is sold, and the question of the advisability or otherwise of a duty being imposed on Oregon has never been discussed by our association, and we have never been approached by any one in connection with our association.

2. *Mr. Leyland.*] Those opinions you have expressed are your own?—Absolutely.

3. Not as the representative of the association?—No.

4. *Mr. Mander.*] I suppose you would rather sell Oregon if you made a bigger profit out of it?—Yes, that is all we are here for.

5. *Mr. Barber.*] You attended with the deputation asking the Premier for an increased duty?—As a sawmiller. The reason I made that statement is that I am president of the Merchants' Association, and as such I think it is only fair that the position of the other merchants should be explained to the Commission.

6. When you appeared with that deputation you represented the millers only?—I was asked by the millers to be present.

7. *Mr. Ell.*] You are a manufacturer, and there is a lot of talk about the manufactured articles sold by merchants?—Yes.

8. The price of kauri doors in 1894 was 4s., and the price now of 6 ft. 8 in. by 2½ in. is 8s. 6d., which shows over 100 per cent. increase. Can you say what there is to justify that increase?—I think that is a question that probably the Commission would get better information about in Auckland. There is only one firm in Christchurch that has been manufacturing doors. As a rule, the others have done so in a haphazard way, but not made a business of it, and we have always been dependent on outside supplies of doors. As a matter of fact, I have always up to the last year or two had my doors from Auckland, and their price has always governed our price. I know that I can buy doors made in Christchurch cheaper than I can get them from Auckland, and I am therefore buying them here. I do not manufacture stock doors myself. I might say that I consider the price of doors, taking everything into consideration, is not out of the way at present.

9. Notwithstanding the great increase?—No. I might say the doors at that time were not paying us.

10. There is another item, glass doors, 13s. in 1894, and £1 10s. now?—The same thing applies to them. Our price is absolutely guided by the factory price. I might say that those doors at that time were always made by piecework, and I understand that they are now made by day labour, and that is one reason why the price of doors has increased, because piecework, I understand, is being abolished; but, so far as the merchants are concerned, they are absolutely guided by the factory price, and doors made in Christchurch now are cheaper to us than getting them from either Auckland or Dunedin, and therefore we buy them locally.

11. *Mr. Field.*] Do you know anything about rimu timber being unsuitable for the framing of houses?—I think I explained that—I do not think it is unsuitable.

12. Have you heard it is unsuitable for framing for plaster-work? What proportion of the houses is plaster-work?—In Christchurch we build probably a little bit better class of house than in most other parts of the Dominion, and therefore in Christchurch our houses, except the back parts, are almost always plastered; but what I think is referred to now is a house finished in roughcast, being plastered inside and roughcast outside. I think the studs should be dried, and that would get over the difficulty. When I say "dry" I mean seasoned.

GREYMOUTH, THURSDAY, 15TH APRIL, 1909.

F. W. FLANAGAN, Commissioner of Crown Lands, Nelson, sworn and examined. (No. 60.)

1. *Hon. the Chairman.*] You are Commissioner of Crown Lands for the Nelson District?—Yes.

2. You know the purposes for which the Commission is sitting, and we wish to hear from you respecting the working of your timber leases, the number that is now in force in Nelson District, the probable time the areas they have now in hand will keep them, together with any further information which you may think might be of service to the Commission. You had better make a statement first, and then the Commissioners will question or examine you generally?—Very well, sir. As you have permitted me to make a statement in my own way, I shall confine myself to the queries contained in Nos. 5 and 6 of the order of reference. I am most familiar from experience with these branches of the subject. First: As regards the areas of Crown forest held for sawmilling purposes. There are thirty-three licenses in existence in the Nelson Land District, all of them

issued by the Warden under the Mining Act. They cover an area of 14,490 acres. The names of the licensees and the areas held are as follows:—

Schedule of Areas leased for Timber-cutting in Nelson Land District.

Name of Licensee.	Section.	Block.	District.	Area. A.	R.	P.
Bowater and Bryan	..	XII, XVI	Mawhera-iti	753	0	0
,,	..	XVI	,,	735	0	0
E. Lockington	..	X, XIV, XV	Reefton	742	2	27
F. W. Archer	..	VI, VII	,,	200	0	0
J. McMahon	..	II, VI, VII	,,	864	0	0
G. J. Perotti	..	III	Mawhera-iti	800	0	0
,,	..	III	,,	200	0	0
D. P. Mumm	..	XIV	Mokihinui	200	0	0
R. Blackburn, jun.	23 to 26	XIV	Oparara	396	3	19
S. and J. Marris	..	XI	Mokihinui	200	0	0
R. T. Watson	..	II	Ngakawau	800	0	0
G. G. McKay	..	III	Steeples	332	0	0
Westport-Stockton Coal Company (Limited)	..	II	Ngakawau	363	0	0
J. Griffiths	22, 23, 31, 33	IV	Kawatiri	150	0	0
Karamea Sawmilling Company (Limited)	..	V, IX	Oparara	766	0	0
,, ,, ,,	..	IX, X	,,	778	0	0
Mr. Gibson	..	III	Steeples	400	0	0
Messrs. Hawkins and A. Erskine	..	II	Ohika	134	0	0
Messrs. Stratford, W. Goss, D. Tennant	..	X, XIV, XV	Oparara	643	0	0
Mr. Jamieson and party	..	II, IV	Steeples	550	0	0
Mr. Walker	..	IX, XIV	Oparara	400	0	0
Mr. Hobbs	..	XV, XVI	Mokihinui	400	0	0
Mr. Norris	..	I	Ohika	298	0	0
Mr. T. Monigatti	..	VIII	Kawatiri	295	3	9
Mr. F. Bryan	..	I	Waitakere	200	0	0
,,	..	I	Steeples	780	0	0
,,	..	IV	,,	354	3	4
Bowater and Bryan	..	I	,,	200	0	0
Mr. Costello	..	III	,,	60	0	0
Bowater and Bryan	..	I	,,	934	0	0
Kuponga Coal and Gold Mining Company (Limited)	..	II	Onetaua	160	0	0
Mr. B. Watson	..	II, VI	Pakawau	200	0	0
Mr. Grant	..	XIII	,,	200	0	0
	..	..	..	14,490	0	19

Twenty-three of these licenses are held in Buller County, seven in Inangahua County, and three in the County of Collingwood, north Nelson. The estimated area of Crown lands still available for sawmilling purposes, but not taken up, amounts to a total of 1,936,000 acres.

3. That is bush land fit for sawmilling?—Yes, carrying, say, 3,764,633,000 sup. ft. of milling-timber, chiefly birches. In addition to that there are about 133,000 acres of forest reserves, carrying, say, 243,140,000 sup. ft. of milling-timber, chiefly birch. These are reserves distinct from the forests over which milling-timber licenses are granted. They are reserves set apart under the Land Act for forest, scenic, or climatic purposes. There are also about 330,000 acres of alienated forests, comprising private and native lands, carrying about 775,300,000 sup. ft. of milling-timber, chiefly birch. Thus there are of Crown lands, Native lands, private lands, and reserves a total of 2,399,000 acres, or 49 per cent. of the total area in the Nelson Land District, carrying 4,783,073,000 sup. ft. of milling-timber. The timbers which make up that total are white-pine, black-pine, red-pine, yellow-pine, and silver-pine, also black-birch, brown-birch, silver-birch, cedar, and miro. I have left out, of course, a number of the smaller timbers that cannot reasonably be called milling-timber. I may point out that by far the greater portion of this forest area is inaccessible for milling purposes, or, in other words, at present it is of no commercial value owing to its inaccessibility. My estimate is made from the data on filed reports in my office, and is as fair as can be obtained in the absence of an actual survey. Details of the quantities of each class of timber are as follows:—

Quantities of Timber on Crown, Native, and Private Lands, and on Reserves.

——	White-pine.	Black-pine.	Red-pine.	Yellow-pine.	Silver-pine.	Black-birch.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
Crown lands	34,120,000	94,000	342,820,000	1,439,000	1,309,600	459,834,000
Native lands	2,971,000	640,000	22,620,000	..	..	16,964,000
Private lands	23,064,000	4,549,000	11,739,000	594,000	272,500	112,981,000
Reserves	1,034,000	223,000	27,574,000	1,000,000	500,000	61,926,000
Grand totals	61,189,000	5,506,000	510,404,000	3,033,000	2,082,100	651,705,000

Quantities of Timber on Crown, Native, and Private Lands, and on Reserves—continued.

——	Brown-birch.	Silver-birch.	Cedar.	Miro.	Totals.
	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.	Sup. ft.
Crown lands	1,757,988,200	1,162,060,000	4,845,000	123,000	3,764,632,800
Native lands	49,730,000	10,620,000	..	..	103,545,000
Private lands	313,085,000	97,992,000	1,755,600	60,000	671,743,100
Reserves	93,056,000	47,330,000	9,500,000	..	243,143,000
Grand totals	2,213,859,200	1,318,002,000	16,100,600	183,000	4,783,063,900

4. *Mr. Barber.*] No totara at all in these forests?—No, none to speak of. The only totara left is what they call mountain-totara, which is stunted, and which exists in a few patches in the northern part of Nelson. The totara is cut out. I wish to deal now with the administration of the Crown forests in respect to the timber industry in the Nelson Land District. The administration of the timber is practically in the hands of the Warden. I have got nothing whatever to do with it except to collect the rents and royalties. In other words, the ordinary regulations which exist in districts outside of mining districts are not in force in Nelson. The regulations under which a timber license is issued are the Mining Regulations.

5. *Hon. the Chairman.*] Is the whole of Nelson classified as a mining district under the Act?—Practically so. The whole of the County of Buller, the whole of the Counties of Inangahua and Murchison, and about four-fifths of the remainder of the province is in mining districts; but although all timber licenses are granted by the Warden, he does not do so on his own behalf—he does so in nearly every instance in this district on behalf of the Land Board under section 147 of "The Mining Act, 1908." There have been created what are called "Land Board's timber areas" and "Warden's timber areas." The Counties of Collingwood and Takaka, in northern Nelson, are Warden's areas. The Commissioner of Crown Lands has nothing whatever to do with the leasing of these areas for sawmilling purposes, or with the disposal of the revenue derived therefrom. The revenue collected from these timber licenses is goldfields revenue, and by Act of Parliament forms portion of the county funds. The Counties of Buller, Inangahua, Murchison, and Westland are Land Board timber areas, and, although they are Land Board areas, the Mining Act places the granting of timber licenses in the hands of the Warden exclusively. All applications are made to the Warden who grants the license, or refuses it as he thinks fit. The money accruing from all licenses on Land Board areas is paid to the Receiver of Goldfields Revenue, while the Receiver of Land Revenue is responsible for it. It is territorial revenue. Having had three years' practical experience in collecting this revenue, and having in the course of my duty as Commissioner of Crown Lands to go minutely into the question of the administration of the timber regulations, I have come to the conclusion that it is neither in the interest of the sawmillers nor of settlement that there should be dual control. The Warden when he grants a license practically divests himself of all further responsibility. He is supposed to keep the sawmillers up to the regulation by inspection, but he, as Warden, has no staff. The staff that performs that work is the staff of the Land Department when they can be spared from their ordinary duties as Crown Lands Rangers. In a district like Nelson, which is so difficult to travel over, what is wanted is a proper and systematic inspection, not necessarily a rigid inspection, but such as will insure that the regulations are being administered quite as much according to common-sense as to technical requirements. I may say that the regulations are not enforced in this district, and in some instances they could not be rigidly enforced. The regulations for the administration of timber licenses are drawn up, as I have said, under the Mining Act, and sawmilling is regarded by the Act as a mining privilege. I do not think myself it was contemplated that sawmilling, considered as a separate industry, should be carried on in the way laid down by these regulations. The quantity and quality of the bushes do not warrant the restrictions imposed. For instance, the license is for 200 acres. The licensee may, however, have reserved for him three additional areas of 200 acres each, making up in all a total of 800 acres. The Warden may grant a fourth additional area of 200 acres in exceptional circumstances. According to the terms of the regulations, the licensee must surrender his original license before he can obtain a license for a reserved area. In course of time each reserved area becomes the license, and the licensee is qualified to apply for another reserved area, so that he has always a total of 800 acres, or 1,000 acres, as the case may be, in hand. Now, it is impossible, except in very few cases, in Nelson District to enforce this procedure. The forests are not milling-forests in the true sense of the term. For example, a man may take up his license and reservations—800 acres—but on his license (200 acres) he may not have the class or quantity of timber he requires to execute an order. Say, rimu is necessary for his business. It may be on No. 3 reserved area. You cannot in such circumstances compel the licensee to abide strictly by the regulations and cut on his license without imposing a hardship in some cases. The sparsely timbered nature of parts of the country (I am speaking now of Nelson District) accounts for the fact that the regulations have not been enforced to their full extent. But laxity has become general, and abuses have crept in owing to want of systematic inspection to ascertain the true character of the forest. A matter for regret in connection with the existing system of control is the waste of timber, which in some cases is reckless. This occurs to a great extent. Some sawmillers in working out their milling areas do everything in their power to fulfil the conditions of their licenses in the matter of clearing the forest and preventing the destruction of small timber. There are other sawmillers, however, who do not. I believe that with a proper system of inspection—I mean reasonable inspection—the amount of timber wasted could be materially diminished. There is another serious defect in the administration of the timber

regulations under the Mining Act, and one that ought to be remedied without delay. I refer to the delay of the sawmiller to cut out his area in a reasonable time, so as to leave the surrendered areas available for the purpose of settlement. In this respect the sawmilling regulations are not carried out in a manner calculated to promote land-settlement. Considerable friction has taken place in the Nelson District owing to a bad feeling having been engendered between a sawmiller and a possible settler, the former blocking the latter indefinitely. These sawmilling licenses run from three years to forty-two years—twenty-one are for forty-two years—and it is quite possible under the existing administration on one pretext or another for a licensee to hold a milling-area for forty-two years, and shut up the land against settlers meanwhile. If the administration was under the control of the Lands Department I believe there would be less friction in that respect, and settlement would increase in some districts where, to my knowledge, it is being kept back. Indeed I can point to several instances in very inferior forests covering good land where the sawmiller has quarrelled with a possible settler, and thwarts him by passive resistance. In the administration of forests under the Land Act and State Forests Act the licensee has to cut his area out within a prescribed time, and therefore settlement follows him. Now, if that system were observed in mining districts you would have the land cleared and settled to a far greater extent than at present. The term of the original license for forest areas throughout Nelson District should be the same as that prescribed by the Forest Regulations under the Land Act (four years), except in three localities, where it may be said that sawmilling is carried on as an industry on commercial lines. These localities are Karamea, Cape Foulwind, and the Grey Valley. Speaking under a sense of responsibility, I can state that these are the only three localities in the Nelson District where there is any scope for the further development of the sawmilling industry.

6. You say these are Karamea, Cape Foulwind, and Grey Valley?—Yes. I estimate that there are in Karamea 7,000 acres of what might be termed fair rimu forest. At Cape Foulwind I reckon there are about 6,000 acres of what might be termed fair milling-forest, and about 6,000 acres in the Grey Valley. I should say, however, that even in these three localities I do not suppose there is more than twelve years' cutting of red-pine. Further, in these three localities the sawmillers are, to my own knowledge, carrying on the industry under a great disadvantage, and if I had anything to do with the administration of the forests in mining districts I would recommend a change from the system that exists at the present time of limiting the miller to a specific area, irrespective of the size or value of his plant, and substitute the Forest Regulations under the Land Act, which regulate the area held by the horse-power of the mill, the maximum area being fixed at 1,500 acres. I would have the licensed areas carefully inspected, and reports furnished from time to time to the Commissioner of Crown Lands and the Land Board as to the manner in which the areas are being cut out and cleaned. I think that that should be done in fairness to the State and to the miller. I know that some people hold the opinion that impediments should be put in the way of the sawmilling industry, so as to preserve the forest. Although I sympathize with those who desire the retention of the forests, and regret the great destruction of forests that has taken place, there is, however, this view of the question to take—viz., the progress of settlement. Is settlement to be stopped? Granted that sawmilling were to cease, there is no guarantee that the timber will not be destroyed by fire. In travelling over the country one becomes convinced that it would take an army of Rangers to prevent fires taking place. One of the regulations under the Mining Act is a direct incentive to destruction of forest. I refer to sleeper-cutting licenses. For the expenditure of 5s. a man can take out a license and roam over the whole of the Crown forests cutting out sleepers. He fells the yellow-pine or the silver-pine, cuts off the sleeper length and leaves the tops of the tree, which, when they become dry, are highly inflammable, and so the surrounding forest is in imminent peril of destruction. Persons with experience know that it is very difficult to prevent the destruction of timber by fire, even under the most perfect system of safeguard, especially after three or four months of dry weather. Drought almost invariably produces bush-fires, especially in birch-clad country. I attempted to protect an area of 3,000 acres of the finest milling-timber in New Zealand, situated at Wai-iti, near Waimea Plains, Nelson. It had been for several years a State forest, but last year, as a result of the protracted drought, a fire spread from freehold lands and destroyed it in one night. Both in the interest of the State and of the milling industry, the administration of the Crown forests in mining districts should be improved. That is my opinion, based on an experience of three years' close observation.

7. *Hon. the Chairman.*] In what time do you expect the leases now held by the sawmillers to run out?—That is a question which it is impossible to answer, because a sawmiller can take up a lease, say, next week for forty-two years, and, under the existing regulations as administered, he can hold it for several years, just as it suits his purpose.

8. Without cutting any?—According to the way the law is administered. There was a case tried in Inangahua about three years ago, in which one sawmiller (Archer) took an action against another (McMahon) because the latter, in plaintiff's opinion, was not cutting continuously. Warden Kenrick gave judgment in favour of the plaintiff. There was an appeal against the decision, heard before District Judge Haselden, and Mr. Kenrick's decision was upset. Judge Haselden practically laid it down that a miller cuts continuously so long as he executes the orders that come in. In the case under notice the miller was cutting on private land and shepherding his Crown area.

9. Does the Board or Commissioner grant any forty-two-years licenses?—Not a single license is granted by the Land Board: the Mining Act does not permit of it. Section 149 of the Act provides as follows: "In any case where the Governor is of opinion that application for timber-cutting rights within a Land Board's timber area may be dealt with by the Warden more conveniently than by the Land Board, he may authorise and direct the Warden to deal with and dispose of the same on behalf of the Land Board. . . ." Subsection (*c*) of the same section provides that "The Land Board shall not grant any timber-cutting rights within the area."

10. They have no power to grant any?—No. Under the existing Mining Regulations, where provision is made for timber-cutting rights, it is stated, "The Land Board shall not itself grant any timber licenses or other timber-cutting rights within the aforesaid areas." These are the areas notified by Order in Council as Land Board timber areas. What the object was in creating "Land Board areas," and then by regulation and by the Act preventing the Land Board from administering them, I do not know, seeing that the revenue derived from these areas is territorial revenue: the contribution to the local body is paid by the Lands Department. There does not appear to be any valid reason for creating Land Board areas by specific regulation conferring on the Warden the exclusive right to deal with them. The truth is that the Mining Regulations do not regard timber-milling as a separate industry, but simply as a mining privilege. One result of this is the difficulty of protecting Crown forests under the existing conditions. I might state that any holder of a miner's right can obtain from the Warden a right to cut timber for domestic purposes; he cuts when and where he chooses, and the Warden does not know. Again, if a man has a mining privilege he is entitled to cut Crown timber on his claim without asking the Warden's consent. Further, there are what are called "hand-sawing and timber-splitting warrants," under which any man may hold 20 acres and obtain the right to cut timber. He is prevented from using it for milling purposes except for his own use, but he does so. These regulations are laid down, but there is no proper inspection, and consequently the licensees ignore them. The Lands Department has Rangers going round the country inspecting Crown leaseholds, but mining privileges are outside their duties; these are in the hands of the Warden. We have a set of regulations for the governing of State forests and ordinary forests, but the Warden can grant mining privileges therein without consulting the Lands Department. The Lands Department has nothing to do with the granting of timber licenses in the Counties of Buller, Inangahua, and Murchison.

11. *Mr. Morris.*] You think that it would be to the advantage of the sawmilling industry that this dual control should be abolished?—I do, and from conversations I have had with different millers in the Nelson District, I believe that they are of the same opinion.

12. I think the regulations whereby the Warden is empowered to administer this part of the land business is framed because he is more get-at-able than the Land Board, his Court being spread over the entire district?—That may be so. In Reefton, however, there is a local Lands officer, and there is one also in Westport. There have been no complaints from southern Nelson as to delays in issuing leases of Crown lands under the Land Act. I do not see why there should be any delay as to business in connection with timber licenses. If the Lands Department had control of the timber business it would be worked by the Land Board in conjunction with the land business.

13. You said you did not think it was to the advantage of either the sawmiller or the State that the miller should be compelled to cut these areas consecutively?—What I meant to convey was that, as regards areas which cannot be fairly described as areas carrying a large amount of rimu or any valuable timber—sparsely timbered places—it would be inequitable to enforce the regulations. Supposing you took up 800 acres, and there was very little good rimu on your license; say you received a large order for rimu, would it not be like imposing an undue hardship on you if you were forced to cut out according to regulation and consequently lose that order? The regulations say that the sawmiller must cut out his licensed area before he starts on his reservations. I know a case at Inangahua where a miller had a contract to supply timber to the Consolidated Goldfields Company; rimu was required; there was, however, no rimu on No. 1 reserved area, therefore he was allowed to cut on No. 2, and to put in a tramway there. If the miller had been kept to the strict letter of the regulations he could not have carried on his business.

14. Then the configuration of the country is often a bar to a man cutting out an area, and puts him to expense in carrying out the regulations?—That is so. I have often noticed that in travelling round the country. The fairest way to deal with these difficulties is to leave the solution of them to a good Ranger, or change the system—count the milling-trees, assess their value, and abandon the area-limitation in special cases.

15. We have often experienced the difficulty you mention. A man may have rimu on his area and white-pine on his reservation, and he wants to operate on both. What scheme do you propose to improve this?—My suggestion as regards sparsely timbered country or inferior forest would be to abolish the system of granting 800 acres—*i.e.*, 200 acres in his license and three reservations of a similar size. Have the land examined as to its timber-carrying capacity, assess it, and dispose of the timber either by lease or by auction.

16. What area do you suggest, or would you make these areas commensurate with the value of the plant put on them?—That is rather a difficult matter to deal with. It would not do to crush out the small men; the big men would become monopolists.

17. Would you suggest an area?—That would depend on the character of the bush. If there were a number of small men in a mixed forest I would not wipe them out, but if there were a large area of good milling-forest available it would be only fair to a man engaged in the industry to encourage him to adopt modern appliances and put in an up-to-date plant. The district, the character of the forest, and many other circumstances have to be taken into account in considering this question.

18. What would you consider a fair amount of timber to put up a modern plant that would cost £4,000 or £5,000?—I cannot say. The Nelson District, generally speaking, cannot be called a legitimate milling district. Nearly all the mills are antiquated and small. In Nelson there are eighty mills—over fifty in north Nelson.

19. They supply local wants?—Yes. In Inangahua County the timber is not cut for export; the majority is cut to supply props, &c., for the mines and local requirements. The same may be said of the mills on the coast between Westport and Mokihinui. At Karamea, Ikamatua, and Cape Foulwind there are millers engaged in the industry in a legitimate way.

20. *Hon. the Chairman.*] Export millers?—Yes.

21. *Mr. Morris.*] With the object of converting the timber into a marketable product you are opposed to the miner being allowed to go where he likes and cut laths out of it?—Most decidedly. He cares nothing about milling or the preservation of the timber or about settlement. That is my experience.

22. You think the miner should follow the miller?—Yes.

23. He can get his timber even if the miller has gone through the bush?—Yes.

24. With regard to the Warden and the case before his Court, nothing was put forward as a sufficient and good reason for relaxing the regulations?—No. In dealing with cases you ought to interpret the regulations in a common-sense way. There are certain people in every walk of life and in every industry who will not work according to laws or fair play. The regulations are made for these men, not for those who make an honest attempt to obey them.

25. *Mr. Hanan.*] Can you say of your own knowledge that this matter and the desirability of vesting the granting of these licenses in the Land Board has been brought under the notice of the Land Board?—I myself brought it under the notice of the Under-Secretary for Lands in September, 1906.

26. Were you the first?—I cannot say.

27. Has anything been done?—Practically nothing definite. I believe there was an attempt last session, but it did not prove successful.

28. What was that?—I cannot tell you. I have no official knowledge of it.

29. What reply did you get from the Government?—The usual reply—that it would be carefully considered.

30. How long ago is that?—About eighteen months ago.

31. Had the matter been raised before that?—I cannot say. It might have been raised by the Commissioner for Westland. I wrote making certain suggestions on the experience I had gained as Commissioner of Crown Lands.

32. Was there any general complaint made to you by the millers or the people?—No, but I had gone through the district and inquired into the matter thoroughly, and saw where, in my opinion, improvements could be made. I considered that part of my duty.

33. How many mills have shut down during the time you have been there?—I do not think any mills have shut down.

34. How many hands are engaged in the sawmilling industry in the district?—I dare say in the whole of Nelson about 480.

35. Directly or indirectly?—Directly.

36. Are the majority of the mills working full time?—I cannot say. It does not come within my functions to inquire.

37. What is the name of the case you have given us?—Speaking from memory, I think it was the case of Archer *v.* McMahon

38. When was it decided?—In the District Court at Reefton in May, 1906.

39. Could you give us the section on which it was decided?—Regulation 109 of the Mining Regulations under "The Mining Act, 1905."

40. Give us the section on which the interpretation was based?—Subclauses (1), (4), and (5) of the regulation which I have quoted.

41. What was it?—The point was raised as to what interpretation was to be put on "continuous working operation cutting timber."

42. Is there no time mentioned in the regulation within which a mill must be established?—Yes, within six months.

43. And what is the forfeiture?—The licensee forfeits his license if he does not comply with the regulation.

44. Within six months?—That is a matter for the Warden's discretion: he may extend it on valid and satisfactory reason being given.

45. Where does he get that discretionary power?—In the regulation.

46. By what regulation?—Regulation 109.

47. On what do you base your opinion?—On practice and experience.

48. Within what radius have you mills working in Nelson?—About 110 miles from Nelson City.

49. Is the nearest mill working within a hundred miles?—The nearest is about sixty miles distant—in Collingwood County.

50. Are there many hands employed there?—I cannot say—probably about fifteen.

51. Do you know the area held by that man?—There are three millers there; one has an area of 160 acres, and the others 200 acres each.

52. What are the royalties?—They do not concern me; they are paid to the Receiver of Gold Revenue; the areas are in what is called a Warden's timber area. In Wardens' areas royalties are paid to the Receiver of Gold Revenue, who pays them into the Treasury as goldfields revenue. These royalties form portion of the funds of the Counties of Collingwood and Takaka. I am only concerned with Buller and Inangahua, where the royalties are territorial revenue.

53. What is the price paid for bush sold by private owners?—I do not know. That is a matter regulated by the millers' requirements. For instance, there are some millers not far from Nelson who must get bush by hook or crook or close down.

54. What is the price? Do you know?—I do not know. Millers have come to me inquiring for forest, stating that the royalty on private property was too high.

55. These areas are very rough?—You are referring to the estimate of Crown forest. Of course, the estimate is approximate in the sense that no survey has been made. I have taken out the quantities in each survey district. I have travelled the whole district, and know it intimately.

56. Have you had any bush experience?—I was born in bush country.

57. How does the bush in Nelson compare with here?—Nelson is much inferior. There is no timber in Nelson that can compare with the timber you saw yesterday at the back of Jack's mill.

58. How do the mills compare?—Superior to the Nelson mills generally, judging from what I saw yesterday. With few exceptions the Nelson mills are antiquated.

59. Is this bush found mostly in mountainous country?—Some on slopes, the great bulk in mountainous country, and very little on the flats. In Karamea millers are now cutting on land very difficult to work.

60. Can you say if the applications for licenses are increasing in your district?—No; they are about stationary.

61. Can you give us the licenses of a few years ago?—I have not the data at hand. Royalty has increased owing to the putting into operation of a completer method of collecting it than what obtained some years ago.

62. You cannot give us a comparison between now and five years ago as to the number of mills working?—No, because there were not the same statistics recorded then as there are now.

63. Have the mills increased or decreased?—They have remained just about stationary. There are very many in north Nelson that have been working for thirty or forty years, but they are practically idle most of the year.

64. In your opinion, will the cost of milling-timber go up in your district? Do facts point to that?—I would not like to express a definite opinion: it is largely a question of supply and demand.

65. Seeing that you have to bring timber further to the town or market, and that valuable timber is less easy to obtain, does it not mean that the price will go up?—I should say that it is inevitable up to a certain extent. Haulage from inaccessible localities will add to the cost.

66. What big timber-fires have occurred in this Dominion within the past five years?—I do not know of many big fires. I had experience of one big fire in Nelson last year; it extended over 25,000 acres of Crown and private lands.

67. Have you had experience of any others?—Not of any large destructive fires. Of course, I see results of fires while travelling about. For instance, a few days ago I saw that the scenery along the Buller Road had been set fire to in five places.

68. *Mr. Jennings.*] Do I understand you to say that after the 800 acres are cut out an additional 200 acres can be supplied to the sawmiller?—Yes, as he cuts out. For instance, when he cuts out the original license and surrenders it he is allowed to take up another area of 200 acres reservation.

69. And does that continue?—Yes, it continues.

70. In addition to the fires that go through the bush, are you aware of any other deterrents which act in a manner destructive to the timber, such as gales, blight, and so forth?—Yes, gales to a certain extent, and so does blight, if you can call the excess of drought blight. Last season when we had ten or twelve weeks of it in Nelson some of the birch on the clay ridges began to die.

71. In your opinion, do you think it is possible to preserve or conserve the timber altogether?—It is possible, but it is very improbable.

72. It would mean a great expense to the Dominion, would it not?—I do not think, no matter what the expense was, that you could invent any system that would insure its protection.

73. In reference to timbered land that has been cleared by the sawmiller, what is the general effect upon it for farming purposes?—The general effect on it for farming purposes in a mining district is very little, because, as I have said, the regulations have not been observed with regard to cutting out properly or cleaning up. Where timber is badly cut out it is really harder for the farmer to make headway than it is to clear a selection out of virgin bush.

74. Is it land that would be suitable for agricultural purposes?—Not primarily—it would eventually. It is safe to say it would be suitable for pastoral purposes, as the great bulk of the land of this district is; but it is only a matter of time when the land you consider fit for pastoral purposes becomes fit for agricultural purposes.

75. *Mr. Field.*] How many acres of milling bush containing rimu would you say there was in the Nelson and West Coast district?—There are in the three localities I have mentioned 7,000 acres and two lots of 6,000 acres each. These are what I would call areas above the average in quality of milling-timber areas in Nelson District.

76. In addition to that I suppose there is a large area of milling-bush, such as beech and sparsely scattered rimu?—An enormous area. There is a very large area of brown-birch. There is a very valuable area of brown-birch in Nelson that will some day be utilised and its full value realised, because I do not suppose there is a better timber than brown-birch when properly seasoned.

77. *Hon. the Chairman.*] For what purposes is it suited?—It is suitable for bridge-construction and small furniture. I had a table made from a piece of brown-birch which was in the battery-building at Reefton. It was twenty-five years old. Millers and builders do not like brown-birch because it warps.

78. *Mr. Field.*] When you mentioned 6,000 acres, does that cover the area which the mills are now milling?—Yes, it does.

79. Well, apparently timber-milling in this district so far as rimu is concerned will be a thing of the past very soon?—In Nelson District, yes, very soon. I should say within a dozen years even at the rate at which the mills are working now. I refer to what you may call the rimu available, but there is a large area which is too inaccessible to be worked.

80. Then, in your opinion it is useless giving the sawmillers such a term of years to cut out the bush as would justify them in putting in an up-to-date and expensive plant?—Yes, so far as Nelson District is concerned. My experience is confined to Nelson. From the Ikamatua Railway-station southerly is in Westland, and all the land we saw yesterday is in the Westland Land District.

81. You approve of giving millers such a quantity of timber as will justify them in putting in an up-to-date plant?—I do where there is available forest.

82. You are aware, I suppose, that there is an increasing demand for large pieces of timber as the buildings become larger?—Yes.

83. And you are aware that the mills as at present constructed cannot deal with those large pieces?—That is so.

84. The largest mill we saw yesterday would not deal with pieces more than 30 ft. in length?—No.

85. Would you be in favour of giving those people such quantities of timber as would justify them in putting up a plant to deal with large pieces to supply the increasing demand?—I could not give an unqualified answer to that question. If you did so the tendency might be to create a monopoly.

86. But you would be largely guided by the amount of money a man would expend?—Yes, as regards districts where it is recognised that the industry is likely to be permanent.

87. With regard to the land we saw yesterday, to what use can it be put when the timber is taken off?—Well, it could be used as mostly all land is for the purposes of settlement. Of course, a lot depends on its position and aspect, and also on the class of man you put on. I would not call a lot of the land we saw yesterday absolutely poor man's land. It is land that could be put to practical use and made productive by capital.

88. Is it not true that there is a substratum of cement which keeps the water on the surface all the time?—I do not think so—not up there (Grey and Arnold). You are referring probably to what is known as moorland or *pakihi* land, which is surcharged with water, such land as that which exists between the River Buller and Cape Foulwind and Charleston. There are 12,000 acres of *pakihi* there, which it is impossible to render useful until you break through cemented gravel and the iron pan, which vary from about 2 ft. to 3½ ft. below the surface. There is *pakihi* in patches, wet or dry, all over southern Nelson District. You find it where formerly yellow-pine had grown.

89. Do you think it would be possible to deal with that pan, as you call it?—The problem is under consideration now, I understand, by the chemist attached to the Agricultural Department. I wrote to the Under-Secretary for Lands, and he has taken the matter in hand; an analysis is being made to see if it is possible to penetrate the iron pan. If it is possible to do so the *pakihi* will become a very valuable area of land fit for agricultural purposes if fertilised.

90. And it is of vital interest to the whole country?—Yes.

91. If you cannot do that, do you think you could get forest-trees to grow there?—I do not think so, unless the area can be drained. The trees that were originally there were yellow-pine, which grow in sour swampy country; the trees were burnt out probably by Maoris. All that country between Westport and Charleston was covered with yellow-pine at one time.

92. If you cannot get rid of the water it is practically useless for all purposes?—Yes. Some of the Cape Foulwind *pakihi* is leased on grazing tenure. What induced me to take action with respect to the *pakihi* was the knowledge that where miners had cut races and deposited the soil on the surface danthonia was growing, also clover and cow-grass.

93. *Mr. Leyland.*] You say that the administration of the timber is practically in the hands of the Warden?—Yes.

94. I suppose some timber is under your administration?—Not one acre so far as the granting of sawmill licenses and timber privileges is concerned.

95. Do you know how the royalties are collected?—Yes, I have got to do it, or at least I, as Commissioner, have to see that it is done. The Receiver of Land Revenue is responsible for the revenue, it being territorial. The sending-out of the accounts is part of the Warden's clerks' work, but any dereliction of duty in that respect recoils on the Lands Department. If royalties are not paid within reasonable time the Receiver of Gold Revenue sues on Commissioner's advice. The dual control in this matter is unsatisfactory.

96. Are the royalties collected on the sawn timber or on the estimated standing timber?—They are collected upon the sawn output. Millers pay 1s. an acre rent, and rent ceases as soon as the royalty overtakes it.

97. Then, the rent is refunded in royalties?—The rent of the license ceases while the amount is more than covered by the royalty paid.

98. What becomes of the royalties?—It becomes territorial revenue.

99. There was a recent Act of Parliament by which the local bodies in the North were given half the royalties?—Yes.

100. Does that not apply down here?—Yes. You are referring to the Timber and Flax Royalties Act. I pay the local bodies *half* the royalties obtained from timber and flax in Land Board timber areas. In the Wardens' timber-areas the *whole* of the royalty on timber goes to the local body—I never see it; it is goldfields revenue.

101. Do you suggest that the local bodies should be deprived of one-half of the revenue?—No, I do not at all. And I may state here that the administration of forests in mining districts in Nelson and Westland by the Mines Department confers no pecuniary benefit on local bodies or sawmillers beyond that conferred by the Lands Department. The Land Boards direct, after advice of local bodies, where the royalties are to be spent. The reason for refunding to the local bodies half the royalties on timber and flax is not altogether for the purpose of assisting local bodies' finance, but for the purpose of maintaining and keeping up the roads which are used by sawmillers.

102. Do you give them anything for the purpose of opening up bush tracts?—No, not for that specific purpose. I send to the local body, stating that, say, £300 is due to it as half royalties on timber and flax. I forward a schedule, and ask that there be noted thereon the roads or tracks

on which the money should be spent. That is called the scheme of expenditure. The information is sent back to me, and I submit it to the Land Board for approval or alteration. We know therefore where the money is to be spent; we have a check upon the local body. It cannot spend one penny until the Land Board approves of it. If the money is spent on any work that the Board has not approved of, the members of the local body are personally liable for the amount. As I have already said, the royalties are not paid as a contribution towards the local body's finance, but to help the upkeep and the opening of roads to mills which use the roads for traffic.

103. You made the suggestion that instead of granting a sawmiller an area of land he should be given a quantity of timber. Have you ever thought of the time you would allow a miller for cutting out a million feet of timber?—That would depend on the cutting-capacity of the mill and the quantity of the area.

104. You misunderstand me. Supposing you grant an area of 6,000,000 ft. of timber, what length of time would you allow the miller to cut that out with a view of conserving the timber-supplies: would you make it a limited time?—I would err on the liberal side there, because if he were to cut out his area in a proper manner and assist the Government by leaving the land free for settlement as he gradually cuts it out, then there should be consideration shown to the miller—it is a matter of give and take.

105. *Mr. Clarke.*] With regard to the amount of timber in your district, the return dated 1907 states that four-fifths of it is birch?—That is quite right.

106. That is approximate only?—Yes.

107. Does that include those timbers that are in inaccessible places?—The latest estimate includes the whole of the timber.

108. So that a large proportion of the remaining one-fifth of the milling-timbers would be inaccessible?—Precisely.

109. Then, the amount of timber in that sense, excluding the birches, is really a small amount after all?—There is a very small amount of timber available for milling purposes exclusive of birches in Nelson District.

110. Then, with regard to birch, would you suggest that, if recognised as a valuable milling-timber at present, it should be retained for future purposes or for the purpose of assisting agriculture in various ways with regard to climatic and other effects?—Well, of course, that opens a very large question. I believe that everything should give way to settlement, and in a country like Nelson, where 49 per cent. of it is bush, the question is whether you are going to proceed with settlement and clear off the timber or conserve the timber and arrest settlement.

111. Do you believe it would be advisable to cut the 4,000,000 acres of birch down for settlement?—I would not cut the whole of that down, nor will it ever be necessary to do so on account of the high altitude of much of it, but I would not stop settlement in low-lying country for the purpose of retaining the birch growing there. It is much better to have settlement, in my opinion.

112. Have you not considered the after-effects of cutting down the timber?—That is a difficult question to deal with—it means reafforestation. Under the present land laws if a selector takes up an area of, say, 600 acres, he is supposed to clear it, and he is only conforming to the regulations respecting improvements when he does so. As I have said before, you must either have settlement and no timber, or timber and no settlement. Which are you going to have?

113. Would it not be advisable to have a mixture of the two?—Yes, that is possible. In my district I have advised the settlers not to cut out all the timber, but to retain some of it.

114. In regard to replanting, I think you said there were some large areas where timber would not grow. Have you had any experience with the growth of foreign timbers?—No.

115. Then, any statement you make as to it being unsuitable would be simply your opinion, not based on actual observation?—I only expressed an opinion which is a matter of knowledge. A man does not require much scientific knowledge to know that you cannot get timber to grow where water is lying permanently on the land.

116. Is that the condition of it?—Yes, of a large area. It is up to one's knees in water in some places—a *pakihi* swamp.

117. And before you could get the trees to grow it would be necessary to deal with the water?—Yes, to penetrate the iron pan and cemented gravel that lie underneath, which are impenetrable at present. You cannot drain the swamp; it is flat.

118. *Mr. Barber.*] I understood you to say that there was a reserve of 800 acres always kept for a mill?—Not a reserve of 800 acres, but three reservations of 200 acres each and one license of 200 acres.

119. Then, 800 acres is the total the licensee could get?—Yes, unless his areas are four miles distant from a railway-line or port, in which case the Warden may grant an additional 200 acres.

120. He could not get 1,200 acres?—Not unless he puts up a separate plant.

121. Then, the limit allotted to any one mill is 800 acres?—Yes, with a possible additional 200 acres, as I have pointed out. A firm may take up another area, but there must be a separate plant erected on it.

122. Now, with regard to the destruction that takes place, do you find that much valuable timber has been burnt by dredging companies and those who have mining plants?—Yes.

123. There is a means by which they can secure a prospecting area?—Yes.

124. Have you found much destruction of timber in those prospecting areas?—To put it in a bluff way, they are in many instances the enemies of the forest. The trees are destroyed and fired sooner or later. There is more damage done to forest by the nomadic mining element than by any other section of the population.

125. And do you think they should be controlled by the Land Boards?—Yes; the Crown Lands Rangers would by inspection keep them under control, and the Commissioner deal with them. Under existing conditions the Commissioner of Crown Lands, although he is supposed to control Crown forests, is "a man-of-war without guns" in a mining district.

126. *Mr. Ell.*] You told us in your statement that, through the Lands Department not being able to exercise that control which they should exercise with regard to forest lands in the land districts, there is a great waste of timber in the areas cut out by some of the millers?—That is undoubtedly the case.

127. You have no authority to send your Ranger in or compel the miller to cut out the area clean?—The only course I can take under those circumstances is to ask the Warden to do it.

128. And if he does not choose to do it?—I have no power.

129. And has he no one to send into the milling districts to see if the milling is done properly?—No; he uses my officers for that purpose. If the Warden wants a report he asks my Ranger to furnish it. I allow the Ranger to inspect and report if he can be spared, because it is to the public advantage that I should work with and assist the Wardens. The Warden not only controls the timber industry in Nelson District, but he practically controls the Land Board. The Board cannot dispose of an acre of land in Nelson inside the mining district without the Warden's consent.

130. How many Rangers have you got?—Two at present, one working Nelson, another Westport and Inangahua.

131. Does that work take up the whole of their time?—Yes, it does, if their work is thoroughly done.

132. So that you cannot allow them to do this work of inspecting the sawmill areas?—No.

133. After a license is granted, except there is a complaint by any one to the Warden about the boundaries, no inspection of the area takes place?—No, unless I discover something in the course of my duty.

134. And he can do as he likes?—Yes.

135. And consequently there is a great waste of timber?—Yes.

136. Now, with regard to the sleeper-getters, how many are employed in your district?—I could not give you the exact figures—say, nine. They work ostensibly for the railways. The sawmillers also cut sleepers. They pay 2d., and the sleeper-getter pays 3d. per sleeper, and sells to the Railway Department for 3s. 6d. per sleeper. The sleeper-getter cuts in any forest that is not leased to a sawmiller. They have power to enter a forest and cut a sleeper out of it on a 5s. license. They can go where they like and do practically what they like.

137. And if a tree is economically handled there is a possibility of cutting twelve sleepers out of it, but they may only cut two out of it?—Yes. Nelson District is almost denuded of good trees. One sleeper out of a tree is about the average now.

138. Have you had any experience with regard to the amount of waste in this method of getting sleepers?—Yes. The Government has, in my opinion, lost hundreds of pounds through the destruction of forest by these sleeper-cutters. They defy inspection. They are not confined to a licensed area. They can cut sleepers and take them out at night. The sleepers are sold to the Railway Department. These sleeper-getters are nomadic; they evade the Rangers frequently. Some of them used to cut down trees they knew would not pass as railway sleepers, and dispose of them for about 2s. each as posts and piles. They have thus evaded royalty. This abuse has been stamped out to a great extent.

139. Looking at the matter from a national standpoint, do you think this method of obtaining sleepers is a costly method?—It is undoubtedly a costly method so far as the Dominion is concerned.

140. They are extremely costly sleepers to the country?—Yes. Every sleeper costs the country, I should say, about 10s. It is also unfair to the sawmiller, who has to pick up the fallen timber in the forests which have been overrun by the sleeper-getters.

141. Would you advise putting a stop to it?—I would.

142. Now, with regard to the burning of timber, a fire took place in some 3,000 acres?—Yes.

143. What was the character of the forest?—Good totara, which had been preserved as a State forest—about the only area of valuable timber under the State Forests Act in Nelson. This forest had been protected by myself and predecessors for several years. During a season of drought, however, a fire started in some neglected country-blackberry and dead birch, and spread to and through this forest and destroyed it. This area was consequently released from reservation last session of Parliament.

144. You said that was the only experience you had had of any considerable amount of bush being burnt?—That was the only forest to which my attention was directed officially.

145. And you have been in the bush all your life?—Yes, practically more or less experienced in bush all my life.

146. With regard to the Wardens, I understand they grant licenses without previous inspection or knowledge of the character of the forest or land?—Yes, I know that from my own Rangers. The usual practice is that if there is available an area unapplied-for the Warden will probably grant it. That is unfair to the sawmiller, because a man may come in behind him after he gets a good plant installed.

147. Does the sawmiller pay on the output in your district, or does he pay on the number of acres or the estimated number of trees?—He pays on the output.

148. The actual output?—Yes.

149. There is a temptation to be somewhat careless by the way the tree is cut?—Yes, that is so. If a man has good security, however, it pays that man to be honest. That is so, and it is quite natural.

150. You say these sleeper-getters are people who are practically free-lances and can do what they like?—Yes, they can do what they like. The whole difficulty, I think, rests in the fact that the preservation of forests has not been seriously considered. Originally—and that position still obtains—in the mining districts everything was subordinated to mining.

151. The sum total of your experience is that dual control is a mistake, that the Government should put an end to it, and that the whole of the sawmilling area should be placed under the control of the Lands Department?—Yes.

152. With regard to bush lands, have you considerable areas of that?—Very large areas of brown-birch.

153. Do you think it would be a wise thing on the part of a Forestry Department to provide for tests and examinations of this timber with the view of showing its value if properly treated?—I do think so. It can be used for many purposes which at the present time the public is not aware of.

154. Do you think the difficulty of sale is due in some measure to the want of understanding as to how to treat the timber?—Yes. In a new country people slum over matters of first importance, and afterwards are brought to realise the value of things. That is what we are beginning to do now.

155. You say that the people of Nelson, so far as rimu is concerned, have only about twelve years to go?—Yes, and then they will have to turn their attention to birch.

156. That being the case, and seeing that our population is rapidly growing, and that our plantations are not sufficiently advanced to produce timber earlier than forty or fifty years hence, do you think it would be a wise thing to make some reservations to provide for the future needs of the country until such time as our planted trees have matured?—Well, that can be done in cases where prospective settlement admits of it—say, on high ranges where settlement will not extend.

157. Are there not lands in your district of such a broken and precipitous character that it would be better to keep them in standing bush?—Yes, very high lands containing birch—brown-birch and silver-birch.

158. Silver-birch is a good milling-timber?—Yes.

159. And good for even building purposes?—Yes. Silver-birch grows above the altitude limit of settlement.

160. Now, from a national standpoint—and you are one of the officers who have to administer our lands—do you not think it desirable that we should make some reserves?—Yes, I think so. There are forest reserves made already in the Nelson District. It is very desirable that we should have reserves.

161. *Mr. Arnold.*] I understood you to say that a miller first of all got a license for 200 acres, with a reserve of 600, making a total of 800 acres, and that when he worked out the first 200 acres he was at liberty to operate on one of the next 200 acres, and that his reserve was consequently automatically increased if he so desired it by a further 200 acres?—Yes, that is so, and it keeps the area perpetual.

162. That is, without putting down a second plant?—Yes.

163. So that he might go on till he had had twelve or sixteen hundred acres if the land was available?—Yes, certainly.

164. *Mr. Stallworthy.*] Have you any idea of the number of mills in your district?—There are eighty mills altogether, but fifty-six of these are old mills which are simply used for supplying local requirements, and the timber is cut off private lands.

165. Do you know about the number of men employed in the sawmilling industry in your district?—About 480 employed directly.

166. In reference to the holding of licenses, you said there were thirty-three licenses in your district, and that some people held a license for forty-two years. Can you give us the average life of a license?—No, I could not. There is no data on which to build a reliable estimate. Some hold for five years, others for fifteen, and others again for twenty years.

167. What royalties do they pay?—They pay according to the schedule in the regulations under the Mining Act. I will quote the royalties for your information:—

Rate of Royalty on Timber cut under Sawmill Licenses issued under the Mining Act.

	Per 100 Sup. Ft. s. d.
Class I,—	
Totara and matai not less than 25 ft. in length, puriri, maire-ranui, silver-pine, and pohutukawa	2 0
Class II,—	
Totara and matai less than 25 ft. in length, rata, tangeao, manuka (tea-tree), manoao, tanekaha, kawaka, kaikawaka	1 0
Class III,—	
Rewarewa, mapau, toro, hinau, miro, black and brown birch ...	0 6
Class IV,—	
Mountain and silver beech	0 6
Class V,—	
Rimu (red-pine), kahikatea (white-pine), kamahi, pukatea, tawa ...	0 6
Class VI,—	
Blocks for paving sluices	0 2
	Each.
Railway-sleepers	0 2
Class VII,—	
Puriri, totara, silver-pine, and matai posts and sleepers shall be charged under Classes I and II, according to the description and length of the tree.	
	Per 100.
Other posts, rails, and sleepers	8 0
Fencing-stakes	4 0
	Per Cord.
Firewood	1 0

168. They pay according to the sawn output?—Yes, the bushes. They are not put to competition in this district.

169. Do you not think that payment upon the sawn output leads to a good deal of waste in cutting the log?—I dare say it does, but the waste is unsaleable. There is considerable waste in some mills.

170. Do you think it would be better to charge on the log?—I think the sawn output is the fairest.

171. Although the timber is allowed to waste?—There is bound to be a certain amount of waste. The stuff that is called "waste" could be utilised if you had a market for it, but there is no sale for it.

172. You think it is fair to pay on the sawn output?—I think so, as a compromise.

173. *Mr. Mander.*] In the matter of royalties, do you not think that the same law should apply to both Islands? Is there any reason why the royalty should be less on the West Coast than in the North Island?—I do think the same law should apply. The rates of royalty to which I have referred apply all over New Zealand—to mining areas in Auckland the same as in Nelson—there is no exception made. Where the forest is ordinary forest land outside a mining district the regulations under the Land Act apply. You will therefore see that our forest areas are worked under separate sets of regulations, those under the Mining Act being different from those under the Land Act. The Land Act regulations are the fairest and most workable.

174. In regard to land-settlement, is it not a fact that in mining areas land can only be leased from year to year?—No, that is wrong. You can lease land in mining areas in this district for twenty-one years, and on renewable lease if the area applied for is not auriferous. It must, however, be approved by the Warden. For instance, if a man applies for 200 acres of land and the Land Board approves, I forward the application to the Warden for his approval. Land is very rarely disposed of for cash. The Mining Act gives more power to the Warden with regard to the sale of lands and the leases of lands than the Land Act does to the Land Board.

175. In the district I represent if a person wants to lease a mining area he is told that he can only lease it from year to year, for the reason that it is under the Mining Act?—That may refer to a piece of land that is wanted for mining purposes. If the Land Board adopted that attitude in Nelson close settlement would cease.

176. *Hon the Chairman.*] A lease does not bar mining?—No.

177. *Mr. Mander.*] You say the land here is unsuitable for agricultural purposes at the present time?—I was referring to *pakihi* land, open areas, and forest areas generally swampy.

178. I noticed some pines growing in similar land the other day, and they looked healthy: do you not think that land that would grow pines would also grow other classes of timber?—White-pine grows on damp land; beeches will not grow there. It all depends how you treat the land. It might be drained and sweetened. I believe that no land is absolutely useless. Land that will grow weeds will grow grass; it is all a matter of cultivating on a scientific system.

179. Do you think the Government should take into consideration the question of planting a large area of this country with trees for future use?—That would require very careful consideration; the closest inspection and care would have to be given as to the nature of the soil and the suitability of the climate, which are factors in tree-production.

180. Do you not think it would be more advisable for the Government to take the question of afforestation of these lands into consideration rather than the idea of preserving or conserving the existing forests?—Yes, I do. I take that view of the question, because you cannot have both settlement and the retention of the bush.

181. Do you know anything of the North Island at all?—Only of the Province of Wellington.

182. I suppose you are aware that in kauri districts there is far greater danger of fire than in districts along the coast here?—So I have heard; I cannot speak from practical experience.

183. *Mr. Barber.*] With regard to timber areas, is it possible if a large area is available for a man to get 1,000 acres?—Yes, by obtaining a fourth reserved area. Ordinarily he can take up altogether 800 acres—that is, he has his original license of 200 acres, with three reservations of 200 acres each, and an additional 200 acres may be granted by the Warden. As soon as he has cut out his first 200 acres he becomes entitled to a further reservation of 200 acres, thus maintaining perpetually a total of 800 acres, or 1,000 acres as the case may be.

184. So that in the end it might go into thousands of acres?—Yes, if no other man obtained areas behind him and blocked him.

185. *Mr. Hanan.*] What section is that in?—It is in the Mining Regulations—Regulations 108 and 110.

186. We should have that on record; it is very important?—The regulations were in force before the passing of the consolidating Act of 1905. They are in force now.

187. *Mr. Barber.*] Does that apply to the Mining Act or the Land Act?—It applies to both Acts, or rather, to the regulations under these Acts.

188. *Mr. Morris.*] I know a good deal about these regulations, and I think there is a doubt regarding these 800 acres about which you have been questioned several times during your evidence: that is all a miller is able to take up?—That is all. As a rule there is a condition respecting distance from a railway-station to which I have already referred, which permits of 1,000 acres being acquired.

189. But there is nothing at all to prevent anybody else taking up all the adjoining lands?—There is nothing to prevent that being done.

190. *Mr. Field.*] If it is taken up a man cannot extend his area?—That is so; he cannot extend—he is blocked.

191. *Mr. Ell.*] With regard to sleeper-cutting licenses issued by the Warden, I understand that a man holding one of these may cut wherever he likes: does that not create a very great

element of danger as to fire through the withered and dry strippings of the trees?—Yes, he fells the tree, leaving the tops, which soon become dry and inflammable, and being yellow-pine the danger is very great to the surrounding forest.

192. *Mr. Morris.*] I think, in speaking with regard to rent at 1s. per acre, that that had reference to royalty, and that it only applied to the sawmill area?—It applies to the sawmill licensed area, and also to the reserved areas. All sums paid as royalty go towards satisfaction of rent.

193. The land and the reservation is not credited with royalty—the Crown gets that?—Yes, that is so. For the three reservations usually granted to the sawmiller he has to make an annual application, which appears to be hardly necessary.

194. You do not approve of that?—I do not.

195. With regard to sleeper-getters, you disapprove of them having a roving commission?—Yes, from a national point of view I do.

196. Now, with regard to sleepers, say a man wants a thousand: he will go into a very fine piece of bush, cut down a tree, take a length out of the middle of it, leaving about 3 ft. at the bottom and nearly 4 ft. at the top, all of which under proper economic conditions could be utilised—he just takes the part of it that is easiest to take?—I have had such cases reported to me by the Crown Lands Rangers.

197. *Mr. Ell.*] It is a very dear business, that is all I have to say?—There is no reason why he should have that preference. The sawmiller cuts sleepers under his license, but does so in such a way as to clean up the forest.

WILLIAM HENRY BOWATER, (of the firm of Bowater and Bryan), Sawmiller, Westport, sworn and examined. (No. 61.)

Witness: On behalf of the Westport sawmillers and employees I extend to you a hearty welcome. We are all looking forward to some results from the Commission. I regret I have not been able to go into this question as exhaustively as I should have liked, owing to my not having sufficient time at my disposal during the last fortnight. However, I shall do my best. It has been said that the millers of the Dominion have put the f.o.b. rate of timber up to an exorbitant price. Now, I think, when I produce figures later on, you will see that these statements are not correct. The selling-price has only advanced 6d. per hundred feet during the last five years. I am speaking of my own district, and it cannot be said that 6d. is an excessive advance when you consider the increased cost of haulage, maintenance, labour, and other expenses in connection with getting timber, many of which have been imposed by the legislation of the last five or six years. The importation of Oregon pine, we contend, is a mistake from a national point of view, when we have timber which is suitable for our local requirements. That being so, it must be a bad business from the Dominion as a whole to import timber from abroad. For the sake of argument we will suppose we have two cottages to build. One we build of Oregon, and the other of red-pine. In the case of the Oregon cottage you have only the cottage in the country and the Americans have your money, but it is different in the case of the red-pine cottage, because in that case you have both the cottage and the money in the country. I think this is a strong argument against the importation of Oregon in competition with our own timbers. It must not be overlooked that the f.o.b. rate of timber, or, in other words, the price of timber, represents not less than 75 per cent. of labour. Then, in the matter of freight, 75 per cent. of that is labour. In connection with our tram-lines for the carriage of timber, it is all labour employed in the country, with the exception of the iron rails. Apart from the freight on our railways being chiefly labour, the freight of shipped timber by sea is largely labour—labour employed in the country. We know, too, that we have had railway and shipping freights bumped up on us during recent years, and there has also been an increase in the cost of labour. Leaving that part of the question, and coming to the more minute cost of production, I will deal first of all with insufficient areas and bad tenures. The areas held by sawmillers to-day are quite inadequate to admit of the construction of an up-to-date plant for milling purposes. Our maximum holding is confined to 800 acres, unless we happen to be four miles away from a port or a railway, when we are permitted to hold, under the Act of last session, an additional 200 acres, bringing the total area up to 1,000 acres. We sawmillers know perfectly well that even 1,000 acres is not nearly sufficient to warrant us putting up a proper modern plant. Suppose you submitted that 1,000 acres to auction, including the land and timber, what would it bring in open market? Why, it would not bring nearly so much capital as is required to build a modern plant on it. How can millers under these conditions of tenure put up a modern plant such as is required for cutting a proper area of timber? Formerly the 800 acres was sufficient, for the simple reason that as the railways extended the millers could put their mills alongside the railway-line at a comparatively small cost, and fell their timber practically on to their benches. At that time, nine years ago, we were cutting timber under those conditions, and landing it on the wharf or f.o.b. at 5s. 6d. a hundred feet. We were then making money; at any rate we were making a living, which is more than we can say we are doing to-day. Although there has been a rise of 2s. 6d. in the price of timber, the conditions obtaining now as compared to then are more than the rise represents. We had no tramways to maintain—in some instances we pulled the timber right on to the skids at the mill, in others we had short lines—and millers at that time simply planked down their mill in the thickest of the bush, where it was heaviest, and the more sparsely timbered areas were left there. Now we are working with much-increased cost of production. In regard to the tenure, although we have no objection to working under the Mining Act, we think that we should not be compelled to go to our solicitor to make an application every year for those reservations. We think that is an

unnecessary expense. The mill area is granted usually for twenty-one years—it has been in our case, and the reservations for one year—that is, three reservations, making up a total of 600 acres for one year each. That seems to me to be a piece of absurdity. If the sawmill area were granted for five years, and the reservation for twenty-one years, there might be some sense in it. The present conditions seem to be the height of absurdity and expense on the miller. We should like the mill areas extended to, say, about 800 acres, and three additional reservation areas of 700 acres each, bringing the total up to 2,900 acres—that is, if we obtain our areas in the same way that we do now. This, we think, would give us a fairly good area on which to put a plant, and a man then would be justified in putting such a plant down as is required for cutting long lengths for our warehouses that are being built in the cities to-day. It is a well-known fact, and it has been thrown at millers that they cannot cut long lengths. Why? Chiefly because we have not been asked to do so in the first instance; and, secondly, because we have not got the plant. We have not laid ourselves out to do that work. The reason of that is that the areas are not sufficient to warrant the expenditure on a mill capable of handling 40 ft. of 50 ft. lengths. I have a good number of figures regarding the cost of production which I will be pleased to give the Commission in committee. I do not know that I can say any more with reference to the general argument. I have, in addition to the figures, written declarations which I will be pleased to give the Commission in committee; but the people are reticent about making these figures public property. I will likewise be prepared to give evidence in committee on these matters which I do not feel disposed to make public. I might generalise by saying that in the Westport district we find that the cost of production ranges from 7s. 4d. to 9s. 8d. per hundred feet. Those mills that are less advantageously situated have, of course, the dearest production—they are not exporting. I might say that they are mills that cater for local requirements, therefore we have not taken their figures into account very much. I do not know that I can say any more in respect to these figures except that I might touch upon the rate of wages ruling in our district and the number of men employed as compared with this time last year. The total number of men employed in the Westport district this year is eighty-one; last year at this time it was 110 men. Wages during the last five or six years have increased about 20 per cent., which accounts to some extent for the increased cost of production. Then, in regard to our haulage, where we started to cut nine years ago we had bush practically to the mill; now we are over three miles from the mill. We are bringing in our logs with horse traction; the areas are insufficient to construct steel tramways and put in locomotives, and we have to content ourselves with horse traction, which is the most costly. It is costing us on an average 1s. per hundred feet to bring the logs in from the bush to the mill, and that is a charge on the production the same as the 20 per cent. increase in wages. Then, again, there is the maintenance of these lines to be taken into account, which, of course, will bring the increased cost up to something very considerable. I do not know that I can say any more. I think I have said all that I am justified in making public.

1. *Mr. Morris.*] Your business is chiefly in local trade, I think?—Yes, we are engaged in both retail and wholesale trade. In one mill we are cutting for export, but at the present time there is no export. I did the usual round of soliciting orders about six weeks ago, and landed in Timaru. There I found a boat unloading half a million feet of Oregon pine. As a result I wired my partner that there were no orders, and to reduce the hands, which he did. The Oregon being landed then was, I understand, being sold at 12s. It is impossible to land timber from Westport to be retailed in Timaru at that figure, so there was nothing to do but to shorten the hands.

2. So that at the present time you have no export orders in hand?—We have a little, but we are going very slowly. At the present time we are working with seventeen men short of our complement, and the principal number of these were engaged in the export trade.

3. You have had to put off seventeen men owing to the want of demand?—That is so.

4. There has been a great outcry about the increased cost of buildings: has the cost increased in Westport in the last five years?—I could scarcely answer that. Of course, we all know that the cost of everything has gone up, and the cost of building has gone up too. Material has gone up, and it is likely that the cost of building has gone up; but I think that the increased cost of timber has had very little to do with the increased cost of building, because when you go into the matter you will find that in a house that will run into £1,000 in Wellington, Christchurch, or Greymouth there will be only about 14,000 ft. of timber in the whole house. Supposing the timber has increased 6d., which we all admit, what is the cost of that on the whole building? It is only 5s. per thousand feet. The whole thing is not £5 from a timber point of view, and how the increase on a building can be caused by the millers I fail to see.

5. On a house containing 10,000 ft. of timber that would only amount to £2 10s.?—That is so.

6. Does that represent anything like the increase in the price of buildings erected in Greymouth?—I could hardly be sure on that point, but I do not think it would. I could not say definitely, because I have not made inquiries. I think the buildings have advanced considerably more than that—that is, the cost has gone up considerably more than is warranted, seeing the small increased cost of timber.

7. Do you attribute the slackness of trade altogether to the importation of Oregon?—Not altogether. I think, of course, that the stringency in the money-market has something to do with it; but we brought that on ourselves to some extent. If we are going to import and send our money out of the country, of course the money will become scarce in it.

8. *Mr. Hanan.*] Have you got a schedule of current prices? And if so, will you put that in?—I have not any schedule of the selling-price of timber—I presume that is what you mean—but I can give you the prices. The present export price of timber is 6s. 9d. per hundred feet for scantlings O.B.; dressed lines, 8s. 6d.—that is, our first quality. It averages in the majority of cases slightly under 8s.

9. Is that f.o.b. Westport?—Yes, and the same figures apply to Greymouth.

10. Can you give us any idea of the prices five years ago for the same items?—Then, we were working under an entirely different price-list. The merchant then took the whole contents of a log at 7s. 6d. Now, of course, timber is classified. Some time back we brought scantling sizes down to meet the unfair competition of Oregon. They were sending two or three classes of Oregon, which we found were competing with our red-pine, and we reduced the scantling sizes to compete with the Oregon. In consequence of that, and seeing that our marginal profit is none at the present time, we had to put up the dressed lines to compensate for the loss on the scantlings.

11. Has the kauri gone up in the last five years?—The water freights have gone up. It went up 3d. per hundred feet in the last twelve months.

12. Tell us how you get your stuff to market. Is it by water-way?—In the Westport district, speaking of our own firm, we have an 8d.-per-100 ft. freight to the wharf. We then send our timber by steamer the same as from here. The other millers on the Government line towards Seddonville are working on a 1s. 3d. freight basis. Our railway freight for the whole district averages about 1s. That put on to the shipping freight runs our freight up to about 4s. per hundred feet.

13. Would you tell us where your best market has been during the last three years?—Christchurch and Timaru. We have sent a little into Wellington, but not very much.

14. When did you have your best year at these places in point of profit?—About four years ago.

15. What about the Exhibition year? What about your output then as compared with previous years?—Of course, there was a great demand for timber during that year, and a great quantity left the Coast during that time. I think that during the year there was not so much selling locally. As far as Westport is concerned, that was so. The local demand has become greater since that time, but we have had no difficulty in supplying orders.

16. Do you supply local orders?—Yes.

17. There has been no complaint about them not being supplied?—No.

18. Do you supply timber to the Government?—Yes, the Government railways.

19. Have you been able to supply all the orders requisitioned for during the last three years for timber?—I think so.

20. To the Railway Department?—I would not say we have been able to do so to them. The Railway Department wants a perfect timber, and we have not been able to arrive at a price that would pay us to cut for them. They want the timber suitable for cabinet-work, and only want to pay the rough-timber price for it.

21. The reason orders from the Government to you millers have not been filled is on account of some dispute as regards prices?—I am speaking of our own firm. At times we refused to supply the Railways because it does not pay us to supply the class they want.

22. What is it?—Rimu for building carriages—perfect stuff. It can be got at a price.

23. Do their orders amount to much? Do they use much timber?—I think they use a considerable amount of timber.

24. How many mills have you working at Westport?—Three.

25. How many did you have five years ago?—Two.

26. When was the last mill erected?—It was not erected. We sold a property in the Grey Valley and purchased one at Westport to concentrate our efforts in Westport.

27. Was that because the mills you had were not able to supply the orders?—No.

28. Why did you purchase it?—To enable us to hold areas that otherwise we should not have been permitted to hold by law.

29. Is that mill working now?—Yes. I might say that if the law would allow us to concentrate our efforts on one plant instead of three we might then be able to make something out of the timber. At present we have to employ three engine-drivers to do the work of one. I think the regulations should be altered in the interests of the millers and the country.

30. What does tramway traction cost you?—£2 10s. to £2 15s. per chain. There are thousands of pounds' worth lying idle. That is where our profits go.

31. What is your cutting-capacity?—About 10,000 ft. per day.

32. What is your output at present?—Very small since Christmas—only about 70,000 ft.

33. Six months ago?—Probably about 80,000 ft. a month.

34. When did you first find your orders falling off to any appreciable extent?—About ten months ago—coincident with the time that Oregon began to come into the country in quantities where it comes into competition with our ordinary building-timber.

35. What was the price of Oregon then in Christchurch? Do I understand you to say that ten months ago you found Oregon coming into the Christchurch and Timaru markets to such an extent as would cause a falling-off in your orders?—Yes.

36. Can you state the extent to which Oregon has come into Christchurch?—I am not in a position to give that, but you can get it.

37. Do you know what the red-pine timber-supply is?—I am not quite sure, but I should imagine that within the past it would amount to about forty millions a year.

38. What is the proportion of the supply of Oregon?—I am not quite prepared to answer that question, but the figures can be got. Of course, when I say forty millions I am taking in the Exhibition time. It fell off very much this last twelve months. Now there is practically nothing going there from our district.

39. Seeing the amount there is coming in these last three years and comparing it with the amount of the sales of New Zealand timber, do you think that is sufficient for you to say that your orders have fallen off to an appreciable extent on account of Oregon coming in?—I do, for the simple reason that it came into our markets. There are a great many markets it is not likely to find its way into in the interior.

40. We were told that Oregon does not find its way into the country districts of Canterbury?—I believe so.

41. Do you know if there is much of a profit on Oregon?—I am not quite prepared to go into that, but I should think that those who want to import Oregon want that which they will make the most of.

42. You say that you attribute the slump to the importation of Oregon?—Largely.

43. Can you give me a few facts on which you base your opinion?—While there has been a depression all over the colony, Oregon has been coming in very rapidly during that depression. If Oregon had been excluded we might have been able to tide over that depression, but it has made it very bad for us. Oregon coming in at a time when we could not afford to lose the little trade that we had has practically put us out of the market.

44. Has any timber-merchant cancelled his orders with you on account of Oregon pine coming to this country?—Yes, they have wired to us not to send them for three or four months.

45. And what is the reason of that?—Overstocked with Oregon pine in some instances—not in all.

46. But were they not overstocked with other timbers besides Oregon pine?—Yes, I think so in some instances.

47. Does that not point to the fact that there has been a falling-off in the building trade?—That is so, yes. I am prepared to admit that.

48. Do you not think that is the chief reason why the sawmillers are slack to-day?—Probably it is. I should say it is the chief factor, but Oregon pine is a very close second.

49. In Southland there is a slackness, and very little Oregon pine goes down there. They attribute it largely there to the fact of the tightness of the money-market and also to the building trade having fallen off?—Yes.

50. As to the question of duty, what do you suggest in the way of dealing with the importation of Oregon pine?—Well, I look upon the matter of a duty as a question of policy. It is hardly a question for the millers to place a duty upon the imported article; it is simply a question of policy and protection. I consider it is to protect our labour, pure and simple. That is what is wanted. We have more costly labour in this country than they have in the country where the Oregon pine comes from.

51. Would not that increase the cost of building houses in the cities?—Well, it might to some slight extent. As I said before, I think I made it fairly clear that the cost of the timber has very little to do with the increased cost of building to-day.

52. When you send for the imported article the money goes out of the country. Now, do you not recognise that in timber you do not have an annual crop? It is a rapidly vanishing quantity?—That is so.

53. And do you not think it is desirable to conserve such an asset to some extent?—I do not think so. I think it would be a waste of time and money. You are paying too much to conserve it. Having turned it into money, what would that be worth to you in fifty or sixty years' time. I do not think it is a good business proposition.

54. You only look at the needs of to-day so far as timber is concerned?—Yes. To some extent we could conserve it on the hilltops and in more inaccessible places. It will be opened up eventually, no doubt, as the colony gets older, but at the present time I really think it is out of the question to conserve our forests. If you could cut that timber and promote settlement and turn that timber into money, there is the interest on that money.

55. Where are you to get the timber in the future to meet future needs?—That is a question to be faced. I certainly would favour tree-planting, and I undoubtedly think that should be done.

56. Do you know how long it takes for trees to grow?—New Zealand woods take a considerable time. I do not think we have any data to show how long it does take. I have not seen any.

57. In face of such a fact and after what we hear now about our forests being cut out in thirty or forty years, will not the scarcity of timber be a serious question for the future generation to face?—It might be in two or three hundred years to come.

58. How long would you give it in this part of the country?—That is a very difficult question to answer. I should have to traverse the country to see, but the resources of the West Coast are practically untouched. It is only just a little strip alongside the railway-line which has been milled. If you get a plan of the railway-line you will see so many dots where the timber is being cut.

59. Do you say the timber is as good as it was twenty years ago?—Yes, but the cream of the timber alongside the railway-line has gone.

60. Is not the bush more difficult to work now?—Yes, that is so, because we are confined to a certain radius from the railway-line.

61. Can you state what the difference in the cost of production is now compared with ten years ago?—Yes, the cost of production now is fully 40 or 50 per cent. more than it was ten years ago.

62. Now, in another fifteen years' time, what would you say would be the increase in the cost of production?—That would entirely depend on the legislation of the country.

63. Would it not increase as they have to go further back?—Well, I do not think it would, because if the areas were enlarged and the restrictions taken off——

64. What restrictions do you suggest should be taken off?—The restrictions in regard to holdings and the tenure of the areas increased proportionately with the expenditure. We might go ten or fifteen miles away from the railway-line and bring it in that distance as cheap as we now can with horse traction, but it is a question of capital.

65. If there had been no alterations in the direction you suggest, is it not reasonable to conclude that in the next ten years there will be a substantial increase in the cost of production?—Yes, I do think it is reasonable, but I think we might cheapen the cost of production. It is in the hands of the country to do it.

66. Even if those restrictions are not removed?—I do not think that. If the restrictions are not removed it is impossible to cheapen the cost of production; it will increase. If other things increase, of course the cost in the production of timber must increase. That is inevitable.

67. That means the price of timber will increase?—Yes, undoubtedly.

68. With the increase in the cost of production?—Yes.

69. You heard Mr. Flanagan's evidence?—Yes, part of it.

70. You heard his evidence with reference to taking the power of issuing licenses for timber areas out of the hands of the Warden and placing that power, and also the control of the forests, in the hands of the Land Board?—Yes.

71. What are your views on that question?—Personally I do not know that it matters much from which Department we obtain our areas, so long as we can procure a sufficient area to warrant our putting up a fairly modern plant. I do not think it matters twopence to the miller whether he obtains his area from the Warden or from the Land Board; it is a question of sufficient area.

72. You heard him give a reason why it should be done—he objected to the Warden—and it is a question of working the bush to the best advantage?—I do not know whether it would be an improvement. Probably it would be to have it administered by the Land Board.

73. Would you object to it?—I do not think I would.

74. Do you know the reason why the Warden had that right?—Well, because we are working under the Mining Act, and the Warden administers that Act.

75. Do you think it would be better if under the Land Board Act?—I would not say it would be better, but we think it would be better to give us larger areas. That is what we are after. It matters not to the miller whether he gets his area from the Land Board or from the Warden.

76. Has the building trade fallen off in your town?—No, it has increased somewhat.

77. Are there any timber-merchants there?—No, there are no timber-merchants.

78. You supply the timber to Wellington?—Not of late, we have not.

79. Do you allow a discount to the timber-merchants in Christchurch?—Yes, a discount of 2½ per cent.

80. Are you a member of any sawmillers' association?—Yes.

81. What association?—The Westport Association.

82. How many members belong to the Westport Association?—There are seven mills in the association.

83. When was it formed?—When it was formed it was only to control the local trade—that was about five years ago.

84. What are the objects of the association?—To place the trade, if possible, on a fair and sound commercial basis.

85. Do you find there is much cutting between the millers?—Yes, there is always a lot of cutting, because, unfortunately, if a man is going to build a house he would tell Jack or John what he was doing, and it was to prevent that sort of thing that we formed the association.

86. Supposing the regulations are not observed, is there any penalty?—Yes, there is a penalty of £25 if the rules are broken.

87. Can you say if the conditions are observed?—Yes, fairly well. We have had no friction to speak of.

88. Is there any connection between you and the sawmillers in Greymouth?—We work together. So far as the export of timber is concerned we are compelled to do that, because we send the timber practically into the same market.

89. Are your prices the same as the Greymouth prices for Christchurch and Timaru?—Yes.

90. What profit do you consider it is fair for a miller to take?—Something more than he is getting.

91. What would you say?—I think if we had from 1s. to 1s. 3d. clear profit we should consider we had a very good thing on.

92. In Westport are you working under the Arbitration Court award?—No.

93. Are they in Greymouth?—I do not think so.

94. Is it true you pay higher charges on the Coast than in other parts?—Yes, that is true.

95. You say none of the millers in Westport are making a living?—They are practically living on depreciation.

96. Would you say they are losing money?—Practically, they are.

97. How long have they been losing money?—They have been going back gradually during the last three years.

98. None of them have shut up or closed down?—No, they will not shut up while they can get the bank to advance their requirements.

99. Do they all have overdrafts?—I think so, without exception.

100. I suppose you have a balance-sheet?—Yes.

101. When did you make your last balance-sheet out?—My balance-sheet for this year is not made out so far, but I have it in a rough way. We get at our position every 31st March. I have a balance-sheet here, and will submit it to the Commission later on.

102. Have you any objection to saying whether it shows a profit or a loss?—I have no objection at all in saying that it shows a loss.

103. That is compared with the previous year's working?—Yes.

104. *Mr. Jennings.*] Does your firm supply to any person who wants timber, whether builders or not?—Yes, we do. Of course, in the export trade we do not care about doing it. You cannot

be an exporter and a retailer combined. We realise this, that very often we should be sending our timber away and we should not know the standing or position of those people who are receiving it at the other end. It suits the miller very much better to confine his export business to timber-merchants, because he knows where he is.

105. What I mean is this: Can a local resident obtain timber from you at the current rate without without going through an architect or builder?—Oh, yes! decidedly—most of them do.

106. In reference to the question of sleepers, does the private contractor to any extent interfere with the sawmiller, or is there any hostility between the two?—What do you mean by a "private contractor"?

107. A man who will undertake to supply 10,000 sleepers to the Railway Department?—You mean is there any friction between him and the sawmiller?

108. Yes?—I should think there is. A sawmiller wants to have about five hundred eyes in his head to watch them. He gets on your areas, and you cannot be there every day in the week watching him. There will be one man there to-day and another to-morrow.

109. Have you any objection to his making a living?—Oh, no! we have all got to live. We realise that, but we have a decided objection to paying rent and allowing another man to mess the area up for you. He can get a living without doing that sort of thing.

110. *Mr. Field.*] You say that the milling business is in a very bad condition in this part of New Zealand just now?—That is so.

111. When you say no mills have closed down, I suppose it is very difficult to close down a mill—it is better to keep going?—Yes, we have got to hang on as long as we can. We have had to reduce—we have had men knocked off pretty well for all January, all hands, and we have been running five days a week, and on holidays we also knock them off. If there is any holiday or sports meeting on we take advantage of it and knock them off during the slack period. The men do not like it, but they realise their position, and also realise that there is no help for it.

112. You spoke with regard to the increased price of timber. Had prices been going up to the time Oregon pine came in? I mean, was it by any means necessary that some foreign timber should come in to put an end to the millers' capacity?—I do not think so. I think our positions would answer that question very clearly. The figures will show that.

113. You think that in five years the price of ordinary building-timber has gone up only 6d.?—Yes.

114. You stated that the prices delivered on the wharf were 6s. 9d. and 8s. 6d. What class of timber is that?—Rimu.

115. But what class?—The 8s. 6d. class for dressing-lines. The scantling I think I said was second-class. We term it the off-cut sizes. Of course, people do not care about putting second-class timber into buildings. It is O.B. sizes. The second-class timber we have not a sale for—it is so low that it is not worth bothering about.

116. Is it fit for building purposes?—No; it is really not. Out of shaky heart we make our tramway-rails, and timber that is not fit for sale goes into the tramway-work for our bushes.

117. Have you any difficulty in selling your heart of rimu which contains resin?—Sometimes we have, but not at all times. When there is plenty of cutting you can get rather more of that than you know what to do with, but at a time like this you have no difficulty at all in selling it; but it would not pay you to cut it alone, because there is very little black heart in it. The Railways will not take other heart; they must have black heart.

118. Do you sell it locally?—Yes, and some of the better quality we ship for sash and door work, but principally for door-work.

119. Is it true that Oregon pine is largely taking the place of rimu for framing of buildings?—Yes, that is so.

120. And does that have the effect of preventing you from selling the whole of the output of your log?—Yes, that is the position. We can sell our boarded sizes, but we are making so much scantling that we do not know what to do with it. That is the reason we reduced the price of our off-cut sizes.

121. Speaking from your own knowledge, is good resinous scantling, rough rimu, as good as Oregon pine for framing?—Well, I have had no experience of Oregon pine, but from what I have heard it is certainly better. If I were building myself I would certainly have heart of rimu. You would have a building to last a lifetime, but I doubt whether you would have that with Oregon pine.

122. We have been told that it twists and warps and cracks the plaster?—I think you were told that by someone who wanted a profit out of Oregon pine. It is a singular thing that we have been able to construct our buildings without Oregon pine, and now the article that has been carrying us through is the worst in the world.

123. You said you thought the importation of Oregon pine is a bad thing from a national point of view?—Yes, I think so.

124. What are your reasons?—I think that the duty on Oregon pine is, firstly, for protection, is it not? It is not for revenue purposes. Well, if the duty that the Oregon pine is now carrying does not give the protection sought, I think we should increase it, otherwise you want to wipe it out. What is the use of the duty in that case. If it does not give the protection we want wipe it out altogether and go in for a free-trade policy.

125. Now, supposing Oregon pine continues to come in as it has come in during the last year, what is the future of your mills here?—Well, I think the mills would have very very little future indeed. As mills they would be shut down. Our men and ourselves would probably have to go to Canada or America to supply New Zealand.

126. If the condition of things continues which has existed during the last few months, then the mills must close down?—Yes. We are now having a very bad time so far as the timber industry is concerned, and unless something is done to improve the position there must be a large clearing-out of the timber people in this country.

127. And you know the money goes out of the country also?—Yes.

128. I suppose you cannot tell us very much as to whether the supply of Oregon pine is a very large one—practically inexhaustible?—No, my knowledge of that is very limited. I am not conversant with the conditions in America, but considering the amount of capital they are putting into their mills I should not think that it is a scarce commodity with them. They are spending too much money in building mills for that.

129. Do you say they are building mills now?—Yes, in some parts, so I am told. I have never been there myself.

130. Can you tell us anything about the durability of Oregon pine?—No, I do not know anything about the durability of it. I do know this: that if I wanted to build a house it would not be Oregon pine I would put in if I could get rimu.

131. *Mr. Field.*] What do you think of Oregon?—It is not a durable timber by any means, but that remains to be seen later on when we shall know more about it. It is not a good outside timber. I have no personal knowledge.

132. If it is true that Oregon pine will perish if in an exposed situation for, say, four years, do you think it is a satisfactory timber to use immediately inside a weatherboard?—It is apparently not suitable for inside work.

133. Is it suitable for framing-work?—No, I should not think it would be.

134. If it does not last for more than four years?—Our white-pine is good enough for four years' life, and that is the worst timber we have got so far as durability is concerned.

135. Do you know anything about the durability of our timber if it comes in contact with brickwork. No, I cannot say that I have had much, if any, experience. I have seen Oregon pine in Christchurch and Wellington that has been in for some time, but how long I cannot say, but from reports I have gathered it does not come up to expectations when it comes in contact with brick.

136. Will our timber stand if in contact with brickwork?—I think it does fairly well. Of course, it may be due to the class of timber that is being used. If you put in heart timber against it, then, of course, I should most certainly prefer our heart of rimu. I am quite sure that it is superior to Oregon pine when both come in contact with brick.

137. Do I understand, then, that until Oregon pine came here a year ago we were using our own timber and found it satisfactory for all purposes?—That is so.

138. You find your scantling or O.B. timber lying on your hands?—That is the position.

139. Is it possible for a mill to get along selling its first-class timber only, and thus having the second-class lying on its hands?—Quite impossible.

140. Something has been said about the very small fractional portion of Oregon pine imported as compared with output of timber here. We have in this colony imported about 20,000,000 ft. of Oregon pine whilst our annual output is about 430,000,000 ft., to which, as you will see, the Oregon is only about 5 per cent. Is that a fair way of putting it?—I do not think it is. It is a fair way for the Oregon pine people to put it. Oregon pine has not found its way into the interior. There is an immense amount of timber cut there which is not in competition with Oregon pine, and if that were excluded it would bring up the percentage of the imported article very materially. Then, again, we have got hardwood from Australia, such as ironbark and jarrah, which competes with our timbers—namely, totara and matai—but the competition is not very great. It is our red-pine that comes into competition with Oregon, and it is only in certain districts, and then the competition is with our O.B. quality red-pine, except for special purposes, such as sash-making, because Oregon pine is most adapted for that purpose, the reason being that it does not warp and twist and therefore does not break the glass.

141. So your calculation comes down to a very small proportion if you take off timbers that Oregon does not compete with?—Oregon is only competing with about 70,000,000 ft. of the timber cut in this country. Of course, Oregon is a very small fraction of the whole if you spread it over all the timber that is produced and imported in the Dominion.

142. Now, if you should take off the duty or reduce the duty on large sizes of Oregon pine, what would be the effect then do you think?—The effect would be, so far as I can see, if you take off the duty on large sizes that it would come in and compete with our timbers, because the larger sizes would be resawn and would compete successfully with our timbers for certain purposes.

143. Could they be resawn with sufficient economy to compete with our timber?—I think so. We show 1s. 9d. for cutting and loading. You can surely resaw for considerably less than that price, for the timber is softer, and when you have a square block to work upon. I should say it could be resawn for about 6d. to 8d. per hundred feet.

144. You are aware that we admit the logs free now, whilst from the country they come from they will not allow them to be exported?—Yes, that is the position; they want the labour on the cutting, but we are not particular.

145. Would it be possible to unship logs or large pieces from the boats at some landing in the harbour or bay without going to the expense of wharfage and have them resawn there by running them into mills at the water-side?—Yes, it would be possible if you put the mills alongside the water's edge. You would only have to run it into the mills, and undoubtedly that will be done wherever possible.

146. Were you in Wellington last year where a deputation waited on the Premier, and do you remember any offer being made by the Government to the millers then?—Well, of course, the millers suggested increasing the duty, and it seemed at that time to be the only reasonable way out of the difficulty.

147. Do you remember the millers offering to put their books into the hands of the Government?—Yes, that offer was made.

148. Presumably that offer still holds good?—Yes. All that we ask for is for the Government to place our business on a sound commercial basis.

149. Is it not true that the Government has already fixed rents in respect to Crown lands—that is, the royalties—and also to a large extent the price of labour? In fact, has the Government not already regulated the price of everything in connection with timber?—Yes, that is undoubtedly so.

150. Therefore, there is no reason that the Government should not go further and fix the price of timber?—I think it would be preferable to the present system. The public seem to think that the sawmillers are growing fat, notwithstanding the fact that we find things in a very chaotic state. The millers are not getting a return for the capital invested nor for their labour in running their business.

151. Is it not true that the Sawmillers' Association—combination or ring some people call it—is it not true that they fix the price of timber?—Yes, that is so.

152. If the milling association do it, why should the Government not do it?—There is no reason at all why they should not do it.

153. Perhaps the Land Board should do it?—Yes, we only ask for fairness. I think, if it was left in the hands of the Government, that they would give us a better price than we are getting now without their aid.

154. Some people are under the impression, Mr. Bowater, that the number of mills are being increased, and that new mills are growing up: is that so?—I do not know of any mills growing up. In my district no mills have been established recently with the exception of one little mill, but it is not working. They have knocked off and have gone in for contracting. You could not, however, call it a mill. They have not twelve months' timber to work on.

155. With regard to long lengths, do you think you could, assuming a larger area of timber land was granted, put up an up-to-date plant and turn out timber at anything like the price you can procure Oregon pine for?—I do not think you can compete in long lengths against them because now we cannot compete in the shorter lengths. We could, of course, cheapen long lengths if circumstances warranted us in putting up up-to-date plants The price would be very much below the present prices.

156. *Mr. Leyland.*] Now, with regard to the cause of the depression, you are aware, of course, that our exports have fallen off to the tune of £4,000,000 in one year?—Yes.

157. That is equal to £4 for every man, woman, and child in the Dominion, including Maoris?—Yes.

158. Is it not evident that that must have a great deal to do with the depression and the falling-off in orders for timber?—That is admitted.

159. And do you not think that overproduction has had something to do with the falling-off in sales?—Yes, overproduction has had something to do with it.

160. Do you think that overproduction in timber has had anything to do with it?—Overproduction in timber, yes, I think it has to some extent. All these causes go to make up the whole. We are suffering from a depression here now, and it takes all these causes in.

161. You admit that overproduction is another factor?—Yes, the production exceeds the consumption.

162. Then, necessarily, owing to the £4,000,000 shortage in our exports there has been financial stringency?—That is so.

163. It has also been aggravated by the indirect effect of the backwash of the financial panic that occurred in America last year, and consequently they were unable to buy our wools or spend money with us?—Yes, that probably has had something to do with it.

164. You are, of course, aware that the total import of Oregon is not equal to 5 per cent. of the output of the mills of the Dominion?—That is, when the whole of the mills are taken into consideration, but you are including timber that is exported, which is not right. Why not base your calculations on the timber Oregon comes into competition with.

165. I suppose you are aware that quite half the Oregon exported to New Zealand is still in stock?—No, I am not prepared to admit that.

166. It is a fact?—Is it?

167. Yes, and that would reduce the proportion of Oregon compared with the output of our mills to 2½ per cent.?—Yes, if that is true it would.

168. You have evidently got a mistaken idea that this Oregon is coming into competition with rimu only?—Undoubtedly it is.

169. The bulk of it is coming into and filling the shortage caused by kauri?—No. I think you are to some extent wrong there. In Christchurch I saw Oregon pine cut into four-by-twos, which was going into competition with our ordinary red-pine sent from our own district.

170. I am speaking of the Dominion?—That is so.

171. The proportion of Oregon coming into Christchurch is very small in proportion to the Oregon that has gone into the North Island—very small indeed—for the reason that fully 2 per cent. of the Oregon used has been used to replace kauri, and to replace rimu in places where, according to the evidence before this Commission, long lengths of rimu could not be obtained or could not be got in time for the work in hand?—Who said they could not be got?

172. The architects and builders?—The millers do not say that. The architects and builders are the people who want Oregon, and that is their reason for talking that way.

173. So far as the whole output of the Dominion is concerned, Oregon enters into competition to the extent of 6 in. to every 1,200 in. cut. Is your association a close corporation?—No.

174. Remember I have no objection to your association, because I think it is proper and necessary and that you are absolutely forced to have it?—We take in any millers.

175. Are you accustomed to pool orders?—No.

176. Is it the custom of the association in Greymouth to pool orders?—What do I understand by the term "pool"?

177. The orders go into the central office and are despatched by the association to the mills?—Yes, to some extent that is done, I know.

178. That is a point I want understood. If that is so and a man wants to start a mill and he can come into your association, he will first want his plant, and his next want will be a market. Now, if he can get a market he will not hesitate to start?—Yes.

179. If he knows that he can get a share of the orders coming to the association do you not think that that would have a tendency to make him start?—I do not think so. I have not found that as a result of my experience. It has not operated in that direction.

180. Are you aware that from the West Coast the output from 1905 to May, 1907, increased 7,600,000 ft.?—Yes.

181. Do you not think that that has something to do with the difficulty of finding a market for rimu?—I do not know that that is so. There is a difficulty now because there is no market.

182. There is no market for Oregon either?—No. I beg to differ from you there. Oregon has not fallen off; it is increasing, while our timber is on the decrease.

183. People who have bought Oregon will never buy it again. They have the stocks piled on their hands. If trade falls off generally there will be less Oregon sold?—Yes, that is so.

184. Speaking of exports, are you aware that in 1908 the increased production of white-pine by way of export was between eighteen and nineteen million feet?—Yes.

185. Are you aware that in ten years the output for the mills of the colony has more than doubled—that is, from 1907 and for the ten years previous to 1907. The last official figures shows an increase altogether out of proportion to the increase of population on the West Coast?—Yes, I have no doubt.

186. What is the population of Westland?—I suppose it is from four to five thousand.

187. I mean the whole province, including Greymouth?—Well, I should say about 15,000.

188. In March, 1901, the population was 14,506?—Yes.

189. In March, 1906, five years later, the population was 14,674, or an increase of 168 persons—that is, a centesimal increase of 1·16 during five years. You very much increased your production in that time. In the same period Canterbury increased her population by 16,000, Auckland by 35,000, and Wellington by 38,000; whilst in this district there is an increase only of 1·16 per cent. The Dominion has to-day a population of little over one million, and Westland has a population of one-seventieth of the whole. Now, I want to ask you do you not think that the requirements of the remainder, of the sixty-nine seventieths, are entitled to some consideration?—Yes, certainly I do.

190. With regard to your royalties here, how are they paid? Do you pay on the log—on the tree standing before it is cut, or do you pay on the sawn output?—We pay on the sawn output.

191. How often do you pay?—Every half-year.

192. You only pay for the timber that you actually sell?—We only pay for the timber that we cut.

193. And not until after it is cut?—That is so.

194. Then, you do not pay for the loss in conversion—that is, you do not pay on the 40 per cent. loss?—No, we do not pay that.

195. You do not pay interest nor take risk of fire rates on the standing timber?—No.

196. Do you not think that the millers in the other parts of the colony are in a less fortunate position who have to do all that?—I do not know. It is because we have to take risks of fires. We do not actually pay rates to insurance companies, yet we put a certain expenditure on to an area and if it is destroyed by fire we stand to lose.

197. You do not take risks on standing timber?—We take the risk of being absolutely ruined by a bush-fire.

198. If you paid for the timber on, say, 200 acres, and it was burned you would have to bear it?—Yes, that is so.

199. We have had in evidence before the Commission that the loss in conversion is 40 per cent. on log-measurement?—Forty per cent. Do you count the bark of the log, &c.?

200. The Southland millers pay so much, and they get so much timber. This is how it works out: In buying five millions you pay for it at 6d.—viz., £12 5s. The miller who pays on log-measurement has to pay for seven millions to get that 40 per cent. lost in cutting seven millions reduced to five millions, and he has to pay interest on the total amount, and he has to take the risk of the timber being destroyed in the meantime. I think your system is a right one. Do you not think it would be fair that the millers throughout the whole of the Dominion should have the same conditions that you have in that respect?—Well, I do not think we have got any advantage if you put our price against their price.

201. With reference to keeping money in the country, I think you know that the imports of New Zealand were £17,000,000, and the exports £20,000,000—a difference of £3,000,000 in favour of the colony for 1907. In view of that ought we not to be careful in regard to what we say about keeping money in the colony, as the money we have comes from the excess of our exports over our imports very largely?—That is a question of free-trade *versus* protection.

202. Looking at it from a Westland standpoint, Westland exported 425,011 pounds' worth of timber, and she imported £150,201, or a gain out of her exports of £274,810, and yet we are told that we should keep the money in the colony. Do you not think that is a little bit Gilbertian?—I do not quite follow you. We are all linked together in this Dominion. If you were not here probably I should not be here. You cannot consider small units in that manner.

203. Is it not a fact that, if you have an excess of £274,000 in your exports as compared to your imports, the balance is in your favour?—I am not prepared to go into that.

204. Will you admit that the Official Year-book is correct? This is taken from that?—I do not know what that has to do with our inquiry. I am not prepared to answer that question.

205. We were told that we ought to keep the money in the Dominion?—You go to the extreme. You send the money out of the colony, and do not protect your industries, and you find where you get to in the end.

206. If there be an excess of exports over imports, and the balance in your favour is £274,000, do you not think that to an outsider it looks very small to be talking about sending money out of the country?—I do not think so, that should be our policy.

207. Coming down to the produce of our forests, we exported in 1907 904,486 pounds' worth, and only imported 14,000 pounds' worth. In view of that, do you not think that to talk about keeping the money in the colony makes us look soft?—No, I do not think so.

208. We exported seventy-two millions' worth and only imported fourteen millions' worth, yet we are not expected to take in the other fellow's?—That is human nature.

209. With reference to the importation of Oregon, I want to speak of the urgent demand and necessity of it. We got an illustration of it in regard to cottages which is very wide of the mark indeed. The Railway Department are said to make 2¼ per cent. profit, on Oregon it would be 52½ per cent. Do you not think it is better to carry it at that percentage?—You can carry that line of argument to everything else, which will prove it is not sound.

210. With reference to the timber-crop of ours, it is said that there is only one crop?—Yes.

211. Do we plough for it, or do we sow it?—No, we took it from the Maoris.

212. Is it a national asset?—I presume it is.

213. Does it belong to one generation only?—No, it will be spread over a few generations.

214. Would you be surprised to hear that the highest authority in New Zealand—the Under-Secretary for Lands, who has grown with the timber business—gives it fifty years at the present rate of consumption?—Yes, I believe so.

215. Do you think it would be an advantage to the timber industry if the railway freights were reduced?—I think the railway freights on timber are fairly high, but I cannot see how we can reduce them.

216. What is the freight from Moana on rimu?—One shilling and threepence.

217. What is it on kahikatea?—The same.

218. Supposing you had a mill at Otira?—It is 1s. 3d. up to fifty miles, after that there is an alteration in the tariff. I do not know quite what it is.

219. We have a freight on both rimu and kauri from a station fifty-one miles distant, and we pay a freight of 1s. 5d.—2s. 2d. on the rimu and 1s. 5d. on the kahikatea. If you get the freight for fifty miles for 1s. 3d., do you not think you are being well treated?—That is export f.o.b. timber.

220. For Canterbury?—Yes.

221. Do you not think that is an anomaly that you should have timber carried for fifty miles for 1s. 3d. while we have to pay 2s. 2d.?—Of course, I cannot say what you have to pay.

222. Do you not think that is an anomaly?—Yes; I do not know what is the reason, unless your timber is much heavier in the North. The railways are only common carriers after all.

223. But they charge the same on kauri, and that is lighter?—You want to get at the Railway Department.

224. Your brother millers in the North Island, who are from a hundred and fifty to two hundred miles from the market, are agitating for a reduction in freights: would you be prepared to support them in their agitation?—That question does not affect us here; it is our shipping freight. If you will support us to get a reduction in our shipping freight, then you might reasonably ask us to support you in getting a reduction in your railway freight. The railway freight here is small compared with the shipping.

225. If they got a reduction in freight, would it not help them to compete with you?—That would not help us; we could not get a reduction that would be of any help to us on our short distances of railway. We are in a different position to you in the North; you have got long-distance freights there. What reduction could we get?

226. What are your rates?—Over forty miles and not over fifty miles, 1s. 4d.

227. What is the next stage?—It only goes up to fifty miles.

228. Speaking about the lasting qualities of Oregon, Mr. Morris was showing me, in Dunedin, where it had been there for forty-four years, and was as sound as the day it was put in?—Was it resting on brick?

229. Built in a brick wall, and carrying a brick wall as well?—Are you sure it was Oregon?

230. Yes. If we could show you a cottage fifty years old and perfectly sound to-day, you would consider yourself satisfied, I suppose?—Yes.

231. If we could show you a warehouse built forty-five years ago and the joists as sound to-day as when they were put in, what would you say?—I do not say you could not, but I say I am speaking of my own personal knowledge.

232. You speak of the increase of Oregon mills on the other side. Are you aware that this time last year 90 per cent. of them were closed down?—I do not wonder at that. Look at the price of this timber.

233. I suppose you are aware that the price has gone up, and is going up?—I heard that it has.

234. So that as an element of danger it is gradually growing less? It was also stated that before this time last year we did not bring in Oregon?—I did not state that.

235. It was in evidence just now?—The Oregon about this time last year began to come in in large quantities.

236. And the inference was that we were able to do without it before?—And we did up to a few years ago.

237. Is it not a fact that we have had repeatedly to send to Australia for Oregon to fill our wants in sizes, and pay up to 8s. 3d. freight for it?—I am surprised at that. I think there is something wrong when that condition prevails.

238. Do you not think it was foolish to pay 8s. 3d. and Australian merchants' profit instead of bringing it here direct?—I do not see why you could not bring it direct.

239. You said that there was a prohibitive duty in America on logs, and that that was why they did not come here?—I stated that the American Government wanted the labour on the cutting-up of the logs.

240. There is no prohibition against logs coming in here?—Bring the logs in and let us employ labour here to cut them up, but not the sawn timber.

241. *Mr. Clarke.*] I think you said that the average price was 8s.?—It works out a little below 8s.

242. Is that f.o.b.?—Yes.

243. Do you supply at the same rate to those who are members of your own or kindred associations as to people who are not members of any association whatever?—We do, but we do not supply outside of merchants. We confine our trade to merchants for our own protection.

244. To timber-merchants?—Whether associated or not.

245. Are there any merchants not associated?—Well, that I could not say. I think they are, but I would not be absolutely sure. I have never inquired. As a matter of fact I could not answer the question, because I have not asked.

246. Is there any understanding that you will not supply non-associated merchants?—I think so, but I could not really answer that question.

247. If the millers and the merchants' associations here and in other places are in combination is there anything to prevent a rise in the price at any time?—Timber would come in from other districts. There is nothing to stop other men from going outside and getting it elsewhere.

248. Supposing there happened to be a similar combination elsewhere?—If you want to suppose, I am hardly able to answer that. I do not deny that we confine our business to merchants, and it suits us better. To go into the retail trade we would want to be over there and run yards. It is too big a business to handle. It wants a man over there who knows the people he is to supply.

249. With reference to the consumption of Oregon in this Dominion, it is understood that we are an increasing community in numbers?—Yes.

250. There is not much reasonable doubt but that the Dominion will continue to increase in numbers and the demand for timber will increase?—That will all depend on the policy that is carried out. If we are going to import because it is cheaper, I do not think the increase will continue.

251. You think the demand for timber will go the other way?—Not only on timber, but on other things. We cannot have free-trade on some articles and protection on others.

252. Independent of policy, everything points to a large increase in the population in this colony?—I think so.

253. Is it not a fact that sawmillers here have all their work to do to keep the colony well supplied with timber?—I think they have done it. No doubt that was the cause of a good many mills going up during the prosperous times.

254. Seeing that we have only a limited amount of forest areas to work upon, if we do not increase the number of our mills and consequently the amount of our output, would it not be a reasonable inference that there would be plenty of room to import now and thereby stave off the time when foreign timber will have to be imported as a matter of necessity?—I think it is bad business to buy timber when you have got it at your door.

255. Do you not think that we should take into account future requirements?—Not to any extent. There are places where it may be conserved with advantage, and there are districts where if the timber was cut it would be unsuitable for settlement.

256. Will you admit that if the statements in official reports are correct probably in forty-five years we shall have no milling-timber in this country?—Probably so.

257. Is it not well known that not only here but all the world over the timber-supply is in the same position, and in some places worse than here?—Yes.

258. In forty-five or fifty years' time, if we have no timber left, what is to become of our future population? Are we not to look out for that?—Go on tree-planting.

259. Would it not be wise to go on importing and not increase our timber-mills?—Go on tree-planting. We have only the employment we can give in the colony. We have no other source of income. We have to meet heavy engagements for interest, and the only way we can do that is to employ our own people.

260. Supposing we had our timber cleared out in twenty-five years, should we not be absolutely dependent on foreign supplies?—That would all depend on what you planted. I do not know whether it is known how long it takes to grow a rimu-tree. It takes a very long time, I know.

261. You will take this statement as being approximately correct—that at the present rate of denudation we shall have no local timber left in forty-five or fifty years' time?—From what I know of the country I can say it will last considerably longer than that. It was said some few years back that the timber would become very soon exhausted at the present rate. Is not the rate increasing year after year and likely to go on increasing? As I said before, we are only cutting one little narrow strip alongside our railway. The timber country is practically untouched on the West Coast to-day.

262. It is understood that we only cover a small radius geographically?—They are only approximate.

263. It may turn out that we have less, then. It is not to be supposed that the timber-areas are in excess of the official estimate?—That is so. I favour tree-planting, but not to send out for timber and conserve our forests. To send away our money and conserve our timber at our doors I do not think is good or wise business.

264. You agree in the main that it would be advisable for this Dominion before long to undertake some system of afforestation, without suggesting in what way it should be done?—Tree-planting, I should suggest.

265. And that it is a matter of urgency?—Well, yes, I think the sooner it is done the better. It all depends on how long it takes to grow and mature.

266. With regard to the suitability of Oregon pine, do you not think it is unwise for timber-merchants who admit that they have no practical knowledge of the timber to attempt to discount its value by suggesting it is an inferior timber, in view of the fact that there are some of us here who have had practical experience of it for many years. Would it not be wise, at any rate, to leave that part as unproven?—Well, I do not know. There is a great difference in timber, even in the same classes of timber. I have seen a birch split post standing in the ground for forty years, and I have likewise seen a gate-post fall off inside seven years. You both may be right.

267. In a general way I think you agreed that Oregon pine was not good for outside work?—Well, I stated that my knowledge of Oregon pine was very limited, but it has been said it is unsuitable for outside work.

268. With regard to the question of Oregon pine *versus* rimu for plaster-work, you said you thought any question in favour of Oregon for that purpose would only come from people interested in Oregon. If you knew that in some parts of the Dominion architects are specifying that Oregon pine only shall be used for plaster-work where they have a free range of both kauri and red-pine, would that modify your opinion?—Have those architects had any previous knowledge of Oregon pine?

269. Yes, the one who made the specification is a member of the firm who had to do with the building of that warehouse forty years ago?—Well, what I said only came out as my opinion. I said my knowledge was limited in regard to Oregon pine.

270. *Mr. Barber.*] You said that the cost of production of timber at Westport ranged from 7s. 4d. to 9s. 8d.?—That is so—that is, taking in the local.

271. What do you include in the cost of production?—I include all expenses in connection with producing it.

272. Do you mean f.o.b.?—Yes, that is the cost of production. We have got it all worked out here in figures. Some of the mills at the time were not exporting, and, of course, they got very much better prices than 8s. at their mills.

273. It does not cost that much to produce the timber?—I said this is the production. The figures I gave show the cost of production. The only thing is that some mills are not exporting.

274. Whether they are exporting, that includes railage in sending it to the port?—No, we show that separately.

275. It does not include that?—No, it does not include that in all cases.

276. Then, if you are selling ordinary building-timber at 6s. 9d. and dressing-timber at 8s. 6d., you are going to the bottom of the ladder fast and furious?—That is where we are going.

277. You say that the average price, 8s., is less than the cost of production?—The timber cannot be produced and put on board at 8s. and pay the miller.

278. That is a different thing—I want the cost of production?—I have said I will give that in committee only.

279. The evidence you have given is public, but the evidence you are going to give us is evidence not for publication?—That is so.

280. Do you mean to say that it costs in Westport this price to produce the timber?—It is from 7s. 4d., including all charges.

281. There are other charges outside the cost of producing the timber?—Yes, that is including all charges; but remember this, that some of those mills are not exporting.

282. It has been given in evidence that some mills are supplying timber in Christchurch at 6s. 6d.?—Yes.

283. And I want to know if it costs much more for Stewart Island to produce it in Christchurch at 6s. 6d.?—I do not know anything about Stewart Island.

284. What is the title of your asociation?—The Buller Timber-merchants' Association.

285. And you are not associated with a similar association in Greymouth?—No, the association is perfectly free.

286. I see the last witness to be called is the secretary of the West Coast Trading Company. Your association is not connected with that?—No.

287. Although it is called the West Coast Association it only applies to Westport?—Yes.

288. With regard to the areas of timber, you say there is almost an unlimited area of timber available on the West Coast, and so far you have only been scratching the surface?—No; I said we were working a narrow strip adjacent to our railway-lines. That is in the timber districts. There are places where there is very little timber.

289. And this large area which you say is available, has it been taken up in sawmilling leases?—No.

290. It is still unallotted?—It wants the railways to open it up.

291. And with regard to the mills operating, there is still plenty of land for the purpose of allotting additional areas?—It may be that in some cases the timber may not be available. It may be available by shifting the plant.

292. Now, with regard to the price, you gave an instance of the additional cost in a cottage of 14,000 ft. of timber at 6d.—an increase of 6d. per hundred in five years?—That is as far as our end here is concerned, of course.

293. But nine years ago you were delivering timber on the wharf at 5s. 6d.?—Yes, as far as I can remember it was nine years ago, but it may be nine years and a half.

294. So that in nine years there has been an increase of 2s. 6d.?—Yes.

295. And that is owing to the increasing difficulties in obtaining timber?—Yes, bringing it from the bushes that are now three miles away which were then close to the mill, and also the increase in the cost of labour.

296. What will be the result in the next nine years?—That depends on legislation.

297. The Legislature cannot move the bush nearer?—But they can increase the cost of getting it though.

298. This 2s. 6d. increase in the cost is due to the fact that you have had to go further back for your timber?—Yes, that is so.

299. That is continually going on?—But larger areas will overcome that to a large extent, because you can afford to put more capital into your mills and go further.

300. But you are not restricted now?—We are restricted—our maximum area is 800 acres.

301. And you have unallotted areas all round you?—Who told you so?

302. You did?—No, I said if the timber was available. You may come in and chop the timber down all round us.

303. But up to the present time the areas are available?—No, I do not think so. It all depends on the question whether the areas are available. A man may be in the midst of them, and still have nothing. The legislative restrictions placed upon us have caused the increase of 2s. 6d. to some extent.

304. You said that if large sizes of Oregon pine were imported you knew of places where they would be taken and cut up in order to avoid wharfage?—No, I did not say that. I said there are places where the Oregon could be landed without paying wharfage. We have millers in our country that have wharves of their own, and the timber could be landed there, and resawn into any size required.

305. And then shipped again to another port for sale?—That I do not know. It may not be necessary to ship it—they may have a market handy.

306. Do you not know that whether timber is landed at a wharf or landed on a sea-beach, so long as it is within the jurisdiction of a Harbour Board it has to pay wharfage?—Yes.

307. Is there any place that is not within the jurisdiction of a Harbour Board?—Yes, in Marlborough.

308. Is there any demand for timber there?—Yes, there is Blenheim and Picton. Of course, Picton is a port.

309. Do you mean to tell me that, in a district where there is a local mill, and equipped to the extent that they have their own steamer, it is possible to bring Oregon pine from America, land it at the wharf and cut it there and sell it in the district in competition with the local article?—It depends on what you can get the timber for. I think it is quite likely that such a thing might take place.

310. Well, take the cities like Wellington, Lyttelton, or Dunedin, it is impossible to do a thing like that without paying wharfage, even if you throw it overboard?—The wharfage is only 6d., I presume. I said it might be done.

311. *Mr. Ell.*] Your rates here for white-pine are the same as for rimu?—Yes. As far as our district is concerned we have very little white-pine. We do not export white-pine, and when timber-merchants order it we sell it at the same rate as rimu.

312. What do you do with the white-pine trees in the forests?—We cut those up, but there are very few. We cut them up for local use. We use it in the mines for aix-boxes and for mine-caps.

313. Have you never attempted to create an export trade for white-pine?—No, not from our district. It is not there in sufficient quantities.

314. But you have a mixture of rimu and white-pine?—There are a few places where there is a little white-pine, and no doubt a few cargoes could go away; but the millers have not cut into it. There has been no market for white-pine—it has not been worked up in the Westport district.

315. Has no effort been made to work it up?—No.

316. Would not that help to increase the profits of your mill if you were able to sell all the stuff you could mill?—There is no market here now for white-pine.

317. There is an enormous export of white-pine from the colony?—Yes, there is a large export, and there is some going away from here, but not from our particular district.

318. With regard to the railway rates, I find that the rates for white-pine in Southland are 11d. per hundred; as against 1s. 5d. for red-pine—a difference of 6d. per hundred. If the railway rates on the West Coast were reduced in the same proportion, would that be an extra inducement to the millers to cut the white-pine out of their forests instead of leaving it?—It would be some inducement if you could reduce the working-charges on white-pine.

319. One does not want to see a national asset and the wealth of the country left behind to be destroyed by fire or decay?—No, that is not right.

320. Would not that reduction be an inducement to the miller to cut out all the wealth he meets with in the forests?—It would be an inducement to some extent, but our railway freights here are comparatively small. It is our shipping rate that is our trouble when added on to the railway freight.

321. Are you in a position to supply any timber-merchant in Christchurch who is not a member of the association with timber—can you do so?—Yes.

322. Then you are a free mill?—Yes, we can do it.

323. I want to understand the position. I know there is an association on the West Coast through which the Christchurch merchants obtain their supplies. The Christchurch merchants

agree to take the whole of their timber from these merchants, and not to buy from outside millers: I want to ask you whether you are in a position of entire liberty, and whether you can supply any timber-merchant whether in the Timber-merchants' Association or not?—There are timber-merchants I would not supply, but I do not know whether they are in the association or not. We mostly do supply merchants. We are really not confined to them—I am speaking of our own district. I do not think the man we send it to is a member of the association.

324. I want to know whether you are willing to supply any timber-merchant in Christchurch?—We mostly send our timber to two or four different firms in Christchurch, but outside of those we do not go.

325. Why do you not go outside?—We have done the business with those people for so many years, and we have never had any occasion to go outside of them. Other merchants are getting their timber from other millers; we have each got our own merchants to supply.

326. Have you got an arrangement with those merchants not to supply the merchants outside?—Not that I know of. I am speaking now of the association. Some millers may have that, but we have not got that understanding.

327. So that you are prepared to supply any timber-merchant whether in the association or not?—We have not got any understanding; but, as I have said before, it might be inferred that we have because we only do business with a limited few.

328. I want to know from you whether if a merchant in Christchurch outside the ordinary lot that you send your timber to sent you an order, would you supply him?—It depends who he was. You mention a name and I will tell you.

329. Supposing he is known to be a good mark?—Let him try us and send an order along. You are trying to get me to agree to a thing I do not know anything about.

330. I do not want you to say anything that is not correct. I want you to tell me whether you know, as a matter of business, if you would supply a man outside those you are supplying—whether you would supply that outside man with a line of timber?—I will put it this way—it seems to me the only way I can. If the men we supply or one of those men withdrew from our association, we should still go on supplying him. If you name somebody, and ask whether we would supply him, and tell me whether he is outside the association, I will tell you.

331. You supply at 6s. 9d. and 8s. 6d.?—Yes.

332. Why do you supply at those rates?—How do you mean—why do we not put it up to 10s.?

333. We have had merchants in Christchurch saying they buy the whole of their timber at 6s. 9d. and 8s. 6d. Why do you supply at those exact rates—is it through an understanding you have amongst yourselves?—The price is fixed undoubtedly the same as the price of anything else is fixed.

334. Amongst yourselves?—Yes. We admit that right away. It is very necessary too in the interests of the trade.

335. Who discriminates as to whether the timber should be classed at 6s. 9d. or 8s. 6d.?—The timber-merchant. He sits as judge and jury on the timber, and he alone discriminates.

336. Is it going to affect your profits and the timber industry in this district?—Yes.

337. Have you ever had any discount taken off timber through classification? You have a certain quantity at 6s. 9d. and a certain quantity at 8s. 6d., and when you have got your statement back from the merchant, have you found that they have demurred at giving you 8s. 6d. for a certain quantity of your timber?—Yes, they have.

338. Do they rob you of a good deal in that respect?—I would not like to say "rob."

339. Do they deprive you of what you consider to be a fair price by unfair discrimination?—Yes, we do think at times they are a bit hard on us.

340. They take too much of your 8s. 6d. timber and they call it 6s. 9d. timber?—The Christchurch people have been educated to want a very fine article, one absolutely perfect from their standpoint. They want it as good as they can get it.

341. Can you sell your rough lines more readily in Timaru?—I should say we can, a little.

342. The merchants there are prepared to market your rough stuff more readily than the Christchurch merchants?—With the exception of one man there who likes it as good as he can get it.

343. Do you ship to Wellington?—We have sent a few small shipments to Wellington.

344. Do you find the Wellington people discarding your rough O.B.?—The Wellington people seem to be better judges of timber. If you give them good heart, even if there is a little resinous shake in it, they do not object.

345. Do the Christchurch people object to such timber?—Yes, they want a softer timber.

346. What becomes of the softer timber?—It is used up locally, and the local people like it.

347. Have you any stocks of it in your milling-yard?—Oh, yes!

348. What becomes of that?—It goes to the local market, and it is really a better timber than we are sending away.

349. I think that the resinous stuff is the best?—Exactly about double the life of the other.

350. Have you what they call a slab-fire constantly going?—Yes, fairly constantly.

351. A miller assured me—and he was a man of considerable experience—that he never had a slab-fire?—What does he do with his slabs, then?

352. He told me that he got them to the market, and did not waste quite as much as you do here?—Then the slabs must have been used as firewood, &c.

353. He said he could find a market for rough stuff?—Christchurch is our market, and they will not take it.

354. Then the Christchurch merchants in rejecting the rough timber are increasing the cost of production to the millers here, and they are at the same time preventing the Christchurch people from getting a good serviceable rough timber. If the Christchurch merchants said they

would take the whole output of the log, and that they agreed to pay you 6s. 9d. and 8s. 6d., are they saying what is correct?—No, I cannot say they do that in all cases.

355. There is a good deal of rough timber on your hands that you cannot find a market for?—Yes.

356. What is the shortest length that you can send away from here?—Eight feet; nothing below 8 ft., and there are very few of those.

357. Is it because the merchants there will not have very much of the 8 ft. timber?—There is not much call for 8 ft. timber. You want something longer. They have sixteens, and if they want eights they can saw them in two.

358. Do you find any difficulty in getting rid of your timber when cut into boards on account of the Christchurch people?—Yes, they want more boards, particularly now the Oregon is coming in. They ask for more first-class stuff now than the rougher article, and they are taking Oregon in place of the rough stuff. It has been left on our hands to a great extent during the last eight or ten months.

359. Supposing they took the whole output of the log, say, with a minimum of 8 ft., do you think that your logs would produce more timber than at present?—I think we could, a little.

360. And that would make a difference in your profits?—Yes, it would make a little difference.

361. *Mr. Arnold.*] How often does your association hold its meetings?—Sometimes it goes three or four months without one.

362. Do you attend these meetings?—Yes, at times, if I can get there.

363. You keep yourself posted in the business that is being transacted?—Yes.

364. What is the relationship between your association and the Merchants' Association at Christchurch?—No relationship at all.

365. Do you correspond?—In what way?

366. As to business?—No, none whatever. No correspondence passes.

367. Now, if the Christchurch Merchants' Association sent you an official communication instructing your association—that is, the mills here—not to supply a certain Christchurch merchant or builder, what would be the result?—Well, I do not know that it would have any effect.

368. If they said that a certain merchant or builder refused to join their association, and, therefore, that that person was not to be supplied with timber, what would happen then?—I do not know that it would have any effect at all on our association—I do not think it would.

369. I am not sure whether your secretary will give evidence, or your president, and, therefore, I have to ask if you will say that such a communication has not been received within the last few months, and that your association did not refuse to serve such an individual?—Yes, I can.

370. I can give his name privately, if you like?—I can safely say our association has not been approached by any timber-merchant with a request not to supply any other timber-merchant in Christchurch or elsewhere.

371. Thank you; I will not press that further. When referring to royalties I understood you to say that you preferred the system of paying royalties upon the timber as it stands?—I said there would be less sawmillers; at least, I think there would.

372. I understood you to say that you thought that that was the fairest system of the two?—Probably it would be.

373. Therefore, in your opinion, I presume there should be only one system over the whole of the Dominion?—Yes, I think that would be better.

374. In fairness to all the millers?—Yes, that is so.

375. I understood you to say this morning that you were not working under any arbitration award?—That is so.

376. Have the men a union?—No.

377. Would you tell us what wages are paid to your men, and their hours of labour?—They work eight hours a day, six days in the week.

378. Do you pay for overtime?—Yes, when they work overtime.

379. At the same rate of pay or an additional rate of pay?—It all depends.

380. Do they work on Good Friday and Easter Monday?—No.

381. They could have worked on those days?—They work on Easter Monday, as a rule, but this time the orders were so slack that we knocked them off.

382. When they do work on that day, do you pay more wages?—No. We simply allow them to work, because in bush-work they lose a lot of time throughout the year. It is their desire to work on that day, and not our wish. We never force men to work on holidays.

383. What do you pay your bushmen—have you got a list of wages?—We pay them from 11s.

384. I understand that the association has no agreement as to wages?—No.

385. What is the general wage paid to trollymen?—Trollymen get 11s. a day, sawyers get £5 a week, bushmen 11s. a day to 12s., bush foreman, 13s. These are the wages ruling in our district. R. T. Watson is employing ten men—one at £5 and one at £7.

386. Do you not think it would be fair to all concerned if each mill paid the same instead of entering into competition in that way?—I do not think it would. We prefer to not have an arbitration award, because it brings about a bad feeling.

387. Could you not have an agreement amongst yourselves?—I think that would be only made to be broken.

388. You are aware, of course, that employers as a rule prefer to be placed upon one footing so far as wages and conditions are concerned?—Yes.

389. Wages have been very high on the West Coast?—We have had to pay these wages to induce men to come here. The conditions of living and the loss of time have all to be considered. I do not think the wages are any too high when these things are taken into consideration. The cost of living here is a little higher than elsewhere, and there is a lot of broken time.

390. *Mr. Stallworthy.*] Regarding the sawyer you referred to, is he boss of the mill?—Yes, he keeps the saws in his own time. He is a £5-a-week man.

391. Does he lose time?—No, he is paid by the week.

392. You advocated an increase of the milling areas to 2,100 acres: what would be the life of such a mill to work that area?—That would entirely depend on the trade. Of course, if you were running a mill up to its full capacity, and you are cutting an acre a day, it is easy to reckon it up.

393. How many years do you consider should be the life of a mill to induce you to erect an up-to-date one?—At least fifteen years' life. You would then get the best results out of it, and your tramways and buildings would have done good service. Twenty years would be better.

394. If the areas were largely increased, would that not tend to drive other millers rather far back?—I do not think it would. It would simply mean that we have to-day three mills employed, and probably if we were allowed an additional area we should only have one mill. Under the present condition of things we have got to pay three engine-drivers to do the work of one man, and three sawyers really to do one man's work. With larger areas we should have a different system of work.

395. You said you had three mills: what area have you got?—For two of them we have the maximum area of 800 acres each, and the other one is about exhausted.

396. There is, then, no limit to the number of areas you may get?—Oh, yes! We are only entitled to three areas until we build more mills.

397. You build as many mills as you like and you get more areas?—Yes, that is so; but we must build more mills.

398. Have you refused to supply any person in Christchurch for any reason outside of the question as to whether he was not considered financially a good mark?—No, we have not.

399. You said that wages were responsible for 20 per cent. increase in one year?—Not in one year. I was quoting some figures then spreading over a term of years, and since then wages have increased 20 per cent.

400. You were not paying your sawyer at that period so high a wage?—He was getting from £3 10s. to £4 a week.

401. I presume your association discusses matters affecting your interest; have they ever discussed any proposals or suggestions as to what remedies might be applied to assist you?—Yes, they have dicussed the same question that we are now discussing here to-day.

402. What conclusions have they arrived at?—Those that I am now advocating—viz., larger areas, and a duty on Oregon pine.

403. You mean an increased duty?—Yes, to afford us the necessary protection. If we are going to have free-trade, of course, everything must come down to that.

404. Then you advocate enlarged areas and increased duty on Oregon?—Yes that is so.

405. Anything else?—Relaxing some restrictions.

406. What restrictions do you refer to?—There are a number.

407. Just give us one or two, will you?—In connection with the inspection of machinery there is unnecessary expense. We are ordered to do a certain thing, and when it is done the men refuse to work behind it. We are responsible now. We get orders to put up a certain grade, and if an accident takes place, where are we? The men do not like it. The country is full of these restrictions; they mean much cost, and they are interfering with our liberty too much.

408. I understand what you are referring to. We have such inspection in the North, and we think it is beneficial. You gave us your export prices: will you please give us your retail prices in Westport?—They are 8s. 6d. net—that is, 9s., with 6d. discount.

409. What class is that?—Rimu.

410. For ordinary building?—Yes.

411. What is the price for the other class of timber—that is, dressing-lines?—It runs up to 14s. dressed and seasoned.

412. *Mr. Mander.*] Would you expend a large amount of money in building an up-to-date plant on the off chance of getting some more timber at a future date?—I do not think I would.

413. You would want to secure a fresh area of timber to warrant you in putting up such a plant?—You must have the necessary security for the expenditure of money.

414. If you only had 800 acres to work on, is it not possible for another party to come in and take any further areas away from you?—That has been done time and again; in fact, it has been done very frequently. About twelve months ago we disposed of a property to a Greymouth firm here. We were holding at that time 13,000 acres. We had taken up 800 acres and put a plant on it. A party went behind us and we lost. We had, however, twelve months' law, and we bested them in the end, and we finally sold out to a Greymouth firm. I think such expenditure is unwarranted, and it is a charge on the timber.

415. You stated that the cost of production was 7s. 4d. for rough ordinary building-timber, and 9s. 8d. for the better class of timber. Do you include interest on your capital in that, and were all charges included in it?—No. It is the bare thing. It did not include the cost of management.

416. Then that is really not the cost of the production of the timber?—That is really what it costs us. We get nothing out of it at that.

417. You say that your retail price is 6s. 9d. and 8s. 6d. to the merchants in Christchurch, f.o.b.?—Yes.

418. Would you get a proportion of 50 per cent. first-class out of that?—No, you would not get 50 per cent. Perhaps you might get 50 per cent. of what is sent away, but not 50 per cent. of the whole product of the log.

419. That would be 7s. 7½d., and you would be losing money according to that?—Yes.

420. You are not really making a reasonable profit?—This last year we have lost money.

421. Do you not think, when there is a slump, that it is more necessary that you should be protected than when trade is brisk?—Of course, because then the cost of production increases.

422. Therefore, you think it is more necessary that Oregon should be prevented from coming here when there is dull times?—When we have unemployment in the country I think it should be stopped.

423. You consider it is better to have a dear loaf and money to pay for it than a cheap loaf and empty pockets?—No money at all, and exodus of people from our shores.

424. Have you ever retailed timber?—We are retailing. Two of our mills are retail mills.

425. I presume, in selling the whole output of your mills you do so to get rid of various costs and expenses?—Yes.

426. Do you find there is more responsibility in connection with the retail trade and more capital required?—Yes, and additional charges thrown on to you. You have got to strip the timber to prevent it from going rotten in the yards. There is also much extra cost in handling in the yards.

427. Supposing the value of rimu timber was 6d. per hundred feet in the log to-day, what would that be worth fifty years hence at 5 per cent.?—That is a question of figures.

428. Would it be a business principle to hold the timber for fifty years?—No, if you look at it from a point of interest on the capital value it would be a very bad piece of business.

429. Is it not possible that in fifty years some other material may be used in place of timber?—They will find some other commodity when they find that timber is exhausted.

430. They may have some better means of getting at timber that is now practically inaccessible?—That is so.

431. Do you think that the Crown Land Board's Rangers have got any adequate idea of the quantity of timber there is in the backblocks of this country?—They have an approximate or haphazard idea, and no better idea than the millers have themselves. Some of them say, "There is a fine tree—look at it; there must be 10,000 ft. of timber in that tree," whilst there might not be two or three thousand in it. I would not like to pay on their recommendation.

432. If you were selling the whole output of your mill to two or three merchants, and they were taking all you could produce, would you then think of supplying anybody else outside of these three individuals?—I would refuse to supply anybody else. It would not be to one's interest to go outside of them.

433. Are you not very pleased to give good wages to an extra good man without taking into consideration the labour awards or anything else?—I believe in paying a good man what he is worth. A good man is always in demand.

434. *Mr. Field.*] Mr. Leyland unintentionally put the witness wrong in speaking about the money going out of the country. He said, "Is it not silly to talk about money going out of the country when last year the export products of our forests were £928,000, and the imports of timber £14,000"?—Yes.

435. When he said "the exports of our forests," did you understand him to mean timber?—I do not remember.

436. Would you understand him to mean kauri-gum, fungus, or things of that sort?—No, I would not.

437. He said the imports were £14,000. He made a mistake; the duty is £13,895. If he had looked at the right column in the Year-book he would have seen that the imports were £270,000 and the exports £320,000. Is it not necessary that that should be put right?—I think so. I wondered why there was such a discrepancy. Of course, I have not studied these figures.

GREYMOUTH, FRIDAY, 16TH APRIL, 1909.

ARTHUR FLETCHER, Sawmiller, Westport, sworn and examined. (No. 62.)

1. *Hon. the Chairman.*] Will you tell the Commission what you know as a sawmiller as to your troubles, or what remedy you would propose in your way?—I am not going to enlarge upon the merits of the question, as I have had no knowledge or Oregon pine, and it would not be wise to speak of a thing you were not conversant with. I do know, and it would take a good deal to change my mind, that Oregon is interfering with orders, especially for rough timber from Christchurch. Last July or August was the first time I felt it. I went to Christchurch for orders, and I received word that the yards were stopped and had a large amount of orders on hand. Since then I have not received one order for timber otherwise than for dressed stuff; any miller will tell you that if you are dependent solely on dressing-lines you cannot run your business profitably. As regards the cost of production, I have here tables showing the cost of production from the time the timber is felled (or, rather, before—from the time the tramway is built) to being put alongside the ship.

2. Where is your mill situated?—About four miles along the Cape line from Westport.

3. Is it near the line?—Within three-quarters of a mile. These figures I can prove are based upon the output of the mill and the hands employed, and as far as I know are correct. We count tram-line 9d. per hundred feet.

4. What length it is?—From the railway-line to the terminus about two miles. The total cost of putting on the trucks is 7s. 6½d.

5. The total cost of putting on the trucks?—Alongside the ship at the breakwater.

6. When you get it there, do you pay any harbour dues or anything else?—No, the shipper pays these.

7. You deliver it on board?—Alongside: the shippers are responsible afterwards.
8. What is your schedule of prices alongside the ship?—Very nearly 8s.
9. *Mr. Morris.*] What area of bush have you got?—We have cut out our 500 acres.
10. Can you obtain any more?—We are fenced in.
11. What is the cost of your railage?—Eightpence.
12. That is the minimum?—No, that is the charge on the Cape line—the Harbour Board line.
13. How do you manage to dispose of your rough timber?—I have been putting it in with export timber, and there is a considerable local trade in Westport these last two years, and I managed to get rid of the majority of it.
14. What do you consider would be a fair area for a sawmiller to be allowed to hold so as to enable him to put in a first-class mill capable of producing timber as cheaply as it can be produced?—I am more in favour of it being granted on the million feet of timber, as the areas in our district are very scattered.
15. You think the mill should be in proportion to the quantity of the timber on the land?—Yes, even if it were 4,000 acres, so that the timber would warrant you in putting up a suitable plant.
16. Do you know that it costs from £2,000 to £3,000 to put in a first-class sawmilling plant. What number of million feet would you consider it proper for a man to have?—That is a matter that I have not worked out.
17. Would you say 25,000,000 ft.?—Yes, you would require all that.
18. By what amount is your output being reduced since Oregon first began to come into the market?—About 5,000 ft. a week; we are cutting less now.
19. What was your output before?—From fifteen to sixteen thousand feet.
20. You are now reduced to about 10.000 ft.?—From eight to ten thousand feet a week.
21. *Hon. the Chairman.*] What is the strength of your mill now?—Eight hands.
22. What would be the top amount—say the produce per week?—Running full, about 25,000 ft. per week when double-handed, but we have never done more than 20,000 ft. single-handed.
23. *Mr. Jennings.*] What is your output per day?—About 1,600 ft.
24. Have you been long in the sawmilling business?—About two years.
25. *Mr. Barber.*] What did you say was your cost of production?—7s. 6½d.
26. So you are working on a profit of a little under 6d.?—Under 6d. I am not allowing for depreciation in that.
27. Have you any local market?—Yes, a fair local market.
28. At what do you sell to the local consumer?—About 8s. 6d.
29. Only 6d. more than you sell to the merchants?—That is all.
30. Do you belong to the association?—No.
31. You sell to the public at 8s. 6d.?—Yes, net.
32. *Mr. Ell.*] Yours is a free mill?—Yes.
33. Which district do you supply?—We ship all to Lyttelton.
34. Do you supply any particular merchants in Christchurch?—We supply one man ever since we started—William Cook.
35. You sell all your output through him?—Yes.
36. *Mr. Stallworthy.*] You have only one mill?—That is all.
37. What does it cut per month?—I could not say definitely—I think 50,000 ft. was the best month.
38. What does it cut now?—It is not running 30,000 ft. per month.
39. Although 50,000 ft. was your record?—Yes.
40. How many do you employ?—Six men and three working partners.
41. You say that tramming costs 9d. How do you arrive at that? Is that based on a year's cutting?—On last year's cutting.
42. Did that include the cost of the erection of the tram?—The erection of the tram-rails and the material.
43. Is the tram a new one?—Of course, the end towards the bush is new; the other is nearly worn.
44. Do you put the cost of the whole tram against last year's output?—Only the cost of the tram from year to year, and the wages.
45. You do not reckon the cost of the tram from the beginning of the work against last year's output?—No.
46. *Mr. Mander.*] Do you think, if there were no Sawmillers' Association in the country, timber could be cut and sold at less profit than at present?—I do not.
47. In calculating profit, do you calculate interest on capital, depreciation, life and fire insurance?—That does not cover depreciation—depreciation would show that we were losing.
48. *Mr. Hanan.*] Can the witness tell us why he has not joined the association?—That was merely a personal matter with our senior partner at the time of putting the mill up.
49. Do you think it would be to your interests to joint the association?—I think it would.
50. Would you get better prices?—You are likely to, and you are not likely to get cut down.
51. Are you selling much under the association's price now?—Very little.
52. Do you think timber is going up in price?—It has not gone up much.
53. Do you think it will go up?—Under the present conditions I do not see how it can help going up.
54. *Mr. Clarke.*] I should like to ask if Mr. Cook, of Lyttelton, is interested in the mill?—No, he is not.

55. Who is the senior partner you refer to?—His name is Smith. He has sold out now, but the company is still "Smith and Co."

56. *Mr. Ell.*] What kind of timber are you milling?—Red-pine for export, and a good deal of birch for local bodies, mines, and so forth.

57. What kind of timber is there in the forest you are working?—It is inferior. It is inferior to what you inspected the other day—rimu, beech, and a little silver-pine.

58. Any cedar?—No.

59. Do you find a ready market for the beech?—Only occasionally—for the mines and local bodies.

60. Do you export any beech?—No.

61. *Mr. Stallworthy.*] Would you get as many orders, or less, if you joined the association?—I could not say

62. Would the association give any orders?—I suppose they would if they had them to give.

63. *Mr. Mander.*] Do you not think that one very good phase of the association is that they act on co-operative lines and distribute orders?—Yes, I think the association is an advantage.

64. *Hon. the Chairman.*] Do you cut any sleepers for the Government?—Not so far.

65. Does the Government take many sleepers?—None whatever. The Harbour Board takes some, and the Government take none.

GEORGE JOHN ROBERTS sworn and examined. (No. 63.)

1. *Hon. the Chairman.*] What are you?—Commissioner of Crown Lands for Westland. I prefer to put before the Commission a statement in writing. I have divided it into three heads—namely, alpine timber, forest timber, and mountain-forest timber.

2. You might explain that?—The alpine timber occupies the country from 2,000 ft. above sea-level to the "grass-line," but it is not millable. It amounts to 520,000 acres, and the area of mountain forest is about 1,041,280 acres. Part of that timber is millable, but I do not say it is millable at present.

3. The timber is millable, but the access precludes it from being milled?—Yes, that is so.

4. *Mr. Morris.*] What class of timber is it?—All kinds up to that height, and some of it very good milling-timber up to 2,000 ft.

5. *Hon. the Chairman.*] Which do you call the best milling-timber, rimu or birch?—Rimu by a long way.

6. What proportion would there be, do you think, in that milling-area?—The timber varies very much in our country here. Down south, for instance, a large area is covered by black-birch, and up north there is no such birch. My statement includes the whole of the milling-timber, including birches and trees of all kinds:—

The Westland Land District occupies the central portion of the western watershed of the South Island. The main length is 225 miles, and its average width twenty-seven miles. The area is 6,086 square miles, composed for the most part of the great central snow-clad mountain-chain and its outrunning ranges, intersected by narrow valleys, and subsiding westward into undulating plateaux, river straths, and shelving coasts.

The main range (Southern Alps), which is the dividing elevation or backbone of the South Island, constitutes the eastern boundary of Westland for its entire length. This mountain system is snow-covered almost from end to end, and its ice-clad lofty peaks uplift from the snowfields which cap the less abrupt elevations, and which fill the immense intervening hollows (*névés*). Subsidiary ranges, varying in height, radiate chiefly from "knots" in this great central chain, and are snow-coated most of the year. From these, again, ravined ridges descend steeply into the valleys or fall abruptly to the level of the inland plateaux of the littoral country. The westward faces of these spurs at one time formed the sea-wall. From the sheets of *névé* snow, alluded to above, numerous glaciers, with feeders from the lateral ranges, extend down the upper main valleys, presenting every form of ice-action, and from these the principal rivers take their rise. Parallel with the central mountain-chain and linked to it by low narrow saddles in the northern districts are isolated mountains, varying in extent and height, which are the remnants of an ancient granite range that once extended along the old coast-line. The bold flat-topped Paparoa Range lying between the central Grey Valley and the sea-coast is another island hill. And the seaward country between Jackson and Big Bay, in the far south, is wholly occupied by high outlying hills directly connected with the inland ranges. From Jackson Bay to the northern boundary of the district there is an almost continuous extent of drift country lying between the foothills of the great mountain-chain and the sea-coast; a continuity of broad-topped hills and hillocky ridges of moderate elevations; immense terraces of glacial drift, undulating plateaux, river straths, and shelving coastal lands.

Thus Westland may be roughly classed into two divisions—viz., highlands and lowlands, the former consisting of the great main range (Southern Alps) and its western mountainous offshoots, with numerous intervening valleys; the lowlands again comprising the champaign country between the highlands and the sea-coast

Generally speaking, the whole of the district is covered with dense forest, from the sea-beach to the grass-grown tops of the high ranges, even the broken mountain-faces being wrapped with exuberant foliage.

The height of the "bush-line," or, as we term it, the "grass-line," above sea-level varies all over Westland, sometimes dropping to 2,800 ft. and again rising to 5,000 ft.; the mean height may be taken as 3,500 ft. In a few localities the forest is slowly forcing its way upwards.

Alpine Forest.

From the "grass-line" (3,500 ft.) down to 2,000 ft. the forest may be termed "alpine," and consists of numerous varieties of scrub and various kinds of small trees, stunted, twisted, and gnarled by frequent gales and snowfalls. In certain localities, such as the upper Grey basin, the Mahitahi, Landsborough, &c., the bush forest grows right up to the grass-line—stunted, but yet a forest-tree; in such places there is rarely any alpine scrub. This alpine forest as yet has been incapable of commercial use, the scrubs not being of any known value and the stunted trees below the scrubs being only fitted for woodwork for mountain roads, mines, or firewood. However, with a view of utilising this alpine bush for wood-pulping, under the provisions of section 72 of "The Land Laws Amendment Act, 1907," two wood-pulp reserves, aggregating 50,000 acres, have been located in the Taramakau Valley, and a company has taken up an area of 30,000 acres and is now importing the necessary machinery, and expects to commence operations at an early date. Should this venture prove successful, it is assured that other mills will be started, as there are large areas available in all parts of the mountain country which carry forest reputably suitable for the manufacture of wood-pulp.

(The approximate total area of "alpine forest"—*i.e.*, from 2,000 ft. up to the "grass-line"—is 812·5 square miles, or 520,000 acres.)

Mountain Forest.

Along the seaward faces of the ranges outrunning from the main divide and the diversified slopes of the intervening valleys, up to 2,000 ft. above sea-level, there are immense quantities of high-class milling-timber, such as red-pine, totara, cedar, beech, and even rata (the latter with a fair workable barrel). All such timbers are tough, with nicely figured grain and well fitted for all industrial purposes in which strength, flexibility, durability, or ornamental beauty is desired. This great belt of timber is for the most part at present not come-at-able owing to the initial cost of procuring the timber and the expense of transport which prevent its commercial exploitation.

The mountain-valleys of the larger rivers—viz., those which flow from the main divide—have in their lower portions fairly flat floors where the rivers are flanked by high, narrow-topped drift terraces, which are covered with good commercial forest, but of no great local extent. Small flats and narrow, level-surfaced, well-timbered areas on the immediate banks of the rivers are ordinary features, but these have become much reduced in extent, owing to the continued damage by floods. Consequently it may be confidently affirmed that while in all the inland valleys there are large quantities of fine milling-forest on the bottom-lands, the flanking terraces, and lower hillsides, yet these timbers are only available at present for mining purposes, bridge and road-works, or for the scattered homesteads of such settlers as dare the reclamation of the wilderness.

Difficulty of access and consequent cost of cartage for the most part preclude all present attempts to commercially utilise the forests of these mountain-valleys; and all attempts in the past at utilising these swift, snow-born rivers for flotation of timbers have been disastrous and ruinous.

(The approximate total area of "mountain forest"—*i.e.*, between 600 ft. and 2,000 ft. above sea-level—is 1,627·8 square miles, or 1,041,280 acres.)

Forest in the Lowlands.

As noted above, the lowlands comprise fairly high hummocky rounded hills, glacial moraines of all classes, high table-lands, broad plateaux, immense areas of sea-formed terraces, lacustrine formations, and the ordinary fluviatile deposits in the numerous river-valleys.

Dispersed all over these lowlands are numerous lakes. All vary in character—coastal tidal lagoons, shallow reedy sheets, deep hill-girt waters. The deeper lakes occupy the basins scooped out by ancient glaciers that have receded ages ago. Some, again, are slowly filling up with the shingle poured into them by the mountain rivers and streams, whilst others are rising very slowly but definitely (such as Lakes Brunner and Ellery), and a few are only remnants of very extensive sheets of water, as the high marginal lake-formed terraces of Lake Brunner and others prove.

In conjunction with their effluents these lakes in some cases form valuable waterways for the transport of timber, minerals, produce, and goods.

Numbers of *pakihi*, or open lands, of more or less extent, occur all over the district, these, of course, being devoid of forest.

Leaving out the lands already denuded of bush by the settler, sawmiller, and miner, and also the comparatively small areas of the lakes, *pakihi*, rivers, and swamps, we may say that the whole of the lowlands is covered with forest. The varieties of trees differ considerably according to soil and altitude. Kamahi and rata are the chief timbers—very useful for firewood and mining purposes—and, being spread nearly over the whole district, constitute an inexhaustible supply. Rimu is the chief milling-timber, and this also, intermixed with miro and hinau, is widely distributed from the seaboard to the interior uplands. Valuable stretches of white-pine belt the low-lying coastal lands, river-margins, environs of lakes, and swampy depressions; and the same may be said of the silver-pine, though numerous detached areas of these timbers also occur on many broad terraces where free drainage is checked by the impervious nature of the impacted glacial drift on which the soil rests. Patches of black-pine (matai) are met with, generally on the deep alluvium of river-bottom landss; also rarer clumps of totara. Stunted totara frequently occur on the small ridges and hollows of the strips of the sand-dunes along the sea-coast; while cedars, more or less singly, are scattered along the flanks of the inland hills and all over the lower terraces and plateaux, but rarely within six miles of the coast. Very often isolated "islands" of fine tall cedars occur in the saddles between the interior highlands and the foothills and the elevated terraces of the lowlands. Kowhai never grows large, and is rarely found inland, but often lines the sluggish streams and lagoons immediately along the sea-coast, but

owing to its small size hereabouts it is of no commercial value. Broadleaf is found in dry bottom-lands, mostly in scrub form and in patches, but scattered isolated mature trees of workable size occur in many localities. All the forest in a narrow strip along the sea-coast is "wind-clipped," the result of exposure to the prevailing westerly gales from the open ocean being that all these timbers, great and small, are toughened, and full of "pattern," as the furniture-men say.

"Windrows" are of infrequent occurrence, and we only know of four of any magnitude—viz., in the Taramakau, Thomas, Arawata, and Ahaura Valleys. These are invariably due to the easterly gales which at times sweep up the eastern faces of and over the main divide, to roar down the Westland valleys, often for a few days, and do immense damage to much of the inland forest.

At irregular intervals—from eight to twenty years—we have heavy successive falls of snow, often followed by a great easterly wind, the double effect of the snow and wind-pressure being to devastate the forest, principally in the belt lying between 1,200 ft. and 2,500 ft. above sea-level. Sometimes the strip of fallen timber extends right along the mountain-faces on the mountain-range, with breaks here and there principally on the subsidiary ridges and spurs where partial shelter obtains. Again, it frequently happens that the main gale and snowfalls are confined in extent and strength to the north and south, and thus certain forest lands are either swept or escape damage. The effects of this extraordinary weather-damage to the mountain forests remain for many years, for in scrambling up through the bush which so closely coats our hillsides we often fall in with a belt of fallen timber, and experience much toil and vexatious delay in dodging a way over and under the interlocked abattis of prostrate tree-trunks, greasy with decay, and smothered in between with a dense undergrowth eagerly pushing its way into the unwonted sunlight. A certain quantity of forest is periodically destroyed by landslides and river-floods. In the higher regions of the watersheds of our great alpine rivers an iregular descent of small snowslides occurs; these gash lanes through the alpine forest, leaving streaks of bare rock and shale completely swept of vegetation. At long intervals immense avalanches plunge down from the high, surcharged snowfields and ice-filled gullies, tearing away large quantities of forest, eventually sweeping into and often completely filling up the whole valley-floor, and there overlying a fair extent of timber. Again, in the inland valleys, during the intervals of rest, the mountain-sides become gradually covered with a coating of dust, sand, and disintegrated shale, derived from the frost-riven rocks above the bush-line. This shale and dust coating is constantly working its way down through the bush (which roots into and partially binds it), partly by gravitation and partly by snow-thaws, until it reaches the base of the mountain, and there for many years may remain at rest. Eventually a wave of shingle (the residuum of some great avalanche higher up the valley) raises the bed of the river and forces its waters against the toe of this shale-screen; the boulders driven by this raging current pound and hammer down the loose drift, with the frequent result that large slips, loaded with timber, come down for thousands of feet. Often this shale accumulates on these sidelings, being held back by the tree-trunks and matted undergrowth until it fairly curves out into an unsafe bulge, which, on becoming saturated with water and receiving the impact of a sudden thaw, streams downward in forest-devastating strength. Frequently the whole of the sides of a great inland valley are screened by the accumulated rock-waste and shale of ages past, and these so completely overgrown by scrub and forest that hardly a break is visible in its splendid canopy of varied greenery. But, as noted above, the "safety" slope of the water-soaked mass of loosened mountain-waste eventually becomes so weakened that even such a "shoogle," as the continued tremor of an earthquake sets the shale into such destructive motion that the valley now presents aspects of bare, rugged faces, destitute of all vegetation except that clinging to those portions of the ridges and spurs which from their rocky nature and location were immune from this disaster.

All the large Westland rivers carry ice-water down for eight months in the year (some more or less), and are therefore clogged with glacial silt. The head-waters are constantly choked with immense quantities of glacial *dèbris*, cliff-waste, and avalanche-detritus. All this is crushed down the channels into the wide river-beds on the lower country. Although this wear-and-tear may be said to be constant, yet that is so only in degrees, for there are periods of partial rest and abnormal activity. Sometimes, after a shale-laden mountain-slope has been quiescent for ages, the disintegrating effect of many frosty winters, the infiltration of increasing soakage of decomposing water, and, it may be, the impact of a heavy snowslide from the higher tops, induce an enormous landslide, which roars down into and fills the whole valley with a huge commingled mass of snow, rock, slush, scrub, &c., all of which is slowly swept onward by successive floods and by filling up the water-channels, and devastates the adjoining country. Now, the rock-*dèbris* of such an avalanche does not descend in an even manner, but rolls forward in what may be termed "shingle-waves" (referred to above), and it is these "rollers" which wreck the loose river-banks, and not altogether the flood-waters, as is usually thought. This "shingle-wave" travels slowly down the river-floor, alternately swinging from side to side, and eventually, by raising the river water-level, overflows and covers the adjoining flats with drift and sand, ruining farms, roads, and bridges. Notable examples are the Grey, Taramakau, and Hokitika Rivers. Of the Taramakau we have a clear history of the "shingle-wave" from its commencement in the enormous landslide in the Otira Gorge in 1873 (the *dèbris* from which first destroyed the road and bridges in the lower part of the gorge), and thence we can track its devastating course right down the Otira and Taramakau Valleys, as year by year it rolled down, wiping out the main road and farms as it passed along, until to-day it is almost abreast of Kumara.

But wherever a Westland river emerges from a lake and therefore does not carry down shingle its loose gravel banks are intact. A notable instance is the Arnold River, which, while descending rapidly, does not destroy its banks, as the mountain rock-waste or shingle is bottled up in Lake Brunner. Similarly the Okarito River, heading from Lake Mapourika, does no damage all down its tumultuous course. This is also fact: those rivers which have done the greatest damage to the

adjacent forest-covered lands are those upon whose banks settlement has not taken place in recent years.

Fires never cause any serious damage in the lowlands. This is owing to the humid climate, for it may be confidently asserted that it is impossible to burn the standing forest, and the extreme difficulty of getting a "good burn," even of fallen bush and other undergrowth, is one of the greatest drawbacks to our pioneer settlers. Along the main roads the "second growth" has to be periodically cut down, and, when dried, is frequently fired, but in no case does the fire extend into the adjoining forest. In a few localities, where immature bush, intermingled with manuka scrub, skirts the road, the fire may spread for a few chains, but does no damage to any commercial timber. In a short time these semi-burnt areas are again overgrown.

Sometimes the sheep-farmers who in summer depasture flocks on the grass lands immediately above the bush, set the strong, coarse herbage in a blaze, and consequently fire the adjoining alpine forest, which is thereabouts chiefly composed of stunted brooms, akeake, yellow-pines, &c., all these shrubs being full of turpentine and therefore very combustible. Nevertheless, such fires rarely extend more than a short distance down or along the faces of the mountains, and, as only a few scattered grass-grown hilltops are available as sheep-pastures, a very small area is liable to be burnt. Comparatively small scattered acreages of timber in the lowlands are killed by water being damned back by landslides and also by the *dèbris* and tailings from gold-mining and sluicing claims, but the total damage from these sources during the past forty-five years aggregates comparatively a small acreage.

In Westland, wherever the forest has been destroyed by either natural or artificial causes, its recuperative powers are magnificent, for whenever spaces are swept of bush by landslides in the highlands, almost immediately these bare streaks are covered with greenery, usually in the first place fuchsia and lacebarks, and in a few years these gaunt scars are quite healed up, and it takes the expert's eye to detect the locations of the original slips. Likewise in the lowlands the abandoned sites of sawmills, mining camps, or other artificial clearings are soon covered with luxuriant small bush. In fact, our settlers experience considerable difficulty in keeping down and effectually getting rid of what is known as the "second growth."

In ancient times this district was occupied by a forest, of which only a few isolated gigantic trees now exist, and these are scattered singly all over the lowlands; they comprise white, red, silver, and black pines, hinau, totara, manuka, and beech, as well as birch. A small number are still erect and flourishing, but others again have fallen, and startle the bushman, when they happen upon them, by the huge size of their prostrate trunks. So far as we yet know, no extra large trees are to be met with on the highlands of Westland; they all occur on the lowlands between the foothills and the sea-coast.

One marked feature of our forest is the absence of old trees—that is to say, no decayed matured trees, either standing or fallen, are to be seen. In the highlands, certainly, dead fully matured trees occur amongst the beech, cedars, and totara in the higher mountain forests, but rarely below 1,500 ft. above sea-level. As this upper timber naturally decays, rimu and other kinds which are completely new to higher lands are taking their place, and these young, immature trees may be easily picked out as they dot and fleck, by their bright foliage, the sombre older forest.

All over the lowlands, in almost every place where clearings in the forest are made or occur through landslides, certain shrubs, plants, and ferns (totally distinct from the ordinary bush undergrowth) forthwith spring up with a strong and vigorous vitality, thus showing that in ancient times the district was, more or less, destitute of bush, and was assuredly mostly covered with the ordinary vegetation characteristic of open country. Contemporaneously with these scrub and bracken-fern growths, possibly the old giant forest, previously noted, may have been distributed over this champaign country in clumps and irregular strips, whence the present forest may have gradually spread and, owing to climatic changes, obtained complete possession, the seeds of the previous open-country growths meanwhile lying dormant in the soil, ready to shoot up when exposed to direct sunlight.

(The approximate total area of forest in the lowlands—*i.e.*, between the seaboard and 600 ft. bracken?-fern growths, posibly the old giant forest, previously noted, may have been distributed above sea-level = 1,181·0 square miles, or 755,840 acres.)

(The total area of forest in the Land District of Westland = 3,621·3 square miles, or 2,317,660 acres.)

Forest Areas.

Area of "alpine forest"—*i.e.*, from 2,000 ft. (above sea-level) up to the "grass-line" = 812·5 square miles, or 520,000 acres.

Area of "mountain forest"—*i.e.*, between 600 ft. and 2,000 ft. above sea-level = 1,627·8 square miles, or 1,041,820 acres.

Area of "lowland forest"—*i.e.*, between sea-coast and 600 ft. above sea-level = 1181·0 square miles, or 755,840 acres.

Total area of forest in Westland Land District = 3,621·3 square miles, or 2,317,660 acres.

Areas under forest, and amount of milling timber thereon, as follows:—

Crown lands, 1,250,000 acres, with 4,250,000,000 ft.
State forests, 500 acres denuded of all milling-timber.
Forest reserves, 50,000 acres, with 10,000,000 ft.
Scenic reserves, 13,000 acres, with 65,000,000 ft.
Miscellaneous reserves, 75,000 acres, with 400,000,000 ft.
Alienated forests, 140,000 acres, with 900,000,000 ft.

The above figures represent the approximate amounts of "milling-timber" of all kinds, and not the estimated quantities of the two or three varieties which are at present milled. If the foregoing estimates are halved we have the approximate figures which represent the sawmilling timber at present commercially available.

The estimated area of Crown lands held for sawmilling purposes under the Land Act, or the Estates Forests Act, showing in each case the name of the licensee and the acreage held, is as follows:—

Ahaura District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
C. Long and E. Clark	397	0¼
W. A. Sadler	100	10
A. Southorn and E. Olsen	600	5
G., E., and G. Erickson	200	8
John Drake	495	8
T. W. Tymons	200	7
A. Southorn and E. Olsen	780	7
T. W. Tymons	364	7
W. Thorp, H. Myers, and T. Southorn	200	11
Bignell, Gieseking, and Lynch	400	2½
W. Fisher	398	9
G. Erickson	400	8½
Thorp, Myers, and Southorn	300	11
G. Hahn	365	1
Paparoa Coal Company	400	1
Hamer, Jones, Wright, and Donaldson	600	½ to 1½
A. Brown, W. A. Sadler, and J. Molloy	380	9
Bignell, Gieseking, and Lynch	551½	4
G. Hahn	200	On railway
Tymons, Uddstrom, and F. Nyberg	200	,,
D. McLean and J. White	80	,,
W. A. Sadler and J. Molloy	198	4

Twenty-two holdings, comprising 7,808 acres 2 roods, in areas from 80 to 600 acres. Many of these have been cut out, and records do not show whether they have been surrendered or not.

Grey District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
G. T. Moss	570	On railway
G. T. Moss and G. Grant	512	5
J. Marshall	800	3
A. Olsen and W. Gleeson	191, 1,100	1½
R. W. England	565	1¼
S. Manson	200	4
E. Gardener and E. C. Todd	800	8½
T. H. Ker and others	980	3
O. Butler	730	2½
Baxters	1,308	2 to 2½
J. Jack	750	3½
D. H. Roberts	200	2
Stratford and Blair	2,677	1 to 2
Greymouth Timber Company	200	7

Fourteen holdings, comprising 9,883 acres 1 rood, in areas from 200 to 2,677 acres.

Stafford District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
K.K. Sawmill Company	800	3
G. D. Wilson and Co.	798	2
Lincoln Bros.	230	2
A. Peebles	400	2½
C. M. Malfroy	367	4
Cooper	600	6

Six holdings, in areas of 230 to 800 acres, comprising 3,195 acres.

Kumara District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
W. Morris	400	3
G. D. Wilson and Co.	724	2
K.K. Sawmill Company	600	8
Morris and Daly	1,000	7
D. H. Roberts	800	9
M. J. Corbett	373	6½
R. Watson	496 a. 2 r. 30 p.	9
T. McGrath	400	7½
C. Priest	200	8½
F. P. Watson	200	9
Moynihan and McGrath	400	9½
K.K. Sawmill Company	800	9½

Twelve holdings, comprising 6,393 acres 2 roods 30 perches, in areas from 200 to 1,000 acres.

Hokitika District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
South of Arahura.		
J. C. Malfroy and Co.	200	3
Meharry, O'Malley, and Donaldson	800	5
Tamminelli	200	7½
Coote, Morris, and Co.	200	6
South of Hokitika.		
Woodstock Sawmilling Company	800	4
Perry and Hegan	1,600	0 to 2
Hansen	200	...
Diedrichs	800	6
Morris and Roberts	800	2
D. H. Roberts	800	2
Stuart and Chapman	800	2
Bagnall	800	9

Twelve holdings, comprising 8,000 acres; from 200 to 800 acres in each area.

Ross District.

Licensee.	Area held (Acres).	Distance from Railway (Miles).
Stuart and Chapman	400	...

Okarito District.

Licensee.	Area held (Acres.)	Distance from Railway (Miles).
L. Zala	200	...

The estimated area of Crown land still available for sawmilling purposes, but not taken up, showing the districts in which the areas are situated and the total area in each district: Grey County, 189,904 acres; Westland County, 417,156 acres.

The Westland Land District is wholly within a mining district. All Westland, Grey, Inangahua, and Buller Counties are set apart as Land Board timber areas, and are administered by the Wardens. Accordingly any person desirous of obtaining any timber-right must apply to the Warden of the several Mining Courts. On receiving such application the Warden at present forwards it to the Commissioner of Crown Lands, who in turn hands it to the Crown Lands Ranger for his inspection of the area applied for. We next return the application to the Warden's office, with accompanying Ranger's report, affirming, modifying, or protesting, as the case may be, from a Lands point of view, when the Warden finally deals with the case. We afterwards plot, as best we can, the areas granted on our maps, and the Ranger inspects these and other mills periodically, and furnishes quarterly reports.

A sawmiller is allowed to take up 800 acres—*i.e.*, one sawmill area of 200 acres and three reservation areas of 200 acres each; but if he is more than four miles from railway or port, then he may obtain an additional reservation, or 1,000 acres altogether. He must declare his sawmill area, and after cutting out the timber, he surrenders it and takes on the next reservation as a new sawmill area, and so on.

Applications for right to cut timber in Westland are made to the Warden under "The Mining Act, 1908," and the regulations made thereunder.

At present in Westland there is a system of dual control, which makes it rather difficult to effectually supervise the industry. Applications have to be made to the Wardens of the different Courts, of which there are several, from Ahaura in the north to Okarito in the south. Hitherto these have been granted on the poorest of descriptions, with a rough sketch-plan attached. The result of this is that the Rangers have great difficulty in locating these areas and keeping the lessees to their own ground. "The Land Act, 1908," section 312, provides that the Land Board may also grant these areas, but by No. 117 of the above-quoted regulations the Board is expressly excluded from granting any timber licenses or timber-cutting rights.

Section 149 of "The Mining Act, 1908," gives power to the Governor to do this if he "is of opinion that applications may be dealt with by the Warden more conveniently than by the Land Board."

On the areas and reservations being granted, as there is no mention made of supervision by the Wardens' officers, and as the revenue is territorial, the Crown Rangers have been undertaking the work. But this quasi-dual control has not proved very satisfactory. The Westland County Council would prefer the Lands Department to have control, and in February, 1908, a deputation of the leading sawmillers interviewed the Under-Secretary for Lands at Greymouth and earnestly besought him to the same effect. Mr. Kensington assured him of his wish to accede to their request, and accordingly an Amendment Act in that direction was placed before the House, and the necessary clauses actually passed the second reading, but were afterwards thrown out.

At present the Wardens insist upon sawmillers taking areas and reservations in one fairly continuous block; but, despite our protests, late Wardens granted these considerably apart, with only long narrow strips of connecting lands between the several allotments. This, as they assured, complied with the Act, which provides that the areas and reservations should join each other. This extraordinary interpretation of the statute permitted the "gridironing" of the country and a virtual local monopoly of the milling-bush. So it may easily happen again that a Warden may quite conscientiously adopt the same view and re-establish the old system.

Again, the Wardens necessarily can have little knowledge of the various milling-areas which are constantly coming under official decisions; whereas the Commissioner of Crown Lands has, from his own and his surveyors' inspections, an intimate acquaintance with each district and its varied aspects, whether from sawmilling, mining, or settlement points of view.

When we have decided to cut up any bush land for settlement we receive a preliminary report from our officers, and, having obtained the Warden's consent (to whom we report as to the land not being auriferous and only containing enough milling-timber for the settlers' own use), the block is surveyed and subdivided into suitable sections, which are forthwith offered to the public. A fairly complete check against the chance of parting with any marketable milling-timber is that the Surveyor, who has necessarily traversed the whole block, has to report to us on each subdivision, especially noting its value, any milling-timber, &c.

In the past, as in the present, some have taken up forest lands on account of these containing a large amount of milling-timber, but very few settlers have ever taken up this heavily timbered land to clear it for grass or crop. The one or two who have done so have merely cleared an acre or so in the suburbs of a township, or, as in the case of "Master's Clearing" on the Greymouth–Marsden Road, made a failure of it in every way. This class of land will not pay to clear in Westland, except perchance in the Upper Grey district, where the brown-birch occurs.

All the settlement lands proper in Westland are located on the lightly timbered bottom-lands in the river-valleys, along the coast, or on the "faces" and "shale slopes" of the inland hills, where there is a fair depth of soil and natural drainage. The adjacent lands, on the terraces and high lands, are selected in small areas, by the settler who has to extend his holding and provide some winter feed and shelter for his young stock. And, unless the sawmiller removes this heavy timber, these lands in the main cannot be profitably occupied. In this aspect the miller becomes a benefactor, and also, by his trawmays, clearings, and cuttings, enables road access afterwards to be more easily provided. The sawmill hands, with their wives and families, are good cash consumers of farm-produce, and thus provide markets for adjacent farmers.

Hence, as the settlement of the milling-timber land is consequent upon and involved in its denudation of forest by the miller, and as the Land Board has the final apportionment of such territory it is considered very advisable that it should have full control throughout the procedure. Still it is difficult to compel millers to clear all milling-timber off each area. There are in some places areas of fallen, crushed trees, due to storms, which would not pay to disentangle; many mature trees when fallen are found to full of "shakes" or splits, and are therefore unmarketable. Milling-timber growing on broken lands, such as faces of terraces, in gullies, and also on tops of isolated plateaux, cannot be economically taken out, as tramways cost too much to reach the bush. Certain varieties of timbers are either not often marketable or not in demand at all, such as hinau, kawhaka, rata, kamahi (red-birch), brown and silver birch. For instance, a few years ago no miller cut white-pine, as it would not pay, hence all these several varieties, although strictly large enough for milling, are left standing, and, together with other smaller forest, often give an "uncut" appearance to many areas. The sawmillers in some localities are now reworking old areas for white-pine, and in some localities are at present either to close down or to cut white-pine on their reservation. In short, the sawmiller, in the main, does cut out all the marketable timber; it does not pay him to leave it behind.

Since "steam-power bush-haulers," instead of the old methods of horse and manual power, have been used, timber is hauled to the mills from localities which formerly had to be abandoned, as it would not pay to put special tramways in to get it out, and consequently the bush is better cut than formerly, and many areas which were scamped in first cutting have subsequently been cleared up.

One of the chief reasons why the sawmillers' operations are by law confined to his sawmill area, before being allowed to cut on the adjoining reservation, was to enable the Lands Department to place this denuded area in the market as soon as possible—that is, before the "second growth" sprang up; but, as shown above, it has been virtually impossible to insist upon this. Nevertheless a time-limit should be set, at the end of which period the miller must vacate those lands, which could be leased to settlers.

I consider it would be much better that millers bought timber either by auction or on grant of application in one or more instalments. By the present method the sawmiller has to keep a book in which is duly set down the timber cut, and he sends in at end of each quarter a sworn declaration as to the class and amount of timber he has cut for that period. The Ranger visits each mill, compares the miller's statement with the mill-books, and next checks these figures with the railway, steamer's, or carter's returns. This would appear a good method of audit, but yet it is difficult often to properly adjust discrepancies, as at the beginning or end of each quarter there is almost always an overlap, more or less, between the railway and other carriers, as the timber may be standing in trucks, &c. But one especial reason for abolishing the present system of payment by royalty is in those cases where the sawmiller is cutting on Crown lands and adjoining freeholds, &c., simultaneously. Here it is often very difficult to arrive at the true amount of royalty due to the Crown or local body.

The present system of the survey of sawmill lands is very unsatisfactory. A rough diagram often accompanies timber applications, which are forwarded by the Wardens for our report, and we are quite unable to locate the areas. Many areas were granted on such sketches, and we can only plot them vaguely on our maps, and the Ranger has great difficulty in picking the boundaries up.

By the regulations the Warden may order a survey, but the cost is not to exceed £5. Now, a proper survey in accordance with the Survey Regulations should be made, so that the various areas can be correctly placed on our application maps. The survey should also define adjoining freeholds, reserves, &c., and completely do away with the present vagueness of these boundaries, thus preventing vexatious overlapping.

All outside and internal boundaries of the several sawmill areas and reservations should be clearly cut and well pegged, so that the Ranger or the public would have no difficulty in following and inspecting the leased areas. The sawmiller should recut these lines periodically.

The conservation of forest or scenic reserves has always engaged our serious attention. Owing to the present regulations not compelling the sawmiller to have the boundaries of his reservations well cut, we have been obliged to re-mark some of them, especially in protection of these reserves. In one case the foreman of a mill cut into the back of one reserve unknowingly, but immediately desisted when apprised of the situation, and also paid full royalty. Fortunately very little harm was done to the reserve. Thus the want of a properly surveyed and well-cut boundary-line may easily lead to irreparable damage being done to many of our beauty-spots. The sawmillers have always been willing to safeguard these, but their bushmen can easily and unwittingly do them harm in the absence of a guiding-line. Our Rangers report upon all these reserves periodically.

With regard to the afforestation of lands denuded of timbers by the sawmillers, opinions differ considerably. Poor wet land is hardly worth planting, as witness the slow growth of trees on many old sawmill areas. Some think it would do to simply allow the "second growth" to spring up for a few years, and then to thin out all the rubbish, while others believe it would pay better to grass even very poor land than to replant it with forest. In any case the reclaimed areas must be fenced, otherwise cattle would damage them.

In conclusion, I desire to acknowledge the good feeling which has always existed between the sawmillers and our Department in settling any differences. And I beg to express my thankful appreciation of the courtesy and willing assistance of the Wardens of the district.

7. You have no means of estimating the proportion that rimu bears to the rest?—We did get out information of that type some time ago, which I sent to Wellington, and you could get it there. With regard to the two Wardens, they have completely fallen in with what we want, but with the late Wardens here I had a very great deal of difficulty. They looked upon this matter from a legal point of view. If a man brought in a sketch-plan and showed a sawmill at one place and a reservation half a mile away and sometimes an area a chain wide, they looked upon them as connected, and I am quite sure the Wardens were wrong in that matter. When this matter was put before our present Wardens they fell in with our proposition, which is the present way of doing it, but it is quite likely that if new Wardens were appointed they would look upon it in the same way as the late Wardens—viz., from a legal point of view.

8. *Mr. Morris.*] With regard to the area allotted, I see in the paper there are new regulations gazetted. Do you know anything about them?—Yes, but Mr. Jourdain could give you more precise information, because he has drawn them up. They were to be published some time ago.

9. I see it has been decided to allot the areas in proportion to the horse-power of the engine used in the mill. Do you think that is the best method of dealing with this question?—Well, I will answer it in my own way. You see, I am no sawmill expert at all, but I look upon it from the point of view of settling the people on the land. The faster we can get the timber off the land the better; and the more powerful the plant is the quicker we shall get all the timber, and in that I am fully in accord with the extended areas being granted to the millers.

10. *Hon. the Chairman.*] But what if they cannot get rid of the timber when they get it?—That may be. I cannot discuss that side of the matter at all. The quicker we can get the timber off the land the quicker we can get the settlers on to it, so that if we can get a powerful mill on to a piece of land it stands to reason that the mill will cut it out quicker.

11. *Mr. Morris.*] The question of the reservation of the sawmill areas at the present time, I suppose, is to be abolished. Do you believe in allotting the land to the sawmillers as at present, that several areas have to be renewed annually in the Court?—No, I do not. I believe a man should get a lease of the whole area in one block; but prevent a man taking up a large block and preventing the Lands Department settling people on it in that way. I think a block should be cut up into the present areas.

12. As to a great many of these sawmill areas that are held now, some parts of them would probably be very fair land for settlement purposes, while other parts would be practically useless?—That is quite true.

13. Some of it contains white-pine and other parts red-pine, so that it does not appear to be a judicious arrangement to try to confine a man to any particular area, because he may not have a sale for that stuff on that particular area?—You are quite right. It is a very great difficulty, and a difficulty that has to be faced. As I said before, on the area given you could not cut white-pine, as it would not pay, but if you let the settler in there he would probably cut down that white-pine as useless timber. The same thing applies to that famous timber kawhaka. It is one of the finest timbers in the world, and they do not know the value of it.

14. In your experience you have found that the majority of white-pine lands here are best for settlement purposes, as they grow better grass than rimu country?—Yes, but a good deal of white-pine is growing on swampy country. In fact, white-pine grows on partially dry country, and not thoroughly dry.

15. Do you consider that 5,000 acres would be a sufficient area for one mill?—Well, I could not say on that point. As I said before, I am quite willing, from my point of view, to leave that to the experts. To get the people quickly on the land is the main object. From a settlement point of view all this timber land is waste land, and it is no good to anybody. We divide it into big runs and lease it to people, and they put a few cattle on it.

16. Take a 5,000-acre area, yielding 10,000 ft. per acre, as an average of the class of timber that you are putting on the market to-day, that would only produce a total of 250,000,000 ft. If the sawmiller made a profit of 1s. per hundred on that output he would have £500 per million feet. Now, that, with interest and wear-and-tear, and the first cost of his plant, would not be

sufficient to cover the first cost of the concern?—Let me put it in another way: In conducting the affairs of Westland here with regard to land we have always followed out the policy laid down by the Government, and that was to put this objective before the people—viz., to put the people on sufficient land to enable them, say, at the end of twenty years to make an independency—of course, not necesarily rich, but with enough to carry on without hard work. We want to do the same in connection with any industry we are connected with. If it is pointed out to us that the sawmillers want 5,000 acres of this land I am sure we are quite willing to give it to them.

Mr. Morris: That is satisfactory.

17. *Mr. Hanan.*] I presume the difficulty in connection with dual control, referred to by Mr. Flanagan, is not new?—No, not with us.

18. It was reported to the Department in Wellington?—That is so.

19. What are the royalties payable?—They are as follows: Totara and matai (not less than 25 ft. in length or 12 in. in diameter) and silver-pine, 2s. per 100 ft.; Totara and matai (less than 25 ft. in length or 12 in. in diameter) and rata, 1s. per 100 ft.; rimu (red-pine), kahikatea (white-pine), and kamai, 6d. per 100 ft.; blocks for paving sluices, 2d. per 100; railway-sleepers, 3d. each; railway-sleepers, if under lease, 2d. each; other posts, rails, and sleepers, 8s. per 100; fencing-stakes, 4s. per 100; firewood, not less than 1s. per cord.

20. Do you advocate any increase or alteration in the schedule of royalties submitted by you?—I do not. If in any way a reduction of royalties would assist in getting our people on these lands I would be very willing to advocate it.

21. What is the price paid for bush held by private persons?—I really cannot tell you that, but I am sure you can get it from some of the millers.

22. Can you tell me if applications for timber-milling areas have increased during the last three years for sawmilling purposes?—Yes, from memory I should say they have increased.

23. Can you give the Commission the figures?—No, I have not got them here.

24. You can give us, though, for the last three years the number of applications for timber areas for milling purposes?—Yes, quite well.

25. Will you submit that later?—Yes, directly. The number was twenty-eight.

26. You are in favour, I understand, of enlarging the timber areas to be given for sawmilling purposes?—Well, I think I tried to explain that I was in favour of extending the sawmill areas if that led to quicker denudation of the timber for settlement purposes.

27. Do you not think that enlarged areas would give the man with capital a great advantage over the man of small means in the sawmilling business?—It may have that aspect. Things change. In bygone times here we had the small digger, who, with the exhaustion of surface gold, had not sufficient capital to work his finds, and so the industry began to fall away. The capitalist then stepped in, providing water and extensive plants, and so the industry passed practically in many districts out of the hands of the small man to those with more means. So also with the timber industry, I reckon in many districts eventually it must necessarily pass into the hands of bigger men, for the reason that more capital is required owing to the increasing difficulty of reaching the timber and placing it on the market.

28. Do you find anything in the way of dummyism in connection with sawmill areas?—No, I have not had anything of that yet.

29. Is there a syndicate in connection with sawmill areas?—Not to my knowledge.

30. Have you had any complaint about an unfair amount of timber land being granted to any one person?—No; but at times if a man takes up an area it comes before the Warden, and it may be that the adjoining sawmiller may oppose the grant, and they may fight this out. In some of these cases it comes to a matter of adjustment.

31. Is there any person in this district under your jurisdiction holding an undue proportion of timber-area country?—No, I do not think there is.

32. There is no unreasonable amount held by any person?—No. I have here some examples: my Ranger is travelling constantly throughout the district, and he does nothing else; he furnishes me with reports upon everything in connection with the timber, and I have never heard of a report to that effect.

33. What are the names of the persons who hold the largest number of areas, the number of the areas, and their respective acreage, together with the date on which they were granted?—Yes, I can comply with that information; it is as follows:—

Name of Holder.	Acres.	Years granted.
A. Southorn and E. Olsen	1,380	1908
J. Marshall	800	1906–7
Gardiner and Todd	800	1906–7
Ker and others	980	1904–5
Baxters	1,308	1900–8
Stratford and Blair	2,677	1900–8
G. D. Wilson and Co.	1,522	1905–8
K.K. Sawmilling Company	2,200	1905–8
Morris and Daly	1,000	1907–8
D. H. Roberts	1,800	1906–7
Stuart and Chapman	1,200	1907
Meharry, O'Malley, and Donaldson	800	1907
Woodstock Sawmilling Company, R. Taylor, and Maloney	800	1908
Perry and Hegan	1,600	1908
Diedrichs	800	1907
Morris and Roberts	800	1906–7
Bagnell	800	1909

34. Here is Stratford and Blair, who have 2,677 acres: How long have they held that?—I have no information here of that.

35. How much of it has been cut down?—I cannot tell you.

36. How long will it take to cut it out?—That I cannot answer.

37. Coming to the next—Baxter Brothers, 1,308 acres: How much of that is cut out?—I cannot tell you on that point.

39. Are there any other large areas held beyond those which you have quoted?—Not so large as that.

40. Are they the largest holders?—Yes, that is all they hold in this district. I think that is right.

41. Is there anything to prevent the holders of the properties you have just referred to acquiring further timber areas?—Not unless they put a mill up.

42. Then, they can acquire further areas?—Another thousand acres.

43. Notwithstanding the fact that their areas at present held may not be cut out?—Yes, that is true; they can if they put up a separate mill.

44. Then the only condition to the limitation of their holdings is the erection of a mill?—That is so.

45. There is nothing to prevent a man acquiring a monopoly of this district?—No, there is not.

46. Do you think that the discretion of the Board should be extended in regard to the granting of licenses?—Undoubtedly.

47. To the tenure of licenses?—You will please understand that the Warden does the business. When you refer to granting a man extra reservations that comes before the Warden.

48. Do these regulations apply to mining areas or only to Crown lands?—I understand to Crown lands.

49. It does not then apply to land that is administered, so far as timber areas are concerned, by the Warden?—No, I do not think so, but I am not quite sure on that point.

50. It simply applies to State forests?—Yes, that is so.

51. It does not meet what you complain about in regard to other lands, in regard to enabling larger areas to be held so as to get timber removed as quickly as possible. This regulation does not then apply to lands which are timbered in respect to which a license is granted for sawmilling purposes by the Warden?—No, I do not hold it does.

52. Do you think it should be extended to that?—I do.

53. Do you know what areas are held by the State sawmill in this district?—There is one at Runanga, where the State collieries have got a special reserve, and they cut timber there. It belongs to them, and we do not get any royalty.

54. You cannot give us the area of the land held by the State for the purpose of its mill?—If you order it it can be supplied to you quite easily.

Hon. the Chairman: Please supply that in your evidence.

[Subsequently supplied: Mr. Bishop, Manager of the State Coal-mine, Greymouth, reports as follows: "We have no particular area of timber land set apart for sawmilling, but cut timber from State Coal Reserve for our work. Approximate area so far operated upon, 400 acres."]

55. *Mr. Hanan.*] In respect to land where bush has been removed, can you say, generally speaking, if such land has been used for cropping purposes?—Not for cropping purposes—cropping will not pay here.

56. Will oats grow here?—They cut them into chaff.

57. Is there much cropping does in this district?—No.

58. Is there much grass land in this district?—Yes, a fair amount of that. They put all land into grass.

59. Is it good for that purpose?—Some of it is very fine.

60. Do you find that when the timber is removed there is a good crop of grass?—Yes, it grows good grass.

61. Is there anything in the soil against cropping?—We have not got a harvesting climate. Very often we have a wet summer.

62. Is it true that the ground will only grow rushes when the timber has been removed?—Wherever there is not good natural drainage you cannot have good land. For many months the land is often saturated.

63. Are there many Crown tenants holding bush in this district?—A good number; they cut the bush down and put it into grass.

64. Do they burn it?—Yes, after it is fallen. Some have taken it in different parts of the district, and they have taken up denuded areas abandoned by the sawmillers, and they are converting it into grass land now.

65. Are they prosperous by simply growing grass?—Yes.

66. That pays them?—Yes. I may say that last year we had not a single defaulter. Every man paid his rent.

67. Are you in favour of setting aside more timber areas?—For special purposes, yes, certainly.

68. What suggestions would you make in that direction regarding this locality?—We have schemes out for forest reserves all through the district, and we have several laid out on paper inland of this place. We reckon the State Coal-mine area is sufficiently extensive as a timber area to supply Greymouth.

69. What amount have you reserved?—About 80,000 acres.

70. Is it good milling-timber?—Portions of it.

71. Is it accessible?—Not very, at present.

72. As a matter of fact you are disposing of accessible timber areas and reserving inaccessible timber areas for public purposes?—It virtually amounts to that, although that is an extreme phase of the matter.

73. Is there much burning of bush in this locality?—No, very little. I know of a fire that occurred in this district. Some fallen timber took fire, and, being a very dry season, it extended over a lot of other fallen stuff, but a fire of that description only occurs on the face of the terraces or on the tops of the plateaux. You cannot burn standing bush here. You can burn birch in the north, but the main bush in this country will not burn.

74. Taking the last fifteen years, can you tell us the amount of bush that has been cut out for sawmilling purposes?—I can only give you an approximation of that, because I am sure we have not got the information.

75. Is there any record of the areas that have been cut out and granted for sawmilling purposes, and what has been cut out during the last fifteen years?—We have had a certain amount of record, but not a very accurate record. I am sure of that.

76. Can you not get that information respecting the timber licenses that have been granted, &c.?—A certain amount of it can be obtained.

77. Do your books not show the timber areas?—Yes, undoubtedly. You have to plot them on paper. In the past these records have not been very well kept, and not very well now.

78. In what respect are they deficient?—I will get a map and show you.

79. This map, Mr. Roberts, shows what?—It shows the areas granted.

80 Have you not got these on paper in your books?—We have not got books.

81. Not in the Warden's Court?—They have the whole of this information.

82. Can I get a statement showing what licenses have been granted? How do you know the number of licenses granted?—They come into my office sometimes for report. In the past the Warden granted these areas irrespective of me altogether.

83. Do you take a record of the applications that come in, together with the names of the applicants and the area supplied?—In recent times we have taken a record.

84. Do you at the present time, when an application is referred to you by the Warden, take any particulars from that application—viz., the name and address of the person, the amount held by him, the amount applied for, and where situated, &c.?—Certainly. It is down on this map.

85. Have you anything in your books apart from this map?—Yes.

86. I can get from the Warden here a statement showing the number of licenses granted, and also the amount of bush cut out during the last fifteen years?—I cannot say what the Warden can give you. I would like to point out that the present Wardens are most willing to help us in any and every way.

87. There is nothing to prevent the Warden working in conjunction with your office?—Nothing. He does so, and most amicably.

88. Are you in favour of forest-conservation?—To a certain extent.

89. Are you in favour of afforestation by planting?—Not in Westland.

90. Is it not a fact that this district is eminently suitable for tree-planting?—I do not think so.

91. Do you base that upon the growth of the other trees coming on?—Yes.

92. Do you think that their growth is a slow process?—Yes, very slow.

93. Do you recommend the planting of New Zealand trees or imported trees?—Imported trees always.

94. What are your reasons for holding that opinion?—We have only got totara or silver-pine that is worth growing here. I think it is a foolish thing to put in a rimu-tree when you can get a better one.

95. Is your idea to cut out the forest?—What I look at is this: You have got a great amount of mountain-slopes left behind you still, and they will last a long time.

96. They are inaccessible?—I do not say that altogether. They are in big gullies, and in other parts of the world they would be taken out. I maintain that in this great mining district, in the meantime and for generations to come, there is sufficient timber to meet requirements.

97. That is in Westland?—Yes, right down for over two hundred miles.

98. Is it not a fact that the cost of production is increasing?—I think it is.

99. Is that owing to the inaccessibility of the timber?—I think from what I hear it is.

100. It will follow as the mills have to go back to the hill country that the cost of production will increase?—Undoubtedly.

101. The price of timber will go up?—It might.

102. Is it not reasonable to conclude that timber will reach such a price as to be beyond the reach of the small man?—Yes, it might be.

103. Do you favour an export duty being placed upon New Zealand timber, such as kauri?—Please understand that I am Commissioner of Crown Lands, and I am not here to give evidence as to my private opinions.

104. As an official you do not care to express an opinion, but as an individual I hold such an opinion is legitimate; you are not gagged?—If that is to be put down in evidence as my private opinion I will give it to you.

105. Do you favour an export duty on New Zealand timbers?—If there is an equivalent. If we put an export duty on timber it is natural the man on the other side will want something for that. If he sends us in something I am quite willing.

106. The point I want to make is this: are you in favour of placing a duty on timber coming into New Zealand?—Coming into New Zealand? Certainly, I am.

107. Are you in favour of placing a duty on timber being exported from New Zealand, such as kauri?—Yes, if the exportation does not harm the trade and wages of the country, I am quite willing to have an export duty put on it.

108. You know that kauri is becoming diminished?—That is true.

109. What about hardwoods? Would you favour them coming in free?—I should be very pleased to see them coming in free, especially for our bridges. I think it is a pitiful sight to see our bridges built of timber from abroad.

110. *Mr. Jennings.*] How long have you been Commissioner of Crown Lands here?—About seven years. I have been thirty-three years in Westland, and I have tramped over it from one end to the other. I have been along the main range for 250 miles. I have either been to every valley or looked down into it.

111. Your deduction is founded not only on the Ranger's report, but from your own observation?—The bulk from my own observation.

112. Of course, it must be approximate?—Decidedly.

113. What is the position of Maori bush lands?—We have about 14,000 acres of grazing reserves belonging to the Natives—some up to 5,000 acres in extent.

114. Do the Maoris lease to the Europeans?—The Public Trustee has charge of the Maori lands, and leases them.

115. Are they principally bush lands?—Yes.

116. Do you know what royalties are paid?—No.

117. Speaking generally, is the land after being denuded of the timber suitable for pastoral or farming purposes?—Only certain portions.

118. What portions?—In the river-bottoms; the land right and left of the river is suitable for settlers, but when you get back to the forest it becomes very poor.

119. Further south, how is it?—Quite the same way.

120. In reference to settlers obtaining bush lands to cut the timber down, do they supply sleepers at all to public departments?—Very few of them. I do not think there are more than three or four who do that, and they are small settlers.

121. What is your experience of the small men who supply sleepers to the Railway Department? Statements are made that the timber is wasted by the small man?—Quite right; shamefully wasted.

122. My experience is totally different in the North. I think the contractor for sleepers there is generally an experienced man. Of course, the quantity is not the same. Have there been any complaints at all in regard to men supplying sleepers to the Department getting leases?—No.

123. What do they do in reference to getting bush lands for sleepers?—They can take an area of 20 acres, and they can go into the bush and get an area of silver-pine, which very often grows in clumps. They can take this area and cut the silver-pine out of it. At present silver-pine is so scarce they have to go a long way back, and that means cutting a track in to get the timber out. Hence when a man cuts down the larger trees if he finds they have got a hollow he will not take them. If he were nearer the railway-line he could use it. Any amount of timber is left back in the bush in that way.

124. How many are employed privately supplying sleepers outside of the sawmills?—I think about fifty. The number has dwindled down.

125. What is the average for ten years? It is a very great industry in some places?—It was, here, a few years ago.

126. You mentioned about auctioning the timber: would you have any reservation made so far as the areas are concerned?—Yes, I think that is a very good regulation that has been published in the *Gazette* about the power of the mill being according to the amount of the land. I am interested in that in this way: that I want to get this heavily timbered land that the settlers cannot do anything with at present into grass as soon as possible, and the quicker the miller takes the timber off the land the better. In that way I am willing to believe in it.

127. You believe in the settler getting a show?—Yes, but the miller must go ahead. Further, the miller confers a benefit in this way: that we have to road these lands, and as the miller has tramways we make use of them very often.

128. Do you think sufficient reservations have been made for scenic purposes?—Yes, we have the whole of Westland portioned out.

129. *Mr. Field.*] You think the Westland land is unfit for tree-planting?—I do, in the main.

130. On some portions you might plant foreign trees?—Yes.

131. Would it be desirable to plant them in these portions?—I suppose from the point of view of posterity it might be.

132. You know that in the North the Government is planting land unfit for other purposes. Is there much of that class here?—A little.

133. About this *pakihi* country with the cement-bed, do you think that is likely to be improved?—I do not think so. Of course, you can improve any of the land if you put money into it, but in many cases you have to fairly make the soil. Most of the *pakihi* lands have been occupied by forests—yellow-pine, which grows on wet land. Near Cape Foulwind you have the same, formerly an old sea-bed. Here you have the same subsoil—sometimes only a few feet deep, but it may be two or three thousand feet in thickness, so that it is impossible to sink boreholes, as they do in some parts of England, and let the water out. Here you might drain the land, and it is wonderful how the soil responds to drainage.

134. How much privately owned land is there under forests?—About 140,000 acres.

135. Regarding these royalties, do you consider them to be full royalties?—Yes, on the timber cut.

136. Do you not think the Commissioner is a little severe?—I do not think the land is worth the money.

137. At any rate you consider them full royalties?—Yes, that is so.

138. With regard to the cost of survey, who do you think should pay the cost of a proper survey of bush land and the resurveying and cutting-up of old lands?—I think the miller ought to pay that.

139. It is a fairly costly matter?—We can have the survey made for £15 per 200 acres.

140. That becomes a fairly heavy charge on the miller with a large area?—Not comparatively—the settler pays more than that. If a man comes to us for land we charge the survey fees right out. I should adopt the same system with regard to the mill. He would get his rental back out of the royalties, but we should have the advantage that we should have him pinned down to the distinct boundaries, and we could locate the areas on the map. I would like to show you a sample or two on the map now, and they were granted by previous Wardens. [Witness illustrated his argument.]

141. These are pieces selected by the millers themselves?—Yes.

142. What is the method of assessing the quantity of timber on which you charge royalty?—We do not do that.

143. How do you fix your royalty?—At the end of each quarter the miller has to send in a sworn statement.

144. Do I understand that it is assessed on his statement?—Yes, it is checked in this way: the Ranger compares that with the miller's books, and sends me in a declaration, and finds a discrepancy, as the case may be, either against or for the miller. Then, again, all the timber has to be railed, and goes through the Railway Department. He goes to the Department, and checks again, and we check again at the end of the year.

145. Your method is different from that followed in other places?—Yes, because through the railway system we have got an actual check.

146. Does not the Crown charge on the sawn output?—No, on the actual timber cut.

147. In Southland and other places they charge royalty on the timber cut, not the actual quantity in the log?—I do not know about Southland. I understand that there they sell the timber as it stands.

148. About the question of large mills, you said that the granting of large areas would have the tendency to give the big men an advantage over the small one?—Yes.

149. I suppose you agree that it is necessary to have large millowners to compete successfully with foreign timber?—That might be.

150. We should require larger mills than now to deal with longer lengths?—No doubt of that.

151. From that you think that large mills will be necessary?—I do. I think they are the coming feature of the industry.

152. Did you say that no royalty is allowed the Lands Department by the State mill?—No royalties.

153. Is nothing allowed the Railway Department for the carrying of the State timber?—They charge full on it.

154. About the reserve Crown areas of timber being inaccessible in most places in this country, what do I understand you to say?—Mr. Hanan put the phrase "inaccessible," and I allowed it to pass, but it is not altogether inaccessible. There is more than plenty of timber along the railway-line and roads; but it is quite inaccessible for the millers to get into that land; they would have to make a tramway into it.

155. I suppose the inaccessibility will decrease as time goes on?—Certainly; it is decreasing every day with the introduction of our roads.

156. About the millers taking up adjacent areas, is that a real right which is of any value in practice, or are those areas very often taken up by somebody else already?—In some cases they are surrounded by other people's reservations.

157. *Mr. Leyland.*] Speaking of dual control, I take it that your object is to bring that before the notice of the Commission with a view, if possible, to get the anomaly adjusted?—That is so.

158. We have been told that certain lands here, after being cleared, grow rushes only. Do you think it would grow larch and other trees?—Yes.

159. Do you not think it would be a very wise think in a policy of afforestation to have that land replanted?—I think it would be better to spend the money in draining the land and putting settlers on it.

160. I understood that it was land that would not grow crops?—I do not say that. All the land in New Zealand will grow rushes if it is not drained. If you drain the land the rushes die out. In fact, with our land here—inland country—where they are subject to floods, one of the most successful farmers has a portion of his land full of rushes, because he says that in the winter his cows do better there than in the open country, because the rushes protect the grass from frost and floods; and he has got his land completely stumped. Every now and then he ploughs the rushes under for manure, and deliberately allows them to come up for that purpose.

161. Did you say that you would not be in favour of a duty on kauri if it affected the workers?—Yes, that is my private opinion.

162. Seeing that there are at least five thousand employed in the kauri industry, would you favour an export duty?—I said it would be advisable if it affected the labourers' interests. That is just my private opinion.

163. Putting it from this point of view: the kauri millers have invested and paid very heavy royalties—according to themselves, 4s. 3d. per hundred. If we alter these conditions, and compel them to pay interest on that money, will it be fair to put the duty on kauri?—You confer an honour in asking me my private opinion. These are matters I have never looked into.

164. Your evidence will carry very great weight with the outside public?—I would like to have this put into the report: that my opinion outside my Department is not worth having.

165. *Mr. Barber.*] In reference to this question of extended area, is not the arrangement made or proposed to be made likely to induce a man to put in a very powerful second-hand plant? A man doing that would practically have an unlimited area, and all he has to do is to buy a second-hand boiler or engine and get an area of 1,500 or 2,000 acres?—No, it is not a fair arrangement to put up a machine of that sort. I will give you an instance of that in the past. Over where the State Coal-mine is now certain speculators got ahead of the Government and took up a sawmill area. We were watching very keenly, hoping that they would not have the mill up to date. They put on a 2-horse-power engine, and the Warden reckoned that that was enough, and that the men were entitled to the grant, because they had a sawmill on the ground. The Warden said that the regulation did not specify what sort of a sawmill it should be. That should be altered so as to provide against the second-hand machinery you speak about.

166. *Mr. Ell.*] You speak of cedar as being one of the best timbers in the world in your opinion; yet there is no market for it?—That is my opinion.

167. Do you not think it is desirable for the Forestry Department to make known the value of such timbers?—Quite true.

168. And in a great market like Christchurch to have examples of the uses to which the timber might be put, so that the millers would be able to find a market?—I think you are quite right there.

169. Is it not a fact that, through a ready market not being available, that timber is left behind in the bush?—That is so.

170. With regard to white-pine?—It is so.

171. And with regard to cedar and other timbers not marketable, but which are useful timbers nevertheless?—Quite so.

172. Do you not think that we should have a Forestry Department with trained foresters to study the value of the timbers and make it known?—Quite true. I am with you there.

173. I think you said you entirely approve of the miller preceding the settler?—Quite right.

174. And there should be no variation of that where the land contains milling-timber of sufficient value to justify a mill being put in?—Quite right.

175. You said sufficient scenic reserves have been made in this district?—Yes.

176. These have been set aside by the action of the Land Board, but not gazetted?—Some are gazetted. Up the Otira Gorge and down to the Bealey, that is all gazetted.

177. *Mr. Arnold.*] You say that after the miller worked out his area the Government made use of the tramway. Do you mean the track or the rails?—Simply the road where they have made cuttings; they save a lot of expense.

178. The Government do not use the tramway?—No, except where the miller has abandoned the whole thing.

179. When a miller is about to vacate his area and it is found that the tramway is of some value to the Government, valuation is never paid, is it?—No, never asked for. You see in most cases now a miller puts down iron rails and takes them up again. In some cases they even take up wooden rails and sleepers if they are not worn out.

180. So that a miller never gets compensation either for rails or anything else, or valuation of any kind?—No, except in this case, if a man has cleared the bush and put the land into grass or cultivation we put a value on that, and we load the section with that value, but we do not put an excessive valuation on it, because in that way if a bit of land costs £100 to clear and the man can show proof of that, the small settler who goes into that has no £100 to pay, and we tell the man that, say, £200 is what we value it at, and in every case they take our valuation on that basis.

181. That is to say, you load the lands to that extent to the incoming tenant?—Yes.

182. But the miller does not benefit by that?—Whoever has done the clearing we give the allowance to.

183. You hand the loading over to the miller?—Yes, but we do not hand over an excessive loading. We say what we think is a fair reward for reclaiming some of the land from the wilderness, and it is not fair to allow another man to go in there without paying for it. That is recognised all over Westland.

184. *Mr. Stallworthy.*] Is there a large quantity of cedar going to waste?—Yes, a large quantity in places. It is a queer timber in that it prefers damper localities, and prefers a height of about 2,000 ft. above sea-level, and in the saddles you get perhaps 200 acres of nearly pure cedar, and in that case it is valuable for bridges. In the upper Whitcombe Valley, nearly up to the pass, cedar is growing on both sides of the valley, and the cedar there is decaying. It is dying out, and red-pine is following it up. You can see it going up the valley, but there is a forest of cedar. That is the only place I know of in Westland where there is an actual forest. There is a large quantity there. In the saddles it will be very difficult to get it, and it would not pay the miller to go in there.

185. You say it is very useful for inlaid work, and there are other purposes for which it is useful?—It is a very fine timber for furniture, and I am not quite sure whether it would not do for fencing. It splits very easily, and it is a very hard timber to season.

186. *Mr. Mander.*] Do you think it would be better to estimate the quantity of timber allotted to the miller rather than the area of land he shall cut over?—I have not thought of it.

187. Do you not think the miller who takes up 500 acres of land that only contains half the quantity of timber that another 500 acres contains is heavily handicapped?—I think the miller will look after his interests keenly enough.

188. Is it not a fact that the land varies very much, and in some areas there may be much more timber than in others?—That is true.

189. And the man who takes up the area with the lesser quantity on would be very heavily handicapped, would he not?—You mean with regard to the duration of the forest for his mill.

190. Yes, it would be much more expensive?—What I propose is that the amount of timber should be assessed and the timber sold out to the miller, and consequently it would not matter how much the acreage was. A man would buy, perhaps, 20,000,000 ft. of timber, and it may be he would require a very large area compared with another man buying 20,000,000 ft. occupying only half the area, but one man would have heavier expenses.

191. You think it would be better to have an estimated quantity of timber?—I do, and I am pleased to see the *Gazette* notice published that they are doing something in that direction.

192. Of course, you consider it a better business proposition on the part of the Government to put settlers in the country rather than hold the timber for an indefinite period?—Well, that has to be carefully looked into. The timber is of great value, of course, and so is the settler, but we have got at present any amount of land for the settler and plenty of land for the miller, and I think we could adjust those points quite easily.

193. Do you think it would be a fair proposition to ask private individuals who have purchased large blocks of kauri timber at high prices, and who have run very heavy risks, to hold their timber for, say, forty or fifty years for the benefit of the State?—I think it would be for the benefit of the State—timber of that class.

194. Although they bought it on the understanding that the markets were open to them?—You must compensate those people if you do that.

195. But without any compensation do you think it would be fair?—I do not think it would.

196. You are aware that in kauri bushes there is very much greater risk of fire than with the bush down here?—So I am told.

197. And, of course, you know that interest on money accumulates very rapidly, and I suppose you could build a house fifty years hence of the most expensive material for much less than you could get the timber for. Putting the royalty on kauri now at 3s., if you held that for fifty years it would amount to 12s. or 14s. per annum. Would it be a good business proposition to hold that timber all that time and run the risks?—I do not think it would.

198. *Mr. Clarke.*] With regard to cedar, we have had it on sworn testimony that there is no suitable timber in the Dominion for venetian-blind making. Have you any knowledge as to whether that has been brought before the venetian-blind makers or cabinetmakers—the cedar timber?—I know a firm in Hokitika which used to use cedar for venetian-blinds, and of recent years they have given up using it because it warps.

199. *Mr. Morris.*] Do you not consider that the present rent charged to the millers of 1s. per acre acts as a deterrent to dummyism?—Yes, it does in a measure.

200. The millers are not likely to take up any more land than they require if they have to pay 1s. per annum for the privilege of holding it?—I have not found any cases of that sort.

201. *Mr. Field.*] Taking the new regulations mentioned in the telegrams in this morning's paper, do you think they would be useful to Westland?—I think they would be useful to Westland unless the Commission furnishes a report to induce the Legislature to alter the whole thing. I think it is a step in the right direction.

202. Do you say that you do not think it applies to Crown lands?—Yes, but it is a step in the right direction.

203. You think it should have extended to mining lands as well?—Yes, I think so, if you cannot do better. I should prefer to sell the timber right out.

204. *Mr. Morris.*] You told us the State pays no royalty?—Yes.

205. Do you not think they should pay a royalty on the timber they sell to people for house-building purposes?—I have to conserve the Government interests on Crown lands in Westland. The Mines Department has a State coal-mine there. They have taken the coal and timber out, and I want those people to pay me royalty. I want to get credit for that amount of Government material that is used, but at the present time I do not. In other places, such as Westport, they pay a coal royalty there, but here we do not, and it is the same with the timber. I am not passing any stricture on the authorities for not paying me this royalty, but I think they ought to do so for the benefit of my Department.

206. The revenue suffers through their not paying this royalty?—That may be.

207. As our bushes are getting cut out the miller has to go further back as a natural consequence, and that costs a good deal to get the timber to the mill. That of itself would be a good and sufficient reason why he should get a larger area granted to him?—Yes, that is something in his favour.

208. Now, you were questioned a good deal by some of the Commissioners in regard to not having a record of the land cut out. I think it is about eighteen or nineteen years ago that this question of granting rates to the millers on the bush was decided, and those rates were granted without reference to the Lands Department?—They have been ever since. The two Wardens in my district do not send me any information on the matter at all. I do not know anything about it. They can grant timber areas without reference to me at all, but the position was so bad that after consulting those two gentlemen who are now in office they fell in with my wishes in the matter, and the result is that everything is referred to me.

209. That accounts for the reason you gave in answer to the question put to you that there has been no reference made to your office about those grants at all?—No.

WILLIAM JAMES BUTLER sworn and examined. (No. 64.)

1. *Hon. the Chairman.*] What are you?—A sawmiller at Ruatapu, Hokitika.

2. You are aware of the matters that the Commission is inquiring into, such as the cost of felling timber, the cost of milling, the price when sold to the consumer, and so forth?—Yes.

The following statement was then made by witness :—

I should like to call the attention of the members of the Commission to the fact that the last inquiry held under State auspices in reference to the timber industry was in 1896, when a conference of those interested was called in Wellington. It will be remembered that at that time the trade from a miller's point of view was practically as bad as, or worse than at present. Some of the remarks of the late Premier, who opened the conference, are worthy of note at this time. Addressing the conference, he said, "You have been called together to deal with one of the most important industries that we have in New Zealand. An industry which, to my mind, in the past has been neglected, and it is only now that we are waking up to the fact that unless some steps are taken—steps of a practical character—the result will be detrimental to our country and extremely prejudicial to those who are interested in the industry. If you look back upon the condition of our forests and timber lands a few years ago, and if you ask yourself the question to-day: Has any benefit been derived by the country and the people generally and those most directly interested in the industry? the answer must absolutely be in the negative. Why, they have gone on year after year, large sums of money have passed through their hands it is true, they have cut millions and millions of feet of timber; but as far as they are concerned, there is no profit left, and I have found them very little better off to-day than when I knew them years ago. It shows that there is something wrong. If it is wrong to the millers it is wrong to the State, and the State has not been getting that value that it should. Has it done good to those engaged in the industry—I allude to the workers, to the mill hands, to the log-getters? No. The competition has been so keen, everything has been cut down so often, that they have made very little, and they are very little better off probably than living during the time they have been engaged in this very hard work. I say it is a matter for colonial concern as to whether this keen competition, this cutting-down of everything without any advantage to either the millers, to the workers, or to the State, whether or not that shall continue. My answer is, No. And you are called together on this occasion, gentlemen, to see whether some steps cannot be devised to remedy this most unfortunate state of affairs." The foregoing might be taken as a charge to the present Commission. The industry has since then been on a fairer basis, the ruinous competition has given place to a more healthy rivalry amongst those engaged in the trade, and the people of the Dominion have generally benefited. We are, however, now assailed with the competition of cheap timber produced by aliens under labour-conditions that would not be countenanced one day in New Zealand. As there is an idea amongst a certain section of the public that the sawmillers are making undue profits, you have been asked to obtain certain information on this subject. For the assistance of the Commission the cost of timber as produced by the miller has been divided into two headings, felling and sawing. There are no fixed or recognised methods of keeping accounts amongst sawmillers, and therefore what one miller might consider a charge fairly attachable to felling another might charge to sawing. For instance, to which of the two headings should depreciation of mill plant be charged when such depreciation is due to the short life of the bush holding? I do not mean depreciation of the mill plant due to wear-and-tear; but I contend that there is a great depreciation of mill plant that is due to the short life of the forest, and, as I say, where one miller might consider that a reasonable charge against the sawing, another might charge it to the log, and in comparing the two that fact should be taken into account. It must be recognised that in erecting a sawmill plant, which strictly has to deal with the sawing, a large proportion of the cost is expended on fixtures that have no value beyond the period during which that mill can be served with logs. The difference of the cost of such fixtures and their value when the mill has cut out the bush attached to it is a fair charge against production, and it may be charged either against the cost of logs at mill or against cost of sawing. In either case, although it must for the purposes of current accounts be an assumed amount, it has a value of much greater moment than is generally recognised. Of course, in the matter of depreciation, for the purpose of current accounts you can only take an assumed amount, because no man can know when the life of that bush will be done. For the purpose of making the figures clearer I would submit a third heading covering general charges not strictly chargeable to either felling or sawing. I estimate the cost of production on the West Coast as follows :—

	Per 100 ft. s.	d.
Logs at mill, including royalty	2	6
Sawing, and loading on trucks, including depreciation of mill plant ...	1	8
General charges, accident insurance, fire insurance, rates and taxes, mortgages, rejects, railway penalties, demurrage, clerical and office expenses	1	2
Total	5	4

This is the total cost as loaded on to railway-trucks. In addition to this there is the railway freight to ship's side, and that varies with the different mills; but the average can be taken at about 1s. There is a maximum cost here of 1s. 3d. When I say "maximum" I mean that the mills working on the Coast do not exceed that charge. In this connection I may state that, as I have not been engaged in sawmilling on the West Coast since 1901, the above costs of milling are based upon observations more than actual accounts. As bearing on the increased price of timber to-day, as compared with ten years ago, I submit the following list of rate of wages paid on the West Coast in the year 1898: Bushmen, 9s. per day; snigger, 9s. per day; winch-driver, 7s. per day; tracker, 8s. per day; trollyman, 8s. per day: Mill—Sawyer, 10s. per day; tailer-out, 9s. per day; head breakdown, 9s. 6d. per day; tail breakdown, 6s. per day; fiddler, 6s. per day; engine-driver, £2 per week; "slabby," 7s. per day; head yardman, 8s. 6d. per day; assistant

yard (youth), 5s. per day. The close proximity of the bush to the mill and other facilities were such that our wages-cost of timber loaded on railway-trucks was much lower than the cost would be to-day. As Butler Bros. have not recently be selling to any New Zealand market I have no evidence to give on the subheads "cost to merchant" and "cost to consumer." Upon the subject of selling to the consumer direct, however, we have always found when dealing from the West Coast that it was a necessity to deal through the merchants. The method of transport to Wellington or Christchurch prevents sending definite specifications with sufficient accuracy to insure success in supplying retail orders. Respecting Oregon pine: For the information of the Commission I may state that, having acquired a block of bush south of Hokitika, our firm decided that it would be advisable to investigate American methods of milling, and to purchase suitable plant for cutting out the above-mentioned bush. With that object in view I (with my brother) went to Canada and the United States. We arrived at Vancouver last May. We found that orders for two to three million feet of Oregon pine of the class known as "merchantable" had been placed by several New Zealand firms. We were able to procure copies of specifications of sizes ordered, and were offered similar lines at $17 per thousand (this is a little over 7s. per thousand feet) c.i.f. Auckland, Wellington, or Lyttelton. Upon inquiring at the shipping company's office we found that the rate of freight from Vancouver to New Zealand ports was £1 5s. 6d. per thousand feet, or a fraction over 2s. 6d. per hundred feet. This meant that the f.o.b. price was about 4s. 6d., which, considering the advantages enjoyed by the American miller, is a fair price for the class of timber supplied. It must be remembered that the home consumption absorbs the better classes of timber, such as selects, clears, edge-grain clears, deck-planks, &c. We wrote to our friends on the Coast here, pointing out what we thought would be the upshot regarding the importation of Oregon that was then coming along. I think that the present state of affairs fully bears out that forecast. The quotation given us was on what is termed the twelve-dollar basis, as defined by the Pacific Coast Lumber-manufacturers' Association. Now, upon this basis, while such sizes as 6 by 1½ and 8 by 1½ merchantable would be 5s. 4d. per hundred feet, the same sizes in selects would be 6s. 7d., in clears would be 8s. 5d., and in edge-grain clears would be 9s. 3d. The sizes given above are not exceptional in this respect, but are taken because they formed a large proportion of the orders being shipped. It will be seen that the class of timber being shipped to New Zealand bears about the same relation to the total output of the Pacific Coast mills that seconds rimu, for instance, does to our New Zealand mills. The superior quality in relation to our second-class rimu is due to the general superiority of the Pacific Coast forests over ours. That merchantable is a quality that is produced in excess of usual trade requirements is clear from the fact that, in the conditions of sale as set out by the Pacific Coast Lumber-manufacturers' Association, the proportion of all superior classes to merchantable is limited in a specified order. That is to say, they will always accept an order having an unlimited proportion of merchantable (see Rule No. 2). It means that in dealing with logs as they come to the mills a large quantity of the rougher grades is unavoidably made, and it pays the miller to quit those grades at a price at which it would be impossible to produce them if they were not produced in conjunction with higher-priced timbers. It will be readily understood that were there a market for the second-class rimu at anything near the present cost of firsts it would mean a considerable lessening in the cost per hundred feet of the whole output. Such market is shut off from the West Coast by the excessive freights. These are (with fair reason from a carrying point of view) the same as for firsts quality, and, forming as they do such a big proportion of the ultimate cost to the consumer, they place it beyond the millers' control to reach the market. After considering the position from the American side we were induced to communicate with our friends in New Zealand, pointing out the serious blow that was impending to the New Zealand milling industry. I consider that the disadvantages under which the New Zealand sawmilling industry is carried on are such that we cannot live against the American sawmiller, who has the following advantages: (1) Larger and better plants, (2) lesser charges, (3) cheaper labour and unrestricted labour-conditions, (4) longer hours, (5) cheaper freights, (6) better forests.

(1.) *Larger and better plants* are rendered possible because of the extensive holdings of timber lands which are permissible, there being practically no legislation limiting their extent. Besides the forest that may be held by the proprietors of any mill, there are numerous firms who, having no mills of their own, hold and work timber lands and sell logs to the milling companies. The extensive sheltered coast-line and inland waterways of Portland, Puget Sound, and British Columbia, so universally available for the transport of rafts of logs, give to the mills on the coast such a wide field for supplies from outside sources that the depreciation due to the cutting-out of bush which forms such a big item in connection with an ordinary New Zealand mill need not there be taken into account. I was informed that in British Columbia a "limit" of 640 acres could be procured from the Crown for twenty-one years at an annual rental of $140, equalling less than 10d. per acre, and that a royalty of 5 cents per hundred feet was charged for the timber. In the past there has been no restriction on the number of limits taken up by any company, and there have been no rates or taxes in respect of such holdings. For the purpose of estimating the quantity for royalty purposes the land is "cruised," or inspected, and the estimate is generally liberal to the occupier. From the fact that the American forest carries much more per acre than the New Zealand forest the rental per acre forms a much smaller charge per hundred feet than would be the case in similar bush to ours. Some of the sections on Puget Sound cruised 125,000 ft. per acre. In the Washington and Oregon States, which also ship timber to New Zealand, extensive timber holdings have been acquired under what is known as the Stone Act (1880). Under this statute any United States citizen can acquire 160 acres upon payment of $2·50 per acre. It has been common practice for large companies to acquire immense areas through the medium of individual citizens in the above manner. The American miller is better able to equip and maintain an up-to-date plant, for the factories that are able to make the best sawmilling machinery in the world at

the cheapest rate are right at his door. The economy of a better and more extensive plant over a simple, cheap one can only be realised when the life is long enough to bring the depreciation charges to an even amount per hundred feet in both cases. For this reason what would appear to be an economical plant might, when depreciation charges were added to cost, turn out dearer timber than a more obsolete plant. What I mean to convey is this: that unless there is sufficient area granted to a plant it is very little use putting in a better and what would necessarily be a more expensive plant with the idea of reducing the cost of production, because depreciation on that higher-priced plant would add to the total cost of the timber to a much greater sum than that produced by a more obsolete plant that had not such a heavy depreciation charge to meet.

(2.) *Lesser charges* per hundred feet are assured in administration where a greater output is controlled from one centre. There is no workers' accident insurance to be borne by the American miller. The men pay their own insurance, and the employers generally act as agents on commission. Rates and taxes on mill property are nominal. In some cases the local bodies give a bonus to induce a manufacturer to locate in their particular district. Compare this with the fact that at Naumai, Kaipara, the White-pine Company paid for rates and taxes, rent of foreshore, and mill-site a sum equal to 4½ per cent. on their called-up capital.

(3.) *Cheaper labour, &c.:* Most of the mills round Vancouver employ Japanese and Hindoos in all but the prominent positions in the mills. Such positions as sawyers, saw-doctors, head yardmen, &c., are filled by white men. At Bellingham, an important United States export centre in Puget Sound, Japanese are also employed. At Portland I did not see any Japanese, but there is a lot of cheap Italian labour available, as the mills are mostly situated on the riverside near the city. At the Rat Portage Mill, New Westminster, British Columbia, I noticed only two white men in a large mill where all the rest were Japanese. At the Hastings Lumber Company's mill the majority of the men in the mill are Japanese, getting from $1·50 to $2 per day, and in the yard the rank and file are mostly Hindoos at lower rates. In order to have something definite on the question of coloured labour I visited the Pacific Coast Lumber Company's mill during the time that they were shipping a New Zealand order, and took a photo of the group of Japanese yardmen actually engaged handling timber for New Zealand. I questioned the white man in charge respecting the rate of wages paid to these men, and I was told $1 per day. This is for a ten-hours day. The rate of wages being paid in the forests were on about the same basis as are paid in the Auckland District. The amount of labour available at the time of my visit was appalling. The manager of the Pacific Coast Lumber-mill assured us that he could procure two thousand men in two hours. Apart from the Japanese and Hindoos there are hordes of Europeans, who, carried westward ho in search of the best place to settle, find themselves dumped on the limits of the continent, having passed the better fields, but without the means of returning eastward.

(4.) *Longer hours* mean not only more work for the day, but it also means 25 per cent. more utility derived from all the plant per day. The best-equipped mill in the world is valueless as a profit-earner when it is idle, and conversely the profits from invested capital are immensely increased by longer hours of action. Where there are so many charges which are constant per day the longer hours worked reduce these per hour or per hundred feet to the extent of 20 per cent.

(5.) *Cheaper freights* are obtainable from Vancouver to our markets than we can procure between our own ports. The rate, as before mentioned, per the Alley Line (subsidised by the New Zealand Government) was £1 5s. 6d. per thousand feet, being about 2s. 6½d. per hundred feet, while from Greymouth to Lyttelton the sea freight is 3s. Added to this we have railway freight 1s. 3d. per hundred feet, making 4s. 3d., or 1s. 6½d. more than the freight from America. I may state in connection with these freights that the vessels which are bringing this timber in some cases, besides carrying Asiatic crews, are free from the shipping regulations imposed upon New Zealand boats. It is quite a common thing to see deck-loads on these boats 12 ft. and 14 ft. high, which would not be allowed in vessels trading in New Zealand waters. At the same time, Americans, although we allow them to trade from one port to another in New Zealand, will not allow any foreign boat to trade between any two of their ports.

(6.) *Better forests:* The American forests are better because they contain more timber per acre, they are mostly accessible by water, and the timber is lighter to handle and more symmetrical. The greater quantity per acre makes the logging much cheaper because the cost of such work as tramways or hauling-roads and the moving of hauling plants, &c., is spread over a greater quantity of timber. The foregoing costs are strictly in proportion to the acreage worked, irrespective of the quantity contained thereon. The splendid waterways for floating logs add greatly to the value of the forests. The timber being lighter and more symmetrical admits of being dealt with by automatic devices that could not be applied to our irregularly shaped and varying-sized logs with anything like the same success.

The foregoing are a few of the advantages which tell against the New Zealand miller when brought into competition with them. Other matters affecting the timber industry are the questions of preservation of our forest and afforestation. These questions alone are of such importance to our national welfare that if dealt with in a practical manner they will justify the present Commission. That the New Zealand forests should be preserved all those who are truly interested in the timber industry, and those who take an intelligent view of the country's future welfare, fully recognise. The period during which they should be preserved is, however, open to question. Most of our forests are mature, and, like a ripe crop of wheat, should be garnered, and such land as may be better suited for reafforesting than for agricultural purposes should be replanted. To leave our forests growing in the hope that the crop will increase is not a sound policy, because the decay of the matured trees quite neutralises the increase produced by the rising saplings. In all our forests are to be found trees in all stages, from the seedling to the fallen and decaying "old man." This condition has existed for centuries, and would continue so if undisturbed. It must be admitted that the value of our forests as timber is only a live value when the trees have been manu-

factured into lumber, and it would be just as foolish, economically, to preserve forest-timber when it can be realised as it would be to cease cropping wheat land while there is still a demand for wheat. The idea of preserving our forests for posterity by buying foreign timber, however unselfish it may appear from a national point, is manifestly unfair to ourselves and to that posterity which we desire to benefit. Admitting that we should provide posterity with forest reserves, it would be better to realise on our present forest as soon as possible and replant better timber. Taking our rimu, for instance, at the present standing value of 6d. per hundred feet, and assuming that the existing forests of New Zealand will supply our demands for seventy-two years, any matured forests now growing that will be remaining at that time will have cost 16s. per hundred feet compound interest at 5 per cent. on its present value at 6d. It is contended by some, who have in reality narrower interests at heart, that by buying American timber we are saving our forests for posterity; but viewed from a national standpoint it must be wrong to hoard up timber at such a cost, more particularly when by doing so we are stifling our most important industry. The preservation of our forests should take the form of disposing of forest lands for milling purposes only (except those areas preserved for scenic purposes), and timber should not be destroyed for pastoral purposes. The indigenous forests of New Zealand do not regrow after being worked as do the forests of America, and therefore any timber which is left in old workings is practically lost. Encouragement, therefore, should be given to insure the cleaning-out of any workings and to lessen as much as possible the waste in manufacture.

Respecting afforestation: Roughly speaking, those countries, such as Germany, France, Norway, and Sweden, which to-day manage their forests on scientific principles, have passed through four stages of forest-development. In the earlier stages of settlement the forests appear to be so abundant that they were destroyed to give place to pastoral pursuits. Then, as settlement grew, the local demand for timber induced more care, and the forests were protected for the sake of the material supplied. Third, the increasing and constant demand for timber in all branches of commerce led to the recognising of timber as a crop like other agricultural crops, to be harvested and made to grow again. Finally, the forests were safeguarded and made to yield a maximum crop. It is chiefly owing to the fact that the timber is so slow in coming to maturity that it becomes necessary for the State to undertake replanting. Any idea of replanting our native trees for commercial purposes may be dismissed for the reason that they are so slow in growing. Authorities have given the period required for maturing our principal timbers as follows: Rimu, 400 to 500 years; white-pine, 370 to 600 years; black-pine, 270 to 400 years; totara, 470 to 800 years; kauri, 600 to 3,600 years; cedar, 150 to 400 years. It is questionable, however, if any accurate data have been obtained respecting the rate of growth of our forest, such as might be obtained by accurately measuring and recording the size of each tree on a given area and remeasuring the same area after a given period. Mr. Perrin (Conservator of Forest, Victoria) stated at the Timber Conference, 1896, that in the matter of hardwoods there were many Tasmanian, New South Wales, and Victorian trees that would suit our climate. The best eucalypti grown in Victoria fit for sawmilling in thirty to thirty-five years are red-gum, box, and stringy-bark. For softwood the American redwood would be an excellent timber to plant, being very rapid in growth, and while growing it is uninjured by grass-fires. It has been tried in isolated cases in the Auckland Province, and is peculiarly suited to that climate. In the Eastern States of America replanting is being extensively carried on. In Vermont, for instance, a law was enacted in 1907 providing for the yearly distribution of seedlings and transplants from State nurseries. The seedlings planted consist largely of American white-pine, while Scotch pine and red-pine are also largely used. Practically the whole supply is composed of coniferous trees. The jack pine, which is largely used for railway-ties in Canada, is found to be particularly suited for dry sandy soil unfit for agriculture. Tree-planting was encouraged on the Canterbury Plains in the early days by the fact that timber was not assessed as a land-value, and that a bonus in the shape of 2 acres of clear land was given for each acre of plantation. At present plantation is discouraged. Definite information on the methods employed in Germany, France, Norway, Sweden, and India should be procured and submitted to representatives of the timber industry for suggestions, with a view to establishing a State Forestry Department on commercial lines. A School of Forestry should be established to educate those whose duty it should be to look after this most important branch of our national institutions.

Speaking further of the competition which our millers have to contend against, I may add that the local bodies in America will sometimes give a bonus to a manufacturer to put a plant in their district, and they will do that in competition with a neighbouring local body; and there have been cases where the manufacturer has gone from one body to the other to get a higher and better bonus for putting in his plant.

3. *Hon. the Chairman.*] Have you any further statement to make?—I would like to take this opportunity of refuting a statement that has been made by the Minister of Railways.

4. Where and when was it made?—At a meeting held in the North Island.

5. We have nothing to do with that?—It is a statement that appeared in the newspapers.

6. But it does not bear upon this inquiry?—Then I have no further statement to make.

7. *Mr. Morris.*] As a practical sawmiller, give us your ideas as to the amount of bush land that a sawmiller should be allowed to hold or that would be sufficient to warrant him in putting up a thoroughly up-to-date plant?—I think that the area should insure, say, twelve years' life of a mill.

8. *Mr. Mander.*] That would be the minimum, I suppose?—Yes.

9. *Mr. Morris.*] What would you consider an up-to-date plant should turn out per annum?—It is not long since I saw a mill going up which it was anticipated would turn out half a million feet per day. On the other hand, you have mills here that cut only 5,000 ft. per day.

10. Would you call an output of 5,000 ft. per day that of an up-to-date plant capable of turning out timber as cheaply as it could be produced?—No, I would not. I think that the area should insure twelve years' life for the plant.

11. During that twelve years, of course, you would reckon on recovering the total cost of the plant and interest on the money laid out?—Yes.

12. So you would have to write off each year as the bush got cut out one-twelfth of the total value of your mill?—Yes.

13. About the wages to-day as compared with 1901, you have some knowledge of the increase?—From what I have heard that others are paying that were employing the same labour, I recognise that the increase is very considerable. We are paying labourers 10s. per day.

14. They are not expert men?—No.

15. *Hon. the Chairman.*] What are your sawmill hands getting?—We are not employing any sawmill hands.

16. Do you know any that are employed in the place?—I have been told that they are getting as high as £5 per week for sawyers, and that the men in the mills are getting 12s. per day at the tail of the break-bench.

17. What are they getting at the front of it?—Five pounds; the head sawyer is getting that, and his assistant at the tail about 12s. per day; the head of the breakdown 12s., and the tail 11s. This is purely hearsay evidence.

18. *Mr. Hanan.*] You gave up milling some years ago?—On the West Coast.

19. How long ago?—1901.

20. You have been milling for how many years previous to that?—Twenty years in different capacities.

21. Did you give up, having made money or lost money?—I had made money. In giving up here on the West Coast we sold out to advantage to ourselves.

22. Am I justified in assuming that up to eight years ago, when you gave up business, you had made a sum of money of a considerable amount?—No, I do not think we made as much as if we had been engaged in any other industry.

23. Have you any objection to saying how much you made?—Yes.

24. You bought a large area of bush: how long ago?—Two years ago.

25. What was the quantity?—The total acreage of the two blocks is 28,000 acres.

26. How many miles from Greymouth?—One area about twenty miles and the other twenty-six miles.

27. Is that land reached by rail?—One of the blocks of 14,000 acres is.

28. It is close to the railway-station?—Yes.

29. How far away is the other?—Seven or eight miles.

30. At what do you value the bush on these two areas?—£1 per acre is the rough valuation.

31. What is your value, if you were selling out?—£1 10s. per acre.

32. What did it cost you?—£1 per acre.

33. How long have you got to remove that timber?—Indefinitely; we bought the freehold.

34. You have given considerable study to this question?—So.

35. And you have come to certain conclusions?—Yes.

36. In coming to a conclusion in regard to this matter of the importation of Oregon, I take it that you have knowledge of the amount of the importation of Oregon into, say, Christchurch?—I have not a definite knowledge.

37. Do you not think that you ought to have some knowledge?—I did not think it was necessary for me to have that accurate knowledge in coming to the conclusion that I have arrived at.

38. But in order to arrive at the conclusion as to whether Oregon was displacing West Coast timber in the Christchurch market or not, would you not have that information before us?—I think, if I had information that there was a substantial quantity coming into that market of such sizes as I knew would come into competition with the rimu, that that would be sufficient to form the conclusion that it would affect the rimu trade.

39. What figures had you before you?—I had an offer of timber at 7s. a hundred feet—$17 per thousand. That runs out a little over 7s. c.i.f. at Lyttelton.

40. Have you come to any conclusion as to the extent to which the importation of Oregon is affecting the sale of New Zealand timber in the Christchurch market?—I am led to believe that some ten or twelve million feet have come into Christchurch and Wellington.

41. Within what time?—Since I visited America in May last year—within the last twelve months.

42. Knowing that fact you have also, I take it, considered what quantity of timber has gone from the West Coast to Lyttelton?—I have not those figures.

43. You should have, however, to arrive at that conclusion?—I do not think so.

44. How can you tell whether Oregon is seriously interfering with the sale of New Zealand timber in the Christchurch market?—Because I know there are sizes coming in there that would be used in place of rimu.

45. What quantity has been coming to Lyttelton during the last nine months?—Lyttelton and Wellington, 10,000,000 ft.

46. What quantity of West Coast timber has been going into Wellington during that period?—I do not know.

47. According to a return here for the nine months from the 1st July, 1908, to the 1st March, 1909, the quantity of Oregon pine from British Columbia was 3,614,198 sup. ft., or a value of £115,071. Then, we had Oregon pine from the Western States amounting to 202,825 sup. ft., of a value of £728. That is a return furnished by the Collector of Customs at Lyttelton. How does that tally with a statement made just now?—That is what I would assume would have come in as part of the 10,000,000 ft. to the two ports.

48. Do you not think you should have some figures to enable you to make a comparison between the importation of Oregon pine as compared to the West Coast timber?—Although I have not the actual figures of the quantity, I know that there is a greatly diminished quantity going into these markets.

49. During what period?—From May last until to-day.

50. On what do you base that?—From information I have received from millers engaged in the trade on the Coast.

51. You do not know it of your own knowledge?—Not beyond that.

52. Have you received any letters from timber-merchants at Christchurch?—No.

53. What steps would you suggest in order to place the sawmilling industry in this country on a proper basis?—I should suggest the imposition of a duty on Oregon pine of such an amount as would allow the sawmillers engaged in the business to put their timber on the market at a fair profit.

54. What would you suggest?—I take it that this Commission is inquiring into what will be a fair price, and they would be better able to answer that than I would.

5. You are a practical man, and what would you suggest?—If it were landed in Wellington or Lyttelton at 11s. 6d. per hundred feet it would allow the millers here to compete against it.

56. What duty would you say should be imposed on Oregon pine, and how would you apply it—on large lengths in balk?—On all classes.

57. Do you know the present duty?—Two shillings per hundred feet.

58. What increase would you put on?—I think an additional 1s. per hundred feet.

59. Do you agree that the tightness of money has anything to do with the slackness of trade in the sawmilling industry?—It has, undoubtedly.

60. Would you say that it is the chief factor?—No, as applied to the West Coast.

61. Why do you come to that conclusion?—Because I consider that the Coast is more affected by the importation of Oregon than the other centres; and, although in the other centres the tightness of money may be the chief factor, it is not so here.

62. How many feet have been displaced in Christchurch during the last nine months by the importation of Oregon?—About 4,000,000 ft.

63. Oregon was responsible for that?—I think so.

64. At what do you value that?—Eleven shillings, c.i.f., Lyttelton.

65. When did the falling-off take place?—I believe it commenced during my absence from New Zealand.

66. At what date?—Since last May.

67. You are aware that there has been a falling-off in the sawmilling trade in Southland?—From the fact that I have heard so.

68. Are you aware that very little Oregon goes down there?—I have also heard that.

69. Do you know Mr. Massey, the big sawmiller in Southland?—By repute; I have never met him.

70. What is your opinion of the class of Oregon that is coming into the Christchurch market?—The class is merchantable.

71. Mr. Taylor, a builder in Christchurch, said that the Oregon coming into New Zealand was of the lowest, cheapest, and coarsest grade?—I do not agree with that; there are lower grades.

72. Have you seen the timber imported?—I have seen some landed in Wellington.

73. You cannot speak of Christchurch?—No, beyond the fact that it is generally of a class that is merchantable.

74. Do you agree that Oregon is lighter, stronger, and better timber than red-pine?—I believe it is lighter, but I do not believe that it is stronger.

75. Have you any rule of tests?—Mr. Gillies, engineer, of Greymouth, has made some tests.

76. What test did he apply?—A breaking test—taking rimu and Oregon pine, supporting each end, and taking it as a beam.

77. Do you think if we had to do without the imported timber that the building trade would have been hindered?—I do not think so; we did without it before.

78. According to Mr. Petrie, the architect, if we had to do without it the building trade would have been hindered?—I do not agree with that.

79. Do you agree that it would mean more costly buildings?—Not more costly than red-pine.

80. Do you not think the coming of Oregon has helped to keep down the price of red-pine?—I do not think so.

81. Mr. Petrie also says they would have had to use kauri or some Australian timber?—I do not know of any difficulties that cannot be overcome in getting long lengths of red-pine.

82. Have you got it?—Yes, in this district.

83. Now, speaking not as a sawmiller but as a citizen of New Zealand, do you think it is desirable to increase the duty on Oregon pine?—I do.

84. Is it not a fact that in Christchurch they have a difficulty in getting seasoned red-pine?—I do not know.

85. Is the timber you send into Christchurch market seasoned?—Generally not.

86. Do you know if large sizes of Oregon pine go in there?—No.

87. Is it not a fact that they go into the large buildings?—I do not know. I do not know that there are so many large sizes of Oregon coming in.

88. Is it not a fact that there is a famine in the timber-supply of the world?—I do not think so.

89. How do you account for the fact that nearly all the advanced countries are adopting improved measures in the way of afforestation?—It stands to reason that it must be more convenient for them to have such supplies at hand, apart from the climatic influences.

90. If older countries have found it necessary now to establish a Forestry Department, does that not point to the unwisdom of our cutting out our timber here at the rate we have been doing?—I do not think so. I think it is better to realise on what we have and reafforest.

91. And not conserve our timber for future needs?—I would not save it for the future to the exclusion of the present—use it as it is used now, and not waste it.

92. Would you say that the present way of using it is on right lines so far as the future needs are concerned?—With slight modifications, yes.

93. What are the modifications that you suggest?—That endeavour should be made to place the inferior timbers on the market. There are plenty of uses to which they could be put.

94. What would you suggest in the way of putting inferior timbers on the market?—A cheaper shipping freight from here to Lyttelton.

95. You have Mr. Cook's boats and you have the Union Company's boats?—They both trade here.

96. Do you suggest that they are in a position to reduce freights?—I do not suggest that.

97. Then you do not look forward to any reduction in the water-carriage freights or railway freights?—No. As applied to the West Coast a reduction of railway freights would not make much difference.

98. Well, how are you going to get this timber you refer to to the market?—One thing that would undoubtedly assist it is the exclusion of foreign timber.

99. Would not that make building more costly?—No more costly than it has been in the past.

100. What is to prevent the price of timber going up if you have no importation?—Well, I think the State should adjust that matter.

101. In what way?—In about the same way that they adjust the rate of wages. We have a minimum rate of wages, and why not have a maximum rate for selling timber at.

102. Settled by a Court?—Yes, settled by a Court.

103. That when timber went up to a certain price the duty would come off the imported timber?—Yes. If red-pine ever went above a fair limit, then it would be quite right to reduce the duty on Oregon pine, and allow that to come in to adjust matters.

104. Are there any reasons why Oregon pine is being sold so cheaply at the present time—any special reason operating?—I think the chief reason that started it here was a slump in the American mills, but having found a channel for that class of timber I think the likelihood is that it will continue.

105. Has it not been on account of the rate-war in the American States?—The shipping rate?

106. Yes?—I am not aware of that. I believe one thing is that the subsidy that was being paid to those boast annually would assist cheap freights. The subsidy was being paid by the New Zealand Government.

107. But those boats carried other stuff besides timber?—Just so, but chiefly timber.

108. Then your markets here are Wellington and Christchurch?—That is so.

109. Do you agree with the statement made by a timber-merchant in Christchurch that very little Oregon pine gets into the country districts of Christchurch?—I should imagine that would be the case.

110. You know what the duty on Oregon pine is?—Yes.

111. Take a million feet of timber, what would be the royalty the Government would obtain on that amount of New Zealand timber?—That is a matter of figures. At 6d. per hundred feet it would amount to £250.

112. Take the same quantity of Oregon pine imported into New Zealand, what would the Government get?—Four times as much a thousand.

113. The Government would get more by importing Oregon pine than in the royalties on the same quantity of our timber?—Yes, but there are other sources besides royalty. What I mean to say is this, that besides the royalty that would be paid to the Government on that New Zealand timber there is the railage. There is the fact that the whole of that money is in circulation within the colony. That is a great thing. I take it that £1 put into circulation in any district passes through a number of hands, but, while each might take 10 per cent. out of it, it will do 10 pounds' worth of business. Buying Oregon means taking cash out of the country.

114. But you must remember that the timber is gone for good: when you cut down the timber the raw product is gone ?—Yes, but on the other hand the raw product is of no value at all so long as it is not converted. There is no use in having a tree there to gaze on.

115. But you do not manufacture trees like you manufacture bricks?—Why not?

116. The timber is gone?—So is the clay gone.

117. But there is more clay than there is timber?—Still there is this advantage in the timber, that it can be grown again, and the clay cannot.

118. In what time?—Thirty or forty years.

119. What timber can grow in that time?—Coniferous pines.

120. Where would you plant them?—On all suitable lands.

121. Would you plant any here?—Yes.

122. You heard what Mr. Roberts said as to the trees he would plant, and he advocated imported timber being planted?—Yes.

123. Is your opinion the same as his?—My opinion agrees with his.

124. And you would plant imported timbers?—I should, undoubtedly.

125. *Mr. Field.*] What do you think is going to be the result to the milling industry on this Coast if the present conditions of things continues?—Well, it is not very hard to see that it will come to something like the condition that we had before the 1896 Conference. The millowners were just working—they were collecting the wages for the men only. They were making nothing on their capital which was invested, and they were working harder than any of the men themselves. That condition is not entirely removed to-day.

126. With your present knowledge of the Oregon-pine trade, would you enter into the sawmilling business on this Coast in competition with Oregon pine?—No. I might state that there has been a statement made that a firm on the West Coast, after investigating the sawmilling methods in America, were putting in a plant here to compete with Oregon timber. Now, I should like this

opportunity of stating that far from putting in a plant to compete with Oregon timber, from what we saw we are fully convinced of the folly of attempting to compete against American conditions. I do not know of any firm that could compete with those conditions. I might say further, in answer to anything that might be advanced as a reason why we are still continuing, that, having acquired a block of bush before we went there and before the present slump came about, there is practically no other course open to us but to continue the erection of the mill, trusting to the good sense of you gentlemen to put the timber industry on a sound basis.

127. You were asked how you came to arrive at a certain conclusion, and you stated you were largely influenced in arriving at that conclusion by the fact that Oregon pine is being imported into Christchurch and Wellington at prices less than the rate charged for red-pine imported to those ports?—That is so, yes.

128. In regard to the block of land you acquired, I suppose you are not the only one in it?—No, it is held by a company.

129. There are number in it?—Yes. There are 40,000 £1 shares.

130. Now, of the 28,000 acres, does pretty well every acre contain milling-timber of a commercial value?—No, on the block we are operating on we estimate about 10,000 acres of millable timber in a block of 14,000 acres. In the other block I think there are 2,000 acres of millable bush.

131. Two thousand out of 14,000?—Yes. When I say "millable" I mean millable under present conditions. I do not say that in the future some effort may not be made with improved methods, but with the present methods I think that 2,000 acres would cover the millable timber on the second block.

132. That is, 12,000 acres in all out of 28,000?—Yes.

133. Now, from your observations in America would you say there were indications that the supply of Oregon timber there was very large indeed, or is it true that it is running out?—I should say from the indications that it was very large. I take as one indication the fact that there was a new mill going up near Vancouver, at New Westminster, at an estimated cost of a million dollars. I was told that the amount of timber contained in the structure would be about 3,000,000 ft. The estimated output of that mill would be half a million feet per day when it was running. Well, in the face of that, when such a mill was being erected during practically slump times, it did not appear to me to indicate any shortage of timber-supplies.

134. Did you see anything over there to indicate that there was any restriction being placed on the export of logs from either America or Canada?—The only fact I noticed while there was that a raft of logs that was destined for Bellingham was held up at Vancouver Island by the Canadian authorities.

135. In regard to the duty on Oregon pine, do you think it would be safe to take the whole or any part of the duty off the large pieces? If the duty were reduced or taken off altogether, would the large pieces be brought in here and resawn at prices by which they could successfully compete with our rimu trade?—I think it could.

136. Do you think it could be done to avoid wharfage?—I do not see how that could be done. It could be done very conveniently at either port. It is rather against our interests to say how it might be done, because there is such a looming possibility of it coming along.

137. You do not want to make any suggestions?—No.

138. You showed us some photographs to-day. Could you have taken photographs of the mills in the States showing the employment of the black labour?—I do not think I could.

139. Are the conditions of labour different there?—There is no great amount of Asiatic labour used in the States.

140. What is the proportion met with in the States mills?—As a matter of fact, I do not know that I saw any Japanese working in the States mills beyond the fact that when at Bellingham I was informed by one interested in the milling there that they employ them, and find them very good.

141. *Mr. Leyland.*] South of the Canadian line?—Yes, but very close up.

142. *Mr. Field.*] You say, in the States this type of labour is employed much longer hours and at cheaper rates than in this country?—Yes. I base that upon this fact, that I know Italian labour is cheap, and I saw a lot of that employed in the mills south.

143. It has been suggested that, as the imports of Oregon pine into this country every year were only 5 per cent. of our total output of timber, therefore Oregon pine could not be competing to any appreciable extent with our timber trade. What have you got to say about that?—The total output from all the mills in New Zealand?

144. Yes?—I might explain that the Oregon pine does not affect the output of all the mills in New Zealand to the same extent. There are only certain points where it does come into competition with them.

145. Will you describe what you mean?—For instance, I have here some figures derived from Mr. Kensington's report as to the timber produced in New Zealand during the year 1906. The summary of this statement is this: that taking the Auckland District there are 190-odd million feet produced, and there is possibly only 4,500,000 ft. affected by Oregon pine; in Hawke's Bay, 5,000,000 ft. affected; in Wellington District, 10,000,000 ft. affected; in Marlborough, 2,400,000 ft. affected; and Westland, 44,000,000 ft.; Otago, 1,000,000 ft.; and Southland, 8,000,000 ft.: making a total of 78,800,000 ft. that is affected by Oregon timber. There is a matter of over 300,000,000 ft. that is exported from New Zealand to foreign markets, or does not reach the parts where the Oregon pines goes, and which cannot be said to be affected in any way by the importation of Oregon pine.

146. You say it affects 78,000,000 ft.?—Yes, and taking 20,000,000 ft. of Oregon on that basis alters the percentage materially.

147. In the 78,000,000 ft. is there any first-class red-pine?—Yes, I would take it that there would be all classes.

148. There is a portion of that 78,000,000 ft. that is not affected by Oregon pine—namely, the finishing-lines of red-pine?—Yes, because they would be included in the total output of those districts. Of course, it would be a matter of impossibility to arrive at any definite figures.

149. It is said that the whole of the Oregon pine that comes in is not placed in competition because it is stacked in yards; but is not a fair proportion of our timber also stacked in yards?—I should think that all that which is placed in yards goes there in the ordinary course of business. There is a large amount of rimu stacked in the yards, and that Oregon pine which is stacked in the yards is taking the place of the rimu that was reserved there. If it is not actually used it is ousting the rimu from those stacks.

150. What sizes of Oregon pine come into this country—have you seen any shipments arriving?—I have seen specifications of the timber being shipped.

151. Is it mostly large sizes or a good sprinkling of small sizes?—There is a big proportion of small sizes—3 by 2, 4 by 1½, 2 by 5, 3 by 5, and so on. There are some lines of 14 by 3, 14 by 2, and 12 by 3. There are two lines in an order of a million that might be called beams amounting to 55,000, and a big proportion of those are in short lengths that would not be beams, so that there is a very small proportion of the specifications that contain such beams as Mr. Hanan referred to.

152. A large proportion of the specification shows small sizes?—Yes, a great proportion.

153. I understood you to indicate just now that the millers would do what they promised to do last year—namely, mill at Government prices?—Yes. Speaking for our own firm, I am sure they would be agreeable to that, provided we were protected against the foreign product. I do not think the millers would willingly agree to the Government adjusting our prices unless the importation of Oregon was stopped.

154. You would not mind if you got a price guaranteed to you?—We should not mind if we got a fair price. We should allow the Government to fix these prices in a proper way, provided we are guarded from undue competition from the Oregon pine.

155. Do you think that a Government tribunal—say, a Land Board—would be able to fix the price just in the same way as the timber associations do at the present time—do you think it would be feasible?—Yes.

156. It is done now by a certain body of men, and you do not see why it should not be done by a body of men set up by the Government?—Yes, in a similar manner the Government, or a Board, constituted by the Government, go through some process with respect to the wages, fixing the minimum.

157. Do you think the other sawmillers would be willing to have a Board set up something like the Board under, say, the recent Act, which provides for the protection of importations of harvesting and agricultural implements when trade is paralysed by foreign importations?—Yes.

158. That Act provides for a Board of commercial people when it is found that the foreign article is unduly competing with our own. Do you think that would be advisable in this case?—I think it would be very acceptable to the millers, and beneficial to the country.

159. You are aware that in the case of potatoes and flour the amount of duty can be regulated under the same Acts—that is, if the price of the New Zealand commodity goes beyond a certain figure, the duty is reduced accordingly on the imported commodity, so that the foreign product can come in free altogether. Do you not think that the same principle could be applied to timber?—I think that it could.

160. At any rate, you think that the millers would be quite willing to leave this to the Legislature and the Government to deal with?—I think so.

161. I suppose you are aware that the Americans protect their industries against us?—Yes, and more than that; I am aware of this fact, that we are importing from America some—you can get the figures out of last year's Year-book—some 700,000 pounds' worth of stuff in excess of what they take from us. From Canada, too, we import no less a sum than £130,000 in excess of what they take from us. I take it that this is hard cash going out of this country. Not only should timber be assisted, as I have indicated, in that way, but if I may be permitted to suggest it to the Timber Commission, I think other industries should be protected in a similar manner.

162. So long as the prices here were not exorbitant?—Yes, just so.

163. Do I understand you to say that the Americans will not allow a British or a New Zealand vessel to trade between their ports. Can they not unship part of their cargo here and there as we do here?—They will not allow any foreign boat to do so, owing to the coastwise laws. They will not allow a British boat to trade between Honolulu and Fr'sco. Our mail-boats there have to get a special permit, which is only granted by the Americans because they have not got a boat there of their own.

164. Now, you evidently know a good deal about the timber trade: is it true to suggest that Oregon was coming here in considerable quantities prior to a year ago?—I do not think it was.

165. It is only during the last year that sawmillers have felt the pinch?—Yes, that is so. I do not say that there was not some coming forward, but it was in small quantities.

166. Do you know what Australia is charging by way of duty on foreign timbers?—I think it is 2s. per hundred feet. Of course, Australia is interested in getting softwoods into the country. They have all the hardwoods.

167. Softwoods do not compete with their timber industry, and yet they charge 2s. per hundred feet duty on them?—That is so; they charge duty on softwoods nevertheless.

168. As a sawmiller, do you know anything regarding the difference in price which a sawmiller can afford to take for the total output of his mill as compared with what he can afford to take for fixed orders for fixed sizes?—My answer must be qualified in this way: it depends what the fixed orders exclude. If fixed orders are continually coming in, I take it that you would mean,

for instance, as in the present case, where there are orders coming forward for dressed lines only. In that case if it excludes a big proportion of other stuff, for which there was previously a sale, it means that an increase is necessary, and that increase must be sufficient to make up for the lost timber that is left behind.

169. Suppose you are a sawmiller and I am buying your timber, could you afford to let me have the total output of your mill, sawn in any sizes you like, without being sorted to suit my needs —could you afford to let me have that at a greatly reduced rate as compared with an order sent to you for specific sizes?—Yes, undoubtedly. I may explain to you that there are so many constant charges in connection with the running of a mill, that if you can get a market for the lower grades and sell them, you distribute your charges over a greater quantity of timber, and, therefore, you can dispose of the whole output at a much lower rate. There are certain qualities of timber that, in spite of orders, are contained in the log which you have to deal with, and you cannot help dealing with them whether you like it or not.

170. You know something of the qualities of timber: will you give us your opinion and conviction as to how far, if at all, Oregon pine is superior to our timber for ordinary building purposes?—I do not consider it is anything superior to red-pine.

171. Not in any shape or form?—I do not know if it has any characteristic that might make it valuable; in a particular line it might be more valuable than rimu that has not that characteristic. I do not think it is more valuable for household work than rimu.

172. Do you know that it is reported that Oregon will not last more than four years if exposed to the weather?—I have heard that said, but I have not seen the report.

173. If that is so, do you think it is a safe timber to use inside weatherboards where a certain amount of damp may be assumed to come?—It would certainly not appear to be. We know that generally the bottoms of studs will decay, and if it is timber that will not last more than four years exposed it is not fit for the lower part of the framing of a building.

174. Supposing you were offered your choice as to whether you would have merchantable Oregon pine on our rough rimu with resin-marks, which would you take?—I would take the rimu, without any hesitation.

175. *Mr. Leyland.*] You have evidently given a great deal of attention to this question, and I can say that I agree with very many of your deductions, although in some of them I do not quite see eye to eye with you. Have you read the report of the British Royal Commission of 1909 on this question, which I may say is considered one of the most valuable contributions that has ever been produced on this question?—I think I have read extracts from it.

176. It is being quoted all over the world at the present time. The finding of that report is that there has been a general rise in the value of timber during the past twenty years throughout the world?—That is so. We recognise that all materials have risen in value.

177. They also say that so far as Europe is concerned the rise is more real than it appears. The grades have come down?—No, I am not surprised at that.

178. The cost of timber is estimated to have gone up fifty per cent. within the last ten years—are you surprised at that?—No.

179. The United States Department of Agriculture gave evidence before this Commission, and the officers from that Department stated that the rise in price from 1886 to 1908 was over 100 per cent., and that the rise was specially conspicuous during the last ten years?—That is in Europe.

180. No, that is their experience in America?—That is not my experience in New Zealand.

181. They also estimate that there will be very little timber in the United States in twenty years' time?—If they do not replant.

182. They cannot replant and grow in thirty years. Would you be surprised to know that during the ten years preceding 1904 the United States of America paid per annum, every year, $13,000,000 to Canada for timber?—I believe they did. They got a lot of pulp-wood from Canada. I believe the pulp was their chief importation from Canada.

183. I do not think pulp-wood is included?—It forms a big item.

184. It comes under the head of Baltic, but it is made into pulp in Canada?—A lot goes into the United State and is pulped there. The Canadians were trying to shut down the export of pulp-wood.

185. Twenty years ago 40 per cent. of the lumber went to the United States and 60 per cent. to Great Britain, whilst to-day those percentages are reversed?—I should not be surprised.

186. Would you be surprised to know that they estimate a further rise will take place in the next ten years of another 50 per cent.?—That would not surprise me. Generally speaking, I find the most surprising thing is to find anything to be surprised at.

187. Then you are not surprised that timber has risen in price, and is likely to continue to rise in price?—There is the increased cost of production.

188. Then we must raise the price of timber accordingly?—Certainly.

189. Something has been said about large plants: you would never dream of putting a complete American plant up in this country?—No, not under our usual holdings.

190. Would you dream of putting the plants we saw the other day into the holdings in which you are interested?—No, I would not.

191. You know when they speak of "timber" in America they mean the standing tree, and when they speak of "lumber" they refer to the sawn stuff?—Yes.

192. In Ontario they are in closer touch than we are with the forests and the West?—Are they in closer touch than us? Can they take timber over those Rockies to Ontario as cheaply as they can carry it in New Zealand? Are you not aware that freights are so excessive there on the railways that in some cases the timber is specially stacked and put through a drying process, and all lumber is dressed, to lessen the weight and thereby reduce the freight?

193. They are not excessive compared with out freights?—They are excessive compared with freights from the Pacific Coast to New Zealand, and therefore Ontario is not on the same footing with us.

194. Ontario is in the central belt of Canada?—It is on the east of the Rockies.

195. Is it not a fact that America is a country of high tariffs?—I believe it is.

196. Do you know the duty imposed by the United States on Oregon from Canada?—No.

197. You know the United States is a competitor in the world's market?—Yes.

198. Would you be surprised to know that the duty imposed by the United States is $2 a thousand feet, as against our $5, of £1, per thousand feet?—I should not be surprised. At the same time, in view of what you have just quoted—viz., that the American forests are so short and that they have to import so much—it does not seem to be reasonable.

199. It is misleading to quote a 1903 price-list?—I did not quote a 1903 price-list. I brought it in to show the difference in the values of the different classes. I still based it on the 12-dollar basis at which we were quoted.

200. You mentioned that the freight was £1 5s.?—That is so.

201. You are aware that we were inaugurating the service at that time?—I do not know.

202. That was an exceptional quotation?—I do not know.

203. Are you aware that the present ship discharging is getting £1 15s.?—I do not know that.

204. It is so?—Is there any information to that effect?

205. We have it from the captain himself. I have also had to pay £1 15s. myself as freight per thousand feet; so you see that freights are rising, and you will admit that prices are rising?—I have not had any quotations since, so I do not know.

206. You went over there, and you got certain impressions as the result of your visit. Of course, you know that either you or I or any one else in coming to conclusions on a visit of that sort might easily form wrong impressions?—You will admit the same?

207. Yes. In the Auckland papers, some time ago, a very large portion of this statement was printed and circulated. I think it was given to them by Mr. Ellis. There was also a statement that you had been interviewed. I want to tell you that those impressions differed so much from mine that I came to the conclusion that one of us was wrong, and so I cut the copies out and sent one to Portland to the gentleman who was President of the Board of Trade there?—And he was interested in sending Oregon timber here.

208. I also wrote to the New Zealand Government Agents in Vancouver?—Who is also agent for the export of Oregon pine.

Mr. Leyland: He tries to get some business, and he makes reports and writes to New Zealand. He is not in such a position that he would tell wrong things.

Sproul and Bleakley, Manufacturers' Agents, Hardwoods and Australian and New Zealand Products, Shippers of Fir, Cedar, Redwood, Spruce, Sugar and White Pine, Salmon and General Brokers, 719 Pender Street, Vancouver, B.C., 20th January, 1909.

Messrs. Leyland-O'Brien Timber Company (Limited), Auckland, N.Z.

GENTLEMEN,—

We are pleased to have your letter of the 2nd ultimo with newspaper-cutting containing the statements made by Mr. Butler on his return to Auckland. The writer met this gentlemen on many occasions during his stay in this city.

About six weeks back we sent an article to a reporter friend on the *Auckland Star*, under the name of "Pacific," and gave him authority to print the same on condition that our name did not come out, as we are not desirous of falling foul of any one party in New Zealand, being Government agents in this territory. If the *Star* was willing to accept our conditions of insertion you have probably read the same ere this reaches you, and if so, we think it goes into the question of wages paid and Oriental labour fairly extensively. From time to time, if the *Star* is agreeable, we will be prepared to follow the article up with others.

In case it was not inserted we will quote the following from it:—

"Quite a lot has been said about the low cost of labour in Canadian and American mills, but the following may interest your readers: Sawyers receive £1 0s. 10d. per day, and the wages per day run down to 10s. 5d. for all white men, with the exception of one or two labourers. Loggers supplying timbers from the bush receive £1 0s. 10d. per day, and the head campmen as much as £1 9s. 2d. and £1 13s. 4d. per day. Shingle-cutters are paid by piecework, and make 11s. 2d. per day and upwards. It is to be noted that the latter are Asiatics. In Canadian mills the majority of yardmen are Orientals, and you will find Chinese, Japs, and Hindoos working alongside each other. Their pay runs from 4s. 2d. to 6s. 3d. per day, but then they do not get through the same amount of work as white men. Let no person run away with the idea that the mills wish to employ Oriental labour. They are forced to do so. . . . The question naturally arises why are they employed in Canadian mills. The reason is simple: it all rests upon the unreliability of the white men. The miller wants white men, but when trade-conditions improve, and larger wages are available in the country districts, they will go out in a body, and leave the mills without labour."

It is therefore a matter of the mills choosing the lesser of two evils. They know it would be more to their advantage to employ white labour, but the white man will make use of the mill so long as it suits him; the Asiatic, on the other hand, although not such a good worker, which fact necessitates about double the number being employed than in the case of his white friend, will stand by the mills in and out of season.

The hours of labour are ten per day—namely, 7 a.m. till 6 p.m., which includes an hour for lunch.

In order to give you the best official information, we wrote one of the largest mills in British Columbia, and the manager, in replying, says he does not wish us to use the name of the mill, as it is strictly against orders to give out information of this nature. Perhaps it will be better for us to extract from his letter, as follows:—

"For your information I give you figures from our annual statement for 1907—our statement for 1908 has not yet been made up. Our logs cost us $9·25 per thousand (feet). Our manufacturing, including sawing, shipping, planing, selling, drying, and insurance, $4·43. Our taxes are 48c. per thousand on basis of the cut, making a total cost of $14·16.

"At the recent freight-rate fight in the United States before the Interstate Commerce Commission, it was shown by figures from 400-odd mills that the average cost of producing lumber was, I think, $4·22. I think this is the exact figure; anyway it was something over $4.

"Mr. Butler states in his interview that it cost only 1s. 2d. to put lumber through the dry kiln and on to truck. No doubt Mr. Butler has repeated a statement as given to him, and have no doubt that there are mills whose labour-bills would not amount to more than that if favourably located, and in asking an ordinary millman what it cost him to produce he would only give him the labour-cost; but I think when the repairs, saws, and a thousand-and-one other items of expense are taken into consideration, with their depreciation, that we are about as low as any of them. Our figures are made up in the following way: At the end of the year all mill supplies, insurance, taxes, and 6 per cent. on mill proper (not on our timber holdings, as we figure that they take care of themselves)—we figure no depreciation on the mill—are charged to lumber, and cost per thousand is figured on a basis of lumber cut.

"Mr. Butler says that it is an inferior quality that is shipped to Australasia. This is not correct. I think that in an average log we would cut about 20 per cent. clear, which is not shipped unless ordered, about 40 per cent. merchantable, and 40 per cent. No. 2, which latter has to be sold at less than the cost of the log (to the domestic market.) He also speaks of the 40,000 acres recently purchased in New Zealand. I do not think he could buy a like area here at the same figure. He probably does not know that the $140 per year that he speaks of is only the tax, and that stumpage has to be paid when timber is cut. As to the supply being inexhaustable, this, of course, remains to be seen. What he says about Oriental labour is true to a great extent, but it is not from choice that the mills here employ Oriental labour, but from necessity. As an illustration we recently put on four white men in place of eight Chinese, and find that we have made a saving of several cents per thousand in piling our lumber. The white men receive $2·25 and Chinamen $1·35, but Oriental labour is not desirable, and it is only necessity that compels the mills to employ them.

"May say that our Chinese labour runs from $1·35 up to as high as $4 per day. We have no white labour in our employ at less than $2·25, and our average wage-list is a fraction over $3, and the Orientals are only employed as unskilled labourers."

We think these remarks explain the position fairly well. So far as the timber rights in this province are concerned, the Provincial Government will not sell any further limits.

It rather surprises local millmen when we tell them that the duty imposed on rough lumber by New Zealand is £1 per thousand. Take the United States, for instance, a competitor in the business, and she only levies a duty of $2 per thousand, and representations are now being made, and it is very possible that the present Congress will place rough lumber from Canada on the "free" list. The remarks made by Mr. Butler as regards the inferiority of the lumber shipped to New Zealand, as our mill friend points out, are very wide of the mark. The inferior lumber is only used for domestic trade, and some is shipped to north China. Mr. Leyland will remember the rigid inspection that is passed over all lumber intended for export, and the amount that is often culled out. The choicest merchantable only is exported, and the difference in cost between this and the lower grade which comes next is $1 per thousand. This lower grade is termed "common merchantable." The E list, copy of which you doubtless have, of course, gives all information regarding the grading, and that in itself is sufficient to prove the incorrectness of Mr. Butler's statement. The mills on this coast will only continue to ship to New Zealand so long as that market responds to and is prepared to meet the prices they ask. Therefore with an increase in price of fir lumber, which New Zealand buyers are not prepared to meet, the trade would immediately cease to your Dominion.

The steamers of the Alley Line during the past twelve months have carried on an average to New Zealand 3,200 M. feet per steamer every two months. Outside what these steamers have carried no other lumber has been shipped to New Zealand from British Columbia, but five or six cargoes, both by sailers and steam, have been despatched from Portland, Oregon.

In conclusion, we can only say that we think the average wage paid throughout the mill referred to above of $3 per day, covering both white and Asiatic labour, appears in quite a good light when compared with the rates of pay received by wage-earners in New Zealand, and, although the cost of living is higher here, still at the same time it is not to the extent of the increase of British Columbia over New Zealand wages. This in itself is a clear refutation of the argument of cheap labour, and if the mills are in a position to cut lumber at lower rates than in New Zealand they deserve every credit for the same, as they have placed considerable capital out for the most up-to-date appliances and costly machinery, and deserve everything that comes to them.

We are very glad indeed if this letter proves of service to you, and will be pleased at all times to furnish you with information. Yours very truly,

SPROUL AND BLEAKLEY.

Witness: I would like just to record my thanks to the writer of that letter for the general courtesy he showed me during my visit to Vancouver, but there are certain of these statements that do not answer what I have stated. In fact, generally speaking, it fully substantiates all that I have stated on the questions dealt with.

210. *Mr. Leyland.*] I want you now to read this quotation in inverted commas?—I might say respecting that letter that it is only side-tracking the question, as it were. It is not a question with the New Zealand miller as to whether it is white labour or coloured labour, or whether he pays higher wages. The main thing is that that timber displaces our workers. I am free to admit that in one mill where I stated that the timber was put on the trucks at 1s. 2d. I got that statement from the manager of the mill. In that mill the sawyer was getting $7 a day—a mill at Revelstoke—but that man was worth every cent of it in comparison with the ordinary man. It is quite a revelation to see some of those expert men handle machinery. There is just as much difference between an expert handling that machinery and any ordinary man doing so as there is between Roberts the billiard-player and an ordinary muff off the street striking a billiard-ball. It is just the same with the experts of those mills. But the other employees there were not getting those wages. The fact remains that as the result of the wages paid that mill was sawing, dressing, and kiln-drying all timber and putting it on the trucks at 1s. 2d. per hundred feet. This is the quotation referred to: "Referring to the newspaper slip that you sent us, saying that 'an American miller could lease a square mile of timber land for twenty-one years at $140 a year, and have no taxes to pay,' we would say that the writer of the article evidently refers to conditions that once prevailed in British Columbia, but which never existed here, and have recently been discontinued there; but even then the statement is erroneous, as the privileges mentioned were subject to a further charge of 50c. per thousand feet on all timber cut. While the Government has discontinued granting these facilities, there are a great many of the privileges in the hands of the people who have held them for years, and which will still be available for years to come." I would call your attention to the fact that this exactly coincides with what I said to-day.

211. This is from a gentleman in very high repute, and who would not condescend to make a wrong statement. He is respected along the whole Pacific Coast. Of course, Hindoos are British subjects?—Yes.

212. Coming to the importation of Oregon, you quoted Kensington. I want to show that it is largely taking the place of kauri. Mr. Kensington says in his last annual report, "This timber (Oregon pine) for some purposes is a good substitute for kauri, and, owing to the greater remoteness and scarcity of the latter, also the increasing difficulty of obtaining adequate supplies of suitable native-grown timber to meet local requirements, regular importations of Oregon or other pine in increasing quantities must be looked for in the future." I must say that in our end of the Island we must have it?—As long as you do not put it in Wellington and Christchurch we do not mind.

213. As it affects the colony it does not reduce the output of kauri, because there are a dozen candidates for every stick that comes off the saw, but it does this: kauri is being used, to our disgrace, for rough joisting, whereas timber like Oregon is a good substitute and can be got in long lengths at short notice. It enables us to sell kauri for 19s., and if we can put this on our wharf at 9s. the difference is 10s., inclusive of duty, and we are no worse off?—Does it not occur to you that we shall be most happy to supply you with rimu from the West Coast? I think we shall be very glad to supply the Leyland and O'Brien Timber Company with long lengths of rimu.

214. With reference to the stocks, is it not a fact that before we imported direct we had practically no stocks in Christchurch?—Of course, you could not have stocks of Oregon before you imported.

215. We had stocks of rimu, and stocks of Oregon are replacing the stocks of rimu. The merchant in Christchurch is selling his rimu stocks and replacing them by Oregon?—I take it that the Oregon that is in stock there has gone into stock to replace the rimu that used to be held.

216. I want to point out that the stocks have not gone into consumption, but the timber has gone out of previous stocks?—That is so.

217. You said that 11s. 6d. would be a fair price for timber. Now read this quotation:—

The Imperial Export Company (Limited), 18th March, 1909.

DEAR SIR,—

In response to your favour of even date we have pleasure to quote you for Oregon as follows: Auckland–Wellington, 80s., base E list, per 1,000 feet super., No. 1 merchantable quality. Lyttelton–Dunedin from 7s. 6d. to 10s. more.

Prices are advancing, and we fear that in the near future you will have to reckon on a base price 10s. higher.

Anticipating that our quotation will lead to business.

We remain, &c.,

IMPERIAL EXPORT COMPANY (LIMITED),
By TH. DE SCHRYNER,
N.Z. Managing Director.

The Leyland and O'Brien Timber Company (Limited), Auckland.

That is 87s. 6d. at Lyttelton on the basis of E list, is it not?—I did not adjust all this evidence.

218. It is for the short lengths, and the lowest price was on the 15-dollar basis. Now it goes up to $25, but on an average specification there would be a rise of 15 per cent. on the quotation, so there would be a price of 10s. 10d., which, with duty, would be increased to 12s. 10d. But you would specify for 11s. 6d. and the price rising?—I dare say I could get a quotation very much in excess of that. I do not say it is a put-up quotation, but it does not follow that it is the lowest quotation.

219. With reference to logs for export?—Might I read another letter, since it appears to be my privilege to read letters:—

Wickes Limited, Greymouth. Sydney, 27th February, 1909.

GENTLEMEN,—

We are writing this for your general information, which in the present depressed state of the timber-markets may be of use to you.

We were in hopes that a rise in foreign timber would soon have taken place. We are sorry, however, that up to the present there is no move in this direction. Very large shipments of Baltic are arriving, and local prices are very low. The same may be said of Oregon, which, although the price has gone up in America, the very heavy arrivals keep the market down. We have been credibly informed some millions will soon be offered on the local market, and expected to realise only about 60s. per 1,000 ft. c.i.f. Sydney.

We have just landed a shipment at 70s. With the leading lines of foreign timber so low there is not much chance for your pine. At present prices, and to make things still worse, freight by steamer is next to prohibitive. Yours faithfully,

HOLDSHIP TIMBER COMPANY,
Per G.H.H.

220. This man admits that it is rising in America?—He is only a selling agent.

221. Do you not think it is quite understandable, if a lot of timber has been ordered here, that the indentors of that timber may be forced to sell at a loss? As a matter of fact, I have bought Oregon at £3 15s. About logs for export, they may have been possibly held up for some other reason than duty?—They were held because Canada did not allow the exportation of its logs.

222. Duty went up on sawn timber?—It shows the necessity of putting duty on logs.

223. With reference to converting large sizes, you as a miller know that you would rather have a log come into your mill than go and pick up a size in your yard and take it into your mill?—That is so, but where you lay yourself out to cut a lot of balk they would come into your yard in the same way as logs do.

224. Have you not loss in conversion?—Yes.

225. So that it is a matter of considerable expense?—Except that you could get junk in such sizes as in the kauri trade. In that case the loss would be very slight. If you want this timber for long lengths for beam purposes, then you will not be cutting it into inch timber, so that the saw-cuts would be few.

226. You have some pieces left that you have to manipulate into whatever you can?—That is a remote chance.

227. You only know the sizes required when you get the order?—I should get a variety that I would not cut to waste.

228. With regard to the relative values of Oregon and rimu?—The rimu here is quite as good as Oregon.

229. The evidence of the values of timber would be of more value if given by an expert architect or builder than by a seller: Would that not be the case?—The same applies to the relative value of Oregon.

230. I am willing to take the evidence of an architect and builder on Oregon?—Do you not think that there are cases where the builders and merchants are interested in the Oregon?

231. *Mr. Clarke.*] In view of the fact that up to the present all the builders have expressed a decided opinion that Oregon should be imported with at least as little restriction as now—and most of them think it should be imported free—in view of these facts, would you not be inclined to give their opinion equal weight with that of an equal number of sawmillers, seeing that they are fellow-citizens and experienced in using timber?—If you take it on a basis of that kind the builders are out of it altogether, because there is no doubt the sawmilling considerably outweighs the building industry.

232. Do you assert that sawmilling employs more men than the building industry?—I do. I say the allied timber trades interested in our New Zealand timber head the list. Take the Government statistics.

233. The builders are not in that?—I produce here a diagram showing the number of persons employed in the principal industries for the years ending 31st March, 1895 and 1908. The red line shows the sawmilling, joinery-work, sashmaking, and coopering, and it is very much in excess of all other industries. It is upon these figures I have based it.

234. In respect of that line, do you include joinery as sawmilling work?—Woodworking. I take it they are interested in our New Zealand manufactures.

235. Do you include the building trade?—No.

236. Then you take the number excluding the final part of the building trade as joinery, and say they are not in the building trade?—How far do you draw the line in building? How far towards the sawmiller do you go in building?

237. Would it not be fair to include in sawmilling the rough product of the tree and the saw, and to include in the manufactured work everything beyond that point? Is it fair for the sawmiller to be able to claim that he should be entitled to call that part of the sawmilling industry to make doors?—Yes. Take Auckland, for instance, with the Kauri Timber Company. You cannot call their factory a building factory; still, in that factory, which is under the same roof as the sawmill, they turn out doors, windows, and joinery-work.

238. You assert that this making of doors is more closely allied to tree-cutting than building?—You have the case in your own town.

239. Is the joiner engaged in the sawmilling industry?—Not when he is building a brick building, and in connection with this Oregon trouble you stated you want your beams for brick buildings.

240. A Christchurch sawmiller asserted that most of his timber, nearly all of his sales, were to builders, the ultimate customer?—Yes.

241. If I tell you they have in Christchurch 300 builders, with no sawmillers at all, how can the sawmilling industry overshadow the building industry?—You are giving an instance of the relative numbers in Christchurch, excluding the West Coast.

242. Assuming that the 300 builders in Christchurch employ on the average six men each, which is a low average, are there 1,800 men employed in the sawmilling in Christchurch?—I do not think there are in Christchurch.

243. The question is this: your evidence is that it is a most important industry?—I say there are more engaged in the timber industry in New Zealand who would be in favour of the exclusion of Oregon than there are builders who would be in favour of its admission.

244. On what evidence do you base that statement?—On my opinion and the statistics that are given.

245. Have you any statistics as to what the builders and their employers think on the matter?—No, but the statistics that are given us as to the numbers.

246. Is there anything relating to builders at all there?—I think so.

247. It has been stated on oath that there are 300 builders in Christchurch, which is not the largest place, and assuming that the other four centres equal that in number or probably exceed it, there would be then at least 1,500 master builders in this Dominion in the large towns, independent of the inland towns. Each of those men must necessarily employ a good deal of labour, and do you not think they would far exceed the men employed in the bush mills, independent of those connected with joinery-work, which is purely and simply building-work?—Take building—confine yourself to the builders—and I think there are larger interests in the sawmilling than there are in the building. How many hands do you estimate there are employed in the building?

248. We will only deal with the one town. Take Christchurch, there are 300 master builders there?—That is nothing.

249. I am quite sure they employ a great many more men than are engaged in cutting timber, or selling it in Christchurch?—I do not think they do. There are over 9,000 bush hands employed in New Zealand.

250. The builders have unanimously said that they consider, in the interests of the building trade and the general public, and as a means of keeping a check on the prices and cost of building, and also mainly as a means of securing more bush supplies, that Oregon or other foreign timbers should be imported as least on the present basis or on an improved basis in regard to the duty. Do you not think that is a substantial argument?—No. The millers say that in order to keep a check on prices we will submit to the Government regulating those prices, and that there is no necessity to import Oregon and keep men idle for the purpose of keeping a check on the price of timber. It should be arrived at in a better manner.

251. Only on this understanding: that the price was fixed to insure you a good profit?—A fair business profit.

252. Would it not be fair also that the Government should fix the price for the other trades, so as to insure a fair profit?—They do so in some cases.

253. Have you ever heard of them fixing a fair price for builders?—They fix the price with regard to harvesters.

254. With regard to the area and the prices that are paid for timber here and the royalties, is it true that you pay royalties on your sawn output here in this district?—That is the custom on the Coast.

255. And would you not consider that it would be a fair thing that the other parts of the colony should be placed on the same footing?—I think it would be fair that all parts of the colony should be placed on an even footing.

256. Now, with regard to the valuation of that piece of ground you spoke of, roughly speaking, I think you said it would run 10,000 ft. to the acre?—I did not say so.

257. Would it go anywhere near that?—That was the estimate that was placed on it by the Commissioner of Crown Lands. I think it was 10,000 ft. per acre.

258. What do you think is a fair average price to convert standing bush into milling-timber per acre: have you reckoned it out on that basis?—No, I have not.

259. Assuming it as stated, as it is in the Government returns, that £15 per acre is a fair price and a good average price for reducing standing timber into milling-timber, would you accept that as a basis?—No, I should accept that.

260. You would suggest that the Government have published a report of that kind without some basis for it?—Their basis may be from some erroneous source.

261. You would not attach any value to the statement published by the Lands Department?—I would not say that; but I would not accept a statement like that as applying to ourselves.

262. Would you give the Commission your opinion as to what you think it would cost?—Yes, if the Commission will wait till I go into the figures.

263. Has not a rather low valuation been placed on it? If it panned out at 8,000 ft. per acre that would run out to about £40?—Supposing it was a low valuation, what then?

264. Well, assuming it costs £15 per acre at the Government price to reduce it, that leaves a margin of £25?—I cannot see where it bears on this question at all.

265. Accept this as the valuation that was put on the ground. You assume that bush to be valued at £1 10s. per acre, and if there is a difference of £25, would not that be a big margin?—I think it would be a big margin. I am sure the company I am connected with would be willing to sell it at a far less margin than that.

266. *Mr. Barber.*] With regard to some of the information Mr. Leyland got from America, you passed the remark that he was an interested party?—I have made that suggestion, yes.

267. By that you infer that the evidence of an interested party is not to carry the same weight as a disinterested party?—In some cases I should certainly think it would be so. Naturally the leaning is that way.

268. In regard to the statement made that there is not a majority of Japanese and Chinese labour employed in those mills, did you ever read the statement made by the captain of one of those vessels that carry this timber?—No.

269. What was the vessel you saw loading?—It was the "Indravelli." She was loading in August or September.

270. The "Mahukona" brought a very large cargo here, and the letter you read was in circulation at the time, and an *Evening Post* reporter interviewed the captain of the vessel and asked whether it was true. The captain said, "That is so: there are no Japs or Chinese in the mills in Washington State, not even a Chinese cook. I do not know what the headmen in the mills get, but the ordinary mill hands get $2 a day, say, 8s." That shows that those men are not underpaid?—The statement I made there I stand to, and whatever that captain has said has not refuted what I have said.

271. He makes a definite statement, and says that there are not a large number of aliens in the mills in the Washington State. We will presume that the mills in the same country employ the average kind of labour?—No, I do not admit that. Canada employs a lot more Japanese and Asiatics than they do in the States.

272. You say you think 1s. would be a fair increase in the duty on Oregon pine?—Yes.

273. You know the present duty is 30 per cent.?—I know it is 2s. per hundred, but it is no definite percentage.

274. And you say it is landed here at 7s.?—I have the quotation here.

275. That is 30 per cent., and you ask for another 1s., which would make it 50 per cent.?—Yes.

276. Now, there are other industries in the colony besides the timber industry which employ a large amount of labour. Take the woollen industry and the boot-factories: would you think it would be fair to put an import duty on articles that are manufactured outside New Zealand and brought into New Zealand in competition with those industries?—Yes, I should put on a protective duty, irrespective of what that amount was.

277. And you then argue that New Zealand should be absolutely dependent on itself?—No, certainly not. I say we should protect our industries, but we must get certain things from abroad.

278. But things that are manufactured in the colony should be protected, and we should rely on colonial manufacture?—I do not go that far. I say that there should be a protective duty put on Oregon.

279. But if you want 50 per cent. duty on timber why should not those who employ a larger percentage of labour not also be protected by a 50-per-cent. duty?—Because it is not necessary to protect them to that extent to enable them to live. I do not know whether you are aware of the fact, but when you speak of the woollen industry, the Kaiapoi rugs are known all over the world. The Kaiapoi rugs can go into foreign markets, but we cannot send our timber into competition with all other timbers all over the world. It is quite a different thing. I am only asking for a protective tariff, not a prohibitive tariff.

280. Do you know the Kaiapoi mills and other mills in the Dominion have had very hard times during the last few years?—I did not know that.

281. Are there any public milling companies in this district?—Yes, I think so.

282. What are their shares quoted at?—There are none that have shares on the market.

283. You say your are paying the labourers 10s. a day?—Yes.

284. Is that the ruling rate?—Yes, I think so. In fact, I think some are paying higher.

285. There is no scarcity of work?—Yes. We have had a lot of applications for work down there since the mills have been shut down.

286. Why does the labouring wage maintain a higher rate than in any other part of the Dominion, seeing there is a depression?—They will get down to about the same condition that we were in in 1896 directly.

287. Has there been a depression in this trade for the past nine months?—I do not say there has been a depression for nine months.

288. How is it that the rate of wages is beyond the rate paid in other centres?—I suppose it is on account of the isolated nature of the Coast. The public works have absorbed a great number.

289. Then, there is no surplus labour?—It is a fact that there are a lot of men out of work now as compared with the number some time back. It is also a fact that labourers are paid 10s. a day.

290. Now, with regard to this large area of land which your company purchased, it was bought for £1 an acre?—Yes.

291. You said you estimated the value of it at £1 10s. per acre?—Yes.

292. Is it milling property?—Not the whole of it.

293. It is all covered in bush?—With different classes; some of it is *pakihi* country and some swampy land.

294. We have been told that no land down here is fit for cropping?—There is some of this land that is of service for pastoral purposes, and some of it is now held under lease for pastoral purposes.

295. What is it that gives you the £14,000 above the price you paid for it?—I may be quite wrong in that valuation. If you can show me that it is not that value I will accept your assurance.

296. You said it would sell for £1 10s. an acre?—I just gave that as my opinion.

297. And you base your view on the prospects of the milling industry in the future?—Yes.

298. And therefore the future prospects have placed £14,000 on these two properties?—About a month after we purchased that property the contract for the tunnel was let, and I consider that that would put up the price of the land on the Coast a lot.

299. We have been told that the milling industry is a diminishing quantity, and that the prospects are so bad that no one will go into the trade, and there is no profit attached to it. That is certainly inconsistent with a prospective profit of £14,000 which your property has already realised?—It is not already realised.

300. Well, it is on the future prospects of the milling industry of this country?—I made the statement that had we known then the conditions that have since come about we should not have purchased that block; but, having purchased it, and having made our arrangements for the plant, we have no other course open but to go on and make the best stand we can.

301. And you do not consider it has depreciated in value at all under the conditions, but has rather increased 10s.?—I think that may be taken as an estimate.

302. Now, in regard to the duty on Australian timbers, you said there was a duty of 2s.?—I was under the impression that that was the case.

303. What timbers?—I thought there was a duty on all foreign timbers except New Zealand pine.

304. You do not adhere to that?—I will adhere to it till I am corrected. At the time I made that statement we were dealing with Oregon pine, and I stated that I thought there was a duty of 2s. on Oregon pine into Australia, because I thought it was correct, and still think it is correct.

305. If a merchant was taking the total output of a mill, what class of timber would he order do you think as a miller?—If he was taking the total output I take it he would take the total output.

306. But he will not take it in the log?—No, that is the output of the bush.

307. In what sizes would he instruct that that timber should be cut in?—He would instruct that it be cut into those sizes most suitable for his requirements.

308. If a man was contracting for a building and he wanted some timber cut, it would probably be the same size that a man received who took the whole output of the mill?—I might tell you for your information, because probably you may not have a grip of it. When arrangements are made for the total output of a mill a specification is given to the miller setting out what he is expected to cover, but the buyer is also bound to take other trade sizes, even although they may not be set out in the specification.

309. Following up that question, you have shown us a diagram containing a comparison of ten years of the timber industry in New Zealand, and you claimed that certain trades were kindred trades to the sawmilling industry. They are all concerned in the timber industry. What is the increase that has taken place in those trades in ten years?—You have it there.

310. That shows that the trade has not been diminishing during the last ten years, but, on the contrary, has increased beyond any other trade in the Dominion?—We are not dealing with twenty years in respect to the Oregon question. We are dealing with the question of Oregon, which has cropped up during the last twelve months.

311. It shows that the timber industry, according to your own definition, has increased beyond any other trade in the Dominion?—Yes, taking the whole of those ten years.

GREYMOUTH, MONDAY, 19TH APRIL, 1909.

WILLIAM JAMES BUTLER, examination continued. (No. 65.)

1. *Mr. Ell.*] You have had considerable experience in milling timber in both the North and the South Islands?—Yes.

2. From your knowledge, out of the total produce of a log what would be the amount of waste?—In the North Island, where we took particular note of that, the waste went about 25 per cent. to log-measurement, and that was white-pine; but I may say that we made it much finer than the local market would take—that is, the New Zealand market.

3. Have you had any experience in rimu, and, if so, how did that work out in the matter of waste?—We have never taken any definite measurement, but I should say that the waste would be 50 per cent. to the log.

4. How do you account for the difference of 25 per cent. waste in milling rimu as compared with white-pine?—Chiefly owing to the market requirements.

5. If the market, then, is found for the timber, there would be no more waste in milling rimu than in milling white-pine?—Practically no more.

6. Then, if a market was found for all the timber that was cut out of a log it would be a material advantage to the people of this Coast?—It would most decidedly.

7. Do you think it would make the difference between the loss and the gain?—I think most possibly it would. There is another thing, that if the cost of production could be extended over a greater product from the log it would possibly bring down the price of the better classes. They could be sold at a lesser rate, and still be profitable to the miller.

8. Are you aware that the Christchurch merchants were selling O.B. timber for 16s. some months ago?—No.

9. And that they are now selling it at 14s. 6d.?—I have not gone into their methods.

10. Are you aware if there has been any reduction in O.B. timber here—that is, free on board?—I believe there has been a generalisation of prices—that is, that scantlings and such timbers that would not be suitable for dressing have been placed at a lower rate, and a slight

advance has been made in the better class. I think generally there may have been a reduction. Well, I suppose, according to the orders that are coming forward, there is really no reduction in price, because lower grades have not been sought for.

11. In the interests of the public and of the State do you think it desirable that an endeavour should be made to find a market for the whole of the output of the log?—Yes, I do indeed.

12. It would be a great saving of the present waste if that were done?—Yes, it would be a great saving.

13. You mean to say that there is much timber left on this Coast that ought to be removed from this Coast into some market centre?—Yes.

14. Now, with regard to the methods adopted by the millers, seeing that the standing forest is a national asset, do you think it desirable that the Forestry Department should see that the miller who is applying for a license to cut timber is experienced, and is thoroughly cognisant with his business, and is equipped with a proper plant before the license to cut is issued?—I do indeed.

15. You think a license should not be given to Tom, Dick, and Harry?—Yes, I think so, and I am not saying that because I claim to have experience. I recognise that a man who is not up to the business is more likely to waste his product than a man who knows his business, and, therefore, the inexperienced man is not in a position to put cheap timber on the market.

16. Do you think it would be desirable on the part of the Forestry Department to employ a thoroughly competent and skilful miller to visit from time to time the various mills throughout the country, and direct and assist by his advice the millers who are milling our timber?—Well, that would be a question for them to decide. I know, of course, that, judging by other experience, they have found it expedient to appoint experts in connection with other industries.

17. The Government have experts associated with our cheese and butter making for the purpose of instructing and advising the farmers of the country in those industries?—Yes, I am aware of that.

18. Would it not be a wise thing to assist and advise the miller, in certain cases, to cut his log and work his mill with the greatest amount of economy in the matter of waste?—I should think it might do. There is great difficulty on the part of millers in getting information respecting their business outside of the experience that they get by going along from day to day. There is no literature, for instance, published in the Dominion that assists the milling industry at all. Moreover, there is very little chance of their meeting in conference for the purpose of assisting each other or suggesting improved methods. Something in that line would, I think, assist the industry.

19. Do you think it possible that a certain amount of waste in cutting might be saved—for instance, as to the way the log is cut, the general method of treatment, &c.?—There is no doubt that an up-to-date plant tends to lessen the waste in conversion.

20. In connection with the butter industry, as you know, experts go to the factory and, when necessary, point out to the management where a saving might be effected and how the butter might be turned out in a more marketable condition. In the same way, do you not think it possible that an expert might be able to advise some of our millers as to the best methods of milling their timber with the least possible waste, and thereby place it on the market with more profit to themselves and a benefit to the public?—I think so, undoubtedly.

21. Now, with regard to the New Zealand woodworking industries—for example, joinery and furniture works, which are employing a large number of hands, and which are producing furniture of a cheap and useful description, thereby enabling our people to furnish their homes comfortably—do you think it desirable, in view of the special suitability of rimu for these purposes, that we should endeavour to conserve the supply of such timbers—I do not say on rich lands, because I do not want to block settlement—I mean that such timbers should be cut gradually, as required?—I take it that you refer to rimu that is specially suited for furniture-work—that is, what is known as figured rimu?

22. I have gone through the factories and have examined the class of timber used, and I know they do not confine themselves to figured rimu. I am talking of the second-class timber that is used in furniture-making—that is, second-class as compared with the figured rimu. This furniture is sold cheaply to our workpeople, and the sap is used very generally?—If upon investigation the Forestry Department found that they could not grow suitable timber in New Zealand for that purpose it would then be advisable to reserve some of our forests for that special use.

23. We have it on evidence from the manager of the firm of Strange and Co., Christchurch, who are large furniture-manufacturers, that they are importing timber suitable for furniture costing from £4 to £4 10s. per hundred feet, as against 13s. 4d. for rimu also suitable for furniture-making. Would such a fact not furnish you with an additional reason that we should endeavour, seeing the great difference in the cost of the imported and the local timbers, to provide a suitable and cheap timber for cabinetmaking purposes?—Yes, but still there comes this phase: that if they pay £4 to £4 10s. per hundred feet for foreign timber you would think that it must have some special and great advantage over the rimu which they can get for 14s. 6d.

24. The point that I want to bring under your notice is this: that if we depend upon the importation of timber it means that the price of furniture will be largely increased to the people of the Dominion?—Yes, that is true. Viewed from that point it is undoubtedly in the interests of the country that certain sections of our forests should be reserved for that particular purpose.

25. *Mr. Arnold.*] You know that Inspectors were appointed to go round the dairy factories to classify the butter and instruct the butter-makers, and that is still going on. Do you know why this was done?—I do not know, beyond the fact that if people can get a better article at the same price they will have it.

26. Was it not in consequence of the people of this Dominion having to compete in foreign markets, and to keep up the credit of the country it was necessary that the Government should see that butter, cheese, &c., were properly classified—is not that the reason?—I think that is so.

27. It was rather for the credit of the country than to instruct certain private individuals?—Yes.

28. You do not suggest that Inspectors should be appointed to instruct in the manufacture of shoes and the making of clothes, and things of that kind?—Not unless the industry was in such a poor state that it suggested the necessity for some such instruction.

29. Do you suggest that the timber industry at the present moment is in such a waning state in consequence of mismanagement or ignorance to require such inspection?—No, I do not suggest that.

30. Do you suggest that the appointment of such people would bring the timber trade on to a better footing than it is at the present time?—It is a question I have not given much consideration to. I think that one who was qualified might be able to give information, but whether we should be justified in making such appointments I do not know.

31. I want to ask one or two questions about Oregon. You told us your opinion as to the mode of working in the foreign market—that is, as compared with New Zealand—the lower rate of wages, the condition of labour, &c.; you do not propose that it would be beneficial to this Dominion if the conditions of labour which you have described were introduced here?—No, I do not. I think that we should endeavour to maintain the conditions that we have.

32. You prefer the conditions which we have in preference to the conditions which you saw?—Undoubtedly.

33. What percentage do you think they have the advantage of us in consequence of their conditions?—I never reduced it to a percentage basis. On a broad guess I should say 30 per cent., or from 25 to 30 per cent.

34. Would you suggest that a 25 per cent. duty on the importation of Oregon would be desirable with the view of meeting the requirements of the timber-millers of this country?—You mean 25 per cent. additional to what we have.

35. Yes?—I think about that would meet the case.

36. Would you have that duty on all sizes?—I should, yes.

37. Now, if there was an increased duty of 25 per cent. placed upon Oregon, to what extent would this cause a rise in the price of timber?—Well, I do not know that it would cause a rise at all, but I think, as I said before, that that difficulty could be met by the Government fixing a maximum price, which the millers, I am sure, would agree to. It could be handled in the same way as flour is handled.

38. The Government have not interfered in regulating the price of timber, and I presume it is a recognised fact that the Government are not likely to interfere in that way?—I do not know.

39. Would it not be possible for your association—which evidently is a corporation connected not only amongst the millers, but also with the merchants and the builders—to place any price on timber that they desire up to the value of Oregon, notwithstanding any duty that might be placed on it, and thus again bring about the condition of affairs that we have to-day, and cause you again to ask for a further increase of duty?—I might explain to you, Mr. Arnold, that I am not connected with any association whatever. I am free to put timber on the market at any price, and sell to anybody.

40. You know there is such an association?—Yes.

41. If there was such an association having a thorough understanding with the merchants in Canterbury, of course it could apply right throughout the Dominion, and if the merchants had a similar understanding with the builders, to such an extent, for instance, that if a merchant in Christchurch refused to serve a certain builder because that builder refused to belong to the Builders' Association, the merchant would be able to communicate that fact to the millers here, instructing them that that man was not to be served with timber. In such a case you will recognise a most dangerous position for the general public?—Yes, I do indeed. I should advise any one that was treated in that way to get an injunction.

42. It would not relieve the position, however?—Well, it might.

43. Is the Oregon the only foreign timber that you would place a duty upon?—Oh, no! I would treat all foreign timbers, except the hardwood from Australia, which does not actually come into competition with our timber; I would let that come in free, because we require it, but I would have a heavy duty on all other timbers.

44. I understand there is not very much white-pine milled here?—No, not much.

45. But there is a considerable quantity of it in the forests?—There is in scattered places. Recently they have milled considerably more white-pine than during the past three or four years, because the rimu trade has fallen off and they have been driven on to the Australian market to keep things going.

46. Would you favour an export duty on white-pine?—No, I do not think so.

47. Are you aware that the butter-manufacturers are complaining that they cannot get their orders supplied for white-pine, for the reason that it is being sent out of the Dominion?—I believe there has been such a complaint, but I do not think there is ground for it. We were milling white-pine in the North Island, and we never had any inquiries from New Zealand that were not satisfied.

48. If it be a fact that the dairymen in Canterbury cannot get their orders supplied, and you are not milling white-pine but passing the trees and selecting rimu only, do you not think it is bad management on behalf of the millers here?—I could not go right into that as to whether it is bad management, but there is a bad connection somewhere, no doubt about it.

49. Would that not partly account for the slump in the trade at the present moment?—Partly so, if our trade is driven elsewhere.

50. There are considerable birch forests in this district, and they are not being milled. What is the reason?—That I cannot say. I know that in the past birch was more generally used

than it is at present for sleepers and bridge-work. It was reckoned to be a fairly durable and suitable timber.

51. Was it exported?—Only in small quantities to the Old Country. There was a test shipment for wood-pavement purposes.

52. Are you aware that it was exported to a considerable extent up to the time that Australia put a duty on it?—No, I was not aware of that.

53. If such is the case, do you think that the New Zealand Government should try to bring influence on the Commonwealth Government to have the duty removed?—Yes, if such is the case.

54. It has been admitted, Mr. Butler, that great quantities of kauri are being exported from New Zealand: does red-pine come into competition with kauri to any extent?—Well, not to a great extent. I do not know to what extent.

55. Do you think it would be wise for us to keep as much kauri within the Dominion as possible, seeing it is timber that is being reduced very rapidly?—I think that certain forests still held by the Government might be reserved and dealt with from time to time.

56. Would you favour an export duty upon kauri?—No, I do not think it would be fair for the Government to impose restrictions on the holders of kauri forests, chiefly because of the chances of fire, which are very great. Those who have not seen a kauri forest have no idea of the risk holders run of their timber being destroyed. I suppose there is no tree in New Zealand that is so easily killed by fire as kauri, and once a fire has been through it the insects get into it and all the sap becomes quite valueless.

57. So you would not advocate an export duty being placed upon kauri?—I do not think so. No. It cannot be saved.

58. You fully recognise that whatever extra cost there might be either in milling, dressing, or manufacturing timber is passed on to the consumer?—Yes.

59. He ultimately has to pay?—That is so, except where the sawmiller kindly goes along losing.

60. The position really is that you would ask for an increased duty on Oregon, which would cause the price of timber to be raised?—I do not think that is going to cause the price of rimu to be raised.

61. You ask that an increased duty be placed on Oregon, and that Australia be asked to take the duty off birch? You would not put a duty on white-pine to protect the farmer who requires it, and you would not protect the New Zealand consumer by keeping the kauri that is required within the Dominion? Is not that a very selfish policy?—No, I do not think so. Respecting white-pine and the farmer who requires it, if by investigation it was found that in the course of a few years white-pine would run so short that the butter industry would suffer, I think the Government should reserve areas for the butter industry. But unless there is information before you to that end it would be quite wrong to shut out all the white-pine forests because some two or three farmers said that in future generations there would be a shortage.

62. I am speaking of present demands?—Of course, I take it from you, there is such a case in existence. Where New Zealand dairy people cannot get white-pine I should advise them to apply to the West Coast Timber Trading Company, and I am sure they will get a supply of white-pine.

63. In connection with milling in the winter season, do you think it is possible or wise that the milling of certain timbers should be done only in winter for the purpose of the better seasoning and lengthening of the life of the timber?—I think that only applies to the deciduous trees; our evergreens do not come under that. That subject was well threshed out at a conference in 1896. I am sure it does not apply to New Zealand evergreen forests. The sap is virtually up all the year round. With the other trees where the sap is down during the winter it is generally conceded that that is the proper time for felling. It is not for that reason that the felling and logging operations are carried on in the winter-time in such countries as Canada; it is because the winter gives them facilities for sleighing over the snow, and so forth; that is why they do most of it in the winter.

64. Even if it were proved that it would be an advantage, would it be practicable to do most of our work in the winter months?—No, because the long rimu logs that would be left lying in the bush for five or six months would get so discoloured in the end as to render them unmarketable. Discoloration takes place very quickly.

65. Would it increase the cost of production?—I think so, very considerably.

66. Have you any mills running at the present moment?—No.

67. *Mr. Stallworthy.*] You will agree that competition keeps down prices?—Yes.

68. And if an import duty is placed on Oregon, will not that reduce competition with rimu and tend to put up prices?—Well, I think, admitting that there might be a tendency to put up prices, that that can be regulated. Because there may be a chance of putting them up is no reason why it should come in and bring trade down to an unlivable basis.

69. Would you think it fair that the Government should place this condition upon it: that the duty should remain as long as red-pine does not rise in price?—I think that is a protection the consumer could reasonably demand.

70. And you think the present prices would be reasonable?—I think so.

71. You secured a considerable area of milling-timber in the North?—Yes.

72. What royalty did you pay for that?—It was sold at an upset price of 6d. per hundred feet on the estimated quantity of the bush.

73. Do you think that was a fair and proper way to estimate the royalty—on the log-measurement?—Well, it came out all right there.

74. I suppose the miller can get a very fair estimate of the quantity before he buys?—Yes.

75. That tends to a lessening of the waste of the cutting?—I think it would.

76. Then, the system down here of payment on the sawn output, is not that an incentive to carelessness?—Although it might appear that way, the miller here is not going to leave any timber in the bush that it will pay him to take out.

77. No, but in cutting logs, he would do it more carelessly?—It comes to a question, if the miller looks at the thing intelligently, as to whether it will pay him to take all out of the log or not.

78. You have 12,000 acres of timber to cut?—Yes.

79. At what do you estimate the life of your mill?—About fifteen years.

80. Have you any objection to stating the estimated cost of your mill and plant?—Roughly, I think it will run into from £12,000 to £15,000.

81. You stated that your rent, taxes, and so forth came to 4½ per cent. on your capital?—That is so.

82. What do you mean by rent? Does that include royalty?—No; the rent was rent of a foreshore—some £3 10s. per annum, and then we had to hand back to the Waste Lands Board 150 acres per annum. Well, the part we started on had more timber on it than the average, consequently, although we cut the quantity, we did not have the acreage. We were made to pay a charge equal to 5 per cent. on the value of the land that we had not handed back. A royalty forms no part of the rent.

83. Was it included in the 4½ per cent.?—No, it was not; it was not a royalty, strictly speaking; our payments were deferred payments for a sale by auction.

84. How many acres did you hold possession of up there?—Close on 5,000.

85. And did the quantity of land held increase your cost—rates and so on?—It increased the rates certainly. For instance, had the bush been on a smaller area we should have had so much less to pay.

86. The system here, I believe, is that you hold 200 acres, whereas up North you held 5,000?—Two hundred acres with additional reservations.

87. Do you not think that the millers in the North are at a disadvantage with the system there as compared with the South?—They suffer from taxation and rates that are not imposed here.

88. *Hon. the Chairman.*] What are these?—Rates on the timber—taxation on timber as a land-value, and that brings it within the land-tax.

89. Not when it is sold by auction?—Yes.

90. What tax follows the auction sale?—We also paid a land-tax on the land that the timber was standing on, although we had no right to that land; but we were held to be occupiers of it, and were therefore taxed on the standing timber and on the land that it stood on, although our only right was to enter upon that land to take the timber off. We had no grazing-rights. We had to pay land-tax and rates on that land.

91. *Mr. Mander.*] Why do you take more notice of the loss of timber up North than down here?—It became necessary for us to tally our logs. Our method there was to tally all logs going into the mill. We, of course, kept a tally of the output, and from this we were able to see what our loss in conversion was.

92. If you have to pay by log-measurement or by lump sum, that timber being your own, you would necessarily take more pains to get the most out of it?—That follows naturally.

93. Can a sawmiller erect an up-to-date plant to cut the timber in the cheapest way unless he has got a sufficient quantity behind him to guarantee that expenditure?—I do not think he can. I think that an up-to-date plant would mean that there must be a large quantity available.

94. Can you tell by the appearance of a rimu-tree whether it contains figured timber or not?—Not with definite certainty, but you can give a pretty good guess.

95. Are there any particular localities in which figured timber grows?—No, beyond that the more matured bush is the harder, and amongst that is the most figured timber.

96. Is it not a fact that there may be two trees side by side—one figured and the other not?—That is so.

97. So that the Government cannot reserve part of any forest as figured?—No, beyond selecting what is most matured.

98. Would the millers agree to a maximum price being put on their timber unless there was a maximum also on the cost of production?—I take it that a Board in fixing a maximum price would be guided by the cost of production.

99. Supposing a maximum price were fixed on the timber sold, and that wages went up, would not that reduce your profits?—Undoubtedly.

100. Then another maximum price would have to be arranged?—Either that or reduce the cost of production.

101. Is it not likely that in cutting out the bush the millers will take out kahikatea and every other timber as it comes?—Undoubtedly; it would not pay them to pass it.

102. Do you not think the competition will regulate the price of timber very closely as well as it does most other things?—I suppose so.

103. Do you not think that there is plenty of competition in the rimu business at the present time?—Yes.

104. Do you not think the introduction of Oregon would reduce the price of building-material for the working-man?—Yes, but I think it would make things far worse for the working-man in the end.

105. Do you not think it would help to bring down the price of rimu?—Not with merchants not interested in rimu.

106. Would merchants largely interested in rimu allow Oregon to bring the price of that down?—No.

107. In regard to kauri, you said you were not in favour of an export duty on kauri?—Yes.

108. You are aware that there is 5s. on logs now and 3s. on flitches of certain sizes?—I think that there should be no undue restriction put on holders of kauri, because the chances of its destruction are so great that it will be a loss to the colony altogether.

109. Do you not think that the Government by taxing timber as a land-value is assisting the destruction of the timber?—It does not tend to its conservation.

110. If a man holds an area for ten years and he loses one-third of the timber, does it not tend to compel him to get rid of that timber as fast as possible?—Certainly. As an owner he realises that he pays a tax on that timber.

111. You are aware that there is a very grave risk of fire in connection with kauri forests?—Yes.

112. Do you think it fair for the Government to expect private individuals to hold kauri timber for the benefit of future generations?—I do not think so.

113. Would it not be wiser for the Government, if it be possible to conserve kauri, to make conditions that it must be cut up in the colony?—That certainly would be a wise thing; it would assure its being used, and at the same time allow of its being converted within a reasonable period.

114. Do you look upon it as a good proposition to hold kauri, which at the present time is worth a royalty of 3s. or 4s. per hundred feet, for forty or fifty years, considering the risk of fire?—I do not think it would—that the accumulated sum from royalty would buy over the timber at the end.

115. *Mr. Jennings.*] Do you know of any sawmiller who, after great trouble and expense in getting his logs through, allows waste to occur?—Well, the word "waste" covers a big ground. He does not wilfully waste timber he can make any profit from.

116. There is no wilful waste?—No.

117. I assume that they are men of experience who know what they are about. Are the timbers of the Dominion suitable for all building purposes?—I think so, except bridgework and so forth, for which the Australian hardwoods are very suitable.

118. Speaking from the point of view of the general public and the setting-up of a Board to decide the prices, you know that that has been done in connection with farming machinery?—That is so.

119. Would a similar Board meet the wants so far as timber is concerned?—I think so.

120. Do you know of any kauri or kahikatea bush held by persons not engaged in sawmilling, but for speculative purposes?—I do not know of any.

121. Have you been engaged in sawmilling on this Coast?—Yes.

122. Can you tell us why there is a very great increase in the cost of timber to-day as compared with five years ago?—I think I went clearly into that. There is increased wages, and the bush is farther away; there are less facilities, and consequently increased cost.

123. Has the increased wages to the workers tended to more efficiency?—That I could not say.

124. *Mr. Morris.*] About the grading of Oregon, what grade is 12 by 2 with knots as much as 6 in. in diameter?—I could not tell you, but they have very definite rules for grading. They not only set down "merchantable" as class so-and-so, but also state that a piece of given dimensions may contain so many knots of a given size, and they can absolutely define the grade to which that particular piece of timber belongs. Speaking of first or second class here, there is a very broad line that is generally decided by the man, but in Oregon they have very definite rules for deciding the grades; but what they are called I could not tell you. [Statement handed in by witness.]

JOHN JACKSON sworn and examined. (No. 66.)

1. *Hon. the Chairman.*] What are you?—Secretary of the Wharf Labourers' Union, Greymouth; secretary of the Westland Trades and Labour Council; and secretary of the Engine-drivers' Union.

2. Will you tell the Commission how the timber business affects the labourers that you represent?—Yes. Well, Mr. Chairman and gentleman, prior to last Christmas there were 210 men engaged on the wharf at Greymouth. The majority of those men were engaged in working for the shipping companies. My return to the Registrar on the 31st December gave the membership of my union as 287, 77 of whom, I might say, were all over the globe, and the remainder were working on the wharf. Seven have been admitted to membership of the union since then, and 88 have had to leave and seek employment elsewhere, and the reason of those 88 having to leave is owing to the non-export of timber. That means there are 129 at present on the wharf, and 90 of those who are working to-day for the shipping companies are not making £1 10s. a week, yet they were all doing fairly well before Christmas. That is directly attributable to the effect of the falling-off of the timber business. The amount of the timber exported has fallen off to such an extent that those eighty-eight men have had to leave, and those that are still remaining are doing very little. You can readily understand that, when a boat like the "Kittawa," taking somewhere about 600,000 ft. of timber, costs approximately £130 to load, whereas if she were taking coal, even if there were two or three levelling-offs—that is to say, shipments to different ports—£20 would cover the whole cost. In some instances it takes very little money to coal a boat, so that it is really the timber trade that we are dependent upon for our livelihood on the wharf—that is, to carry the number of men that the wharf was carrying before Christmas. Now, long before Christmas we realised that this falling-off in the timber trade was going to take place on account of no orders coming to hand to the sawmillers. We also knew there was a large importation of Oregon pine coming to the Dominion, and we believed that that was the chief reason why there were no orders being placed with the West Coast sawmillers, so we joined forces with the employers and urged upon the Government, per medium of the Waterside Workers' Conference which was held in Wellington last July, and also by the Trades and Labour Council Conference which was held about

three weeks later, the necessity of putting a tariff on the Oregon pine, so as to protect our local industry. We realised that the sawmillers on the West Coast employed a large number of people directly in the trade, and they paid them a fairly high rate of wages; and we wanted to show our appreciation of those employers for paying a fair rate of wages without resource to the Conciliation Board or any other tribunal, and, as I say, we joined forces with them and used all our influence to get Parliament to protect the sawmiller and the worker right throughout the Dominion against the importation of foreign timber, which was cut and supplied by cheap labour under sweated conditions. Evidence of that has, I think, already been given to you very ably by Mr. Butler. Now, both the Conferences I have mentioned adopted a motion which was brought forward by myself, asking Government to increase the duty on Oregon pine, and we desire to come forward here to-day and back up that evidence which we submitted to Parliament, and also to the Trades Council Conference nine months ago. We also want to say that while we hope to see a tax placed on Oregon pine, we also hope to see the public safeguarded against the exploitation by timber rings or any other means by which the public will not get the full benefits of the tax placed upon that particular timber that is coming into this Dominion; and, while we appreciate the good wages that have been paid in the past, we desire to say that we want to be protected against any reduction of those wages in future. Evidence has been given before you to the effect that there are no unions in connection with this trade, and probably the person who said that did not have the information or was not aware that there were, but I wish to say that there are two unions in connection with the Westland sawmilling industry. One is the Westland Sawmilling Industrial Union of Employers and has been in existence and registered under the Conciliation and Arbitration Act for a number of years; and there is also the Westland Certificated Engine-drivers and Firemen's Union of recent growth—four or five months' old. I also wish to state that the Westland Union of Employers has intimated that on and after the 1st February a reduction in the wages is going to take place, and those reductions are to be brought down to a minimum which, if I use the word and say it is really disgraceful for a body of men to offer such a wage to working-men on the Coast, I should not be describing it too harshly. I intend to place the list of wages on the table. I might say I wrote to the Sawmillers' Union, and asked them to supply it (the list) to me; but they did not do it, and I had to get it from elsewhere, and there we find that sawyers who are in receipt of £5 a week and over are to be brought down to 12s. a day, and some mill workers are actually to be brought down to 8s. per day. The only men that are going to be paid by the week are the trollymen, and they have to attend to the horses, including holidays and Sundays, at £2 10s. per week. The notice reads, "Wages of Sawmill Employees: We, the undersigned sawmillers in the Westland District, hereby agree to strictly and conscientiously adhere to the payment of the following rate of wages as from 1st February, 1909, it being understood that the rates hereunder set out shall only apply to new engagements entered into on and after 1st February, 1909. We also undertake to furnish discharge certificates to all hands leaving our employ, and on our part shall require production of similar certificates from applicants for employment." Of course, that means that any person who comes from his employment at one mill to another without a discharge certificate will not get employment. Well, gentlemen, one can hardly conceive, in view of the fact that sawmillers have been paying such a high rate of wages, that they will contemplate making a reduction down to those amounts on the West Coast. The Engine-drivers' Union wrote to the Union of Employers, and objected to accept those rates, and said that they would work at current rates amicably with their employers, and submit the whole thing to the Council of Conciliation for settlement thereof; but so far there has been no reply from the Industrial Union of Employers as to what they would do. I believe, at Mr. Jack's mill at Kotuku, on one occasion the men said in a body that they would not go to work at a reduced wage-rate, and they remained off for a day; and it was arranged the same evning they should go to work the following day at the usual rate of wages. In view of the fact that we have been so loyal to the employers and stood by them, I think it unfair that they should submit to the Commission only the figures showing the high rate of wages which they submitted to Parliament last July, whilst the other figures showing proposed reductions have been kept in the background. We as a body of workers desire you to favourably consider the question of imposing a duty on Oregon pine and prevent, if possible, the employers in other countries competing with us while they are employing alien labour at sweated conditions. I think that while we have an industry of such vastness as the timber industry we should protect it against foreign imports, and at the same time see that the industry is regulated so that nobody will be exploited or have to pay more than they should reasonably pay. The workers' suggestion as regards regulating the industry is that the Government should establish State sawmills, and thus regulate the price in the market. I think it has been admitted that there is an excessive price charged for this timber in some towns in New Zealand, but we do not think the West Coast sawmillers get anything more than what they should get for their outlay, and probably not enough. I advocated when in Wellington that the sawmillers on this Coast, who have to pay royalty, railage, and sea freight, do not get anything more than any Government or any person could cavil at. That is so far as the price is concerned, and that I am quite satisfied of to-day, but I do not want to see the wages reduced with the object of increasing the price to the sawmiller, and also putting a tariff on Oregon pine for that purpose. I have a word or two more to say in regard to another question, and that is in connection with the sleeper-getter. I corresponded with some sleeper-getters in our district, and they wrote to me saying that they held a meeting the other day in regard to some evidence which had been brought before this Commission by the Commissioners of Crown Lands at Nelson and Greymouth, who attempted to show that the sleeper-getter was a rather undesirable quantity. It was said that he wastes the timber, and from a question put to Mr. Flanagan by Mr. Morris during the proceedings, it was stated that the sleeper-getters go into the bush and chop a tree down and take one length from it and leave the rest there to be wasted.

and also that they had a roving commission to go where they liked on Crown lands, which was prejudicial to the best interests of saving these forest-timbers. It was also said that they left the tops of a number of trees behind, which were apt to catch fire and do a lot of damage. So far as the West Coast bush is concerned, I do not think it is possible for a fire to do much damage unless it is all silver-pine, and I think the sleeper-getter is just as careful about that as the sawmiller is. The sleeper-getter makes a precarious living by following a very hard and hazardous life; he goes back into the vastness of the mountains to regions that are practically inaccessible to the sawmiller, and gets the timber in small patches, where he sleighs it to the edge of some dry creek and waits for a heavy rain. He then takes advantage of the mountain-torrents to float those sleepers for many miles till he can take them to some railway station or siding. After floating the sleepers down they have to pay a royalty on them. Sometimes they have a number condemned, and they also have to pay a royalty on those. There is also this anomaly about it in regard to those who pass the sleepers: that the person from the Public Works Department will go and pass a body of sleepers that the expert from the Railway Department will not touch at any price, so that certain sleepers can be sold to one Department which would not be accepted by the other. I received a letter from a Mr. White, in Nelson Creek, who called a meeting of thirty sleeper-getters in that district last night, with regard to sending somebody here to give evidence on their behalf. I think it is only fair that you should hear the other side of the question. The letter I received is as follows: "Please let the Commission know that the squarers use every effort to get more than one length out of the trees, and that it is to their interests to do so. We also make all limbs into sleepers that we possibly can, and dig trees out of the ground, the posts being taken off in many places. Do not forget the royalty on condemned sleepers, and let the Commission know that we would be very happy to show them round the workings up here. There are no five-shilling licenses issued up here; the warrants cost £3 3s., paid into Court, and 5s. for miner's right, and the warrant runs out at the end of six months. It costs the sawmiller £5 a year to hold a reserve of 100 acres, while a splitting-warrant may be only a patch of three or four acres, and cannot be more than 20 acres. Also tell the Commission that some of the large millers use to have large areas of silver-pine, and their method of working it was the same as ours—namely, squaring in the bush and splitting in the mills, with just the same waste.—E. White." That is a thing which the sawmiller is understood not to do. I understand the sawmillers have a difficulty with their areas in many places, and the sleeper-getter has gone after them, making good wages by taking up the timber left by the sawmiller.

3. *Mr. Morris.*] Touching the question of the price of labour, do you not consider that it is impossible for the sawmillers here to pay the rate of wages that obtained before Oregon pine was imported into this country?—I do not know. That would really be no reason to reduce the men's wages.

4. You do not think it costs them too much to get their timber to enable them to compete with foreign timbers?—Yes, against Oregon pine.

5. You must agree that it was absolutely necessary that they should reduce the rate of wages so as to enable them to compete with the foreign article?—Yes, either that or give up. I understand that there are some millers who have let their mills to a few employees, who are paying the rate of wages that have already obtained.

6. That list you quoted only applied to men who were employed in fresh engagements?—Well, a man leaving one mill and going to another would be a fresh engagement.

7. Do you know that many employees have left their employment and gone to another mill?—There are some, but I do not think many.

8. Have you had any experience at all in sawmilling-work yourself?—No, I have not.

9. All you know about it is what you have been told?—Yes, but I have done a little sleeper-getting.

10. Have you seen the condition which I mentioned the other day—that is, that you could cut a 7 ft. log out of a silver-pine tree and leave the rest to rot?—No, I cut the trees as close to the roots as possible.

11. When this first obtained on the Coast sleeper-getters used to get about five hundred sleepers out of a patch, and a man got into the next patch of timber and took only the stuff that was easiest to work and left the rest behind him?—Well, there is a practical sleeper-getter here who is getting sleepers to-day—a Mr. Dalziell—and you could question him, and you would be dealing with a man who has worked as a sleeper-getter. He is following that line now, and has been for some time.

12. I understand the risk of fire is a serious matter, and miles of tramway have been burnt through the same thing?—Yes.

13. *Mr. Hanan.*] Have you taken out any figures yourself with a view of ascertaining to what extent the importation of Oregon pine displaces the New Zealand timber?—No, I have not taken out any figures myself.

14. Do you know the output of sawn timber in New Zealand for 1907?—No, I could not say.

15. Do you not know the amount exported?—No.

16. Do you know the quantity of timber produced on the Coast last year—the output?—I think it went up to 50,000,000 ft.

17. Am I correct in assuming that during the last two years there has been a falling-off in the output of timber from the Coast, particularly with Christchurch?—The output from the West Coast has been gradually going up until practically the end of last year.

18. And it reached high-water mark then?—Yes, I think so.

19. You have no doubt about it?—As far as I know.

20. You are aware, I suppose, that there has been a slump in the timber trade and building trade in Christchurch?—Yes.

21. And that state of things generally obtained throughout the colony?—Yes, I think so. Of course, there was a large exportation into Christchurch at the time of the Exhibition. That absorbed a tremendous amount of timber, and after the Exhibition was pulled down the timber was, no doubt, used for other purposes. At any rate, there was a falling-off in the amount of timber going there after that.

22. That was abnormal?—Yes, it was at that time.

23. There is very little Oregon pine that goes to Southland?—Yes.

24. And still some of the mills have closed down?—Yes, so I believe.

25. And others, we are told, will also close down, so that that would not point to the fact that the importation of Oregon pine is responsible for the closing-down of the mills in Southland?—No, perhaps it would not, but there is one fact that you cannot get over, and that is this: that 10,000,000 ft. of foreign timber cannot come into a country without doing the local producers harm, because if 10,000,000 ft. of foreign is being used there is every likelihood of that 10,000,000 ft. taking the place of a similar amount which would be supplied by the local producers if the foreign stuff had not come in.

26. But if there is no complaint in regard to Oregon pine reaching Southland, what then?—They have not felt it.

27. Seeing that condition of affairs obtained regarding the sawmilling industry in Southland, does it not show that there are other things operating in connection with the depression in the sawmilling trade in New Zealand besides the importation of Oregon pine?—I dare say there is a financial stringency, and probably the people of the Dominion are not building so extensively as they have been doing in the past, and, no doubt, there are other things operating as well as the importation of Oregon pine.

28. In Southland the building trade has fallen off, also in Dunedin and Christchurch, and consequently there is no demand for timber?—No.

29. That being so, am I right in concluding that your business with Christchurch has fallen off because there is no building going on?—Partly, no doubt, but it would also depend on what way Oregon pine was being used.

30. I want to ask you this question: If you were told in Christchurch, and Dunedin, and Invercargill that the building trade has fallen off, would that not be a sufficient reason why your timber is not being imported from the West Coast and being used in those markets?—That would be certainly a factor.

31. You told us that 10,000,000 ft. of Oregon timber came into New Zealand?—Yes.

32. What was the total output of the mills in the Dominion for that period?—I do not know what the output of the whole of the mills was, but the output of the mills here was still going on steadily—going upwards. They were probably finishing orders previously placed.

33. Let me put a statement to you that has been put by Mr. Butler—would you accept him?—I should say he should be good enough.

34. He has put in this statement the following fact: that there are 351,235,000 ft. of timber not affected by Oregon, and that the quantity affected by Oregon is only 78,833,813 ft.—that is, about one-fifth, according to his showing, is affected by Oregon. In the face of that, can you say that is sufficient to constitute a main factor in the falling-off of the timber industry on the West Coast?—Well, you could not say that if there was only 351,000,000 ft. unaffected by the importation of Oregon pine.

35. Here it is?—I notice that nearly 45,000,000 ft. of that timber affected by Oregon pine comes from Westland. Well, that is a very large item, being nearly one year's production for us.

36. There is no year given?—That is so. But it is quite evident that it hits us much harder than any other part of the Dominion.

37. Do you know the output of the Auckland mills for rimu?—No, I do not. The main fact is 45,000,000 ft., as compared to 44,000,000 ft. from us.

38. I can inform you that two firms in Auckland alone handle something like 30,000,000 ft. annually as their output?—That may be so.

39. And that is simply for local consumption. According to another statement made by Mr. Butler—viz., that Oregon only comes into competition with about 78,000,000 ft. of timber, still, assuming that about 30,000,000 ft. of timber is handled by two mills in Auckland alone, would you say now that the importation of Oregon affects the Dominion so seriously as has been alleged—there is only about 78,000,000 ft. of New Zealand timber affected altogether. Spread that over the colony, and what is the position?—My reply is that the position does not seem to affect us very much when you spread it all over the Dominion. Where do you get your figures from?

40. They have been supplied by millers in Auckland. Assuming it to be a fact that two firms in Auckland handle that quantity of timber—namely, 30,000,000 ft., and that only 75,000,000 ft. is affected, and if you spread it all over the mills of the Dominion, then would you come to the conclusion that this is a matter that seriously affects the whole country?—I could not very well say that it was, assuming that to be a fact.

41. You are aware, Mr. Jackson, that the cost of building homes for the workers has gone up. I know you are a very staunch and loyal supporter of the workers, and they have been complaining about the increased cost. The workers advocate a State sawmill, and contend that that would keep down the cost of timber and prevent the profit going into the hands of the capitalist?—That is so.

42. Would you give preference to the establishment of a State sawmill rather than impose a duty on Oregon?—Yes.

43. If the imposition of a duty means an increase in the rates of New Zealand timber, would you favour it?—Yes, I believe in keeping the foreign article out, especially if we can produce the same thing in the Dominion.

44. Can you do so in the matter of timber?—Yes, we can do so.

45. If the architects and builders tell us that we cannot produce timber to take the place of Oregon, what would you say?—I should admit it for special purposes only.

46. I suppose you would give way to the opinion of architects and builders?—Yes, I suppose I should.

47. Would you class a carpenter as a miller?—That would all depend. If he has had no experience in sawmilling then he would not know anything about it.

48. Nor a joiner?—Nor a joiner.

49. You would separate the sawmilling business from the carpentry and joinery business?—Yes, the sawmiller is confined to the forest and to milling operations.

50. We have a Sawmillers' Union engaged in the sawmilling industry; there are benchmen and those about the mill in the Sawmillers' Union. Then we have a Carpenters and Joiners' Union, but we do not regard them as all engaged in the sawmilling industry?—Certainly not.

51. If we have so many carpenters, joiners, and others affected, that is not a proper way to classify them?—I would not say they should be included. The position is this, that anything that affects the sawmilling industry would probably affect the carpenter. If the sawmiller is not producing timber, unless it is coming in from another country, then it does not make any difference to the carpenter.

52. If you get cheap timber it reduces the cost of building houses, and the carpenter gets more work: does that not follow—the cheaper the article the more of it is used?—That would all depend. Supposing we closed up the West Coast timber industry and depended upon cheap foreign timber, there would be fewer houses wanted on the Coast because there would be nobody in that line here to build houses for.

53. You speak on behalf and as a representative of the workers of New Zealand?—Yes.

54. Then, you would study their interests?—I would.

55. It is desirable to do something in their interests as a whole?—Yes.

56. To do nothing to increase the cost of building?—Yes, all things considered.

57. Is there any suggestion that a ring exists in this part of the colony?—On the West Coast, no, I do not think there is.

58. Do the people here get their timber locally as cheaply as they do in Christchurch?—Cheaper.

59. Apart from the freight and carriage?—About the same, apart from freight and carriage. The Christchurch people have to pay that, and probably they have got to pay a percentage to the timber-merchants, for there it seems pretty extensive. It is quite evident that they have got to pay fairly high for it over there. We get the timber much cheaper here than they do there.

60. Would you favour an increase in the price of timber? Is it desirable in the interests of the workers of New Zealand that there should be an increase in the price of timber?—Well, so far as the worker is concerned, it would not be a very judicious thing for me to say that I would favour an advance in the price of timber, because it is held that they are already paying rather much in some of the centres, and they feel that the timber is being controlled somehow by a ring; but speaking from a West Coast point of view, I do not think that the sawmillers on the Coast are being paid too much for their timber.

61. You are opposed to the increase in the price of timber?—If the sawmillers on the West Coast could not carry on their industry and pay the rate of wages that they have been paying, then I would favour their getting a little more in order that they should make a reasonable profit, and the workers would get a direct benefit of it by the Government seeing that no other ring outside the millers made a greater profit than they should get for the handling of the timber.

62. Rather than that the West Coast mills should suffer, would you have any objection to timber going up in price to the workers of the Dominion as a whole? Would you rather that the workers of New Zealand should pay more for their timber than close up the West Coast mills?—Than close up the West Coast mills, yes.

63. Do you apprehend a reduction in the wages of the workers?—I believe so.

64. Why do you not form a union here?—Well, so far as the engine-drivers are concerned, they have formed their union, and the other sawmill workers are about to form one, although as a matter of fact they should have formed one long ago, but things were then going on all right.

65. I suppose the sawmillers have had a good innings on the West Coast? Have any of them gone bankrupt within the last three years?—I do not think so. They did go bankrupt at one time.

66. Are the men engaged in the milling industry on the West Coast poor men?—They seem to have good homes, and look well on it—pretty fat, and that kind of thing.

67. Have you any gentleman who has got six or seven mills on this coast?—I believe Stratford and Blair have got seven mills, and some of them have got 28,000 acres of bush land recently down in Hokitika.

68. The workers do not view that favourably?—No, we do not.

69. Mr. Jackson, as a representative of the workers, would you give us your opinion upon a suggestion that has been made by Mr. Butler—that is to say, that we should establish in New Zealand a Board something like the Arbitration Court to deal with this timber question, as has been done under the Harvester Trust Bill respecting machinery, and as has also been done in connection with flour, wheat, and potatoes, where there is a Board with power to automatically increase and decrease the duty as these local commodities rise and fall beyond given figures?—I do not know. I should say that anything that can be made in this country in the line of machinery for the sawmiller or for any other person, that if it can be manufactured in this country it should be, and the foreign article kept out.

70. Suppose the timber went up to a certain price, should the duty not come off?—Yes, I understand. So far as timber is concerned, I think that the Government themselves should regulate that by their own mills.

71. Then, with a view of regulating competition in prices, you are strongly of opinion that the Government should establish State sawmills?—I am.

72. What about the State sawmill here: is it working all right?—Yes, and paying good wages.

73. Are you in favour of increasing the areas?—I do believe that the areas should be enlarged.

74. Does that not play into the hands of the big man with money?—I do not favour monopoly at all. As a matter of fact, I believe that the forests should be reserved absolutely and worked by the Government.

75. *Mr. Jennings.*] In regard to your union—the Wharf Labourers' Union—do you know of any branches throughout the Dominion holding a different view to what your union does in regard to the importation of Oregon pine?—No, there is none.

76. Are you quite sure of that?—The Waterside Workers had a conference at Wellington last year, at which all the unions were represented, and the conference was unanimous on the resolution submitted, that Oregon should be kept out.

77. In regard to sending away timber from here on a holiday, would your union refuse to load vessels?—Yes, they would refuse.

78. Even if they were double-paid?—Yes. When we applied to the Court, at the time we got our present award something over two years ago, we asked, I think, for double time on holidays, and the shipping companies only offered time and a quarter for ordinary holidays, and the representatives of the companies before the Court told the Court that the wharf labourers did not want holidays—they merely wanted overtime. Now, to show that were were serious in our contention that we did want holidays, we have never worked on a holiday since. And so, when a holiday comes along, the wharf labourer has his holiday. At the same time, however, we do not bar any one else from working.

79. In regard to these sleeper-getters, Mr. Jackson, in my district, if the proposal submitted with regard to reservations were given effect to, it would mean that between fifty and eighty men would be deprived of cutting sleepers. What would be the result here?—It would throw more men on to the market looking for employment. In Nelson Creek there are thirty sleeper-getters making their livelihood, and cutting from twenty to thirty thousand sleepers a year. They are now working back to the higher ranges—miles beyond the sawmill areas.

80. Following the question of protecting our own industry, would you apply the principle also in regard to wheat?—I would apply the principle all round of protecting anything that we can manufacture, grow, or produce ourselves.

81. Supposing a ring were established in connection with local-grown wheat which rendered the price of bread for the families of the people almost exorbitant, would you still hold that view?—I would not allow exploitation to take place. The Government should arrange that.

82. Then, you agree with what has been done by the Legislature in regard to the Harvester Trust? Do you think that would meet the question if a similar measure were enacted in the Dominion in regard to the importation of Oregon timber? Say, if the local sawmillers put up the price so much that it became almost prohibitive, or at any rate unbearable to the inhabitants, do you not think that it could be regulated by a measure similar to that adopted in connection with the Harvester Trust?—I think a more effective way of regulating the sawmilling industry and practically all industries is for the Government to produce the article themselves.

83. *Mr. Field.*] You have not seen this statement of figures before?—No.

84. You do not feel prepared to discuss it without giving it full consideration?—I am prepared to answer any question.

85. You have not considered it?—Not previously.

86. You have not gone through it carefully?—I just glanced at it, and I saw that the West Coast exportation of timber stood much higher than the rest.

87. As regards the suggestion that millers should mill at Government prices, you are aware that the sawmilling associations, so far as they can, fix the price of timber throughout the Dominion at the present time?—Yes.

88. Do you see any good reason why the Government should not fix the price of timber in the same way?—No, I see no reason why they should not. As a matter of fact, they will fix it if they run their own sawmill.

89. Do you not think it is a possible solution to go one step further, and fix the milling-price as an alternative in addition to the one you have already suggested—namely, a State mill?—I think the remedy I suggest would work out satisfactorily.

90. Do you think it is a fair suggestion for the millers to make?—Yes, from their point of view.

91. *Mr. Leyland.*] How many members have you in your union?—Two hundred and eighty-seven.

92. Have you any idea of the number of members in the Auckland Waterside Workers' Union?—About sixteen hundred.

93. Were they represented at this conference?—They were represented by Mr. Canham and Mr. Gibbes.

94. Do you think it possible that they may have modified their opinions?—They may have. They said that Oregon did not affect them very much up there—it gave them employment, as a matter of fact.

95. If it could be shown that Oregon pine at the present time costs more to purchase than the price which sawmillers in New Zealand are satisfied with—considerably more—would that help you to modify your opinion? If to purchase it to-day would cost considerably more, you would not feel very strong on that point, perhaps?—No, perhaps not.

96. Now, regarding the State sawmill, does it pay any rent?—It does not pay either royalty or rent. The Government could not pay that to themselves.

97. Does it pay any rates?—No, I do not think it does.

98. Has it not a first call on the market for its output in respect to any timber required by the Government?—Yes, it has.

99. It supplies the workers' cottages at the mill at a given price?—Yes.

100. Is it true that the local millers will supply at the same rate and cart it four miles?—I cannot vouch for that.

101. I am told that it is so?—In that case the local miller need not be afraid of competition from the Government.

102. Do you not think that the Government mill ought to pay very handsomely, with all its advantages?—They might let their men work a little easier and pay them better wages.

103. *Mr. Clarke.*] In connection with the statement that the Sawmillers' Association fix the present prices of timber throughout the Dominion, can you see what is to prevent them raising the prices at the present time, or in the future, if they so desire? Might they not at any time raise the price?—Yes, they might.

104. You know of no present machinery to prevent that?—No.

105. From a labour aspect of the question, you are no doubt aware, where afforestation is carried on, it would of necessity employ a large number of men?—Yes.

106. You are also aware that our timber-supplies here are stated by the Government experts to be only capable of holding out, say, for forty-five or fifty years?—Yes.

107. In view of these two facts, would you not recommend that the Government should immediately start some systematic scheme of afforestation, with a view of giving employment at the present time and to provide timber for the future?—I do.

108. *Mr. Barber.*] You said that the price of the labourers' wages was brought down to 8s.?—I said they put in a scale under which they proposed to reduce them to 8s. in some instances. Ten shillings is recognised as the ruling rate of wages in most industries. Of course, the millers have been paying more than that in special lines.

109. Then, the labourer gets 10s. at the mill?—Yes.

110. Are there many mill hands unemployed at the present time?—Yes, there must be a large number. I know that over thirty men since Christmas have made application to me for membership in the Wharf Labourers' Union, and a number of them have been men who work at mills. I explained to them that the supply was far greater than the demand on the wharf, and that times were very bad on the wharf, and consequently they did not join. They went on and looked for work elsewhere.

111. Do you think there is the same percentage of employment as in Wellington?—I do not think there is.

112. Really the times are not so bad as where the sawmiller is not a particular feature?—They are always bad about a place like Wellington. There are always a large number hanging about the wharves there.

113. The position is not so bad here?—No, and I would not like to see it so bad.

114. Has the number of mills increased during the last few years?—I should think so.

115. Considering that we have only a limited output for the timber, and that the market is chiefly confined to Christchurch, do you think that the supply now is greater than the demand?—That is quite evident.

116. Is there any likelihood, even if you exclude Oregon timber, of the demand keeping up with the increased output?—One thing cannot be gainsaid: you cannot bring 12,000,000 ft. of foreign timber into the Dominion and say that it does not affect your own trade.

117. But only a small amount goes into your market?—Forty-four million feet, according to the statement laid on the table.

118. It has been shown that the importation of Oregon is only 5 per cent. of the output of the mills. There might be only 1 per cent. going to Christchurch, so that the percentage might be very small?—Yes.

119. Would you be surprised to hear that cottages similar to those of the State mines, which are rented at 8s. per week, would cost £1 5s. per week in Wellington?—I do not suppose the timber has to do with that.

120. It has been argued that the high price of timber is responsible?—Then there is a timber ring that wants breaking up somewhere.

121. You say there is no timber combination?—You have got the West Coast Trading Company.

122. You think the remedy is to prevent undue prices being charged by the State stepping in and striking a price?—I do, by medium of their own mills.

123. *Mr. Ell.*] You are subject to heavy rainfalls here?—Yes.

124. In consequence of that there is a lot of broken time amongst the men in the mills?—Yes.

125. So that, although they get 10s. per day, when that is discounted by broken time their average earnings would not amount to a rich sum in a year?—They would not reach £2 10s. per week, and the maximum handed in by the sawmillers would scarcely make it a living wage for them.

126. Has the price of timber been reduced here?—I understand that that is so, but I cannot prove it. I believe there has been a reduction, but I never had to buy any myself.

127. How long ago was that meeting?—During these last few weeks.

128. There were statements made that they were paying 6s. 9d. for second and 8s. 6d. for first quality. Assuming that the prices are not reduced, do you think they will justify any reduction in wages?—Certainly not.

129. With regard to discharge certificates and agreements being entered into that a man must produce his discharge before being employed by another miller, how does that operate against a

man being employed by another miller?—We look upon that with disfavour. Any man who formed a union and was instrumental in getting an award made would probably be a marked man, and consequently he would not get the certificate to which he would be entitled.

130. He would be practically placed on the black list and deprived of an opportunity of earning his livelihood?—That is so.

131. With regard to the future needs of the people of this country, do you think it is desirable that we should make provision for the future needs of our own woodworking industries?—I do.

132. Would you think it a desirable thing that our manufacturers should depend on imported timber at 18s. or 19s. per hundred feet when they can have rimu supplied at 13s. 6d.?—I think we ought to have reserves, and I do not believe that the country should be absolutely denuded of its timber and that future generations should have no forests.

133. You do not believe in living for your own day and generation only?—Certainly not.

134. You say that certain mills were let on tribute?—Yes. The millowner says, "You can take this mill for a while," and the men run it co-operatively. Three or four might take it and then employ wages-men. That is so.

135. So you consider that, if half a dozen men working on the tribute system can pay the recognised rate of wages, that a sawmiller ought to be able to do it?—Yes.

136. *Mr. Arnold.*] Have the employers been giving certificates since that date?—I do not think so, so far.

137. Do you know that there is a Sawmillers' Union in Southland?—I do.

138. And that they have an award?—I do.

139. Do you know that according to that award employers in Southland have to pay time and a quarter for all overtime?—I do.

140. And on the Coast they pay the ordinary rate?—Sundays and all.

141. Do you know that for Sundays and statutory holidays they pay double time in Southland, and on the Coast only the ordinary rate?—I know that.

142. So that the miller on the Coast has the advantage of the miller in Southland?—There is this difference: the miller on the Coast pays a higher rate of wages.

143. So far as these two points are concerned?—You are correct.

144. With regard to the cost of living, you have been to Southland?—No.

145. Have you been to Dunedin?—Yes, I have been there.

146. You know the cost of living there is very much lower than on the Coast?—I understand that you can board in the Southland District for 12s. per week.

147. So that a living wage on the Coast must necessarily be higher than in Dunedin or Southland?—That is so.

148. Do you know that according to the Southland Millers' award 8s. per day is the minimum, and that it runs up to 10s. 6d.?—That is so.

149. *Mr. Hanan.*] In some cases higher than the award?—Yes.

150. *Mr. Arnold.*] So that it would be necessary that the workers here should receive a higher rate of wages to be on the same footing as their co-unionists down South?—Yes.

151. Do you say that active steps are being taken at the present time to form a union here?—Yes.

152. You know, of course, that certain people have a great objection to the agitator or labour organizer?—I know it well.

153. If the point brought out by you, in consequence of these certificates local men friendly with the employers do not agree to form unions, does it not follow that an organizer from some other place will come and do the work?—That will be necessary. Of course, all you have to do is to get your union formed and appeal to the Conciliation Board. Once you get preference you are all right.

154. That is one of the primary causes for the necessity of an organizer?—Yes.

155. You have been asked with regard to the Harvester Trust. Do you know how many times that Council has been called upon to sit?—I do not.

156. You do not know that it has only been called together once, that then it was an absolute failure, and that it is not likely to be called again?—No.

157. If you knew that it would modify your views?—Yes.

158. *Mr. Mander.*] Considering the risks with timber at the present time, do you not think it would be better for the men to submit to a reduction in wages to tide over the slump, with the understanding that as soon as there was a demand for timber again the wages would go up, rather than close down the mills and be thrown out of employment?—No; I think it would be better for the miller to tell the men, "We cannot pay the wage-rate now, but there is a mill for you, and run it to the best advantage." The men will then work it co-operatively.

159. Will men work better co-operatively than for a private individual for a week's wages?—Yes, they have more heart in their work.

160. Is it not a fact that men on contract will do the same?—Naturally they will.

161. Providing you did that and there was not the market, what would become of the stuff cut?—Some of the mills would have to close down. Take the dredge industry: there were thousands of pounds sterling dropped, but there was never a suggestion that the men should work for a lesser wage; they simply closed down.

162. Supposing the mills were run short-handed, would it not be more expensive for the millowner to produce the timber?—Oh, yes! I believe that right enough. But I also maintain that once wages are reduced they never reach the old standard again.

163. I suppose you are aware that wages on the Coast are very much higher than in any award given so far?—There is an award in Southland, but the wages here are higher because the men are not paid for overtime, or holidays, or anything of that sort.

164. If you understood that Dunedin was a good market for the Westland timbers, and that there was a lot of Oregon coming into Dunedin, might that not affect the Southland market?—Yes.

165. Therefore you would object to Oregon coming into Dunedin?—I should certainly object to foreign timber.

166. And you will admit that the higher rate of wages for milling must fall on the workers who have to pay the rents of the houses?—I do not think the good wages paid to mill workers very materially raised the price of timber on the general worker.

167. Do you think the Government could produce timber as cheaply as private individuals if they had to pay the same charges?—They would have to produce it cheaper to do it. I think the Government ought to be able to.

168. Do you find in your experience that a man working for the Government will display the same energy as working for a private individual?—Yes; I worked for the Government on a co-operative line, and never worked harder in my lifetime.

169. In regard to the importation of oak and other fancy timbers for the purpose of furniture-making in this country, do you not think the price is merely a fancy one given by people in consequence of the fashions in furniture?—I dare say it is, and they have a perfect right to pay fancy prices if they want to.

170. *Mr. Morris.*] You do not approve of giving these discharges to the men?—No.

171. Do you not know that it is absolutely necessary to do it to fulfil the conditions of the Factory Act?—No.

172. You do not quote the maximum price when you put in the list the West Coast millers prepared. Do you know that the minimum was put in to cover boy-labour employed about the mills?—I know it applied from the headman down to the lowest hand.

173. There are a good many cases in which a man employs his own sons, and it was put in to meet these cases?—I did not see your maximum, although it is much lower than minimum to-day.

174. Read from that pay-sheet for February [handing witness document], and say what you think about it?—"Greymouth Timber Land Company: F. Delore, 16s. 8d.; A. Butler, 12s.; R. Thomas, 11s.; W. Hamilton, 12s.; W. Sheehan, 11s.; G. Webster, 12s.; J. King, 11s.; T. Killeen, 10s.; J. O'Grady, 10s.; E. Bedelph, 12s.; E. Dense, 12s.; T. McAlister, 11s.; B. Lindbom, 9s.; C. Low, 10s.; A. Low, 10s.; J. White, 10s.; F. Low, 13s. 4d.; T. Daly, 13s. 4d.; H. Stevens, 12s."

175. That goes to prove that the statement you made, "that the sawmillers ought to be ashamed of themselves," will not bear looking into?—I did not say that the millers ought to be ashamed of themselves in regard to this pay-sheet. What I did say is that where you propose to make a reduction, where £16 is being paid now it will be £6 and £7 and £8 then—that the sawmillers ought to be ashamed of themselves.

176. *Mr. Arnold.*] Have you any idea why that statement was not enforced in February?—I understand that it was attempted; I understand that in one mill they tried to force a reduction and the men said they would not go to work. The strike lasted for a day. And individually among workmen in other mills men have been asked to accept reduced rates. They refused and left the job.

177. Has it been suggested that the fact of this Commission having been set up has held the hands of the employers in the meantime?—I do not know that it has, but I want to bring under your notice that when you submit your report to Parliament it should be borne in mind that the millers do not intend to carry the present wage-rate out, unless they repudiate the printed minimum wage I have handed in to you.

178. Who is your Inspector now?—Mr. Mostyn. I would like to read the following letter: "To the Secretary, West Coast Timber Association.—DEAR SIR,—I understand it is the intention of your association to advise the sawmill-owners affiliated to your body to reduce the engine-drivers' wages. The members of my union who have charge of engines at the various mills have informed me that, as a matter of fact, you intend making a serious reduction in their wage-earning power. I shall be sorry to learn that this is true; but if it is, I have to advise you that the members of my union will not work at reduced rates. We are prepared to continue at work at current rates and to submit the dispute to the Council of Conciliation for settlement thereof. An early reply defining your attitude towards us in the matter will oblige.—I am, &c., JOHN JACKSON, Secretary." That was on the 5th February, and on the 11the February I received the following letter: "John Jackson, Esq., Secretary of the Westland Engine-drivers' and Firemen's Industrial Union of Workers, Greymouth.—DEAR SIR,—I am in receipt of your letter of the 8th instant with regard to the wages proposed to be paid to engine-drivers at sawmills, and beg to advise you that this is not in the province of the West Coast Timber Trading Company. I understand the wages complained of were fixed by a meeting of the West Coast sawmillers, and would suggest that you address your letter to the secretary of the Westland Sawmilling Industrial Union of Employers, of which body I am secretary.—Yours very truly, EDMUND A. WICKES, Secretary." On the 11th February I addressed precisely the same letter to the secretary of the Industrial Union of Employers, and six weeks after I got a letter from the West Coast Timber Trading Company.—"DEAR SIR,—In reply to your letter of the 11th ultimo, with reference to the wages paid by sawmillers to engine-drivers, I am directed to inform you that a schedule has been sent to each mill showing the minimum rate of wages sawmillers are prepared to pay in engaging hands in the future.—Yours truly, E. A. WICKES, Secretary." That is the same gentleman who told me I should not write to him as secretary of the West Coast Timber Trading Company, but as secretary of the West Coast Sawmill Company. On the 25th March I wrote to Mr. Wickes as follows: "DEAR SIR,—Would you mind letting me have a copy of your schedule of wages which you have sent out to the mills, and oblige, yours sincerely, JOHN JACKSON." I have not received an answer to that yet, and I had to depend upon getting that schedule from another source.

179. *Hon. the Chairman.*] You have heard the evidence, and you know the prices that the timber-millers are getting for their timber. In your opinion do you think they were justified in reducing the wages?—No. I do not. I do not think they should have reduced the wage-rate at all. They should at least have waited to see what the Government would do in regard to placing a duty on Oregon pine.

180. Some of them have sworn that they were losing money, and would you expect them to keep a mill going while they were losing money?—No, no one could expect that—they would have to close up.

181. Was it better for them to make a slight reduction in the wages in order to keep the workers, or to close the mills up and turn the workers out?—I think the workers, as a matter of fact, rather than work at the reduced rate would give it up altogether and turn their attention to some other industry.

ANDREW DALZIEL sworn and examined. (No. 67.)

1. *Hon. the Chairman.*] What are you?—A sleeper-getter.

2. And where do you reside?—At Nelson Creek, Grey Valley.

3. You heard evidence given here to-day with regard to sleeper-getting?—Yes.

4. Will you make a statement to the Commission in regard to your operations in that connection?—Well, there was a meeting called last night at Nelson Creek, at which thirty sleeper-getters were represented, and I was asked to come down here to contradict what we thought was an injustice to us in insinuating that sleeper-getters were destroying the bush more than the millers. I want to state that in the opinion of the sleeper-getters we are of as great a benefit to the country and to the Government as the sawmillers (being producers of revenue as well as the sawmillers), and it would entail a great hardship upon us if our source of livelihood were taken away, and at the same time it would not benefit the sawmiller at all. We hold that there is less waste of timber in the working of the sleeper-getter than is the case with the sawmiller. For instance, when the sawmiller went into the bush he paid a special rate per sleeper or per day to his workmen, and they had to get a specified number of sleepers in a day, otherwise they were not considered competent workmen; they were dismissed. Therefore the trees were knocked down, and we do not deny that some time ago trees were knocked down which would make five, six, and seven sleepers. At the present time when the sleeper-getter goes into that bush he is allowed a license to go into a certain block of country, perhaps a mile square, or whatever the block may be. This license gives him permission to square sleepers on Crown lands, but if there should be a block in that of any special size which is worth taking up a timber warrant for, we take up a warrant, which costs £3 5s. for six months for 20 acres. I believe smaller areas can be taken up. We have always up to now had to pay £3 5s. for a 20-acre block, where there may be only 1 acre of sleepers, and the rest white-pine country.

5. How long does it take you to work out this £3 5s. license?—That would depend on the amount of sleepers. A good workman going into the bush cutting sleepers will average probably eight to twelve sleepers a day, and he has to cut the trees as low down as possible and take out as much as he can. It is better for him to get a bit more off a tree than to lop it down. Certain tracks have to be put in, and it pays him to take as many sleepers out of that track as possible. It does not pay him to waste the timber, and, again, the timber he is getting is so far back in rugged country that it is impossible for the sawmiller to do anything with it. All the handy bushes are cut out now. Where I come from, at the present time there are 6,000 sleepers ready to be floated on the first flood we get. They have to be floated twelve miles and carted four miles to the station. Where these sleepers are now it is impossible for a mill to work, because it is in very rugged country. As I say, it is sixteen miles back from the railway-station, where there is no likelihood of a railway ever coming. Then, in regard to fires in our silver-pine, it is against the sleeper-getter's interest to have a fire in his bush, because if he has tracks laid out he requires all the scrub he can get to carry the horses across them. As I stated, the silver-pine country is wet, heavy country as a rule, in which the horses get bogged. We have to use the scrub for our tracks in order that the horses can get over them, and if we burn away the scrub we have nothing to pack it with, and while 5s. might make a track under ordinary conditions, it will take £1 if we allow a fire to go through. One of the greatest sources of danger from fire in our bush is from the tops of red- and white-pine trees, which you will find lying alongside our silver-pine bushes, especially where a locomotive is working. I spent a fortnight last year putting out fires which were caused by a locomotive. This applies all round in the district where I am. I cannot speak of the Coast as a whole, only from Waireka up towards Reefton. Last year we turned out anything from ten to twenty thousand sleepers, and at the present time there are between six and seven thousand sleepers ready to be floated before the winter sets in, so that will give you an idea of the hardship we shall suffer if our leases are interfered with and we are prevented from working independently. I might state that there is only 10s. or 15s. a day to be made out of it, taking into consideration the difficulties we have to contend with.

6. Is there any co-operation amongst you in regard to the number of sleepers which you mentioned were there?—We usually go in pairs. Two or three men will take up a small block of 20 acres, but you very seldom get a block of 20 acres. The chances are that there will be only 4 acres.

7. How many people are connected with that number of sleepers which are waiting for a flood at the present time?—I should say, roughly speaking, there would be fourteen.

8. How can you decide the ownership after the flood?—They are all branded.

9. Particular brands of your own?—Yes.

10. And then is there any loss after the flood if the sleepers do not get to the lowering?—In a favourable flood ten days will bring them to where we cart from.

11. You do not lose many?—We should lose practically nothing if it were favourable weather, but if a big flood came when we were taking them out the chances are that we might lose 2 or 3 per cent. in some instances.

12. *Mr. Jennings.*] To whom do you supply the sleepers—to the Railway Department or the Public Works?—To both.

13. And is there a scheduled price that you get for them?—Yes, 3s. 3d. per sleeper, less 2d. royalty, and I might here draw the attention of the Commission to the hardship under which we are working in that connection. All our sleepers that are condemned and which the Department will not accept are still charged 2d. royalty. They charge the same price for those sleepers as they do for those that pass the officer's inspection.

14. Have you been cutting sleepers for any length of time?—Between two and three years; I am not an old hand at it.

15. What previous experience had you with woods before that?—I have been dredging most of my life, and the only other experience I have had is through being in timber districts. For the last eight years I have been on the Coast.

16. What are the regulations here—do you supply one class of sleeper?—We have to supply 8 by 5.

17. In what timber?—Silver-pine.

18. You are confined to that?—Well, there have been orders for totara, but this timber is very scarce, and it does not count in our part of the district.

19. Now, in regard to waste in cutting out your sleepers, do you not utilise your logs to the very best advantage, and get as many sleepers as you can out of the tree you cut down?—Well, a man would be foolish if he did not. You want to get as much money for as little work as possible. That is the aim of us all. As Mr. Jackson stated when he read a letter to you, if it was possible at all we should be only too pleased to show you through the silver-pine and red-pine areas where the tram goes through, and we could show where it would be almost impossible to get a tree 6 in. in diameter in silver-pine, and immediately you go to the red-pine you find the tops are lopped off and hundreds of trees wasted, and the rest of the trees are never taken into the mill. I should say it is in the red and white pine where there is this waste. We try to save every stick in the silver-pine.

20. Are the men a decent class of men?—Men who will go out and camp in the bush for a week and only go home on Saturday night are generally a steady class of men.

21. *Mr. Leyland.*] Has there been any rise in the price of sleepers during the last ten years?—No, not that I know of. I believe they were reduced to 2s. 6d. two or three years ago, but that was raised again to 3s. 3d.

22. *Mr. Clarke.*] With reference to the class of labour, I understand you yourself have only been at that occupation a short time, but is it the practice in this district for men to change from one occupation to another? Are they not mostly all-round men who can take on other classes of work?—Well, the bushmen can practically get sleepers if they happen to find good bush to get them in. They can usually wield an axe.

23. Do you find them leaving the bush and taking on gold-mining?—Well, gold-mining is practically a lost industry, barring any big companies.

24. And in the event of the re-establishment of this industry by a company, would you expect that to relieve any want of employment in that way from amongst the sawmillers—would that take up some of your labour?—Most decidedly it would. It would require something of that kind at the present time. If our timber warrants were interfered with, with the thirty men in the little district I am in, and they were thrown out of employment, we could scarcely say how they could be employed. I have been dredging up to two or three years ago, and that is an industry that has gone back, and I have had to leave it.

25. And you would be quite capable of transferring your labour to any other branch of industry if you had to leave this?—Well, I have been in several branches of mining.

26. As to the question of the waste of timber, what is your opinion about the red and white pine? Do you think that should be paid for whether they use it or not, or do you think those getting the timber should be allowed to leave it there to rot?—Of course, the millers say that that timber which is left behind is knotty and second-class, and would be unsuitable; but if it can be worked up under present conditions, it should not be allowed to rot. We should have something done whereby we could use the second-class timber, because it seems wrong that this waste should take place, but under present conditions nothing can be done.

27. *Mr. Barber.*] Besides what the sleeper-getter pays for a license, he has a roving right to go where he likes?—He has a roving right to cut silver-pine, but if I came along I could take any amount I liked, and could prevent any one else coming in if I had a license. It gives me the right to cut the timber on that 20 acres.

28. But if there was not much competition a five-shilling license would give you the right to roam over the forest?—Yes, where there is silver-pine.

29. Can you say why the Government Valuer only values silver-pine at 3s. 3d. and jarrah at considerably more?—No, it is a subject which is discussed very often amongst the sleeper-getters, and we can give no reason except that the Railway Department's officer says they do not hold the rail-dogs so well. As to its durability, it is as good as any timber we have in New Zealand or Australia either. I have seen a 2 ft. red-pine tree taken off a silver-pine tree lying in the ground, showing that this tree must have lain in the ground for some time to allow the red-pine tree to grow over it.

30. *Mr. Ell.*] They are getting some silver-pine trees out of some swamp land near Hokitika?—Yes, that applies to nearly all silver-pine bushes. You sometimes get trees buried in the ground 2 ft. deep, with scrub and cedar growing over the top of them. We like to get that class of timber if we can, because it is generally less faulty. The same thing applies to Reefton. They dig it out of the flat there.

31. An old silver-pine forest?—Yes, that had grown up with wood afterwards.

32. And on those swamps where you get silver-pine, do you sometimes find silver-pine growing underneath those bushes?—Yes, it applies to all bushes.

33. Have you worked in sawmill areas that have been milled for silver-pine?—Yes, I worked in one about ten months ago. I worked for three months after the bush had been milled. I think Mr. Jay or Mr. Blair had the work originally, and we were purely cutting sleepers out of the remains that were left that they considered too bulky to take to their mills. I was two or three months in the bush with one mate. We passed 600 sleepers in the area I have mentioned. My mate and myself cut the silver-pine out after the mill had been through it.

34. In travelling through that area did you find many trunks of rimu and white-pine?—There were practically none. It is generally in *pakihi* bush, where the red and white pine does not grow. Red and white pine will generally fringe round the coast, but there are patches where the red and white pine do not grow.

35. About what area did your work cover when you got those 600 sleepers out?—We did not work a block of more than 40 acres.

36. And you got 600 sleepers which had been left behind by the sawmillers?—Yes.

37. Have you had any experience with regard to any other areas of bush which the mill has passed through?—No.

EDMUND ALEXANDER WICKES, Secretary of the West Coast Timber Trading Company (Association), sworn and examined. (No. 68.)

Witness: I have been connected with the export timber trade from the West Coast since its inception in 1896. There are at present forty-nine sawmills in this district, engaged almost exclusively in the export trade, and by the term "export trade" I mean exported to other portions of the Dominion and elsewhere. Out of the forty-nine sawmills, our association handles the output of thirty-nine mills, and five others are associated, and are working in unison with us, the remaining five mills doing their own business. It is estimated that these mills represent an erected cost of at least £135,000 to the owners, and do not include those in the Westport district concerned in the export of timber from that port.

The company or association was brought into existence in order to avoid the keen competition in prices that was then obtaining, and to overcome the chaotic condition into which the sawmilling trade had drifted; it was found desirable that some organization should be formed, with a recognised head and executive, for the more economic conduct of the business. This organization has at no time prejudicially affected the public of New Zealand, and it will be shown that it is impossible for the mills to work at lower prices than they have hitherto done with a hope of any return for capital invested. The company does not attempt to make any profit, but is simply run as a central agency for the millers.

Prices.—The prices of red-pine timber for the past eight years have been as follows, f.o.b., Greymouth, Hokitika, and Westport. It is understood that the prices quoted in all cases are for the product of the log, in lengths not exceeding 22 ft., and in sizes not exceeding 12 by 12, and less 2½ per cent. discount:—On 1st April, 1901, the price was 7s.; 20th May, 1901, 7s. 6d.; 1st September, 1903, 8s.; 24th November, 1904, 7s.; from 1st April, 1906, to 30th June, 1906, 6s. 6d.; on 1st July, 1906, the price was 7s.; 1st August, 1906, 7s. 6d.; 1st August, 1907, 8s.; 23rd November, 1908, dressing lines 8s. 6d., O.B. scantling 6s 9d.

Exports.—The association's export trade has grown from £12,735 in 1896 to £102,460 in 1908. Of course, this does not include the value of timber sent away by millers doing their own shipping, and it is only mentioned to show the present importance of this industry to the district. During the year ending 31st March, 1908, the total quantity of timber carried over the Westland section of the railways for export was 45,953,421 ft., and this included all white and red pine sent to Australia and elsewhere, and also all sleepers sent coastwise. For a like period ending 31st March, 1909, the total quantity carried for shipment was 43,271,396 ft., showing a decrease of 2,682,025 ft. and including all the items mentioned above. These figures require further explanation, and are more unsatifsactory than appears at first sight, for during the latter period we shipped some 15,000,000 ft. of timber to Australia, as against about 4,000,000 ft. during the year ending March, 1908, so that without an Australian trade the position would have been very serious indeed. This Australian trade is by no means satisfactory, either to the millers or the Dominion, inasmuch as it only absorbs the very choicest portion of our timber, and consequently it is necessary to destroy much of the log that should be converted into a marketable commodity.

While to a limited extent it is possible that the present financial depression may account for some of the slackness of trade, it is mainly attributable to the large importations of Oregon, especially as the serious falling-off in trade is contemporaneous with the large imports of Oregon which have taken place since June, 1908. I can almost say that every foot of Oregon imported displaces one foot of red-pine, as it comes into competition with hardly any other New Zealand timber. To emphasize the seriousness of the position, and as showing the enormous shrinkage of the association's business since the advent of Oregon, the following comparative table demonstrates beyond all reasonable doubt that the slackness in our red-pine trade is due almost entirely to Oregon importations into Wellington, Lyttelton, and Timaru:—

	1907.	1908.
April	1,706,012	2,158,405
May	2,327,643	2,515,495
June	2,764,162	2,374,552
July	2,371,543	1,466,384
August	2,566,682	1,074,803
September	1,822,114	1,073,143
October	2,088,877	527,093
November	2,343,430	636,731
December	3,112,030	766,410

	1908.	1909.
January	1,429,620	229,143
February	2,116,459	412,580
March	2,475,722	599,123
	27,184,294	13,833,862

The decrease in revenue to the Government in royalties and railages for timber exported from Greymouth to our markets within the Dominion for the year ended 31st March, 1909, as compared with the year ended 31st March, 1908, exceeds £11,000. As showing the importance of the timber industry to New Zealand, the following figures are taken from the Official Year-book of 1905, under the heading of "Sawmills, Sash and Door Factories": Number of sawmills, 444; hands employed, 9,111; wages paid, £834,927; timber produced, 336,470,930 ft.; total value, £1,422,950. The figures are the last available.

Remedy.—After going very carefully into the position, and with a full knowledge of the timber industry during the past fifteen years, I say without reservation that there is only one remedy for the existing depression in the red-pine trade, and that is a substantial increase of duty upon all Oregon and timbers of a like nature used for ordinary building purposes. Even in Australia, a country almost devoid of softwoods suitable for building, a duty of 2s. 6d. per hundred feet is imposed on all sizes below 7 by 2½, and 2s. on all sizes above this to 12 by 6. Unless some drastic alteration is at once made the millers will be forced into the position of having to destroy at least 60 per cent. of their building-timber, and only supply such timber as is required for finishing-work, which Oregon cannot be used for. This will, of course, mean reduced labour, reduced railway revenue, and reduced royalties for the Government to collect, while the 60 per cent. referred to must be left in the bush to rot or be burnt. You will please remember that the life of the timber trade in this district depends upon your decision, for the very ports that are most readily assailed by Oregon are our only markets, and this question also seriously affects 750 sawmill-men and others engaged in the milling industry on this Coast who have over two thousand dependants

It will be remembered by every gentleman in the Commission that the Government very promptly and properly came to the rescue of the implement-manufacturers when they were threatened with an invasion by the American manufacturers.

1. *Mr. Morris.*] You can enlighten the Commission, Mr. Wickes, about this combination?—I briefly gave them all the particulars in my statement, and I do not know what more I can say. I have informed the Commission regarding the time the association or company was brought into existence, together with its objects and purposes.

2. Your duties, of course, are shipping timber and distributing orders received by the association?—That is so.

3. You will be able to tell this Commission that as far as the association is concerned you are able to do business with anybody that offers to do business with you?—Yes, that is so.

4. Provided, of course, that the banker's report admits of your supplying them?—Yes, that is so. There are some we will not supply, as you know.

5. You state there, of course, what the association was formed for. Do you consider that the present association controls prices in any way?—No, I am afraid not. There is too much timber cut outside the association for them to really and absolutely control the prices. The timber company or asociation make a price, and others usually follow it. We could not control the price or put it up to any exorbitant figure.

6. The other sawmillers generally work under the Associated Millers' Association?—That is the general impression.

7. That is the only advantage they get by being outside the association?—That is so.

8. They are able to secure orders at a lower rate than the association will accept them at?—That is so. Some of them, at any rate, are getting less than the associated prices.

Mr. Morris: There is no doubt about that.

9. *Mr. Hanan.*] Are you willing to submit your books for examination, Mr. Wickes?—Yes; I have got them here.

10. Thank you, just leave them there?—These returns which I have quoted were taken from the books.

11. Do you record the orders which you obtain from time to time?—Yes; we have an order-book.

12. Will you produce it?—Yes, if you want it I can send for it.

13. If you please?—Very well. You only want it for New Zealand ports, I presume.

14. That is all. What is your custom in regard to allotting orders—how is it done?—We have a representative in Christchurch, and another in Wellington. The Christchurch representative attends to our business in Timaru and Ashburton. The orders are sent along, either through him or direct to the company's office in Greymouth, and then they are apportioned out as equally as possible amongst the members.

15. There is no favouritism shown?—Not that I know of.

16. That is a question that the millers take very good care to guard themselves against?—The books are open for their inspection, and at any hour of the day they can take full advantage of that right, and favouritism cannot be shown. A return is made periodically of the number of orders received and how they have been allotted.

17. I understand that one mill gets an order to-day, and the next order is passed on to another mill, and so on?—Not if it is not their turn. If things are busy it does not matter much, because everybody is cutting. I either settle that, or my officers do so.

18. How many officers have you?—There are five in the timber department.

19. How many are employed in your office?—Nine or ten or so altogether.

20. How many millers are there who are understood to be either directly or indirectly interested in the association who are not actually working in the industry?—How do you mean, not working in the industry?

21. Not like Mr. Jack, working at the mill?—That is rather a curious question, Mr. Hanan. Take the first firm I come to. That is owned by Messrs. Lynch, Bignell, and Gieseking.

22. Where do they live?—In Greymouth.

23. What do they do?—One is an auctioneer, and Mr. Gieseking is a retired hotelkeeper. Mr. Benjamin, I think, is a Christchurch man and a farmer. The Sawmilling Company is registered, and it is managed by the principal shareholders. Mr. Fisher looks after his mill, and he owns it himself.

24. Are all the other partners engaged in the industry?—There are only two at Red Jack's. The Tarawera Sawmilling Company is a registered company owned by Mr. Morris and one or two others. He superintends that himself. G. T. Moss and Co. have a mill, which is managed by Mr. Moss—the town portion of it. I think he lets the mill on contract.

25. We will leave it at that. Can you submit to us balance-sheets of those companies or firms?—No, I have not got them.

26. Is there any objection to submitting balance-sheets?—I do not think so; but we have nothing to do with that. They manage their own business.

27. I understood that the millers here were quite prepared to submit their books to be examined by the members of the Commission?—Yes, Mr. Hanan. The millers who follow me will give you the published balance-sheets for several years.

28. Will they cover all the millers here?—No, not all of them.

29. Will the members of your association produce their balance-sheets? I do not want one or two picked out?—I think they would, but we were distinctly told that we were only to submit a certain number of witnesses from our association, owing to the limited time of the Commission.

30. Could you not get balance-sheets from all of these people?—I do not think we could.

31. They are all in Greymouth?—No, not all. Some are in Christchurch and some are in the North Island. Stratford, Blair, and Co.'s balance-sheets will be submitted to you.

32. Which are the best-paying mills?—I do not know. I do not think any of them are paying. For the last twelve months none of them can show anything approaching a profit.

33. That is the point. What mills, then, during the last three years have been doing a big trade here?—Stratford, Blair, and Co. and Baxter Bros. have done the best trade without doubt. They have done a big trade up to June of last year.

34. Do they get the bulk of the orders?—Yes, they would naturally, having so many mills.

35. Take these books—will you look at them and tell me from the books the amount of orders eighteen months ago?—I could not tell you that unless I worked them up. What is shipped represents the orders we received.

36. You may receive orders and may not supply them?—I can contradict that.

37. What were your orders eighteen months ago?—I have given my returns; they were taken from the books, September, 1907, 2,556,000 ft.

38. Of that, what quantity came from Wellington?—I can make out that return if you like it.

39. What quantity from Christchurch?—I can make that out too.

40. Where else?—Timaru also. I shall be able to give you this statement detailed in regard to these three ports.

41. The six months after that?—My statement shall contain all that; I will bring it up to the 31st March this year.

42. When do you say the serious falling-off occurred?—July, 1908.

43. You heard Mr. Jackson's evidence?—Yes.

44. He said the mills were doing well until last Christmas?—These figures prove that they did not do very well.

45. Were you working full-handed up to Christmas?—Some mills were not up to our full capacity.

46. What drop would you say occurred?—Before Christmas we called a meeting of the mill-owners to decide upon what course of action we should pursue as orders were so slack. Some suggested that we should only work five days a week. That was lost in favour of a resolution to close the mills up ten days earlier and open a month later. When they shut down for Christmas they would shut down on the 16th December, and resume in the ordinary way on the 16th January, but some did not resume because there was nothing to resume for.

47. How many hands were employed up to Christmas?—That I could not tell you.

48. How many are employed now?—I could not tell.

49. How many have shut down since Christmas?—If not shut down they are working 25 per cent. less than before Christmas.

50. How many have shut down?—Ikamatua went right off red-pine to white-pine.

51. How many hands?—About twenty.

52. A big or a small mill?—A fair-sized mill.

53. Does it cut for any other mill?—Only for itself. The Ngahere Sawmill Company, the Red Jack Sawmilling Company, and the Tarawera Sawmilling Company, if not shut down, are only cutting tramway material to get to white-pine bush.

54. Where do you get that information?—From my own knowledge.

55. Are these mills owned by the one man?—By separate owners.
they have gone right off red-pine to white.

56. Have any of those who own more than one shut down?—Ikamatua is owned by three, and they have gone right of red pine to white.

57. From which statement is appears that only a man with a number of mills has shut down?—The Manson firm, since they could not get any red-pine orders, since July. The Moana Sawmilling Company is owned by Mr. John Goss, of Christchurch, and he is working about half-time.

58. If I give you an order for a million feet of good heart of red-pine, could you supply it?—No, because it does not grow.

59. Upon what conditions would you supply it?—On condition that you ordered ten million feet O.B.

60. How long would you take to supply it?—A couple of months.

61. What would be the price?—O.B., 8s. all round, and the all-heart price would depend upon the specification. If the O.B. portion of the order contains sufficient sizes to contain the output of the log, that would be 8s. The all-heart will greatly depend on whether you wanted it selected for doors or for ordinary building-work, and the lengths.

62. What lengths?—Up to 22 ft.; that depends upon the specification.

63. Without a special trouble you could supply it?—Taking the whole product of the log we would do it.

64. You would not care to undertake such an order?—We would rather not have it.

65. I dare say you look at it from a colonial standpoint? Do you know the output of sawn timber for New Zealand?—It does not interest me; I am interested only in what goes into Christchurch, Wellington, and Timaru.

66. Your evidence is from the standpoint of a West Coast miller?—Undoubtedly.

67. If I told you from the Year-book that our output of sawn timber for last year was 432,000,000 ft., and that we only imported 72,000,000 ft., that would leave a balance in our favour of 360,000,000 ft., or, according to Mr. Butler, 285,000,000 ft., would it not?—Yes.

68. Would you say, having regard to that, that the sawmilling industry is seriously affected in this country as a whole by the importation of Oregon?—We know that it is affected.

69. On these figures?—The whole industry.

70. Would you say on these figures that the timber industry is affected?—Can you tell me how much red-pine is affected?

71. I am saying that our output of timber was 432,000,000 ft.?—It might have been kauri.

72. I am asking what replaces rimu?—I do not know how much rimu is concerned.

73. If our output be 432,000,000 ft. and our import of foreign be 72,000,000 ft.—if you subtract one from the other you will find a balance in our favour of 360,000,000 ft. Taking the statement of Mr. Butler that 75,000,000 ft. is affected by Oregon, that would leave a balance of 285,000,000 ft. in favour of the Dominion. Do you consider from these figures that the timber industry of this Dominion is seriously affected by Oregon coming into New Zealand?—I would just like to say this: I should like to know, first, of these quantities how much red-pine went into Wellington, Lyttelton, and Timaru, because, you know, in Southland and in the North Island the millers start to have their market from the moment the truck leaves the mill.

74. Do you not consider that when you come to give evidence on a question of this kind, you ought to have gone into the matter so as to make a proper comparison?—You could not get this out.

75. Have you made inquiry to get it?—Mr. Roberts made inquiries, and told me he could not get the figures out.

76. Was it because they did not suit you?—It was because they did not exist.

77. You cannot get them?—You can only approximate them. We keep a check on what goes into Lyttelton as near as we can. The total import into Wellington we can get because it goes by steamer.

78. You do not take into consideration that the timber industry has fallen off in Christchurch?—I do.

79. You allow a fair margin? How much?—Twenty-five per cent.

80. That in Wellington, too?—Say, 20 per cent. there.

81. How much for Oregon?—Seventy-five per cent., and these figures prove it conclusively.

82. In Southland, where the building trade has fallen off?—Very little, I believe. How has the depression affected them?

83. They are shutting down mills?—How many have they shut down? They have no white-pine.

84. No sale for it?—We can get sale for it in Australia. We did not send any red-pine to Australia until September of last year. We saw this trouble with the Oregon coming, and I went to Australia to sell red-pine and introduce it there. During last year we sold about 3,000,000 ft., and we hope that it will greatly increase; but, as I said in the report, the Australian trade in red-pine is no good to us.

85. You had a falling-off since then?—I do not think we have had a falling-off, because we were going very well in 1907 and up to June in 1908. You will see we have maintained our average.

86. Have you had any letters from any builders complaining about Oregon coming in?—I do not think so; they would not complain.

87. Your association has not received any letters from timber-merchants complaining about Oregon displacing rimu?—Oh, yes! we have several.

88. Who from?—Our agent in Christchurch. This telegram is sent on the 5th May, 1908. "For reinstating D.I.C. a quarter-million Oregon is specified."

89. That would be under the direction of the architect?—Yes.

90. I suppose he considers it better than rimu?—Yes.

91. Of course, the architect ought to know?—He ought to.

92. You have had no complaint?—We should not get that direct.

93. You do not produce anything to show us that the timber-merchants are objecting to Oregon coming in?—They do not object. They do not mind as long as they have a profit.

94. You think that cheap timber is desirable?—Yes, but I do not know that Oregon is any cheaper than red-pine.

95. *Mr. Jennings.*] Is your organization local or associated with the others?—It is local; but, of course, we have an understanding with the Merchants' Association in Christchurch, and that also includes Timaru.

96. Do you sell unreservedly to any person providing he has cash?—I think not.

97. For what reason?—We think it is right to sell to the wholesale people in a wholesale way, and it would be impossible to carry out a builders' specification with satisfaction from the Greymouth mill. When the merchant gets the timber in Wellington or Christchurch he has to season it. One or two of our millers do a little dressing.

98. *Mr. Field.*] You said that every foot of Oregon displaces kauri?—I should be very sorry to think that Oregon displaces kauri.

99. I want you to amplify your answer?—The reason Oregon can only come into competition with red-pine is because red-pine is the building-timber, and has been for a great number of years; consequently Oregon is coming in for that purpose, especially for framing and beams, and it must displace red-pine. If you look into these figures you will find 27,000,000 ft. of a falling-off. We know that in the Wellington, Lyttelton, and Timaru markets 14,000,000 ft. of Oregon have been disposed of. One great effect has been that the merchants were in the habit of stacking up their supplies of red-pine, but they have not done so since the Oregon came, as they must realise on it.

100. You say that Oregon is supplanting our kauri. If so, is it not all the more to our discredit?—I think so.

101. Is there any reason why Oregon should supplant our kauri?—I do not think so.

102. It has been suggested to us that Oregon was coming in in very large quantities last year?—It began to come in seriously in May of last year.

103. Prior to that time its presence was not felt so severely?—It was not felt at all. You can get the Customs returns and satisfy yourself on that point.

104. How much of our total output does Oregon supplant? Was it ever suggested by you or by anybody else that it supplanted 400,000,000 ft. of our timber?—We never suggested except that it was taking the place of some of the 400,000,000 ft. of our timber.

105. And you admit that the larger portion is not affected by Oregon?—Certainly not. How can it be?

106. Is it not a fact that the larger portion is not affected by Oregon, and though the duty be raised on Oregon the larger portion will not be affected?—Only for our own trade, and those concerned with the red-pine in other parts.

107. It has been suggested that Westland should take a different attitude from the rest of the Dominion?—I do not think the basis is a fair thing to go upon. For instance, if you took a referendum on boots I do not suppose the inhabitants of the Dominion would agree to protect the boot trade, but still we do it. I do not know, and it has not been proved to me, that Oregon has cheapened timber in New Zealand. All I can see is that a few want to be engaged in the Oregon trade to reap a profit out of it greater than could be got from the red-pine.

108. Seeing that Oregon is competing with the whole colony, is it not a proof that our output is not prejudiced by the increased importation?—How can it be? Except in Wellington, Lyttelton, Timaru, and Auckland, the whole internal demand is for wood produced near at hand. I do not suppose you will find a piece of Oregon ten miles out of Wellington, except it was for long lengths.

109. Oregon does not compete with totara?—Not only that, but even with 50 per cent. of rimu which we shall have to leave in the bush to rot.

110. When you say that it competes with 78,000,000 ft. you see the quantity is reduced below that?—It is reduced to the quantity used in Christchurch, Auckland, Dunedin, and Wellington.

111. The 78,000,000 ft. comes down to 50,000,000 ft?—I do not know that the figures you are quoting are correct.

112. You recognise that those figures are only estimates?—Yes.

113. Now, in regard to this combine of yours?—Which is that?

114. Have you ever refused to do business with anybody who wanted a line of timber?—I think on one occasion we did. We only had trouble with one man, and we did not consider him a *bonâ fide* merchant.

115. Where did he reside?—In Christchurch.

116. Now, in regard to this return you gave us as to the amount of timber exported from here during these particular months, is there any doubt about it?—No, there is no doubt about that; here are our books, and any auditor can go through them. I do not think there is even a clerical error in them.

117. I want to put the converse question to you. Mr. Hanan suggested to you that you were not giving evidence to us on certain matters because the figures did not suit you. Is there any justification for that?—Not the slightest in the world.

118. Are you keeping anything back?—No, nothing at all.

119. Is there anything to keep back?—No, nothing to keep back, and the further you probe into the timber trade of the West Coast and the business of the West Coast Timber Trading Company (Association) the more you will find it is run on fair lines, and that at the present time the timber trade is in a deplorable condition, which condition is brought about by the importation of Oregon pine into the centres.

120. At the time the depression commenced here, or prior to last Christmas, Mr. Jackson said there were 210 men working on the wharf?—Yes.

121. Mr. Jackson did not say the depression began at Christmas, but only gave the number of men employed on the wharf?—Yes.

122. Would that be about correct?—Yes. I think he probably knew the exact figures, because he keeps a record of the number of men there.

123. Now, as to the suggestion the millers have made to mill at prices to be fixed by the Government, do you know if the millers are prepared to do that?—Yes, certainly. I think all of them are, if the Government can set up any tribunal that can arrange a satisfactory maximum selling-price of O.B. rimu and the product of the log. I am quite sure our millers will be only too glad to fall in with it.

124. The Millers' Associations attempt to do that now?—They do it as near as they can. You will see it has not varied very much during the last few years. In April, 1901, it was 7s., and to-day it is 8s. 6d. and 6s. 9d.—roughly, about 7s. 10d. all round.

125. Can you see any difficulty in the way of the Government setting up a Board to regulate the price in the various districts?—I see no difficulty in the way.

126. And the millers would welcome a solution of that difficulty?—Yes, I am sure they would: they said so in the petition to the Government last July.

127. Do you think it would be advisable to do what Mr. Jackson said—that when the price got so low as to render milling unprofitable the men should take over the mill and work it themselves?—It is not possible to do that. What he is thinking about is that several millers, or some of them, let their mills by contract; but that is a very different thing. That is letting it to one contractor, who is responsible for the upkeep. There may be a party of contractors, but no man could turn his mill over to the men and say, "Here, boys, run this as you like."

128. I want to get some information from you as to whether it is a possible way of saving labour?—No, it is not. The question is, where are you going to send your timber when it is cut? The millers are only too glad to handle the wood.

129. The employees could not find a market any more than the employer can?—No, of course they could not.

130. *Mr. Leyland.*] In the opening part of your statement you said that rimu was being displaced by every foot of Oregon pine imported into the Dominion?—I did not say that. I will read it again. I said "I can almost say that every foot of Oregon pine imported displaces one foot of red-pine."

131. Do you not think you are isolated to a large extent and not in touch with the requirements of the colony, and therefore not speaking with a knowledge of the subject?—I do not think so.

132. Your figures extend over two years?—Yes.

133. And during that two years our exports have fallen off to the extent of £9,000,000?—Yes.

134. And if every man, woman, and child has £9 each less to spend, do you not think that would mean a depression in trade?—What has it fallen off?

135. We exported this year £13,000,000, and two years ago we exported £20,000,000. That is a very large percentage?—That is so.

136. Do you not think that must have a very big effect in regard to the falling-off in trade?—Without doubt it must.

137. But you attribute it all to Oregon pine?—Mr. Leyland, before Oregon pine arrived, which was only two years ago (and that falling-off was occurring in those two years), we did 27,000,000 ft. of business in that second year to which you refer. This year, which closed with us on the 31st March, our trade was only 13,000,000 ft., showing a falling-off of 50 per cent. Now, if you add the amount of Oregon pine imported into Wellington, Lyttelton, and Timaru on to that 13,000,000 ft.——

138. But I am talking of pounds sterling?—I am talking of the Oregon-pine trade as affecting the West Coast and other red-pine millers.

139. Do I understand you to infer that the Oregon pine imported into this place amounts to £7,000,000?—No, I am talking of feet.

140. Now, on top of that there is the financial stringency. You are avoiding the question?—I am not avoiding it.

141. Well, do you not think that the falling-off in trade has more to do with the slackness than the importation of Oregon pine has?—In the Dominion, perhaps, but I am talking of the Coast.

142. It is the whole Dominion we are inquiring into. Further than that, through our banking institutions and the inability to raise loans, the fact that the Government have raised loans inside the colony instead of going out, we have had the extra financial stringency besides, and do you not think that is a factor in connection with the depression?—It is a factor, but a very small factor.

143. Then, again, we have gone on increasing our production until in ten years we have doubled the output of the colony while the population has not increased in anything like the same ratio. Do you not think that is a factor, too?—That is a factor that helps to create the stringency you refer to. They are not all factors that you can add together at the finish.

144. I want to know if another factor is not the difficulty you have in finding a market on account of the rapidly increasing production?—It is a factor that goes to help in bringing about a financial crisis—that is all in it, and that financial crisis without any doubt is a factor in the falling-off of the timber trade in New Zealand.

145. That is the third factor you admit?—No, I only admit one.

146. I understood you to say that you sent away 27,000,000 ft. of timber, and that your sales have fallen off 50 per cent.?—That is so.

147. How many million feet of Oregon pine do you reckon has gone into Wellington and other ports during that period?—Since it started to come strong?

148. Yes, give me the total?—From February, 1908, to March, 1909—that is, for a year—there were 7,570,823 ft. of Oregon pine imported into Wellington, and into Lyttelton 3,614,198 ft.

149. And other places?—Timaru I do not know, and Dunedin is not shown.

150. What would you think would be a fair statement of the lot—I am speaking of your particular market?—I should think 12,000,000 ft.

151. Fifty per cent. is 22,500,000 ft.?—No, we shipped 27,000,000 ft.

152. You include Wellington?—Yes.

153. What proportion of the trade of Wellington do you supply?—I do not know what the trade of Wellington is, but we were averaging all those months about 1,000,000 ft. a month, or, say, 10,000,000 ft. a year.

154. There is a larger quantity sent into the North Island?—Yes, without doubt.

155. How can you account for the 50 per cent. falling-off when the importation of Oregon pine has to be set against all the timber sent into the North Island?—I am not putting it all down to Oregon pine.

156. You said, "It was the sole cause"?—You have to read the whole paragraph. I said "almost entirely due."

157. You also said that your ports were the most readily assailable ports?—That is so.

158. What about Auckland; it is more easily assailable than the others?—No, it is not more easy. Do you get Oregon pine much cheaper there in regard to freight than at Wellington?

159. Yes, cheaper there than at Lyttelton and any other port?—Then I shall have to admit it is more easily assailable.

160. Then there is another market which is not your chief market—Auckland?—No, we are looking forward to the time when we shall get some timber into that market.

161. We find that Oregon pine is a necessity in Auckland. We have been talking about it replacing kauri. If there is a demand for Oregon pine for large work in the large sizes and for ferro-concrete work, and we cannot get a supply from anywhere else, and where the architects will not have sap timber and insist on heart, should they be taxed?—Will those same architects allow the Oregon to come in?

162. Yes?—They will specify Oregon pine?

163. The specifications are drawn up in this way: kauri rough heart or Oregon pine, and they will not accept rimu in the sap?—Will they not accept three-quarters heart rimu as they do in Wellington?

164. No, they say it is as bad as all sap?—Well, I think you should educate your architects up there.

165. I have here a specification of timber that we are importing, and I want to know if you will and can supply it. If you can supply it we will take it from you at an advance of 1s. on the price we have to pay for Oregon pine. The specification is as follows: "Please quote c.i.f. and e., delivered Auckland, 1,000,000 ft. heart rimu free from sap, shake, or gum-streaks (will allow knots), 2 in. by 6, 9, 12, and 14, say, 200,000; 3 in. by 6, 9, 12, and 14, say, 200,000; 4 in. by 6, 9, 12, and 14, say, 200,000; 6 in. by 6, 9, 12, and 14, say, 200,000; 12 by 12, 14 by 14, 16 by 16, 20 by 20, 100,000 ft. in equal proportions 30 ft. to 40 ft. lengths, to average 35 ft.; also 100,000 ft. 41 ft to 60 ft. or longer, to average 50 ft. in lengths"?—Before I answer that I wish to say that I do not think it is a fair specification. I do not think any miller in the colony would be asked to supply a specification of timber like that. I should like to ask you how long you think it would take Auckland to use that specification of timber?

166. In all kinds?—That million feet of beams?

167. It is not all beams, but joists and all sorts. There is only 20 per cent. of it beams. It is used for all sorts of purposes?—How long would it take them to use those long lengths?

168. Seeing there are over 70,000,000 ft. of timber used annually in the immedaite vicinity of Auckland, it should not take long?—That is not answering my question. I can tell you this, that in Christchurch, which is our principal market, where they have been using red-pine for building purposes during the last fourteen or fifteen years to my knowledge, they would not ask us for those many beams in a year, over 30 ft. long.

169. We have had two smaller consignments like that in Oregon, and there is not one of the beams left, and they are now anxiously waiting for some 40 ft. beams that were in the "Elsa"?—If, as was stated here to-day, there are two mills in the Auckland Province, or two companies concerned, which produce 30,000,000 ft. of rimu annually——

170. Mixed timbers?—I was just going to say that they could get it themselves without coming down to the Coast.

171. The 30,000,000 ft. of timber they are providing is affected by Oregon pine?—Why so if it is not rimu?

172. Speaking of the Auckland District, Mr. Kensington, in his report, says with reference to Oregon, "This timber for some purposes is a good substitute for kauri, and owing to the greater remoteness and scarcity of the latter, also the increasing difficulty of obtaining adequate supplies of suitable native-grown timber to meet local requirements, regular importations of Oregon or other pine in increasing quantities must be looked for in the future"?—What is the date of that?

173. 1907-8?—I do not wish to anticipate the evidence that is coming, but I think that statement will get a bit of a "bump" before it is finished.

174. I say it is perfectly correct. Do you know that Oregon pine is not replacing kauri in Auckland?—No, but I should be very sorry to think that good kauri is used where Oregon pine is used.

175. You know you are not the sole judge of that—the judge is the architect and expert?—If you see a building like this we are in constructed of rimu, where every joist and every principal in it is rimu, and every beam——

176. I just now saw a big ironbark beam in one of the rooms?—That is not a beam; that is a prop. They have just put that in since the Commission came round.

177. How can you call a thing that is horizontal a prop?—You know the purpose it is there for—it is there for strength.

178. Now, you said that prior to last year no large quantities of Oregon pine were brought to this country?—I said immediately prior.

179. Well, do you know that not very long before, a large convent was built in Wellington—about a couple of years ago—which was before the importation of Oregon pine?—But a large convent would not take much Oregon pine.

180. It took 27,300 ft., and joists 26 by 12 by 3?—That is only a barrow-load.

181. But that had to be sent over from Holdship and Co., and there was an extra charge to bring it to New Zealand?—I am very sorry to think that any Oregon pine should be used in a convent. I was talking to the manager of Stenhouse's mill in Broken Hill, and he told me he used for timbering the mines 16,000,000 ft. of Oregon, and he also said he would not use a bit of Oregon pine in his house, because it is so liable to fire, and yet you put it in a convent.

182. Well, what I want you to understand is this: the business of the colony has come to this position, that we must have Oregon pine?—Well, you must be talking solely with regard to Auckland when you say that. I am not prepared to argue upon that with regard to Oregon pine, but I say it is not wanted at this end.

183. You said the merchants imported it because they could make more profit out of it?—Those who do import it do so. I will put it in this way: they thought they could make more profit out of it, but I think some of them are finding out that they cannot.

184. Then why are you so afraid of it?—Because we have no desire that they should dump it in here.

185. What do you call "dumping" it in here?—I mean, to send in the product of the log.

186. If you send an order to America for Oregon pine, is that dumping?—No.

187. Or if you send to the miller here an order for white-pine and then send it to Australia, is that dumping?—No; but if you follow up that consignment with a large quantity of second-class timber which you have no market for, and get rid of it at any price, that is dumping.

188. But the timber is sent in at a fixed price?—I have seen consignments of Oregon pine come to New Zealand. Mr. Stead got a consignment in Christchurch.

189. We frequently do dump our timber into Australia, so we ought not to be the first to complain?—I think you do.

190. The large holder of rimu and all New Zealand timbers will not realise the price of timber while times are slack—he wants to wait till things get brisk again and take a normal stand. That extra duty on Oregon pine will keep up the price of the timber so that the holders will benefit?—So long as we maintain a fair and reasonable price only for rimu, both at your end of the Island and at ours, then so long should a protective duty be put on Oregon pine, but immediately we get above a reasonable thing let the duty be removed from Oregon.

191. Will you supply that order which I have handed to you?—No. Can you supply it from any red-pine mill?

192. No?—I thought not.

193. That is the timber we want in the North?—If you sent that bare order to a practical miller in America, would he give you that exactly without any offcuts?

194. Yes?—He would charge you extra.

195. I have already bought that specification of timber?—But he does not give you that at O.B. prices.

196. At the quoted price?—There must be something else in that order.

197. I can send that order away and get it supplied, and I am prepared to give you 1s. more than what I will be charged, and I ask you, will you supply it?—Certainly not. We never pretended that we could supply at Oregon-pine rates.

198. You cannot supply this timber, and we have to go outside for it?—You know that is not required.

199. It is required?—For what?

200. For constructive purposes in the colony?—In which part of the colony?

201. The City of Auckland?—Well, the City of Auckland and no other place would put that class of specification in. Do you mean to say they have been getting that specification of timber for the buildings they have got?

202. You cannot supply it, and you want to tell us you get it from somebody else?—Can you buy any other Oregon any cheaper?

203. You can buy it cheaper if you include the smaller sizes?—Yes.

204. I am willing to give you 1s. a hundred more?—Do you know what the cabinetmakers will give us for that? I do not like to differ with you too much, but I do not think you want it at all.

205. I am prepared to give you the order?—I should think you would be.

206. If you cannot give it to me I must go outside and get it?—Do you know what the Union Company would want for the carriage of these lengths?

207. Yes, I do know?—I think that any architect who stipulates for all heart in these beams and joists in a building and prefers Oregon to three-fourths heart, then the man who is building the house should be made to pay for it, because it is a fad.

208. The architects are all in favour of it?—No, they are not. I was speaking to the principal man who built the Exhibition building. He said, "I am going to use Oregon because my men do not want to be always sharpening their saws." As a matter of fact, the builders only want soft timber, because it works up easily.

209. We have, according to this year's Year-book, five thousand people employed in the Auckland Province who are producing a lot of this second-class stuff that you want to get rid of. After all that is used up we want this stuff. We want to get it for the people who require it?—It is your duty to educate the people and the architects to use the other stuff.

210. *Mr. Leyland.*] The architects are not fools.

211. *Mr. Clarke.*] *Re* the 78,000,000 ft. of Oregon that comes into competition with our timbers, you are aware that this merely affects the coastal towns only or the large cities?—I must say, Mr. Clarke, I am a bit at sea over those figures. I have not seen them before they were produced at this table, and I cannot answer your question.

212. *Hon. the Chairman.*] You had better tell them that you do not know?—Yes, that is the position.

213. *Mr. Clarke.*] The statement that Oregon only competes with 78,000,000 ft. of timber used in our large towns—is there any other inference than that 285,000,000 ft. is used within the interior of the colony as against the 78,000,000 ft. in the large cities and the ports?—I think there would be more than that. Wellington would be 50,000,000 ft.; Auckland, 70,000,000 ft.; and Christchurch would use a lot. I do not think it has any bearing on the question.

214. If it has no bearing on the question, then these figures must be in some way wrong, or they may have been improperly put before the Commission—I do not say that the compiler meant that. Now, do you not think that these figures represent in a correct manner the amount of Dominion timber competing with Oregon?—I think it is a question of so very little moment that it does not matter, because it is very hard to see what bearing the figures have got on the subject at all. We know for a fact that while we have been losing 13,000,000 ft. of timber in the way of sale to Wellington, Lyttelton, and Timaru, about 13,000,000 ft. of Oregon has arrived exactly at those ports. There is no argument about that; it is true, and that is the position.

215. That is a statement that is clearly understood. With regard to the competition with rimu, you say that our architects should be educated up to using sap rimu where at present they are using heart of kauri?—I said, three-quarters heart rimu, the same as is specified by Wellington architects.

216. With regard to its competition with kauri, would you be surprised to know that I have, as a man of business for a good many years, never fixed a red-pine beam in my life, and that now I am fixing Oregon pine in place of kauri. Therefore it must be coming into competition with kauri, and not your timbers. Is that not so?—Yes, and I should not be surprised at any fashion. In the City of Wellington people will take our rough scantlings, such as you would build a house in Greymouth with, and the people in Christchurch will not use it because it is a little harder to work. Consequently we are compelled, when trade is brisk and we are doing business at a normal capacity, to put aside the rough scantlings and send them up to Wellington, and we have to pick out sappy, cabbagey stuff for Christchurch because they ask for it. Further than that, if you go to Australia you will find that in Sydney they are asking for our white-pine and putting it into floorings and linings. If you did that once in a building in New Zealand you would never do it again. In Melbourne they are not using our white-pine for the same purpose, and they are quite right. As a matter of fact, I am not surprised at anything that happens in connection with the timber trade.

217. Would you educate those people up to do it?—I think you ought to educate them up to build with red-pine, because it is a valuable timber.

218. Should a man not have the right to select good wood equal in value to the heart of kauri?—Yes, if he can get it within the colony.

219. Have you considered what you get in value in return for that?—I do not think, very much.

220. Assuming that 100 ft. of timber is worth, say, less duty, about 8s., alongside the wharf at Auckland, and assuming that it is sold in Auckland for about 16s., has not the Dominion got eight shillings' worth of timber from the Americans in some way?—Two shillings of it has gone in duty.

221. And the balance of it?—Has gone into the pocket of the merchant, I think, as profit.

222. So the Dominion has gained 8s.?—I do not see that. If it paid the whole 16s. for the red-pine board it would be all in the Dominion, but you send 8s. of it away to America.

223. Can you get away from the fact that in some way there is an added value of another 8s. which represents an increase in the wealth of the country?—Yes. It is divided out very small in many cases.

224. *Mr. Barber.*] You told us that you exported 27,000,000 ft.?—That is so.

225. And that your exports have fallen off by 13,000,000 ft.?—Yes.

226. You said that the imports of Oregon amounted to 12,000,000 ft., and you claim that you have lost by the import that 12,000,000 ft.?—Yes, in round figures.

227. Do you claim that no other timber district which supplies Wellington, Christchurch, and Timaru, such as the Sounds, the whole of the Wairarapa, the whole of the Main Trunk line, including the Waimarino—that these people have not experienced any hardship, or that it is solely confined to you?—It has affected us by 90 per cent. more than it has them. In the Wellington timber district their markets start at their mills and terminate in Wellington. There was a time when they asked us to supply Wellington, and for a while we were almost solely supplying Wellington with O.B. rimu. I think I am going a little too far, because it may affect them to some extent. It also affects the Sounds to a lesser extent, because all round the Sounds they have local trade that Oregon does not touch, and they are able to send their choicest class into Christchurch—their softer timbers suit the Christchurch market better than ours.

228. The total falling-off in your trade is not due to the importation of Oregon pine?—Not all of it.

229. Do you know how much this district supplied to the Exhibition?—I shipped it all, but I forget. I think, roughly about a million feet.

230. I think it was 1,300,000 ft. That increased your trade during that year by that extent?—Yes.

231. Then, do you know what became of that timber?—It was sold about Christchurch. We expected to lose trade after the Exhibition closed, but it was not so. It did not fall off.

232. It was sold for ordinary building purposes?—And yet our trade maintained its normal condition. Of course, a million feet is not very much.

233. Do you not think that its going into the market as a competitor would naturally affect the trade?—No. We thought it would, but it did not.

234. How long have you been secretary of the organization?—Since its beginning.

235. I want to deal particularly with the association. What connection have you got with the merchants outside? You said that timber has never gone up higher than 7s. 6d.?—No, I said 8s.

238. Yes, 8s. That has been the highest, and that is only a rise of 1s. 6d.?—That was just for only three months.

237. Well, the former price was 7s., and it has gone up to 7s. 6d. and 8s.?—Yes.

238. Now, I want to know what connection you have got with the merchants outside?—With regard to Christchurch merchants, we have no agreement with them. We have got an understanding that so long as we sell to *bona fide* merchants, so long will they buy off us, and we fix the prices ourselves and do not discuss it with them at all.

239. You object to them buying from outsiders?—We would object. According to our understanding, they should not have bought a stick of Oregon, but notwithstanding that they bought Oregon.

240. Does that arrangement exist in Wellington?—Not now. It existed up to about six months ago.

241. If you are not responsible for the rise in the price of timber, considering you are in combination with the Wellington mills, or supporting them by an understanding, I would point out that the price has gone up by periodical rises such as these: 1900, 8s. 6d.; 1901, 11s.; 1902, 12s.; 1903, 12s. 6d.; 1907, 13s. 6d.; 1908, 14s. 6d.?—Those are the merchants' prices you are reading now.

242. Yes. Is it a fact that the rise in the price of timber was due to the arrangement they had with you?—I think not. It had nothing to do with it. At that time, when it was low we did not send a stick up to Wellington.

243. I gave 1900?—We sent no timber to Wellington in 1900. They had the market up to within five years ago.

244. After that the rise continued, and this principle of rising was supported by the West Coast Association?—I do not know that we supported it. We did not increase our price.

245. Do you remember a letter that you sent to the Timber-merchants' Association, Wellington? It was sent out with the following copy of a letter dated 22nd June, 1908, to the West Coast Timber Trading Company in reference to the purchase of timber from the non-associated mills?—I did send to Mr. Marley the letter.

[Letter, as follows, read:—

"Wellington Timber-merchants' Association, 23rd June, 1908.

"Copy of letter dated 22nd instant, received from the West Coast Timber Trading Company in reference to purchasing timber from non-associated mills is attached hereto for your information. "N. F. MARLEY, Secretary.

"DEAR SIR,— "22nd June, 1908.

"I have information from Greymouth that Messrs. Manson and Tuck's agent has secured space for a considerable shipment of timber for Wellington in the s.s. 'Kaituna,' due here about this day week. As this will form the second lot sent by this firm, which is non-associated, I trust you will take steps to insure our common obligations being fulfilled. Any assertion that Messrs. Manson and Tuck are Hawke's Bay millers is manifestly absurd as far as their Greymouth mill is concerned. They are employing an opposition shipping agent in Greymouth, and it is highly improbable they are paying dues to any association. You will thus see that the first principle of our organization is being violated, and we must ask you to see that none of your members take delivery of any further supplies from these non-associated millers.—Yours, &c.,

"H. G. CHAPMAN,
Per C.A.B.

"The Secretary, Timber-merchants' Association, Wellington."]

246. What is the first principle of the organization?—There is no principle now. It was then that they bought from us and the associated mills, and not from outsiders, and we did not sell to any merchant who did not consider it advisable to affiliate with them. That was the understanding.

247. In view of those rises in price you will admit that timber has considerably risen?—Yes, it has risen a good deal.

248. Do you think that it has unduly risen?—On the face of it I thought so, but I have argued the point with the Wellington merchants, and they have demonstrated to me that they cannot sell cheaper.

249. Supposing it was considered that there was an undue rise, and competition was established, would you supply them?—That is all according to the circumstances. We consider every case on its merits. The case you have referred to was a very special case. Messrs. Manson and Tuck were associated millers in the North Island. Then they came down and built a mill here. They maintained to us that their membership in the North Island entitled them to send timber

to the North Island, and we held that it did not entitle them to do that. The consequence was that Messrs. Manson and Tuck immediately realised that their membership did not justify them in the South Island, and they joined the association.

250. I said, supposing I believed that the timber-merchants were obtaining an undue profit from the sale of timber, and if I had the capital available and wanted to go into the business under the existing arrangement that you had with the timber-merchants, you could not supply me?—I did not say that. We should consider your case on its merits.

251. Would you supply me with timber if I were non-associated?—If a new man came down to us and asked to be supplied with wood we might supply him.

252. I could not join the association unless I agreed to sell at the same price that the association charged in Wellington?—I dare say.

253. It is clear from the following declaration that the consumer is not to obtain a trade discount, and before the discount can be obtained from the Wellington timber-merchants it is necessary to put in this application:—

"I hereby apply to have my name inserted in the builders and contractors' special discount list, in consideration for which I agree to confine my purchases of timber to the members of the Wellington Timber-merchants' Association.

"Name in full:
"Occupation:
"Address:

"Recommended by , timber-merchant."

That is an application which the builder or contractor has to put in in order to get the trade discount of 7½ per cent.?—Just so.

254. Now, if he does not comply with that condition the following letter is sent to him: "We have to inform you that from date you will only be allowed a cash discount of 2½ per cent., and not a trade discount of 5 per cent."?—Yes.

255. Now, does that not prove that there is a combination between the millers and the merchants?—Is there not a similar combination in almost every other line of business. The hairdressers, for example, have their association, and there are associations of labour.

256. You know as well as I do that there is nothing to prevent anybody starting business in Wellington as a hairdresser, but you tell me that you will not supply me unless I comply with your conditions?—If a reputable man is going to start business in Wellington, and he has got the cash and capital behind him, we are not going to turn him out of the office. It is not fair to instance one man. We have got reasons for declining to supply some men. We must safeguard the trade and the collecting of our moneys, and we have got to get our money.

257. Here is a list of names of men that have been so treated—not one man alone—simply because they had the audacity to purchase outside the association?—Do you maintain that we could have supplied these builders with timber in Wellington?

Mr. Barber: No, I am not saying that.

258. *Mr. Ell.*] With regard to Mr. Leyland's proposal, which is the essence of the whole question, we have heard evidence at different places from builders and from architects that certain sizes are required which cannot be supplied in native timbers?—I can only reply to that as I have replied to Mr. Leyland. I do not know what they use in Auckland; but I do know that they do not want a foot of Oregon in Wellington when they are building, and they have done without Oregon in all the main buildings in Christchurch during the last fourteen years; it is also so in Wellington.

259. We have had witnesses who make the statement—builders and architects—that they have great difficulty in obtaining the requisite sizes of seasoned timber in long lengths?—My answer is why have they not got them two years ago? How did they put their buildings up in the absence of Oregon in the past?

260. Well, with regard to that we cannot control the architects, and if the architect, who appears to be the master of the situation, chooses to specify certain sizes, and those sizes are not obtainable in native timbers, what are we to do?—They are obtainable in native timbers.

261. You would not get forty or fifty in all-heart?—That is not for beams. That specification is for figured stuff. Resin-heart is the best wood you can get for beams.

262. These sizes could not be supplied?—Not to the specification he drew out—he wants absolutely perfect timber, and that does not grow in any quantity.

263. *Mr. Leyland.*] There is not a 1 in. board in that specification?—No; he would take that stuff if he could get it. It is only during this last year since Oregon has come in that they have come to the conclusion that they must have Oregon beams.

264. *Mr. Ell.*] But long lengths are required?—I will admit that, but anything up to 30 ft. will cover a large percentage of the buildings. I am sure that over that we should not send 300,000 ft. to Christchurch per annum, and we could give them 30 ft. lengths.

265. At what price compared with Oregon, which is charged with freights, insurance, and double railway rates?—Eleven shillings and sixpence per hundred feet f.o.b. for 30 ft. lengths—that is, 3s. 6d. above the 8s. price.

266. When the builders in Christchurch say that they want a beam, and go to the merchants and cannot get it, have they not got to wait until it comes out from the mill; and after waiting three weeks or a month and they have got to go on with their contract, if they have Oregon of suitable lengths in hand, what will they do?—If they have it they will use it.

267. Can you expect the building industry of New Zealand to wait for long lengths?—No. If the merchant of Christchurch will stock his yard with long lengths as they do in America, there is no necessity to wait; the builder gets the contract and the merchant gets that order.

268. Then, what is to be done?—I think in most cases a month's delivery of the beam is sufficient. I do not think it is absolutely necessary to stock it. The merchant has to stock Oregon because it comes from so far away.

269. I think the sooner you arrange with the merchants of Christchurch to stock longer lengths of New Zealand timber the better?—We will do that if necessary.

270. I think you said that there are some people you would not supply. To whom do you refer?—Not to anybody in particular; the people mentioned by Mr. Barber are some.

271. You will not supply a builder in Christchurch?—No.

272. They, on the other hand, have undertaken not to purchase from any company but yours?—Not from any non-associated mill.

273. They confined themselves not to buy timber from any non-associated mill?—That is so, and they immediately broke it by buying Oregon.

274. What position are the public in? Supposing a man is prepared to go with the cash and requires timber for a building, and the merchants will not supply him: what are the public going to do?—They are not all in the association. There are always a certain number in Christchurch from whom he can buy, but in any event if a man wanted to build a house he could not buy all he wanted from a West Coast mill, according to his specifications.

275. We were given to understand that they took the output of the log: do they do that?—No.

276. They leave a quantity on your hands?—Yes.

277. What do you do with it?—While the Wellington trade was going well we disposed of some of it there, and if I were going to build a house to-morrow I should pick my stuff out of that rubbish. Do not blame the merchants there; it is the architect and the builder of Christchurch who like to have soft stuff to work.

278. Is it true that some of that rough stuff has been put on here f.o.b. at 4s.?—We do not call rough stuff second-class.

279. I saw two truckloads of it, and I was told that it was being disposed of at 4s. per hundred feet?—We should be glad to get that for all of it. This is scantlings that I am referring to. It is really first-class timber, and is classed as that in Wellington, but they will not take it in Christchurch; that is where they like Oregon.

280. And the loss on the sale of that?—Mean 60 per cent.

281. Of the output of the log?—Yes.

282. That remains behind, and that you cannot find a market for?—That is just the position.

283. Is it a fact that in some orders rebates occur?—They are inseparable from the timber trade.

284. Do they run into a considerable sum?—I should say 2d. per hundred feet on the output of the mill.

285. Do you think, from your knowledge of Christchurch and the kind of timber that Wellington is prepared to take, that, if the Christchurch merchants tried to put it on the market they could do it?—I do not think so. Mr. Jamieson told me that the builders preferred Oregon, because it was lighter and easier to work, and is as strong as rimu.

286. Did you say that you could not supply seasoned timber?—Not very well; we have no facilities here. The climate is against us for one thing, and the room for the other.

287. With regard to the loss of 13,000,000 ft., I think you qualify that by admitting that the whole of that would not have come from the Coast?—Our loss of trade was 13,000,000 ft.; 14,000,000 ft. is the difference between the two years. I should feel inclined to say that 4,000,000 ft. is represented by depression, and 10,000,000 ft. by Oregon: 4,000,000 ft. would about represent what Wellington millers would have lost on it.

288. What about timber coming from other sources?—I claim that 10,000,000 ft. comes from the West Coast.

289. You do not claim that you will be able to market the whole of that, seeing that it comes from Christchurch, Timaru, and Dunedin?—There is a little comes down from the North Island in a small barque called the "Aratapu." About 95 per cent. of red-pine comes from the Weset Coast.

290. *Mr. Stallworthy.*] Is one result of your association that the merchants of Christchurch are buying timber from the North Island?—I do not think so, and I do not think they could get it from there at anything like the same price.

291. The timber from Kaipara is the same?—Yes.

292. You say that your association makes no profit: how are the costs met?—By taking 2½ per cent.; that pays the expenses of the association.

293. Are you interested in sawmilling?—In one respect. I have got some shares—500 at £1 each—in a sawmilling company on the West Coast; but if I could find a buyer for those at £100 I would sell them.

294. Have you any idea as to the producing-cost of timber?—I have.

295. What margin of profit do you allow?—It is presumed that there is 1s. per hundred feet margin, but I am sure it is not there.

296. What does the output of your mills average here?—Mr. Fisher's would be a small mill; that runs up to 50,000 ft. a month, but some of them go to 300,000 ft. a month; several of them are capable of cutting that amount.

297. About the Government fixing the price of timber, do you think that would act?—I think it would.

298. Would not the millers go on strike?—I do not see why they should. Of course, in any Board set up, the millers ought to be allowed one representative, but I do not see anything to prevent the maximum price being fixed.

299. What margin of profit should the Government allow?—I think 1s. per hundred feet.

300. *Mr. Mander.*] Do you know why Australia only takes the best quality of timber from New Zealand?—Because it has had Oregon coming in ever since it was Australia. It only wants our wood for finishing, lining, and flooring.

301. If Oregon is allowed in here to any large extent, would it not oust our medium timber from the market?—Yes, it must do it. The 3,000,000 ft. we send to Australia does not carry with it one rough board.

302. Would you not have to put on a bigger price for our better timber?—Without doubt.

303. You think that price could be reduced in the workmen's buildings in the city?—No. Because the increased price in the higher-grade stuff must compensate for any loss on the other.

304. How do you account for architects recommending Oregon, apart from the softness and the lengths?—They must do so.

305. Have the Americans any agents out here?—Yes; we have had agents applying to us for orders.

306. Do you think they make it worth the architects' while to recommend?—I would not like to think so.

307. *Mr. Leyland.*] Have you a report from Mr. Morris as to the quality of some timber he inspected, on which a rebate is asked?—I do not know that we did; I had a report from our agent. Mr. Morris saw some timber that was gone "dozy." It had been at the mill so long.

308. *Mr. Morris.*] Have you ever had inquiries for white-pine from any New Zealand residents?—We have not been able to sell a board of white-pine in New Zealand, as you know, for years. We should be glad to supply white-pine.

309. And the price is generally lower than rimu?—Generally lower.

JAMES DOUGLAS GILLIES, Engineer and Sawmiller, Greymouth, sworn and examined. (No. 69.)

Hon. the Chairman: You know a good deal about timber and the working of it. Will you make a statement to the Commission in regard to what you do know?

Witness: One of the first things I wish to put in is the diagram of a five-years balance-sheet of a West Coast firm of sawmillers, showing an average price of 7s. 4⅜d. per hundred feet, the apportionment of the costs of production, and the profit. [Diagram handed in.] I think that is typical of the sawmilling industry on the West Coast. In connection with that diagram I have been authorised also to put in in committee figures supporting that diagram. In regard to comparisons between Oregon and rimu, I have the following statement to make: Comparisons have been made by various persons between rimu and Oregon in favour of the latter as a timber for building purposes. The advantages it is alleged to possess are,—(1.) It is stronger. (2.) It is lighter and easier to handle. (3.) It can be procured in the large sizes at the same price as the smaller sizes, whereas West Coast millers charge extra for lengths over 22 ft. and widths over 12 in. (4.) It is procurable thoroughly seasoned, while rimu is difficult to obtain in that condition. (5.) It is more durable. (6.) It is easier to work.

(1.) *Respective Strengths.*—Mr. W. N. Blair, late Engineer-in-Chief of New Zealand, conducted a series of experiments on the strength of timbers, and the mean results of twenty-five experiments with rimu and twenty-two with Oregon are as follows: "The samples of wood being in each case 2 ft. long and 1 in. square, supported at the ends and loaded in the middle" [I may say that the small sectional area of the specimens was all in favour of Oregon, as small pieces of Oregon are much more likely to be straight-grained than rimu]: "Rimu, breaking-load, 350·88 lb.; length of fracture, 8·62 in. Oregon, breaking-load, 279·36 lb.; length of fracture, 5·06 in." The same authority gives the comparative safety under given strain, taking rimu as 1, Oregon, 0·46, or less than half: likewise, comparative toughness—rimu, 1; Oregon, 0·59. He further states, "There is no ground for the popular impression as to the great strength of Oregon pine: its absolute strength is less than that of any of the Otago pine woods."

(2.) *Lightness.*—The comparison is doubtless in favour of Oregon for the same measurement of timber; but when allowance is made for the extra size of Oregon required to give the same strength as rimu, the difference is little or nothing.

(3.) *Long Lengths.*—As far as markets that are supplied by rail are concerned, such as Wellington, there is no reason why long lengths of rimu should not be easily obtainable and at a moderate price. In our case there is an extra charge for shipping long lengths to Lyttelton, Timaru, and Dunedin, which puts us at a disadvantage. In addition to this, from conditions due to the regulations as to size of areas, our plants are not as efficient as they might be made, and consequently the production of long lengths is more expensive. This aspect of the condition of the trade here is dealt with elsewhere.

(4.) *Seasoning.*—We do not stock timber at our mills; the merchants obtain the timber from us green, and season it in their yards. This is preferable to attempting to season over here, and we understand there is no difficulty in obtaining seasoned rimu in Christchurch—at any rate, where the merchants carry very large stocks and make a specialty of seasoning. So far as we are aware, seasoned rimu is as easily obtained as seasoned Oregon.

(5.) *Durability.*—As to the durability of heart of rimu as a building-timber, there can be no question. The samples of rimu submitted are taken from a building lately demolished here to make way for a brick store. The old building was erected thirty-five years ago. No. 1 is a ground-plate, No. 2 is a stud. The only signs of rot were in the timber that was unmistakably sap. The heart timber and much of the sap was sound. If proper care is taken in the rejection of sap-wood, I am of opinion that for housebuilding rimu is a most durable timber, and cannot be excelled.

(6.) There is no doubt that Oregon is easier to work, and so are numerous other inferior timbers. The builders like Oregon for the same reason that they prefer rimu sap to heart—it is easy to work.

Summing up the respective merits of Oregon and rimu: (1.) Rimu is stronger and tougher. (2.) Oregon is not lighter in proportion to strength. (3.) At present the advantage rests with Oregon against West Coast rimu as to long lengths, but this disability on the part of rimu can be easily removed by the alteration of the regulations limiting area. (4.) Seasoning: Oregon may have a slight advantage in this respect. (5.) Rimu for buildings is all that can be desired in the matter of durability. (6.) Oregon is undoubtedly easier to work.

There is another point in regard to the respective merits of the two timbers, to which I have not noticed any allusion in the reports of the proceedings of the Commission, and it is one that forms a very serious objection to the use of Oregon—that is, the extreme inflammability of the wood. In my opinion, the use of it in housebuilding in wooden towns should be prohibited for that reason alone.

Now, of the six reasons given in support of Oregon as against rimu, we have only one that is substantiated—that is, that it is easier to work. It is not more durable than rimu—in fact, it is less durable. The seasoning and long lengths are matters of trade methods here, and the merchants can arrange those matters if they like to do so. Oregon pine, strength for strength, is not lighter, and it is not nearly so strong or so tough.

The next question is as to how much the rise in the price of rimu has caused the cost of building to go up. The general rise in the cost of building during the last seven years is not due to the increased price of timber. Here is a plan and specification of a four-roomed building of wood and iron erected in this town in 1902 under my supervision. The contract price was £247, and that was not the lowest tender. One of our principal builders here has given me an estimate of the bed-rock price at which he would tender to erect the same building now—£295, or an advance of £48 on the 1902 cost. Now, at the time that place was built timber was only 1d. per hundred cheaper than it is now. You have thus an increase of nearly 20 per cent. in the total cost of the building, with practically no increase in the price of timber. Ten shillings would cover the extra cost of timber. Plenty of similar cases could be quoted, and I have brought this forward to show that there has been a very large increase in the cost of building that is quite independent of any alteration of the price of timber. Some very wild statements have been made as to the extent to which a given rise in the price of timber affects the cost of small wooden cottages. I have here a plan of a two-story villa erected in Wellington during the last twelve months at a cost of £565. There are 20,000 ft. of timber in this building, including all mouldings and dressed stuff. A rise of 1s. per hundred would thus mean an increase in the total cost of £10, and the total rise in f.o.b. price of timber that has taken place since 1895 would amount to £28-odd, or about 5 per cent. of the total cost of the building. Here is another drawing of a plain five-roomed cottage erected in Christchurch for £340. The quantity of timber in this cottage is 12,000 ft.: 1s. per hundred comes to £6, and the total rise at this end since 1895 to £17, or, as before, 5 per cent. of the total cost of the building. Here we have, on the one hand, an increase in the cost of building of 20 per cent. in seven years in which timber has no share, and, on the other hand, only 5 per cent. due to rise in timber in fourteen years. These figures prove conclusively that, if the increased cost of building is the cause of the present slackness in the building trade, the West Coast sawmillers' share in the increase is, during the last seven years, nil, and, during the last fourteen years, only a small proportion and not sufficiently great to deter any one from building. Statements have also been made as to the high rents prevailing in the towns being due to the high price of timber. Take the five-roomed cottage before referred to as an example, and say the rent was £1 per week. The amount we have increased timber in the last fourteen years would account for exactly 1s. of that rent.

Mr. Barber: What do you mean by "here" in regard to the increased cost of building?

Witness: The portion of the rise for which the sawmillers here are responsible. In seven years there has been a rise of 20 per cent., in which the timber has no share at all at this end; and in fourteen years the rise in the cost of building due to the rise in price at this end is 5 per cent. of those small cottages.

The next point is in regard to the limited areas. To give an example of how the limited areas allowed one mill, irrespective of power of mill or value of plant, operate in crampnig our operations and increasing the cost of production, I will quote the experience of my own firm. We commenced with one mill and the maximum area of 800 acres. After working some time (about three to four years) we found that the adjoining bush country was being taken up, and to protect ourselves from extinction when in due course our 800 acres would be cut out, we were forced to take up another 800 acres. To hold this area it was then necessary to put another mill up, necessitating taking in another partner and raising more capital. Had the existing regulations not compelled us to do this, but permitted us to take up, say, 1,600 to 2,000 acres for mill No. 1 we should have been in a position to expend this capital in laying down iron trams and placing a locomotive at work, besides improving our milling plant to double the original capacity. The result would have been that we could produce timber at very considerably less cost. I think 2,000 acres of bush on the West Coast should be reserved for each mill, when the miller would then be justified in expending, say, £6,000 or £10,000 in better plant and tramways instead of, as at the present, having to spend the amount in two or more crude plants simply to hold the bush and not get elbowed out. The waste of capital in this way and the huge disadvantage of the work not being concentrated also act in the direction of increasing the cost of producing long lengths. The inefficient plants we are compelled by force of circumstances to erect are not suitable for cutting long lengths, and makes their production expensive. In my opinion, though as far as we now in the business are concerned it is perhaps too late, the surest way to get the best results out of the native bush, and to supply the best possible article to the public at a fairly low price is to increase the size of the area according to the capital expended in plant and opening up the bush, with a reasonable maximum limit to prevent undue monopoly. The account I have given of my firm's experience in regard to limited areas is that of most millers here.

The insecurity of tenure of the reserves also leads to litigation between neighbours, an oversight in not remembering the date on which titles had to be renewed leaving the land open to be jumped. The year-to-year tenancy of reservations should be done away with, and the whole block run under the same titles as the 200-acre sawmill area. We are also required to pay 1s. per acre dead rent for these reservations, and this does not merge in royalty, as is the case with the sawmill area. Considering the rents paid by settlers taking up Crown lands in this district, the rent charged us seems excessive. If it were allowed to merge in royalty it would be fairer.

In connection with royalties a statement has been made that the system of charging royalty here on the converted timber gives us an advantage over other parts of the colony, where the value of the standing bush is appraised. There is nothing in that contention, because I know that under the system of appraising an allowance is made for the waste in conversion. That allowance is so great that I am perfectly satisfied, as a sawmiller and a member of a surveying firm which has to appraise bush very frequently, to have our royalty system altered to the system of appraising that is in force elsewhere. We get no advantage through the royalty system.

Another matter I should like to speak about, but concerning which I have not made a written statement, is in regard to the use of birch. There is a tremendous amount of birch on the Coast, and it is a very fine timber in some respects, and I think it should be used in the public works more than it is. In my own practice I use it for decking bridges, and always specify it for sheathing piers of bridges, and a large amount of it could be used in that way by the Government. I do not think that the Government engineers take into account sufficiently the life that that timber has as against some of the imported timber. For instance, here is an example to show in what direction they could estimate these values. Taking red-pine here at 8s., ironbark at £1 4s., which is about the present price of ordinary lengths of ironbark, and taking the life of rimu at ten years, and the life of ironbark at thirty, the rimu would be just as cheap at 8s. as ironbark at £1 4s. They would be about on a level. If the respective lives of the timber were to run as 2 to 1, or fifteen years for rimu and thirty years for ironbark, with ironbark at £1 4s., red-pine would be on a level if we paid 16s. It would pay to put it in if it cost less than 16s., so that there is something to be considered in that way, and I do not think enough consideration is given to that fact.

Some people have wondered why we were able fifteen years ago to produce timber at 4s. 9d. f.o.b. and not go under, and I should like to show how we did it. When I went into sawmilling in 1894–95, the export price of timber here was 4s. 9d. f.o.b. Grey, less 2½ per cent. for cash. We cut without apparent loss at that figure, and did it for the following reasons: (1.) We were among the first in the field to take up bush on the newly opened Grey–Hokitika Railway, when the virgin bush was standing right up to the railway-line, and were also able to select a position where the bush was fairly good, absolutely flat, and with only 10d. railage to the port. The cost of getting the timber to the mill was naturally very small, and there was little depreciation of horses, and few horses were required. (2.) Horse-feed at the time was cheap. (3.) The Government royalty was then only 3d., instead of 6d. as at present. (4.) The rate of wages was over 20 per cent. less than now; the contract price when the mill was let on contract was 2s. 8d. per hundred placed on trucks, contractors standing all maintenance, horse-feed, and tramlaying—we found the horses. (5.) There was no accident insurance to pay. (6.) The practice in those days was to cut the eyes out of the bush, leaving the smaller and the largest unwieldly trees, and taking no tree that looked faulty or twisted. We have since cut through the same bush a second time. The working partner either took his place in the mill or bush, or was one of the contractors. When the mill was on contract to others, he found other work away. The output of the mill then used to average under 90,000 ft. per month. Another factor which helped us to hold our own with outside competitors in the Canterbury market was the sea freight, which was then 2s. 3d. Grey to Lyttelton; it is now 3s. Selling-price, 4s. 9. Costs: 2½ per cent. discount, 1·425d.; shipping, 1d.; Christchurch agency, 2·850d.; royalty, 3d.; rail, 10d.; contract, 2s. 8d: total, 4s. 2·275d. Leaving 6·725d. to pay management, clerical, interest, and depreciation.

1. *Mr. Morris.*] You have just told us that you started sawmilling in 1894?—Yes.

2. And the prices you were working at then?—Yes.

3. Will you tell us how much money you made out of it?—We did not make any. In fact, I have had a little capital invested in sawmilling since 1895, and I have never drawn a dividend out of it yet.

4. Then, so far as you are concerned, it has not been a profitable business?—It has not.

5. You cannot be accused of fleecing the public and the poor working-man?—No.

6. *Mr. Field.*] You have had a fairly long experience as a sawmiller, and I should like you to give us an idea of your experience as an engineer, and also as to your knowledge of timber?—Engineering is my profession. I left school to serve my time as a mechanical and civil engineer. I served eight years altogether, and have been following that profession ever since. Including my apprenticeship I have been about thirty-four or thirty-five years engaged in the business of engineering.

7. And continuously practising your profession?—Yes.

8. And consequently had a good deal to do with wooden structures?—Yes.

9. *Mr. Leyland.*] With reference to royalties, you say you do not object to the system being changed to the one that obtains elsewhere?—Yes.

10. Do you think you are expressing the views of the remainder of the millers in this district?—I think so, as far as I have heard them expressed; but I am expressing my own views, because I happen to have had better chances of appraising the value of bush.

11. Do you think others would agree with you?—I think they would.

12. *Mr. Clarke.*] With reference to your estimate of the life of timber, do I understand you to say that rimu at ten years is only level with ironbark at thirty years?—At thirty years.

13. Have you taken into consideration the cost of rebuilding and replacing that, or is it the cost of the timber only?—That includes the cost for renewals to bring the two timbers to a level basis. To draw a comparison between two timbers there is a certain formula by which to find out which is the cheapest to use. That formula is generally used by engineers throughout the world.

14. *Mr. Barber.*] You told Mr. Field that you were a professional engineer?—Yes.

15. You appear professionally and as representing the millers?—Yes.

16. *Mr. Field.*] You are not being paid to appear here?—No; I am representing the sawmillers, but my standing is that of a civil engineer.

17. *Mr. Barber.*] You are not paid to appear here?—No.

18. With regard to the extra cost of this building you mentioned, I understand you to say the cost would be £28 extra?—The rise in price from 1895 to the present day of f.o.b. timber on the Coast here would account for a rise in the cost of building of £28 in £650.

19. That was based on a rise of 8s.?—No, 3s. You have also to remember that in estimating the rise from 5s. to 8s. f.o.b. the actual rise comes to 2s. 10d., the difference being due to the 2½ per cent. discount.

20. So that in those days timber was being sold here at 5s. a hundred feet?—Yes.

21. So that in the centre where there has been an increase of 6s. in nine years that would account for an increase of £56 in that cottage in nine years?—If there was an extra increase of the same amount at the other end, of course, it would account for an increase of £56.

22. *Mr. Ell.*] Have you had any experience in bridge-construction?—Yes.

23. What kind of timbers have you used?—Native timbers and Australian timbers.

24. What kind of native timbers?—Red-pine, birch, and totara principally.

25. Which timbers would predominate in bridge-construction?—Well, for beams, totara. For sawmillers' bridges, of course, we put in red-pine beams, and I often design and build tramway bridges for them.

26. That is only referring to temporary structures—I mean, permanent structures?—At the Arahura River I designed a bridge for Mr. Malfroy's private railway, and the whole superstructure of that bridge is red-pine.

27. I want to get at your experience in connection with New Zealand timbers for such heavy work as bridge-construction?—I can give you one instance in which red-pine was used. There is a bridge which crosses the Grey River on the Coal Creek Railway, and I built that bridge in 1897. A portion of the sheathing of the piers is red-pine, and it is still sound after twelve years. But still, mind you, if it lasts another three years it is just as good as ironbark with forty years' life. That red-pine cost practically 4s. 9d. per hundred feet, and the rest of the bridge is constructed of ironbark. That is all 3 in. planking that I am speaking of.

28. Now, with regard to the durability of our rimu with reference to framing for buildings, can you give us any information with respect to the greatest age within your own knowledge when it has been sound?—That stuff I produced was taken out of a building thirty-five years old, but I have only been able to bring a small piece for your inspection. I might have brought the whole piece, but it was rather unwieldly. The whole stud was just as good as that piece I now produce.

29. With regard to stringers and piles, what timber would you advise should be put in?—For piles I would not put in red-pine. It is like kauri—it is no good for that purpose.

30. What kind would you advise?—I would sooner put in birch, or, better still, totara or silver-pine.

31. But totara is practically out of the question now, is it not?—Yes.

32. And for stringers what would you put in?—I prefer birch.

33. Do you find it will last?—Birch stringers should last fifteen years.

34. Have you had any experience with regard to using birch for housebuilding?—I never saw any put into a house, although I could have brought you black-birch, from the same house as that from which I obtained the red-pine, which was perfectly sound, and had the bark all down one side.

35. Why I asked you the question about beech was because we have such vast areas of it, which, I understand, is called birch?—Yes, it is beech.

36. We have such vast areas of it, and it is a very important matter to the country that the value of that for building purposes should be made known?—Yes.

37. Have you any knowledge of the durability of beech for building purposes?—I think it would be a very fine timber for building purposes, but it has one very bad defect; it warps very badly. Whether there is any system of stacking and seasoning which would obviate that I do not know.

38. Do you think it could be placed successfully on the market?—I have little knowledge of it in the small sizes for housebuilding.

39. *Mr. Stallworthy.*] You advocate, I think, putting in three parts of heart and one part of sap; which part would rot first?—The sap.

40. Then, why put in that part that rots simply because you wanted to use up the timber? If the sap is going to rot first, why put it in at all?—Well, if it does not rot in a building for thirty-five years it does not matter whether you put in all sap. That timber I showed you, which is partly sap, might be good for another thirty-five years.

41. *Mr. Mander.*] You brought here to-day a couple of samples of timber, and are you aware whether that was put into the building green or seasoned?—That I could not say. Most likely it was put in green in an old building like that.

42. Did you ever know of rimu being put into a house and to be rotten in, say, ten years?—Yes.

43. Under what circumstances?—Where the beams have been put into a brick wall without ventilating the ends.

44. I am speaking of the ordinary workman's cottage?—Yes. It was sap timber close to the ground. I have seen kauri rot in four years in a similar position.

45. I am speaking of studding and framing work?—That timber would not rot; no.

46. Would the life of it be much greater if it was seasoned before being put in?—Yes, I think so.

47. Do you not think that in the course of construction of a building the timber is almost sufficiently seasoned before it is put in—say, 4 by 2's and suchlike studs?—For such purposes the timber of that class is fairly well seasoned by the time it goes out of the yard. Speaking of seasoned timber, it has been stated that rimu walls were unsatisfactory for plastering, as the shrinkage caused cracks. Take this building we are now in. When being built there was no question of seasoning, and the timber put in was straight from the mill. The plastered wall has never been finished off above the rail. The framing was put in unseasoned straight off the saw, and if there was much shrinkage it would show in cracks in the plaster. The only cracks to be seen are at the brick chimney.

48. *Mr. Barber.*] In giving your estimate of the life of timber for bridge-work, you said that some timbers were equal to the value of imported timbers at a price?—Yes, at a price, they are.

49. Did you take into consideration the cost of the labour in comparing the two timbers?—The value from an economical point of view—*i.e.*, whether it pays to put a particular timber in—was the saving, comparing the length of time they are in use.

50. Do you include the labour in comparing the different values?—Yes, that would be included.

JAMES FRANCIS JACK sworn and examined. (No. 70.)

1. *Hon. the Chairman.*] What are you?—A sawmiller and a member of the firm of Jack Bros., sawmillers, Kotuku.

2. The Commission would like to have some information from you regarding the subject-matter of their inquiries?—I started sawmilling twenty-two years ago for my father in Southland, and have done nothing else since. I worked with him for twelve years, and then my brothers and I started on our own account, and worked a mill in Southland for three years. We then came to the Coast, where we have been milling ever since—for a period of a little over seven years. We have put timbers on the trucks in Southland at 4s. for the rough, and 6s. for the clean, but at that time the wages were only 6s. 6d. for bushmen and 8s. to 9s. for sawyers. At the present time we are paying on a average 10s. 6d. all round for our labour, which is a big item. It costs 2s. 1d. to fall, haul, and lay trams, and the bringing of the logs to the mill, and it costs 1s. 11d. to cut it and load on to the trucks. The upkeep of the plant—viz., feed, oil, files, belts, wire, ropes, taxes, rates, shortages, rejects, payment on reservations, accident insurance, fire insurance, stationery, siding, clerical work, interest on capital, depreciation on plant for six years to work 800 acres, which is all you can hold with one mill, royalty, and horses—costs 1s. 3d. per hundred. The price of red-pine to-day is: clean timber for dressing, 8s. 6d., f.o.b.; scantling, 6s. 9d., f.o.b.; and the average price is 7s. 7½d., f.o.b., less 5 per cent., which amounts to 4½d. I cannot understand how it is the merchants and builders in Dunedin take their dressed timber from the mills; they will not do it in Christchurch. We are putting timber on the trucks at 6s. 5d. (average) per hundred, with a freight of 1s. 2d., less 5 per cent., and that leaves us 10d. per hundred profit. Seeing that we have to pay £310 for a private siding, we consider that we should get our goods carried at the ordinary rates. Any person, other than the party who pays for the siding, can send his goods and get them carried at the usual rates, and this appears to us to be an anomaly, as most of the millers on the Coast had to get private sidings put in at a very heavy cost. There is one instance I should like to bring before you, but this instance is only one of the many that I know of. The freight we are charged on white-pine is the same rate that is charged on red-pine, and that is not the case in any other part of the Dominion. On that account we are placed at a great disadvantage as compared with other mills in Auckland, where the timber is shipped from the mills which are close to the water's edge. Another disadvantage is that we have to cut our white-pine boards to the width of ½ in., and a full inch in thickness to allow for shrinkage, on which we have to pay freight and royalty, and if we do not cut our timber to that thickness it is impossible to do business with Australia, as it is impossible to dry it on the Coast. If you had to supply Christchurch alone you would have to leave half the timber behind. You can certainly get more clean timber. With regard to the Oregon pine, I certainly think the gentlemen of the Commission should study the local industry. I believe that most of the millers to-day are young colonials, and I do not see why they should not be studied a little. They have spent their lifetime and every shilling they have earned, and I think it is only reasonable that they should not be passed over by the Commission. I do not say that Oregon as a timber is greatly inferior to some of our timbers. When I was in Christchurch I noticed that a great amount of Oregon was cut into scantling sizes, and that is our main trouble here to-day, because we cannot get rid of our scantlings in proportion to the demand for clean timber. There is no good in denying it; it means that if the Oregon comes in we shall have to leave one-third of our timber behind us in the bush, which will add to the cost of the clean timber sold. While the importation of Oregon reduces our output it does not reduce the cost of production, because we shall require the same tramways and the same labour, and consequently, if part of the timber produced is not used, the part that is used must bear the additional cost. If you were in real level country you could certainly then lay your tram-lines cheaper than we can now. I am not going to dwell on the Oregon question very much, but, as I have said, I hope the Commission will take into consideration the fact that the majority of our sawmillers and timber-workers are young colonials. For my part I have done nothing else all my life, and all my few shillings have gone into the plant. I can say with certainty that we are not making exorbitant profits. Then, gentlemen,

there is another thing that I want to bring before you: I refer to the matter of private sidings and the treatment we receive from the Railway Department in that connection. When you pay £310 for a private siding do you not think that you should get your goods carried at the ordinary rates? Here is an instance: At my siding any person other than myself can land his goods at the ordinary rates, whereas I am charged extra rates for goods over 4 cwt. landed there.

3. Do you mean to say that other parties can get goods landed on the siding that you paid for at a rate of freight less than is charged to you?—Yes, that is so, providing it is under 30 cwt. I have here an account for a drum consigned from the foundry to us the other day. The date was the 31st March. The drum weighed 7 cwt., but the Railway Department charged it as 30 cwt., at the rate of 12s. 6d. per ton, which cost me 18s. 9d. to take it up. This was at our private siding which cost us £310.

4. How do they come to have the extra weight?—Because it is provided that a weight less than 30 cwt. cannot be landed at a private siding—that is, for anything under that weight you have to pay for the minimum, which is 30 cwt. I will read the following correspondence for the information of the Commission: "Despatch Foundry Company (Limited), Greymouth, 5th April, 1909.—To the Stationmaster, Greymouth.—DEAR SIR,—I enclose your account for freight for explanation. You will notice that a drum to Jack Bros., weighing 7½ cwt., is charged at 30 cwt. Kindly explain why.—W. P. HAMBLETON." To this the following reply was received: "Traffic Department, Greymouth Station, 6th April, 1909.—Memo. for Mr. W. P. Hambleton, Despatch Foundry Company (Limited), Greymouth.—SIR,—In reply to your memo. of the 5th instant I beg to inform you that the charge on drum for Messrs. Jack Bros., Kotuku, is correct. Kotuku is a private siding, and our tariff provides that no consignment of less than 30 cwt. may be placed in siding.—Yours faithfully, J. YOUNG, Stationmaster." Do you not think that that is most ridiculous? Along that line there are about nine private sidings. I am not singular. There is a siding at Moss's mill where they loaded a truck. There was about 20 cwt. in it, and they came down with a wheel to make up the weight, but they were late. They would not put the wheel in that truck. It was put into another truck, and put off at Te Kinga. Consequently those people had to get that up where there was no road, about two miles. There may be some regulations that I do not know anything about. I think it is peculiar that a person who pays for a siding should have to pay a higher tariff to the Government in cases where he does not happen to have 30 cwt.

5. *Hon. the Chairman.*] Perhaps there is a regulation that they will not stop at a private siding for a lesser weight?—Well, our siding happens to be the only siding, and it is at the station. At Sheedy's siding that might be the case. My siding is a stopping-place for the general public, and they get their goods always at the usual rates.

6. Then had you not better get your stuff consigned as one of the general public?—For the sake of a railway regulation I do not want to make a fraud of myself.

7. You would not call that defrauding?—Yes, they might press that point and get me into trouble. There are other private sidings which are treated just similarly.

8. Your siding is rather special, unless it is abutting on the general siding?—It is all my siding. There was no siding there when I came, and I had to put it there and afterwards extend it. I have got five years' lease, and I have to renew it. I have asked the Traffic Manager to try and give us a daily service up that line. There are a number of mills up there and we cannot get it. How is it that people on the Seaward Bush line can get a late train every Saturday night? At any rate, we cannot get this train, and it is a great inconvenience. The management say they can bring everything down by special trains, instead of running daily trains. I do not think the railway would lose anything by a daily train, and it would be a great benefit to the people as a whole. With regard to the merchants in Christchurch always complaining that they cannot take our timber dressed from the Coast, that is a thing I cannot understand. The simple reason is that the merchants in Dunedin always took dressed lines from us, and sent it into their yards. I want to know why Christchurch merchants will not take dressed lines from us and stack it in the yards. It means a big thing to the miller.

9. Some merchants have stated that they make a better job in dressing the stuff after it is dry?—That is one of their excuses. They make a big yarn about that. How is it that they use it in Dunedin, and will not use it in Christchurch.

10. *Mr. Morris.*] What is your idea about the area of bush that should be allowed to a miller?—I think they should have more than 800 acres, because that is too small to put up a decent mill and plant on, unless the miller is able to lock in more bush, which is not right, but it has to be done. If he does not succeed in locking in bush his mill is valueless to him after he has cut out his allotted area.

11. *Hon. the Chairman.*] What do you think would be a reasonable area?—About 2,000 acres would be a fair area for a man to put up a good mill on.

12. Would it not be better if they took into consideration the quantity of timber on the area instead of the acreage?—Certainly so. If the acreage is taken into consideration the timber upon it should be taken into consideration. If it is found that the timber on the 2,000 acres is not up to the standard, then another 2,000 acres might be granted.

13. *Mr. Morris.*] Can you tell us what that plant of yours cost?—It cost us £7,500.

14. You would require about half as many acres of bush as the cost of your plant to give you a chance to recoup yourself for the first outlay on the plant?—I think I should require 3,750 acres at the very least.

15. What amount of timber does the bush average per acre?—About 10,000 ft. It is fair average bush. I know that some of Stratford and Blair's is different—there they have some nasty gaps. My bush is pretty solid. I asked Mr. Spence, who surveyed the bush, and he said he thought it was about 10,000 ft. to the acre.

16. Touching the cost of tramways, we have been told by one sawmiller that he put his trams down for 6s. a chain?—I cannot look at it. My trams cost me nearly £3, including bridging.

17. Did you waste any money on them?—No, not a shilling. If I had not built them that way two men would be required to keep them in repair.

18. Touching this siding question, do you not think that the Government should put in all the sawmillers' sidings where there is a large area of bush to be operated on, and charge them something like a rental for them?—My views on that, Mr. Morris, are these: that every miller should pay down whatever the cost of the siding is, and if he cannot put out a certain freight per year for five years he should have to pay for it, but if he can put that out he should be refunded so much per year.

19. *Mr. Morris.*] Of course, every man who has a siding wants somebody else to come along and pay for it?—I took the trouble before I put that in to go to Wellington and see Sir Joseph Ward.

20. You have told us about this rough inferior timber. If you could put a large percentage of it on the market it would enable you to reduce the price?—Certainly so. On the same principle if you had a larger area you could put up a better plant.

21. You do not belong to any association?—No.

22. *Mr. Hanan.*] Comparing Southland with the West Coast, is it better bush here?—I think so, taking the majority of it. Mr. Massey has got as good as there is here, and you must remember again that they can take considerably more out of their bush than we can here. When they are cutting white-pine the rabbit-box industry is a big one in Southland. That is no use to us. We have got to leave a certain portion of our timber in the bush that they can cut up in 3½ by ½ and 5 by ¾ sizes. They can use up every possible stick, and they can sell rougher red-pine.

23. Taking the last five years, would you say that it would be more payable to establish a mill on the West Coast than in Southland?—I do not know. I think you would have the advantage there. Taken as a whole our country is easier-worked and our timber is a little longer, and, I think, to the acre, our timber will turn out a little more.

24. You think you would sooner have a mill in Southland?—If I got one of Mr. Massey's I would take it to-morrow. We have left bush behind there that I would like to have out.

25. Would you give the Southland miller a bigger area than here?—Yes, if he puts up a plant capable of cutting a certain amount of timber.

26. We were told by the merchants in Christchurch that they would not take the Southland specifications?—The reason they will not take it in Christchurch is because the scantling is so rough. But the best timber is being cut out. Mr. Massey has the best. It is four years since I was down there.

27. You know that the sawmilling industry there is in a very bad way?—Yes, I am aware of that.

28. And very little Oregon goes down there?—It does not affect them much.

29. When did your orders begin to fall off to an appreciable extent?—I think about June or July of last year.

30. Are you a member of the Sawmillers' Association?—No.

31. Have you any objection to stating why you are not?—I had a bit of a difference and stood out.

32. Do you get your fair share of orders?—Yes.

33. And you can do just as well outside as in?—Yes, I think so.

34. When did you first reduce hands?—I think about October.

35. How many have you reduced since that date?—About ten or twelve; I could not tell you exactly.

36. Where is your best market?—Christchurch.

37. Do you send any timber to Wellington?—Occasionally.

38. What have you heard from the timber-merchants there about the falling-off?—That things are slack and orders are very scarce.

39. Did they say on account of Oregon coming?—Yes, the agent there thinks that Oregon is replacing our scantlings and beams.

40. Does he not mention about the slackness in the building trade?—Oh, yes! he said so.

41. How do your mills compete with mills up Hokitika way?—I think they are much smaller down there.

42. Is the price the same?—Pretty well the same.

43. Notwithstanding that some are nearer the port than others?—It does not make much difference here.

44. Is not that a peculiar state of affairs?—If you are away from the port you have to suffer for it.

45. Have you got the business yourself?—Half is mine.

46. How many miles have you got to bring your stuff?—Nineteen.

47. Take fifty miles. What is the rate of that?—That is a fifteenpenny rate. That is to help the miller at a distance, because the miller could not take up bush if he had to pay more.

48. Have you made many bad debts?—Not very many.

49. Do you find you cannot get your money?—Yes.

50. Is that difficulty increasing?—Yes, it is getting tighter.

51. *Mr. Jennings.*] You have been sawmilling in Southland as well as here?—Yes.

52. Does the same difficulties occur there in regard to the sidings as here?—That I could not tell you, because it was not a private one we were using.

53. Are there differential rates in regard to the railing of timber?—I am satisfied that there is a difference between the red and white pine, although we have got to pay the same. When we

cut 12 in. here the shrinkage is so great that we have to cut it ½ in. wider and pay the railway that freight on our white-pine so as to allow for shrinkage. It is almost impossible to dry timber on the Coast as the weather will not permit of it.

54. What do you cut during the week?—About 9,000 ft. per day—possibly more—that is with the two benches going. With the third bench going it will average 16,000 ft. per day.

55. Are your men mostly New-Zealanders?—Not all, principally Tasmanians, Australians, and New-Zealanders.

56. Are they good in the bush?—Fairly good workmen.

57. *Mr. Clarke.*] Can you tell us how much you have saved per hundred feet by withdrawing from the trading association?—I do not think I have saved anything.

58. And your clerical expenses amount to about the same?—About the same.

59. What area are you working now?—Eight hundred acres.

60. How much have you cleared?—I have taken this up recently. When your area is worked out you can take up 200 acres more.

61. Have you not cleared your first area yet?—Yes, the sawmill area is cleared out.

62. How much per acre did it cost you to fall your bush and work it?—I could not tell you.

63. You say you turn out about 9,000 ft. per day. What is your outlay per day or your expense for labour?—I could not tell unless I worked it out.

64. *Mr. Ell.*] At what price are you selling?—Association price.

65. Is there a difficulty in getting your rough stuff on the Christchurch market through the action of the timber-merchants and architects?—They blame it on the architects and we have to listen to them.

66. They do not take the rough timber there they are prepared to take in Wellington?—They will not look at it.

67. Do you think there would be a better chance if you had your own agency in Christchurch?—No, it would not make one iota of difference. I have my own agent there, but he cannot sell any rough timber.

68. Would it not be advisable to have your own depot there?—I think it would be a good scheme. I moved that the scantlings should be sent to Christchurch and sold there by auction. They were so very bad on us for awhile. You feel very bad when you get timber condemned on you time after time.

69. *Mr. Arnold.*] Who is your agent there—a business man or a merchant?—He just charges me a commission.

70. Does your stuff go into the yards of various merchants?—To any one he can get an order from.

71. And in taking it do they know that you are not a member of the association here?—Perfectly well.

72. As far as you know, there has never been any action taken with a view to blocking your timber?—Never.

73. Has the association here brought any pressure to bear upon you to join?—No. We had a bit of friction here, but it has blown over long ago.

74. Have you been in this room to-day?—I was awhile.

75. Did you hear that there was every likelihood of an employees' union being formed?—I never heard it.

76. You sell at the association price?—Yes.

77. If the union were formed amongst the employees, and the employers were taken before the Conciliation Council or the Court, considerable expense would be attached to the matter, would it not?—I do not know anything about that business.

78. If the association exists for the purpose of protecting the trade as a whole, and considerable expense was likely to be incurred, do you not think it fair that all millers should subscribe?—I suppose all workers subscribe, and millers should too.

79. *Mr. Stallworthy.*] Did the association take any steps to hamper you when you left them?—I do not think so.

80. You said you moved at one time to send scantlings into Christchurch to find a market?—I did.

81. Did they think the merchants would retaliate?—They cannot very well.

82. *Mr. Mander.*] Would it not take a considerable amount of capital to run a business in Christchurch?—Certainly it would.

83. Do you not consider that heart of rimu is the best all the time?—That is what I told some of those gentlemen when they were up at the mill.

84. Is it not a fact that the class selected by the Christchurch merchant is the least durable part of the tree?—Most of it.

GREYMOUTH, TUESDAY, 20TH APRIL, 1909.

JAMES ASHLEY sworn and examined. (No. 71.)

1. *Hon. the Chairman.*] What are you?—District Traffic Manager of the New Zealand Railways for the West Coast. I understand that what is desired from me is information in regard to the quantity of timber exported. I can give that for each month or each year. I might say that our year ends on the 31st March. In 1907–8 the total quantity of timber exported from Greymouth was 46,054,421 ft., most of which went to Lyttelton. In 1908–9 we carried for export 43,271,396 ft. We carried on the Westland Section in 1908—the difference being that for local

consumption—51,302,700 ft., and in 1909 we only carried 45,132,300 ft. That is the amount of timber carried on the railway. Now, the next information I obtained was with regard to sleepers. During 1907–8 we carried 67,398 sleepers, and during 1908–9 only 27,220 sleepers. I also prepared a list of the hardwood timber imported into this port during the same periods. In 1907–8 we brought in 1,191,287 ft., and in 1908–9 we brought in 706,930 ft. I have also prepared a list of the number of sawmills in this district doing business with the railway. There are forty-six sawmills that actually do business with us. There are a great number of mills which are adjacent to a siding—either their own siding or a railway siding. There are also a number who bring it to the railway by tramway, and there are also a small number who cart it to the railway, such places as Kumara, Hokitika, and Ahaura. There is also one mill that brings its timber to Ahaura by traction-engine, and another that brings the timber across Lake Brunner by punt. At present one mill is under construction—namely, Mr. Butler's—and I know of three mills that are at the present time dormant, but for what reason I do not know.

2. *Mr. Stallworthy.*] Have they been dormant for long?—All this last season, one of them a good many months, and the other two only during the last three or four months. Two of them look as if they have been locked up for a time. I also have a list prepared of the rates on timber from the various stations. On this section there are special rates. From 1 to 7 miles it is 8d., including all charges right alongside the ship; 7 and not over 11, 10d.; 11 and not over 15, 1s.; 15 and not over 18, 1s. 1d.; 18 and not over 21, 1s. 2d.; 21 and not over 40, 1s. 3d.; 40 and not over 50, 1s. 4d. That covers all the distances of our mills. There are one or two exceptional rates, or, rather, special rates. For instance, timber from Ho Ho to Greymouth, including all charges, 21 miles 62 chains, is 1s. 1d. per hundred, and according to the local rates that would be 1s. 3d. From Stafford to Greymouth, which is 18 miles 48 chains, it is 1s. 1d., and if the local rate were applied it would be 1s. 2d. From Ho Ho, 21 miles, it is 1s. 1d., and from Kotuku, which is a mile less, it is 1s. 2d.

3. *Hon. the Chairman.*] Can you explain the reason why it is 1d. more?—No, I am unable to do so. It was fixed long before I took charge.

4. It is a fixed charge?—Yes, it is gazetted.

5. In regard to Kotuku, it has been given in evidence that a man there paid for a siding which is used now, and has also been used as a public siding, and you charge that man more than you charge the public?—I was in the room when Mr. Jack made the statement. A private siding for the sawmilling industry is erected almost without exception wherever asked for at the expense of the person who applies for it. In other words, the railway is there, and any alteration they desired to the railway they had to pay for; but one of the conditions was that all trucks containing goods inwards or outwards from that particular siding or private siding were to be charged on a minimum of 30 cwt. Mr. Jack introduced another matter, and said that other people could get goods in small quantities different from himself. I know him very well, and I know what he meant. He made a slight mistake in the way he put it. In addition to its being a private siding it is a flag-station, and any person living in the locality desiring to send a package which is not over a certain weight—namely, 2 cwt., or such as could be handled by the guard—can get it put out there at the ordinary rate, whether it is addressed to Jack Bros. or any one else; but, on the other hand, if it is machinery addressed to the owner of the siding and has to be shunted, it costs the minimum. If Mr. Jack was getting some small packages they would be put out at the siding, but if consigned to his private siding it is part of the undertaking by Mr. Jack and other private owners that those shall be charged at a minimum of 30 cwt. if they are shunted into the siding. This applies to the whole of New Zealand, and Mr. Jack is charged according to the system that was agreed upon.

6. *Mr. Barber.*] It was less than 12 cwt., it was 3 cwt.?—Yes. Well, it is over the two, and the only means of getting it to such places as that is to put it into the truck and the sender to consign it to Messrs. Jack Bros.' private siding. He also said that other people could get it, and Mr. Jack knows that. It has been declared by the Minister for Railways to be a flag station. There are no roads, so that the people may get assistance. Where there is a station within 20 chains they have not made a second one a flag-station. He also said that at the siding for Messrs. Manson and Co. a package weighing 5 cwt. was charged at the full weight of 30 cwt., and that a truck went away from Greymouth without taking a 5 cwt. package; but you know that when you take a truck away you cannot bring it back to put 5 cwt. in. This firm of Manson and Co. is quite a new firm, and it is also called Manson and Tuck, of Te Kinga, and, no doubt, the package was consigned to Te Kinga, and the guard not knowing where they desired the parcel, put it out at Te Kinga. I have heard a lot of versions about sidings and having to pay for them, and I think Mr. Jack conveyed something which he did not intend to the Commission. The hardship of putting in a siding has not been complained about by the sawmillers to me. Mr. Jack said it would be better that they should be assessed on the revenue. In former times this argument was raised, and the revenue was fixed at not less than £300 a year, and an alteration was brought about because that was not satisfactory, and in place of that there is a rent charged for the use of the siding, but I might say there is no rent charged to sawmillers. In a similar station in Canterbury he would pay £25 a year rent, and in the larger centres, such as Invercargill and Christchurch, he would pay £50 a year in addition to costs. The conditions in each case are just the same, and there is no rent charged for the actual siding. I know of many instances here where they have had to shift the sawmill and they have had to leave the siding. I think that was what Mr. Jack was driving at. It was when he went away and had to shift, and his main grievance was that he could not take the siding away with him when he left.

7. *Hon. the Chairman.*] He gets no compensation?—No compensation. He can remove the rails and crossings on his own ground.

8. *Mr. Morris.*] I have a letter here from Mr. Tuck which has a lot to do with the question you have been discussing. I only received the letter last night. It is as follows: "Te Kinga,

18/4/09.—Mr. W. Morris, Timber Commission, Greymouth.—DEAR SIR,—As a matter has recently cropped up concerning timber, and the way in which we are charged by the Railway authorities, I have herewith enclosed three demands from the Railway people for the handling of one truck of timber which was shut out of a boat. As you will see, the total amounts to £3 8s. I fail to see where the cost comes in as we are very often expected to load the same quantity of timber in one and three-quarters hours, and which is the cause of many a truck being shut out when you have a lot of small timber to handle. There is also another demand enclosed herein for 2s. 6d. There evidently was a clerical error made of 18 ft., and for this we are charged to the tune of 2s. 6d. Another matter that is worthy of mention is the fact of the Railway people fixing 30 cwt. as a minimum for private sidings, and making a distinction between wire nails and horse-feed, as for instance 1½ tons of feed costs 8s., wharfage included, whilst eight kegs of wire nails, weighing 8 cwt., cost 19s. The result is that we have to pay the local ganger 2s. a load or a trip to get these things under 30 cwt. back from Te Kinga siding. As there is a fairly large river between our siding and Te Kinga, we cannot use a dray. This is a fine state of affairs in a Liberal country, especially as there are specials running and two or three slow trains per week taking some three or four hours to go twenty miles, and staying long enough at various stations to give passengers ample time to walk a hundred yards there and a hundred yards back in order to liquor up, and yet they refuse to stop two minutes at a private siding to put off parcels, say of 1 cwt. or over.—J. T. TUCK." Mr. Ashley, I want you to look at one of these railway accounts which has been referred to in the letter I have just read. There was an error of 18 ft. apparently: 10,643 ft. were sent, but the Department discovered later that the measurement was 10,661 ft., being a difference of 18 ft. Do you not think that that is cutting things very fine?—I can only say that that was a clerical error in the calculation which was rectified as soon as it was discovered. With regard to the Te Kinga Station, I might explain, seeing that a letter has been read from Mr. Tuck, that Messrs. Manson and Tuck applied by letter—I have not met them personally—and we refused to grant their request. I can fairly state that we would not have granted the siding. We agreed to put a siding 20 chains away from the one they had there. As I mentioned before, this is not a flag station at all. It is a siding lent to suit their purpose. It is not a public station or a flag station. They have to find the means of getting their goods further, which is that they have to pay the cost of a platelayer's time to put the goods on the trolly and bring them along. They knew all about it when they opened the siding. It is not a stopping station at all. We stop there certainly for empty trucks. With regard to the time allowed for the loading of timber into trucks, it was said that we allow 1 hour and 20 minutes for special trains, but the Sawmilling Association know they can apply to us and we will make it four; so that if the time is not sufficient it is because they have made bad arrangements. If the steamer is at the berth it suits the sawmiller and it suits the ship that we should hurry up a bit, and perhaps sometimes we do not give them the amount of time they want. When we are busy there are every day, one, two, or three special trains out for timber. The man who looks after the timber refers to me, and if they had wanted four hours they could have had them instead of three. Circumstances alter cases, and each day is distinct. I may be permitted to remark that if we send a lot of wagons to a sawmill siding we have no control over the loading of them. They may load for the vessel that is at the berth, or they may load for up-country requirements. A UB wagons carries 11,000 ft., a U wagon carries 6,400 ft. If we put other larger wagons in, and they elect to load them for shipping, there is one more coming down than we expected. I do not suggest that this is sharp practice, but they get it down and we have only accounted for one. At the time in question Mr. Tuck's wagon was the last, and it got shut out. If he had got him timber in, somebody else's timber would have been shut out. It is only reasonable that we should empty the trucks and use them again for some other vessel that is in port. We must charge 3d. per hundred feet for discharging, and we have no option in that, because the charges are not my making. You know that at this port timber very often gets shut out through no fault of the miller at all, but sometimes owing to the sea, the bar, and various other causes, and sometimes the shipping companies want to get their ship away and send her out with several thousand feet less than she was intended to take. If nobody else wants the trucks, then, in that case, you will, of course, understand we do not empty them for the sake of emptying them. If we want trucks, and they are standing loaded with timber at their destination, we must have them.

9. I have been informed that they have been emptied when there was no cause for it?—I should not like to think that, and a case of that kind has not been brought under my notice. The Stationmaster keeps in touch with things, and if he wants the trucks he must have them. You could hardly allow them to stand indefinitely. Sometimes twenty or forty trucks may be standing there, and if some or all of them are wanted they must be had. The Railway Department could not empty trucks without charging.

10. The association could load and unload cheaper than the Department if they were allowed? —They are allowed to do so if they so desire.

11. *Hon. the Chairman.*] For some time the Stationmaster charged 2d. for hauling the wagon to the point of discharge. The sawmiller discharged, and he charged 2d. back again. Now it is taken free to the point of discharge, and it is charged 2d. from the point where it was discharged to the ship's side?—That is the minimum, and it is a small figure.

12. *Mr. Morris.*] You know, Mr. Ashley, that had it not been for our trade with Australia in timber for some months your revenue from the carriage of timber would have fallen off very materially?—Yes, that is so. The timber revenue has fallen off very badly.

13. *Mr. Jennings.*] Is this complaint about sidings local?—They have to pay for the construction. I have known other parts, and it has always been the same.

14. That is my experience, too. In regard to the falling-off, can you give to the Commission any figures as to the actual amount of falling-off in the freightage of timber during the last twelve months?—We can get it.

15. *Mr. Leyland.*] Did I understand you to say that the rates included wharfage?—Yes, everything.

16. I notice you charge 1s. 4d. for fifty miles?—Yes.

17. We are bringing timber from the north from a few chains beyond Makarau into Auckland, which is forty-nine miles—the next station is fifty-two miles, and we pay 1s. 5d. for white-pine, and 2s. 2d. for rimu, and we have wharfage to pay as well. Have you any idea of the cause of that great difference?—We make no difference between white and red pine in this district. I do not know the reason.

18. *Mr. Clarke.*] With regard to the cost of these sidings, if the nominal owners of the sidings were allowed to take the material away would it not be the cause of a good deal of trouble to the Department? Would there not be sidings put in in all sorts of places? Does this practice have a check on an unnecessary amount of sidings, for instance?—My experience has been that very few people put in sidings unless they actually want them. They never put them in for temporary purposes. The practice now prevailing has been in use for thirty-five years—ever since I have known the lines.

19. It is no new thing in this particular district?—No, it is all over the colony. We had a good deal of complaint in former years with regard to the Harbour Board sidings at Oamaru and elsewhere.

20. *Hon. the Chairman.*] At that time you took everything?—Oamaru has as many concessions as any place I know of.

21. *Mr. Barber.*] Have you felt any hardship or any inconvenience through shortage in the timber trade in this district?—Yes, we have, of course. We hardly know what to do with our plant and men sometimes. We have been very fortunate, however, in having two or three Australian ships in, which have eased us a lot.

22. You will give us the figures giving the exact falling-off in the timber trade during the last twelve months?—Yes.

23. *Mr. Stallworthy.*] Who are the owners of the Ho Ho Mill?—It belongs to Mr. Malfroy. There is also a tramway—a miniature railway—which goes in about six miles and brings down the timber from Baxter Bros. to Ho Ho.

DAVID TENNENT, Manager for Stratford, Blair, and Co., Sawmillers, Greymouth, sworn and examined. (No. 72.)

Witness: I desire to bring before the Commission some facts concerning the timber industry. I have some facts concerning the profits of the company, which I will submit to the Commission in committee and explain any items they may require. We desire to bring before the Commission these few facts concerning the timber industry, and to point out to you how the industry on the West Coast is seriously affected by the continued importations of Oregon and hampered by the very unsatisfactory regulations by which it is hedged. First, in regard to Oregon, we beg leave to point out that the West Coast is the most keenly interested of the whole Dominion in Oregon importations. The ports on which we depend for our markets are the most easily assailed, and this is proved by the large Oregon importations into Wellington and Lyttelton during 1908. We have sent virtually no timber into Wellington since October. Oregon importations amount to 3,543,731 ft., while into Christchurch for the same time about an equal quantity of New Zealand pines and Oregon has been imported — about 2,500,000 ft., whereas our capacity is 4,000,000 ft. monthly. We are prepared to admit that there is a general stringency in financial circles responsible is some measure for the slackness in the building trade, but when to this is added the unfair competition of Oregon, produced under freer conditions and by means of the Government subvention to the Alley Line, admitted practically free into the Dominion, we consider we are justified in demanding that we be placed in a more favourable position to hold our markets; and we invite the Commission to lend us their favourable consideration in this direction. That we are not making any undue profits will be amply proved by the figures submitted, and further verified by the fact that there is no man in the West Coast trade who, after a life spent in the most arduous labour, has amassed a competency. It is safe to say that in nearly every instance the same amount of capital invested and the same attention paid to any other line of business would have been more abundantly rewarded. The rapidly wasting nature of our assets in shape of bush, the heavy wear-and-tear of plant, the heavy rates for fire and accident insurance, the high rate of wages paid and strenuously earned, together with the very unsatisfactory nature of the regulations under which we hold our bush lands, all conduce to render investment in the industry precarious, and the returns incommensurate with the anxiety entailed. The heavy importations of Oregon for building purposes are cutting us out of our natural markets in every line except decorative lines of timber. We can sell virtually no scantling or framing, only dressing-lines, of which our timber is not equal to producing more than 40 per cent. of its contents; the balance, if got rid of at all, must be sold at a sacrifice. This naturally means that only the clean barrels of the trees will be taken, and probably 50 per cent. of good milling-timber will be absolutely destroyed, entailing a heavy national loss in wages, royalty, railages, and the national asset of the timber itself. The following will show the costs of Oregon, and its comparison in freights from America, and New Zealand timber freights to New Zealand ports: Oregon costs 75s. 9d. per 1,000 c.i.f.e. Wellington; duty, 20s.; wharfage, 5s.: total, 100s. 9d. —10s. 1d. per hundred. Red-pine, limit 22, 12 by 12 selling basis, freight 2s. 9d.; Oregon, 40, 12 by 12 selling basis, freight 2s. 9d.; Oregon, 40 ft., 24 by 24, costs 10s. 6d. per hundred. No extra freight on long or wide Oregon, only 2s. 9d. all through. Wellington excepted, red-pine has to pay extra on long lengths, and also on widths, at 2s. 9d. Wellington, 3s. Lyttelton, 3s. 3d.

Timaru, Oamaru, and Bluff, plus 6d. extra on widths from 12 in. to 16 in., plus 9d. from 16 in. to 20 in., and 6d. extra on 22 in. to 30 in. A 40 ft. 20 by 20 from Grey to Lyttelton would cost in sea freight 6s., and 3d. per mile extra for runners on railway, it being too long for U.B. wagons. Oregon is lighter, softer, and easier worked, although neither so strong nor so durable. It affords no advantage to the buyer in price, only to the builder in using. We urge first that subvention must cease. This has meant the delivery of 10,000,000 ft. of Oregon in New Zealand duty-free, the balance of trade being in favour of Canada by nine to one. Secondly, duty should be increased on smaller sizes up to 64 sq. in., so as to compel their production in New Zealand. The Americans put their timber f.o.b. Vancouver as low as we can put on trucks at mill —virtually the same. Then, they are not hampered with such regulations as cabin the New Zealand millers. There the American can get what land he can pay rent for, and build his mill in proportion to the country he holds, with the result that mills capable of dealing with 400,000 ft. to 500,000 ft. per day are quite common, whereas here, no matter what capital may be offering, no mill can legally hold more than 800 acres, unless at least four miles from railway, when 1,000 acres may be held, and even that is on such a tenure as affords no security to the lessee, and is useless as a financial security, it being practically impossible to obtain any advance from any financial institution on the tentative titles held. We require in this connection at least an assured life of ten years for the mill projected up to a cutting-capacity of 20,000 ft. per eight-hour day. The titles require amending in the direction of giving the reserve the same lease as the licenses, so as to avoid the continually recurring annual expense of reapplication, entailing legal costs of at least £6 6s. and a dead rent of £30 annually. We require that these rents of reserves should be treated as part of royalty, and should be liquidated in royalty produced. As it is, no matter what amount of royalty is produced, the added rent of the reserve is entirely lost to the miller. My company pays Government over £2,000 annually in royalty, and has still to pay dead rents equal to £130. Lands rented to settlers, of similar quality as bush held by millers, are charged from 4d. to 9d. per acre, and millers pay dead rent of 1s. We would much rather pay county rates on the whole lease and have an assured title than continue in the present unsatisfactory, not to say precarious position. The Act in this respect is ambiguous. Mr. Hawkins, S.M., allowed the reserves rent to liquidate in royalty, but his successors have not, although certain legal gentlemen maintain that Mr. Hawkins was right and interpreted the Act as it was intended. We do not wish that the method of selection should be altered; the 200-acre blocks enabled millers to take up suitable areas in broken country, where a solid area of 800 or 1,000 acres would often be impracticable. With regard to private sidings, millers have to pay for these according to cost of construction, and do not own a rail or sleeper when laid, and, although on some lines—Otira, for instance—every flag station was and is a mill siding, the miller is in a worse position than the general public, who only pay their fare and owe the convenience of the station to the cost and enterprise of the miller. The miller is virtually denied the right of using the flag station. Everything over 4 cwt. sent to him, no matter what weight the packages may severally be, is charged as for 30 cwt., whereas the general public pay only for what they send—an odd way of encouraging an important industry. We consider that we should pay for what the railway carries for us, whether put into siding or discharged from the roadside wagon. If the railway puts a wagon in with goods for a miller he generally loads the wagon out, which usually the general public cannot do. We also require that the cost of these sidings should be refunded to us by an annual percentage rebate, after the first cost has been refunded in freight. Say a siding costs a miller £300, then after freight to the value of £300 has been paid, the miller should receive an annual refund—5 per cent. of the freight produced—until the amount of the £300 is refunded. When the Midland Railway opened up the line they were glad to find *bona fide* miller ready to build a mill if they found the siding, and several of the earliest mills had their sidings so laid. The Midland recognised the wisdom of lending every encouragement in this direction. As to transhipment charges at Greymouth, at present under the tariff no mention is made of timber, with the result that now it is read into goods at 1s. a ton. Wharfage on goods is 2s., on timber 2d. Transhipment charges are based on half usual wharfage rates. Thus goods are 1s. and timber should be 1d., whereas by reading timber into "goods," as the railway authorities do, and basing it at 400 ft. to the ton, we are charged 3½d. per hundred feet, or nearly double the usual wharfage. We desire to bring this before you in the hope that you will lend your assistance to have the anomaly removed. With regard to settlement, owing to the heavy bush and the high average rainfall, it is simply impossible to get men to take up the bush land for settlement until the sawmiller has been through it, unless in the cases where the settler acquires timber lands at a rental of about 9d. per acre, and sells the timber to the miller at anything from £1 up. You can get plenty of instances of this. If Oregon continues to come in as it has done lately, almost entirely to the detriment of the West Coast, settlement must be greatly hindered. In regard to the quality, lengths, sizes, and extent of our timber, I wish to state that at a test which, by resolution of the Conference, I personally conducted in Wellington in the Phœnix Foundry, on the 27th July, 1908, three planks, 20 ft., 12 by 2, were tried, two of red-pine and one of Oregon, secured at each end. The red-pine stood an hydraulic pressure of 210 lb. to the square inch before showing any signs of fracture. The second, which had a slight diagonal shake, stood 190 lb. before it broke along the line of shake. The Oregon went to splinters at 145 lb. This test was made before Mr. D. Robertson, Phœnix Foundry, and several sawmillers. The planks were got from Isbister and Co.. At that time we made a special concession to Wellington merchants by offering them 16 in. joists up to 25 ft. lengths at usual basis rates, and undertook to supply them with any longer lengths they might require if given an opportunity to quote or supply. Although the majority promised us their support in our contest with Oregon, we have not been called on for a quotation, nor have we received any order. It is safe to say that 90 per cent. of the warehouses built in Wellington since March, 1908, have been joisted with Oregon,

with very doubtful advantage to the proprietor, and the only one to the builder is that it is softer and more easily handled and nailed. 16 by 2½ Oregon is usually placed against 16 by 2 red-pine. As to the extent of our timber, you have had a glance at a portion of the country from the Otira down, and have had a look at the southern districts. You will thus realise that the true conservation of our forests consists in securing the New Zealand markets to the New Zealand millers. Otherwise what is to-day a valuable asset will be largely wasted, as what is now left to us consumes not more than 50 per cent. of the actual timber available. I understand that the statement was made in Christchurch that the merchants' orders embodied the full product of the log. This is only half true. It must be a picked log to begin with, and our orders only admit of the cutting-out of what is really first-class. The term "full product" of the log is a gross misnomer. Of this you had ocular demonstration in Jack Bros.' bush; and the comparison of the areas worked twelve months ago and to-day is convincing evidence of the truth of my assertion and of the great national loss that is now and must continue to ensue until we have the necessary protection. Another matter which I wish to bring before the Commission is the suitability of our New Zealand timbers for railway sleepers and wharf-decking. At present Government is importing large quantities of jarrah and Australian hardwoods generally for all of its railway and wharf requirements. While not attempting to assert that our birch or rimu is equal in quality to these hardwoods, I do claim that the difference in cost is such as to warrant the Railway and Public Works Departments giving our timbers every consideration. Silver-pine is admitted by Government to be good, but, as you are aware, this timber is not sufficiently plentiful to fulfil all requirements, whereas if birch and hard heart of rimu were also used, very few hardwood sleepers need be imported. If it were understood among millers that Government would take sleepers in birch and red-pine heart, I am sure I am safe in saying that any number of these could be got at from 2s. to 2s. 4d. alongside the railway-line, against the 4s. to 4s. 6d. for hardwoods, and the difference in cost, coupled with the fact that thousands of feet of the very core of our timbers which is now burnt would be saved and brought into satisfactory use, should be ample reason for the Department's using our own timber and keeping its money in its own population. I will show you some heart-of-red-pine sleepers lifted recently from the old Kumara tram in Tainui Street, which must have been laid twenty years ago, as it is over sixteen years since the tram ceased running, and no extensive repairs were made for some considerable time before it stopped. You will see by them that the railway-dogs are still firmly held, and the sleepers are hard and sound. We are told that timber-workers represent only 10 per cent. of the workers of the Dominion, and that it would not be just to the others to afford us any further protection; but I would respectfully point out that because we do represent 10 per cent. of the workers of the Dominion we are the largest body of workers, and the largest wage-distributing industry in the Dominion. And we would further call to your remembrance the action of the Government in dealing with the implement-manufacturers, when it seemed as if that industry was about to be seriously affected by American competition. Prompt measures were at once taken to defend New Zealand makers. We may fairly urge with even better reasons that the same consideration be given to us. We are told that Oregon importations for the past year, totalling over 10,000,000 ft. into Wellington and Christchurch alone, represent only about 5 per cent. of the timber used in the Dominion, and that Oregon is now advancing in rates, and that the conditions conducing to this American export will never occur again. We have no guarantee that this last statement is oracular, or even reliable. What we do know is that our export from Greymouth to Wellington, which last year imported 7,571,000 ft. of Oregon, has almost entirely ceased, and that we have lost a market which formerly absorbed 9,000,000 ft. per annum of the class of timber you saw in the bush at Jack Bros.' mill. The 5 per cent. to the Dominion means now and has done since last October nearly 50 per cent. of the West Coast New Zealand trade, for, as I have already said, the brunt of this crisis is falling on the West Coast, which has an infinitesimal local trade, and depends almost entirely on Wellington and Christchurch for its markets. We hold to the challenge made to the Government by the deputation last July, to appoint a Commission to investigate the truth of our statements and the accuracy of our reports, and after having done so, were prepared to accept the decision of the Government as to what price we should sell our timber at. We are to-day delivering alongside the State sawmill timber of equal quality and at equal rates as charged by the Government, after our payment of freight and royalty—an average of 1s. 8d. per hundred—whereas the State is exempt from these two charges. With reference to the assertion that it is unreasonable to protect the timber industry of Westland, representing only one-seventieth of the Dominion's population, perhaps to the detriment of the rest of the Dominion, I beg to submit that this is not a fair or reasonable deduction. It has not been proved that the importation of Oregon has resulted in any benefit to the consumer. The advantage, if any, has been only with the merchant and perhaps the builder. Oregon employs no labour in its production here, whereas even in Westland it has been shown that over 750 men are directly employed in the native-timber industry. Consequently it is not a matter of Westland against the Dominion, but rather a few exploiters of Oregon against the native-timber industry of the Dominion. Further, if the native forests are to be utilised to the best advantage to the millers, workers, and the State, it is absolutely imperative that for a number of years at least New Zealand millers should be protected in New Zealand markets, otherwise the excessive waste at present ensuing will continue and probably increase. As to the idea of making considerable reserves in order to conserve the forests, I beg to submit that the physical conditions of the Coast render this almost unnecessary, unless where adjacent to present roads and railways for scenic purposes. Within five miles from Greymouth there is more timber growing than the millers have been able yet to take out, and this will continue to stand or grow until the rates of timber advance sufficiently to allow it to be worked—and the same exists in every district more or less to-day. With reference to the statement made that axemen have gone over a milling-area and taken out six hundred sleepers after the area had

been abandoned by the miller, this may be quite true. In this particular instance the miller produced at 2s. 6d., the squarer at 3s. 3d., and it is not uncommon for three crops to be taken off silver-pine *pakihis;* when the tops and *débris* burned off the fire often reveals a buried crop. Baxter Bros. have been over the same ground three times in this way. As explanatory to the increase in price of timber to-day as against the 5s. 6d. rates of nine years ago, quoted by Mr. Bowater, these increases in cost occur: Stratford, Blair, and Co. ran their Kaimata Mill for six months on a nett profit of $\frac{12}{13}$d. per hundred feet—£30—without any charge for depreciation.

	s.	d.	
Wages have increased in five years	0	5	per hundred—13·8 p.c.
Royalty has increased in five years	0	3	per hundred.
Accident insurance has increased in five years ...	0	1	per hundred.
Longer tramways maintenance has increased in five years	0	1	per hundred.
In S.B. and Co.'s case freight average increased ...	0	2	per hundred.
Allowance for depreciation	0	3	per hundred.
	1	3	
Cost on 5s. 6d. sale...	5	5	
Cost to-day	6	8	

When Oregon 16 by 2½ is placed against our red-pine 16 by 2 in the joists of a building, it simply goes to prove that merchants are pushing in Oregon, an inferior timber, to the detriment of our red-pine. Joists over 22 ft., 12 by 2, were estimated by Wellington merchants to represent 2½ per cent. of the Wellington building trade, and this was the only line on which they claimed any consideration for Oregon importations. In Christchurch the proportion is probably less. Mr. Malfroy on his return from Wellington recently reported that a certain building was joisted with alternate Oregon and red-pine joists, simply because the proprietor was doubtful of the strength of the Oregon; and at the Conference already noticed held in July last it was authoritatively stated that one of the warehouses rebuilt after the late fire in Christchurch had to have the Oregon joists reinforced within a month of its erection. The warehouse of E. W. Mills and Co., Wellington, carrying probably the heaviest stock in that city, was joisted with red-pine cut by Stratford, Blair, and Co. fourteen years ago, when our mills were not so well adapted for cutting long lengths. The joists there go up to 37 ft. 16 by 4. You have all seen the poppet-head framing at the Ross Flats Gold-mining Company's claim, 54 ft., 18 by 18, heart of red-pine. This is further evidence, if required, that we can do long lengths when wanted. In further reference to railway matters, I beg to bring these instances of want of consideration on the part of the Railway authorities before you: Two trucks were ordered in from a mill with Timaru timber for "Kittawa" last Wednesday. The trucks arrived too late to catch the boat, and, although we have given the Railway a loading list for a boat due at the end of this week, they insisted upon our discharging the contents on the ground here. The timber will only lie there a day or so, when reloading to catch next boat will be necessary. A similar case has occurred with the "Defender," for Wellington (Petone wharf), which shut out two trucks, and which, although we guaranteed to quit by next Wellington boat, the Railway compelled us to discharge. Especially in these quiet times a matter of four wagons standing under load for a few days is surely too trifling to affect general Railway expedition. The cost to the sawmillers for this unnecessary labour is 3d. per hundred unloading, 3d. per hundred reloading, and 2d. per hundred haulage—or a total of 8d. a hundred, which at once more than absorbs the small margin of profit. In the export trade here it is quite impossible to gauge a vessel's loading to within a couple of wagons, and as it is to the mutual interests of ourselves and shipping companies to fill the space allotted to us, the varying use made of the capacity of the wagons renders a result of 10,000 ft. over-transported from the mills a very difficult one to avoid. These instances have only occurred this week.

1. *Hon. the Chairman.*] In mentioning the areas you show on the paper before us, do you think it is necessary to make them much larger on account of the conformation of the ground?—At the present time we are allowed 800 acres, which is the maximum. We do not seek to change the method by which that might be taken up. What we want is more reserves, but you can put them in 200-acre blocks—give us five or six instead of three. It very often happens on the Coast that you cannot pick out more than 200 acres of decent timber in one place.

2. Would you have where you choose—in several places?—No, but that we might be able to map out 200 in the most convenient positions—contiguous to one another. There is no instance in my experience of the present Warden allowing any one blocks not connected with each other. At Hukarere we tried to get round another application by a stretch of 3 chains to connect with some areas taken up by us; but he would not allow that. We took up 50 acres of useless country by which we connected at the back. By giving us more of these 200-acre blocks we get over the difficulty.

3. Would it not be better if the areas were computed according to the amount of timber they carry?—We would sooner have it so, because it would then show us how much timber we had to cut. There are some patches of timber which will carry 8,000 ft. to the acre, while others will carry 20,000 ft.

4. *Mr. Morris.*] What quantity do you consider would be sufficient to warrant the putting-up of a plant that would turn out timber as cheaply as it could reasonably be expected to be cut?—I put it in my note—ten years' life at 20,000 ft. output per day.

5. *Hon. the Chairman.*] You reckon that a fair output for a large mill?—Yes.

6. *Mr. Mander.*] That would be about 50,000,000 ft. of timber?—Yes.

7. *Mr. Morris.*] You know that the millers have been challenged with putting up obsolete plants?—That was so; and a fair amount of it was done. For instance, a man might have 800 acres for a decent mill, but there was no use in his expending money upon an up-to-date plant. If he could get an engine and boiler and couple of saws he could have another mill to comply with the Mining Act.

8. You do not say anything about charges made by the Railway Department for timber they have not carried at all?—I did not hear Mr. Wickes's evidence.

9. Do you know that for the last twelve months there has been a very large quantity of timber that the sawmillers have had to pay freight upon, but which the Railway Department did not carry?—I know that to be a fact. There was one case which I heard—Mr. Ashley disputed it—where 18 ft. of timber had resulted in a charge of 2s. 6d. per hundred. I know that has occurred time and again. The turning of 49 into 50 resulted in a charge of 2s. 2d., or 100 ft., at double rates on the fraction, to Mr. Malfroy. This is a common occurrence.

10. They have also been saddled with a great deal of unnecessary cost that might have been easily avoided in regard to checking wagons?—In my own experience it would be an eye-opener. It resulted so seriously against us that eventually we had to close the town mill in regard to log traffic. We could not continue to carry it on on the measurements which the Railway Department charged against us. Prior to Mr. Ashley's management we were generally charged a fair measurement by the railway, which would come out from 25 to 30 per cent. above the actual measurement of the timber, logs being always measured by Railway officers. Mr. Ashley's instructions were that the timber should be measured by us. I pointed out that there would be a discrepancy in the measurement between his measurer and ours, owing to the usual roughness of the logs. The result was, as I anticipated, that the freight was more than double, and we were penalised. I have the whole correspondence in my office, but did not bring it down here. In that particular instance we were freighted the whole time at double rates.

11. *Hon. the Chairman.*] At what would you estimate the difference?—If you had three or four hundred feet difference on a wagon, and if there were 5,000 ft. in the truck, they would charge you on 10,000 ft.—that is, double rates on the whole load. I can put in the evidence later.

12. *Mr. Morris.*] With regard to the conservation of timber, do you think it is a wise policy? They are talking of keeping figured rimu for posterity?—I think the best way of looking after posterity is to look after the man on the spot.

13. We have got a great deal of rimu in inaccessible places, and this will be available for posterity when we are all dead and gone?—Yes. I think, when the sale-price of timber is 12s. per hundred feet, it cannot be worked below that. We abandoned Kaiata Flat six years ago. There is timber along the foothills there which can be handled with heavier plants.

14. We have been told that the architects specify Oregon for joists in place of rimu. Do you know anything about the architects denying that?—Yes. We appointed a committee at the Conference in Wellington, and every man of them denied it.

15. You know, of course, that they do—that where Oregon is used they specify larger sizes?—Yes, 25 per cent. of an increase.

16. *Mr. Hanan.*] When did you find your orders falling off?—About last June and July—extensively.

17. You all found that last July?—Yes.

18. Until that month had sawmilling been a profitable business on the Coast?—Yes. The Wellington market was open to us.

19. You were making money?—We were paying our way. I do not think that any of us made a fortune, because we were paying 5, 6, and 8 per cent. on our money.

20. What would be the percentage of your profits per year?—Our own were probably 8 or 9 per cent. on the capital invested.

21. Not more?—Not after we had met the average depreciation.

22. Have you any objection to submitting your balance-sheet?—I will do that in committee.

23. Up to July?—Up to February.

24. What do you say your profits were?—Eight or nine per cent. on the capital invested.

25. What areas were you working on?—The same as to-day.

26. And you attribute the falling-off in orders solely to the importation of Oregon?—Principally to that.

27. It has been the main factor?—Yes, the prime one as far as we are concerned.

28. If in Christchurch you were told by the builders that the falling-off in the building trade was due to the tightness of the money-market, what would you say?—I am quite prepared to admit that a certain amount of it is due to that cause, but when you see Oregon coming in at a rate equivalent to the falling-off of your former supplies, what would you say?

29. If the builders in Christchurch tell you that the building trade is falling off because money is tight and there is a slump in the colony, do I understand you to hold an opinion against that—that it is not due to the tightness of money, but to the importation of Oregon?—I am forced to the conclusion that a large portion of it is due to the importation of Oregon so far as we are concerned.

30. Then, the importation of Oregon is the cause of the slump in the building trade in Christchurch?—Not necessarily. I did not say so.

31. Are you aware that the builders in Christchurch and Dunedin have told us that there is a slump in the building trade? You have read the evidence?—Part of it.

32. Assuming that to be the case, would you say that, in your opinion, the slump is due to the importation of Oregon?—I do not say that.

33. That being so, the falling-off in your orders for building purposes is not entirely due to the importation of Oregon?—I cannot quite follow the logic of your question.

34. Would you say the importation of Oregon has anything to do with it?—It would, inasmuch as it sends a good deal of money out of the country for the purchase of Oregon, which money might have been spent to better advantage in New Zealand.

35. Then, you think the building trade in Christchurch, Dunedin, and Invercargill has fallen off because the importation has been the main factor in contributing?—I think the building trade has not been improved, and that if the money had been spent locally, trade would have been in a sounder state than it is.

36. If the Oregon had been kept out?—The merchants who had to send spot cash away would have had that money for trading in the country and would have been able to give their customers better conditions, whilst the slump would not have been what it is

37. That is, the slump in the building trade?—Yes.

38. Then, I suppose you would be at a loss to explain why the builders in Dunedin have passed a resolution against the imposition of an increased duty on Oregon pine?—They do not see it the same way as we do, I presume.

39. You take it that their view is an incorrect one?—I really think it is an incorrect one.

40. So far as the West Coast is concerned, or as the Dominion is concerned?—So far as the West Coast is concerned undoubtedly, and I think also as far as the Dominion is concerned as a matter of principle.

41. Then, the resolution of the builders is against the interests of this Dominion?—I say so. The importation of Oregon is not required in this Dominion.

42. Do you class builders and carpenters as connected with the sawmilling industry?—No, not closely.

43. What do you mean?—They are not concerned in the production of timber — the sawmillers are.

44. All they are concerned with is getting the timber?—Yes, no matter where from.

45. So long as the timber comes in and building is required and they have suitable timber for it, they will have work, will they not?—Yes.

46. And it does not follow that a slump in the sawmilling business on the West Coast means a serious matter to the carpenters, and builders, and joiners of New Zealand?—It does not necessarily follow, no.

47. Do you anticipate prices going up?—When?

48. Within the next six or twelve months?—If the Government put a duty on Oregon pine or protected us to such an extent that is was possible to raise the price of timber, we should be prepared that there should be a reduction of the duty if they found us attempting to raise our prices.

49. Do you wish the public of New Zealand to believe that within the next twelve months there will be a rise in the price of timber if no duty is placed on Oregon pine?—I have said decidedly that there will be no increase in the price of timber from the Coast.

50. Within the next twelve months?—Probably for two years or more, until the physical conditions of the country warrant an increase in the expenditure.

51. That is whether there is a duty placed on Oregon pine or not?—Yes.

52. If a duty is placed on Oregon pine, does it mean that the prices of timber will go down?—The price cannot go below what it is now.

53. Then, if Oregon comes in at the rate at which it is coming in now, do you anticipate a reduction in the price of the West Coast timber?—No, I cannot see how it can be done as far as the sawmillers are concerned to-day; with the classification of the stuff we have to put up with it is impossible to reduce the price of timber.

54. Then, if Oregon pine does come in there will be no reduction in the price of timber?—No, unless you can buy Oregon pine cheaper than you are buying it, and I do not think you can.

55. We have been told that Oregon pine is displacing red-pine timber in the Wellington and Christchurch markets from the West Coast sawmillers?—Yes.

56. Will you give us particulars as to the class of red-pine that is being displaced?—The framing-timbers and roof-timbers—the class of timbers we were sending to Wellington six months ago. The timber which we were cutting for Wellington twelve months ago was timber which we showed you in Jack's bush, which was lying about wasting. Had we had the same Wellington trade to do as we had twelve months ago 90 per cent. of that timber you saw lying on Jack's bank as discarded would have been put through the mill, and would have met the requirements of the Wellington market, because it embodied a greater amount of heart.

57. Then, it is displacing the inferior timber?—Yes. We have lost entirely the Wellington market, which took nearly 9,000,000 ft.

58. To what do you attribute that?—Last year there was 7,578,000 ft. of Oregon pine taken into Wellington. I should think that at the very outside a million and a quarter would have been ample for all requirements in Oregon pine in Wellington. Even providing we admitted the merchants' plea that they wanted long joists and had a difficulty in getting them in red-pine, that is the only consideration on which they can ask for it.

59. In your own business during the last twelve months, what percentage of inferior timber has been displaced in regard to your output by the importation of cheap Oregon pine into the Wellington market?—Last June we were shipping to Wellington 167,000 ft., and our previous average was about 200,000 ft. per month. We have only shipped 200,000 ft. since then.

60. You attribute the falling-off in your trade with Wellington entirely to the importation of Oregon pine?—Yes, that is so.

61. Have you any objection to telling us with whom you do business there?—Of course, we are members of the Timber Company in Greymouth.

62. Will you give us the names of two or three firms who place a good deal of their business with you in Wellington?—The principal merchants, Waddell, Weir, and Hopkirk, the Wellington Timber Company, the Stewart Timber Company, and others.

63. Have they written to the association saying that it is entirely due to the Oregon pine coming into Wellington that their orders have been falling off?—They would not make that admission. Some of them would buy Oregon pine, and ask us to renew their bills to us.

64. Is the cost of production going up on the West Coast?—It has gone up during the past five years.

65. Will it still further go up?—I do not see anything outstanding just now to cause it to go up, providing you do not put in any new legislation which is going to very much increase our liabilities.

66. Then, you have been making a living previous to the last twelve months from the mills on the West Coast, notwithstanding the areas were smaller than you desired them to-day?—Yes.

67. *Mr. Jennings.*] You hold out no hope whatever of a decrease in the price of timber?—I cannot see where it can come in.

68. For what reason?—The margin of profit is so small that there is nothing to decrease on.

69. Speaking generally, have you not known that the public complain that the price of timber is too high, and retards building operations?—I have heard so, yes; but it does not apply to the sawmiller.

70. Can you figure out for me what is the increased cost to-day for building an ordinary six-roomed house as compared with what it was ten years ago? You said, for instance, that the increase in the cost of labour per hundred feet was 5d.?—Yes.

71. How many thousand feet of timber would be required to build a house of six rooms?—Taking it at the price eight or nine years ago, it was 6s. 6d. per hundred, and to-day it is an average of 7s. 6d. There is therefore a difference of 1s., but taking the difference on the average at 2s. with a house requiring about 14,000 ft. or 15,000 ft. of timber, that would only be £14 or £15 in the difference in the price of the timber. A rise of 2s. a hundred means £1 a thousand feet, and, assuming there are 15,000 ft., there would be a rise of £15. That is from the sawmiller's point of view.

72. *Mr. Clarke.*] With reference to the respective qualities of red-pine and other timbers, do you agree with the statements that have been made before this Commission that in a general way only about 6 per cent. of heart is obtained from the log free from shakes and defects?—That is clean black heart.

73. Yes?—That is about it—that is a good percentage. That is for joinery purposes.

74. But for heart timber?—No, you can get above that.

75. Is 6 per cent. a fair average of heart timber free from defects in a red-pine log?—If you get 6 per cent. on Government classification for railway purposes—that is, for carriage-building—you would do very well out of red-pine.

76. But is it a question of heart or not?—There are two hearts: there is the building-heart and dressing-heart or the factory heart. You could not go and get that class of heart at more than 5 or 6 per cent. out of any bush on the Coast.

77. Is there any system for defining "heart"? What do you mean by "heart"?—Six per cent. clean dressing-heart. The rest may be good enough for decking bridges.

78. But is it heart?—I am telling you it is heart, and you as a builder must know there are two classes of heart. There is the class of heart for dressing and the class of heart for framing purposes.

79. It has been suggested that 10 per cent. is allowed. Is 6 per cent. the actual amount of heart-timber in a log?—Six per cent. is a good average output of clean dressing-heart. You would get more than 6 per cent. of heart of all sorts.

80. Does the word "heart" convey any meaning in the sense of heart as against sap?—Yes. To amplify what I have said, I have a Wellington price-list here, and it shows heart of rimu ordinary building quality at 18s., and heart of rimu clean is rated at £1 4s. Now, which kind of heart do you mean?

81. Never mind what you are reading. How much of heart-timber is there in a log?—I have heard of a log that has the inner heart inside the white timber, and in good bush you might get anywhere from 6 to 10 per cent.

82. That being so, would you ask this Commission to believe that 6 per cent. of heart and 94 per cent. of sap is as good as heart in Oregon pine?—I mean to say that the Oregon pine that is being imported into this country is altogether inferior to the red-pine which the millers on the West Coast are putting out to-day.

83. That is not an answer to my question. Do you assert that this Oregon pine which is being imported is not heart?—It may be heart. There is heart of white-pine.

84. Is it heart of Oregon that is being imported?—I do not know; there is none that comes to the West Coast. If we sent the same quality in red-pine to Wellington it would be condemned—every stick of it.

85. Do you say you do not know whether it is heart or not?—I do not know the limit of heart in it.

86. I think you stated that in Wellington architects were using 16 by $2\frac{1}{2}$ instead of 16 by 2?—Yes.

87. Do you say that is done because it is to that extent inferior to red-pine?—A weaker timber—I take it that is the reason. I have not got written particulars in regard to that, but at the Conference I alluded to that was the statement we had before us, and admitted by the merchants in Wellington.

88. On what authority was that statement made?—The authority seemed to be good enough, because every merchant seemed to admit it.

89. Did the merchants make this alteration or the architects?—I presume it was the merchants.

90. Then can you tell me why the merchants ventured to speak on behalf of the architects?—Because there is more money in Oregon pine, I take it, than there is in red-pine.

91. But did they have the architects' authority to assert that this change was being made, or that those conditions existed? Was there any authority from the architects to the merchants to say that it was necessary to increase the scantling size of Oregon pine?—We did not have time to bring the merchants and the architects together. The one denied each branch of it separately, and the one blamed the other. If we could have brought them face to face we might have got something out of it. The architects said they did not specify Oregon pine, and the merchants said they did not want to sell Oregon pine, but it was put into the buildings.

92. You only had time to accept the merchants' statement, which had not been replied to by the architects?—The architects denied specifying Oregon.

93. Then, the fact that they specified 16 by 2½ instead of 16 by 2 must be an assumption in that case?—No, it was admitted by the merchants. There is no doubt about that statement.

94. What authority had the merchants for making that statement?—The fact that they were supplying the stuff.

95. Does that give them any knowledge of the strength of it? Would not the architect or the builder be the best man?—As I told you, if we had been able to get the merchants and architects together we might have got the sense out of them. We could have brought them face to face and found out where the story was.

96. Supposing that this extra size of scantling is allowable, are you sure that it was simply on account of the weaker nature of the timber, or may it not have been simply because they could get 16 by 2½ Oregon at the same price or a little cheaper than the 16 by 2 red-pine?—If so, that is all the more reason why we should have protection for our red-pine. In view of the test which we made, Oregon pine did not stand half the pressure which we put on the red-pine.

97. Did you accept a test of that kind without any further consideration as to what results may be produced by other people?—No, but it was sufficient for us as a guide. We do not put it forward as a test.

98. Was that rimu recently cut?—It was taken out of a stack the same as Oregon pine was taken. I do not know how long it had been cut.

99. You do not know whether the conditions were at all equal?—There was no sap in the Oregon pine and none in the red-pine.

100. That test would only apply to 6 per cent. of your output, would it not?—No, not necessarily. It was not all heart.

101. With regard to the Builders' Association, your reply to the question asked was to the effect that you thought their action was contrary to the public interest in asking for the removal of the duty on Oregon pine. Do you say that is so?—Yes, I think so.

102. Can you tell me why your opinion should run counter to the opinion of the representative builders throughout the Dominion?—I think that, as far as Oregon pine is concerned, it has not been proved that the introduction of Oregon into this country has resulted in any cheaper timber being supplied to the man who is getting a house built.

103. Independent of whether it is or not, if the representative builders throughout the colony give it as their experience that it is so, should not that be accepted in preference to an individual opinion?—No, certainly not, because I generally find that one or two men voice these things and the others accept it.

104. Then, you have men on the West Coast who know more about the conditions existing throughout the Dominion than the representative builders throughout the Dominion?—I think I am in a position to hold an opinion the same as the representative of the builders.

105. *Mr. Barber.*] You say the importation of Oregon pine is responsible for the falling-off in the building trade in this district?—Yes.

106. If the president of the Builders' Association in Christchurch held a contrary opinion, do you think he is right?—No, no more than any other man.

107. Mr. Field asked the president of the Builders' Association in Christchurch this question: "Does the importation of Oregon pine show any sign of easing off?" and he replied, "I think it is easing off because there is no market either for Oregon pine or for red-pine at the present time. The building trade has dropped off"?—What does a Christchurch builder know beyond local conditions?

108. Surely the president of the Builders' Association knows what business is going on. He is a practical man, and knows whether the slackness that is experienced on the West Coast is due to the building trade falling off?—It is generally admitted there is a stringency in the money-market which is responsible for it to a small extent, but with a city like Christchurch you could not bring it to a standstill in the building trade, and that is proved by the fact that since last Christmas Christchurch has imported as much Oregon as she has taken of New Zealand pines, and if we had that amount of orders which have been sent away for Oregon pine we should not be in the position we are in to-day.

109. Because it is imported it does not follow that it has been used in building?—The merchants in Canterbury who have stacked Oregon have laid out their money in Oregon, and if they had laid out their money in New Zealand pines the position would have been different. They have put their cash into Oregon pine, and they have had to put the screw all round on the New Zealand people.

110. I desire to know from you whether you consider the president of the Builders' Association in Christchurch knows whether the building trade has fallen off, and whether there is any demand for red-pine or Oregon pine?—I think I should like to know the state of his liver.

111. And we may say the same for the witnesses who speak here?—It depends how he left the job that morning. I would not put much weight on what the president of the Builders' Association says. I have met the man, and I have met other builders, and I know they speak pretty well according to their own individual experiences. It is not a matter of a meeting of the various builders, but a matter of the individual opinions.

112. Now, you argue that there should be some further reduction in the wharfage charges?—Transhipping charges, not the wharfage. I will explain it to you in this way: the particular instance in which that occurs is this, the white-pine trade oversea is worked by boats carrying probably a million feet of timber. One of our mills at Karamea transhipps its timber into a big steamer in Greymouth. They can only work a light-draught vessel in Karamea, and if they cannot get the stuff away in that fashion they cannot get it away at all. The Government will not spend much money in improving the Karamea harbour. The result is that the timber comes down to Greymouth in these smaller boats, and the Railway authorities charge at the rate of 3½d. per hundred, being the transhipping charge on the timber slung from one ship to the other, instead of 1d., which is the usual charge—that is, half the usual wharfage. They classify it as goods in this instance, instead of as it is classified under the tariff, and we ask the Commission to see that the timber stands in its own class for transhipping.

113. If the charges are removed, what means have you to provide for harbour improvements?—It does not affect the general wharfage. No one complains at 2d. per hundred, and the Railways are entitled to that on that particular scale. It is only a small thing, but it comes to a big rate with 3½d. wharfage and transhipping charges, and it is only reasonable when timber is charged 2d. for wharfage that it should be 1d. for transhipping charges. We have to pay 2s. 6d. for transhipping freight, and that is an absolute dead loss, and therefore 3½d., instead of 1d., is a great consideration. The railway does its work for 2d. wharfage on the trucks. It never handles the particular consignments in the case of goods transhipped from one steamer to another. The authorities only charge half rates, 2s. being the usual wharfage, and 1s. for the transhipping charge. It is not classed properly, and we want it rated in its own class; and in that case, instead of paying 3½d. we should pay 1d.

114. You mentioned some long lengths of red-pine at the Ross Gold-mine. At what price per hundred were they produced?—I did not supply them, and I do not know what they would cost at the job. They are built of four long sticks of red-pine.

115. Do you know what they cost per hundred feet?—They were picked heart of red-pine, and he got something like £2 per hundred feet for them.

116. Do you think it is fair that a timber that would take their place at about 17s. 6d. per hundred feet should be prohibited from coming into the country, and that those who are forced to use it should be called upon to purchase such expensive material?—I do not think that that puts the question fairly. We offer to supply the merchants with 25 ft. 16-by-2's at the rate of 7s. 9d.

117. I am instancing these particular sticks. I ask you whether it is fair to pay £2 for the material when it could be had much cheaper in Oregon?—They could not get the same quality in Oregon if they searched the whole of the American forests.

118. What is the value of a milling plant capable of turning out 20,000 ft. per day?—Probably £5,000.

119. *Mr. Ell.*] Your difficulty, Mr. Tennent, is to get rid of your rough building-timber?—Yes, that is the difficulty.

120. Formerly, I understand that Christchurch took the rough stuff?—Wellington used our rough heart-timber. Christchurch has always a market for the softer and cleaner timber. Builders in Christchurch are much more careful about getting soft timber to work, and that is why they choose the Oregon.

121. Has that always been the case?—Yes, the Wellington trade takes a harder class of timber than the Christchurch trade. In Christchurch they want something easy to nail.

122. Has that always been the case, and have they never taken this timber in Christchurch, because if so the importation of Oregon into Christchurch cannot affect the timber-millers here?—No, that is not so, because you can get probably from 25 to 30 per cent. scantlings that are a good, clean millable timber—first-class scantlings that we cannot sell at all in Christchurch now. Formerly they gave you a specification of sizes that would embody about 66 per cent. of the whole output of the mill. You were allowed to put in 3 by 2's and 4 by 1½'s, &c. You could reckon to get rid of probably 90 per cent. of the output of your timber. Wellington would give you a specification that would work at 100 per cent., as near as possible. There they would take any rough stuff for their framing. Now, with the importation of Oregon Christchurch bars us altogether from cutting scantlings. It is all machine stuff that they want.

123. I understand you to say that the difficulty of getting your O.B. timber into the Christchurch market away from here was the presence of Oregon there?—So it is.

124. At the same time you say that Christchurch has not and will not take this rough building timber?—Christchurch will not take resin heart, and never has done so, unless in very big stuff.

125. So far as that rough resin-heart timber is concerned, the importation of Oregon into Christchurch does not affect you?—Yes, that is so; so far as resin heart is concerned, but that is a small proportion.

126. Latterly you say the Christchurch people are taking less O.B. timber?—Yes, they are taking less O.B. timber. We are supplying machine lines. So far as my firm are concerned, I am quite safe in saying that 225,000 ft. of that stuff out of 250,000 ft. sent to Christchurch since January has been machine timber, and we have had to do the best we could with the rough stuff. We have had it out drying, in the hope of selling it some day. You saw this timber at the different mills which you have visited. They are just keeping it, and it splits through being left too long. In many instances where timber has not been stacked to dry it has been left to rot, and that was timber which formerly we could have sold.

127. With regard to that rough, shaky, heart-timber—resin timber—at Mr. Morris's mill and your mill, I thought that the difficulty of getting it into Christchurch was due to the action of the merchants in stating that they would not have it because they could not find a market for it?—That is for the resin-heart stuff.

128. Then, your difficulty is with Wellington?—We have lost the market in Wellington, and our average there used to be about 225,000 ft. per month.

129. This rough stuff, you say, consists of about 10 per cent. of the heart of the tree?—Ten per cent. of heart and about 5 per cent. of clean dressing-heart. Half of the heart will be clean and half shaken or resinous.

130. In regard to the falling-off in building, if it is shown that a considerable number of carpenters are out of work, what impression would that leave on your mind?—That work is scarce.

131. Then, of course, building is scarce?—Yes, taking the house for the average class of man.

132. If, then, twelve months ago carpenters in Christchurch were fully employed, and now a considerable number of carpenters are out of work, would you gather from that that the building trade has fallen off?—Yes, I would gather from that that work has fallen off.

133. So that in any case whether Oregon had come in or not there would have been much less demand for timber than eighteen months ago?—That is generally admitted. We do not dispute that, but we say that the importation of Oregon has not improved matters by any means. The people have not got cheaper business so far as trade is concerned. If red-pine had been used things would have been easier in Christchurch and Wellington.

134. Have you suffered much through your merchants re-sorting your timber when they got it there?—The slacker the trade the more we suffer in that way. Whenever there is a falling-off in the demand, the stringency of inspection increases. One particular instance which I might mention was the last statement that I got of the Timber Association of a number of shipments—I suppose they ran into about £2,000—and through inspection the loss was £143 or £144.

135. That was through the merchants reclassifying and transferring the 8s. 6d. to the 6s. 9d.?—Yes, greatly degrading the stuff.

136. So that if the Christchurch merchants say that they take the whole output of the mill they are not stating what is correct?—No; they do not take the whole output of the mill. They take the first-class output of a first-class log. They select the timber, and you are compelled to select the log.

137. This rougher description of timber is thrown on your hands, and becomes a loss to you?—It rots in the bush.

138. Is it the action of the merchants in this direction which is causing some sawmillers to leave logs in the bush 25 ft. and even 30 ft. in length and 15 in. in diameter?—It is the classification of the merchants that compels us to leave the timber there.

139. That is absolute waste?—Yes.

140. As the merchant will not stock this, would you think, in the interests of the public, it would be a good thing for the State to take the matter in hand and to open a yard in Christchurch, so as to try and check this waste?—I do not know whether or not it would be an advantage. I have not considered it in that way.

141. The merchants will not do it for you?—No.

142. You admit that there is great waste of what is undoubtedly good timber?—I really think, Mr. Ell, that the merchants have a choice of softer timber in Oregon than in our red-pine. The selection is very largely forced on the merchants by the builders. If this Oregon were not available, and builders had to use red-pine framing—and I think in justice they should be compelled to do so—the merchants would not be so stringent in their classification, and we should have a better market for our timber, and the State would have something that is now being wasted.

143. *Mr. Arnold.*] You state that Oregon comes into competition with the inferior class of rimu?—Yes, with the rougher class.

144. What is this inferior class used for?—Scantlings. The very cream of the timber is cut into dressing-timber or machine-timber. The rougher part is cut into scantling and framing.

145. Now, can you give me an idea of the proportion of the cost of a building that is represented in this framework?—As much as 3,000 ft. out of 15,000 ft.—probably 20 to 25 per cent.

146. So that really Oregon comes into competition with about one-quarter of the timber used in a building?—Yes, it cuts that one-quarter right out with us.

147. What is the special reason that Christchurch should prefer the Oregon, simply because it is easier to work than the poorer class of rimu?—You can drive a 4 in. nail through Oregon with two taps of a hammer, whereas you might have to bore a hole in rimu for a nail. Oregon is an inferior timber to our ordinary building-rimu.

148. In Otago they do not so discriminate, and consequently in Otago Oregon is not used to such an extent. Do you think that it is ignorance on the part of the Otago builders?—I think it marks their good sense and loyalty.

149. Now, with regard to the builders in Christchurch, you said that in consequence of the importation of so much Oregon they had been compelled to put the screw on all round. Do you mean that they reduced wages?—No, I did not say that. They would not be able to give better terms to customers. In that way the merchants have put the screw on. I know that the Oregon has tied up several of them.

150. Do you mean that he could put up more buildings on deferred payments?—If a man wanted assistance—that is, a builder—the merchant would not be perhaps in a position to help him, for the reason that his capital would be tied up in Oregon. Prior to the importation of so much Oregon, finance in that respect was easier.

151. In other words, the builders of Christchurch are in the hands of the merchants?—Very largely.

152. You do not suggest that building is any dearer in Christchurch to-day than it was twelve months ago—the screw has not been put on in that way?—The tendency would be the other way.

153. You mean either there is not so much speculative building or that the merchants cannot give the same terms to the builder as they did previously?—Yes, that is what I mean.

154. Now, you said, in answer to Mr. Ell just now, that, recognising that there are a very large number of carpenters out of work, in Christchurch in particular, that is the proof that the building trade is very much slacker than it was twelve months ago?—Yes, providing that the number of carpenters have not increased.

155. They have not. If that is so the president of the Builders' Association was correct when he said that in consequence of the falling-off of trade there was no demand either for Oregon or rimu?—Not necessarily. I do not think that his statement is correct. I say without hesitation that Christchurch will always have a demand for rimu—at least, some demand. I speak of an experience of five years ago. They wrote then about the want of trade in Christchurch. Christchurch to-day is doing a bigger business than she did five years ago, and we managed to keep our mills going at equal capacity to what we are doing to-day with Australia added.

156. If there is no building going on—and we know there is not the building in any of our cities that there was twelve months ago, and we have the further proof that the men are out of work—does that not go to uphold the evidence which we have had, that in consequence of the slackness of trade there is little demand for timber of any kind?—The Exhibition in Christchurch gave a fillip to building in Christchurch, and probably it was overdone, and there was a bigger number of men left on our hands. We are really suffering from the aftermath of certain things.

157. Do you know that in Wellington there are more unemployed carpenters than in any other part of the Dominion? There the Government have had to make special arrangements to provide work for them, notwithstanding the fact, perhaps, that numbers have left the Dominion?—How much of that is accounted for by the immigration system that is in vogue?

158. I want you to answer questions?—I do not know to what extent the ranks of these carpenters have been swelled by carpenters coming out from Home.

159. But the same thing applies everywhere throughout the Dominion?—The men are complaining about the immigration scheme, and I think in Christchurch it has got a good deal to do with their trouble there. I have myself personally had applications from carpenters and joiners who have just arrived from the Old Country. They were induced to come here by the Government.

160. Of course, the price of timber must control the building trade to a very large extent?—Not necessarily I do not think it interferes with one man in fifty.

161. You think that if there was a high price on timber there would be as much building as if it were low?—I speak from a sawmiller's point of view. It does not make a difference of £10 to the small man on his house.

162. If there was 25 per cent., what then?—In that case it would probably run into about £60 here, and would cost him £15 more, therefore.

163. If the price of timber was increased, you recognise that the cost of the building would be passed on to the consumer?—Yes.

164. Do you think that the whole population of New Zealand should be taxed in this manner for the support of a few millers?—Taxed in what manner?

165. You tax by the increase of the cost of building and passing it on in the manner you have just mentioned?—So far as we are concerned, we throw the challenge out to the Government to set the price. Already the Government control 80 per cent. of the cost of our business absolutely, and it remains for the Government now to go into the matter and tell us at what price we are to sell our timber. If the Government considered the question and regulated the price they would give us a higher percentage than we are getting at the present moment.

166. Do you think the whole community should be taxed to support a certain industry that perhaps cannot exist unless by extreme protection?—We are not asking for extreme protection. We simply ask that you conserve to us the markets of New Zealand, and we said at that conference that we would not raise the price of timber.

167. What about lowering wages?—We are not doing so.

168. I take it for granted that you are paying the best wages on the Coast?—11s. 0½d. per man per day, average.

169. There is a proposition to lower wages?—The men were in the habit of leaving us at a moment's notice, and we decided that a man should have a certificate before he should be re-engaged.

170. And that if he did leave his work and go on to another miller he must obtain a certificate to retain his rate of pay, otherwise he would be booked at the Southland award?—This was done to prevent men running about from mill to mill.

171. So that a man coming here from Southland would have to commence to work at a lower rate of wages than that paid on the Coast, although he would have to pay the same rate for his living as the local man?—Not necessarily.

172. He would not have a certificate from the association that he was passing on?—No, but he might come with other credentials. We do not employ men at a low rate of wages. We pay a man well if he can do the work.

173. You said that a man coming without a certificate would have to start at the Southland rate of wages. A Southland man without a certificate could not be employed at the ruling wages on the Coast, and therefore you discriminate between your local man and others belonging to the same trade coming to the Coast?—A man coming from the other side usually brings a reference. We are dealing with our own men amongst ourselves. Before this system was inaugurated some men went about from mill to mill with a view of forcing wages up.

174. One reason for the certificate, then, was to protect your own men?—Yes, to protect our own men, and also to protect ourselves.

175. There was another reason—if a man was found in one mill to do anything that would displease the employers, that he should be a marked man throughout the whole district. Is not

that so?—No, but there is a certain amount of freemasonry amongst sawmillers. At the same time they are prepared to discriminate. If an employer perpetrated an injustice upon a workman that would not count against that workman.

176. If one employer is dissatisfied with a man and prefers not to give him a certificate, he would then be a marked man?—He could get a certificate by asking for it.

177. If he had not a certificate?—We would probably not engage him until he got one.

178. He would be a marked man?—Not necessarily; he would go back to his employer and get it.

179. But if the employer refused to give it?—In that case he would have to state why he left the job, and the man from whom he asked work would find out the pros and cons of it.

180. Do you say that was the reason for the proposal to reduce wages?—That was the proposal as far as we were concerned with our own men—that if a man left without cause he was to be engaged on the lower scale.

181. On the Southland scale?—It is a little higher, but along those lines.

182. Why did not the association say that anybody coming into the district could come in on the Southland scale?—We did not think it necessary. We thought it wise to introduce such a course. About a fortnight ago a man left our employment. He was not satisfied about leaving, and he went and put a pound of soap into the water for the engine. That man would be a marked man.

183. If that man had not his certificate, he would be a marked man, and, you say, rightly so?—Yes.

184. Although he might be prepared to be very different to his next employer he would still be a marked man?—He would have to overcome that.

185. Do you know that a union is likely to be formed in this district presently?—We have heard a lot of mutterings of that.

186. It must come after this proposed reduction?—The reduction would come after that.

187. If a union were in existence and passed a resolution that the members were not to work for a certain employer, what would you have to say?—Find some other men who would.

188. If they gave a certificate to their members saying that certain employers were marked men?—We should probably consider that a breach of the award.

189. But the certificate you are using is not a breach of the award, but a breach of fair play?—No, the Factory Act says it should be done—that a man should get a certificate.

190. Has your association had a communication from the Inspector of Factories saying that it is necessary that a man should have a certificate?—The association has had very few communications from the Inspector of Factories. I have the book, and I got instructions from Mr. Isdel in regard to it.

191. You have a book of instructions from him stating that if a man leaves he is to have one of the certificates?—There is a column for remarks, if I am right.

192. Who would see it?—The Inspector of Labour—any constable. I have the certificates in the office if you would like to see them.

193. If you are simply carrying out the law, why was it necessary for you to pass this resolution and bring about a reduction of wages in the enforcement of what is the law of the country?—As far as we are concerned, it was a meeting of the sawmillers, not of the association, held to discuss the position, and very few were aware that that certificate was available under the Factories Act.

194. Is that the only certificate?—That is the certificate which we intend to use, or one similar to it.

195. *Mr. Stallworthy.*] How many mills do you hold?—Six mills and a sash and door factory—really seven and a factory.

196. Are they all working?—No.

197. How many are idle?—One is idle, and two others are working on an average about four days a week right through.

198. What benefits do you receive by membership of the association?—We do not obtain any benefits any more than we found it necessary to form an association for our mutual protection, to minimise the cost of shipping, and the appointment of agents in Wellington and Christchurch so that we should have men there to refer to. Of course, that costs us money, but by joining together we minimise the cost. It costs us 2½ per cent. to run the association. It was got up with the object of handling the timber oversea.

199. Is the timber sold by the trading company or by you?—We are not in direct contact with the customer; the timber company buys the stuff from us, and advances to us 80 per cent. on the shipments.

200. Have you any bad debts?—The timber company has to stand them according to its constitution. If we send 10,000 pounds' worth of timber, and only 5,000 pounds' worth arrives, the miller has to stand that.

201. What proportion do you employ of the men in the district?—About one-fifth, taking the men in the factory into account.

202. Up to eighteen months ago you were doing all right?—Yes, we were making a fair interest on our money.

203. How long ago is it since the reduction of wages was agreed to?—After the holidays. We had discussed the thing off and on before that, but we did not start until the beginning of February.

204. Do you not consider that you had already made a reduction by the men being idle?—Of course, they had a loss of time the same as we had.

205. Was not this reduction made in view of the Commission being appointed?—No, I am quite satisfied of that.

206. Why was it made?—With the idea of stopping the running-about of men amongst the mills.

207. Why was the reduction of wages made?—With the intention of penalising the men who left without giving his employer due consideration. As a matter of fact, we have never reduced the wages.

208. Did you intend to do so?—Only along the lines I have indicated.

209. It is the fiat of the association?—No, it was the decision of a meeting of the sawmillers of the Coast.

210. Thirty-nine millers?—No; there are several big mills outside which do not ship through us.

211. There are thirty-nine mills—thirty-four associated and five not associated?—Yes.

212. Is it not a fact that you discharge men at an hour's notice?—If they take French leave we are entitled to do the same.

213. If a man works only seven hours you do not pay him for eight?—We pay him for the time he works.

214. *Mr. Mander.*] Have the Christchurch merchants taken as much timber during the past year as previously, including Oregon?—I have not got these figures; Mr. Wickes can give them.

215. I understood from a previous witness that so-many million feet of Oregon had come into the Christchurch and other markets, and that the same amount of your timber had been excluded?—Since October we put about two and a half million feet of red-pine into Christchurch, and the importation of Oregon was about the same.

216. That does not prove any reduced consumption?—I think the trade on the whole would show a little less consumption. If we had the importation of Oregon added to our quantity we should be going along very nicely.

217. In cutting up timber do you not find the smaller sizes the ones that accumulate on your hands and the most difficult to get rid of?—Always.

218. If timber could be cut wide enough it would be suitable for planing purposes?—Yes.

219. It is that class of timber that the Oregon is displacing?—That is so.

220. And if you do not get a market for this size will you not have to charge a much higher price for the timber you can find a market for?—We should be compelled to do that. That is why I say that if we are protected there would be no increase of the price of New Zealand timbers. The deputation before the Premier in July pleaded that, because there was nothing to cause it to be done, although profits are smaller at the present time.

221. Do you think it is a fair principle to protect our commodities and allow in those we cannot produce?—I think it is common-sense on the part of the State.

222. If you get a good market for the timber you can produce, you say you can keep going without increasing the price for the next two years?—We should be prepared to do that.

223. Can you sell as cheaply if the mills are going only half-time?—No; the Americans know that, and that is why their stuff is dumped in New Zealand.

224. Do you think that people in other classes of business are making as good a profit as the timber people?—I am quite satisfied that there is no other business which is not making a better profit than the sawmiller.

225. Do you think it has been proved that the introduction of Oregon has reduced the price of building for the ordinary working-man or to anybody?—I am quite sure it has not.

226. Do the timber-merchants in the various centres get credit from the millowners at all, or do they pay spot cash?—They have the option of paying cash and getting 2½ per cent. off, or of giving a three-months bill. But they are not so numerous on the cash basis since the Oregon came in.

227. What is your estimate of the depreciation of your plant when the bush is cut out?—Some two years ago I was interested in the plant at Arahura. We paid £1,800, and we had brought the outlay up to £2,050. We worked it for eighteen months, and sold the lot for £800.

228. But I mean the ordinary mill?—A £3,000 plant would be worth £600 or £700 when the bush is worked out.

229. Have you gone into the depreciation?—It amounts to about 3d. per hundred feet on the average bush, but you must bring it down to the metal value when you have to move the plant.

230. What do the Government allow?—Two and a half per cent. on the running machinery.

231. Do you consider that sufficient?—I do not.

232. Is it not a fact that the merchants in Christchurch are compelled to classify according to the demand of the trade?—It may be, but I think a good deal depends on the fact that Oregon has been introduced.

233. If the building trade is dull at the present time, would not that be accentuated by the introduction of Oregon into the country?—Inasmuch as the purchase of Oregon entails the sending-out of so-much ready money from this country.

234. Might not the men employed in the timber trade want to build houses for themselves?—Yes.

235. And if they are thrown out of employment?—They cannot do it.

236. Is not rimu a better timber than Oregon for general purposes?—For most purposes; and I think it is a pity that we should have to classify our pines to work by Oregon.

237. Do you think it will be a tax on the people of this country if they are compelled to use their own timbers?—No; I think it would be a benefit to the people. Oregon has not by any means cheapened the cost of the working-man's cottage.

238. Do you think that the formation of a union would put up the present rate of wages?—Rather to the contrary.

239. Do you know of any Conciliation Board that if giving an award would compel the employers to pay the rate of wages you are paying now?—The Southland award is the highest on which the mills are working, and we are paying considerably above that.

240. Would you have as many small mills if your area were increased?—No.

241. Do you think you would cut your timber to better advantage and at a lower price?—Yes, because the better you can equip your plant the cheaper you can turn out your timber.

242. *Hon. the Chairman.*] You stated that Wellington took timber that Christchurch would not look at?—That is so.

243. How do you arrange with regard to the price? Do you give the Wellington people timber at a lower price than Christchurch?—Our Wellington price averages 7s. 9d. per hundred feet, while our Christchurch price is 8s., but that was really to meet the North Island timber arriving in Wellington. It went in at 11s. 3d., and ours at that time would have gone in at 11s. 7d., but the Wellington merchants bought thousands of feet of second-class timber which they used for rough linings.

244. What did they pay for that?—Probably 6s. per hundred feet f.o.b. Greymouth.

245. How many men have you dispensed with since July?—I could not tell you from memory. It is not so much the number you dispense with as the time you are working. Probably we are working four days a week instead of six, while one mill is entirely shut down.

246. Were there any men put off to replace others during the last twelve months?—We have never dismissed men to put others on.

247. But there are always men whom an employer would not think they were worth their money. Do you replace any of these?—They go on the first slackness.

248. You cannot say how many have been replaced of those dismissed?—No.

249. *Mr. Morris.*] With regard to the bush, how do you consider it would suit the miller to buy the bush the same as is done in the North Island?—There are no capitalists amongst the millers, but from a business point of view it would pay the millers to do that.

250. It would get rid of a good deal of bother over royalties, and all that?—Yes, because the timber would be thoroughly cleared out.

251. That would be an advantage to the country?—Yes, eliminate an amount of waste that goes on in bringing the timber to the market. We have asked to buy the timber on assessment, but under the conditions twelve months ago. To-day I doubt if you would get the millers to tender for the bush—to pay on the classification now required for the timber. I reckon that if areas were worth from 15,000 ft. to 16,000 ft. per acre twelve months ago, they would not be worth 10,000 ft. to-day.

252. Do you not reckon that half the timber used in building is for joists, rafters, and all that?—In a building you take in all the mouldings. I take in 15,000 ft., including everything; but if you take the actual bulk of the timber, 50 per cent. would be scantlings. If you take the trade measurements you would have about 25 to 30 per cent. If you take the actual bulk it would take half to provide the scantlings.

253. About wages—have you employed one man yet on the minimum rate?—No.

HENRY LESLIE MICHEL sworn and examined. (No. 73.)

1. *Hon. the Chairman.*] What are you?—I am a merchant, carrying on business in Hokitika. I am not now directly interested in the sawmilling industry. Until about a year ago I was part-owner of two sawmills, but my experience in the working of those mills, extending in one case over some twelve years and in the other case some eighteen months, caused me to seize the idea that I should get out of the industry. The Westland Sawmilling Company which worked for twelve years was a limited liability company, and I was chairman of directors. I might say that the company is now in liquidation. During the time we carried on operations we exported something like between thirteen and fourteen million feet of timber, and the shareholders of that company never received one penny in the way of a dividend.

2. For how many years?—For twelve years. There were not even sufficient funds available, as a rule, to pay the proverbial guinea to the directors who used to devote a good deal of their time in trying to make the business a success. In the other case I was only concerned in the mill for eighteen months. I practically owned half the mill, and when the first year's balance-sheet came out I could see that it was advisable to get out of it, and so I sold out for, I think, about £100 less than I put into it eighteen months previously. I came to the conclusion that with all its uncertainties the mining industry offered more inducements to me for any spare capital I could find than the timber industry on the West Coast to-day. I wish at once to say that the opinion prevalent in other parts of the country that sawmilling on the West Coast is profitable to the people who have found the capital and carried on the business is an erroneous one. I think I should be right, although perhaps it is a bold statement to make, when I say that I believe there is not a sawmiller on the West Coast to-day—that is, any sawmiller who has been carrying on his business for the last five or ten years—who could give a cheque for £500 without seeing his banker first. I know the position of some of my friends engaged in the industry, and I have opportunities for knowing, and that is my opinion about the state of the sawmilling industry. When we commenced cutting timber at the Western Sawmill some twelve or thirteen years ago, the cost of production was very much less than it is to-day on the West Coast. For example, I remember the first contract let to the mill for supplying logs, and they were put on the skids for 1s. 4½d. The contract was let to a man named King, in Goldsborough. I do not think he did any good cut of it. Subsequently we let a further contract for 1s. 7d. for winning timber from the bush and putting down tramways, and delivering the logs adjacent to the saws. In the case of the Westland mill the cost of production went up nearly every year. The principal reason has been the increase in wages on the Coast. I do not think a man could have lived on the West Coast if the wages had not been increased. There is a large amount of broken time in the business, and the cost of living has gone up very much, and the wages had to go up accordingly. There is no doubt about that.

3. *Mr. Mander.*] The price of timber has gone up too?—It is true the price of timber did go up, but even then there was no margin for the shareholders, and, as a matter of fact, although we paid £13,000 to £14,000 in wages, and I suppose some £3,000 or £4,000 in royalties and railage, the shareholders did not get one penny out of it. The company is in liquidation, and there will be nothing at all, and I believe there are other sawmillers on the West Coast who have done no better.

4. *Hon. the Chairman.*] Where was your first sawmill situated?—At Awatuna. I think it was one of the first five mills that formed the West Coast Timber Association. We cut one bush out, or considered it was cut out, and we shifted the mill and cut a second bush out, and the mill which cost us between £2,400 and £2,500 was sold for about £500 at the wind-up. That is my experience of sawmilling. I have not prepared any statement, but I am prepared to answer any questions. I might say at once that I believe the present depression in the timber trade on the Coast is largely intensified by the importation of Oregon pine. I have no hesitation in saying that. I do not, however, attribute the whole of the slump to that. I think it would be only beating the air to do so. I think the financial stringency which is so general throughout the Dominion is also the cause, perhaps, to a considerable extent of the depression; but there is no doubt it has been intensified to a great extent by the effective importation of large quantities of Oregon pine, and I am strongly of opinion that an increase in the duty on that timber should be made, or otherwise the sawmilling industry on the West Coast must continue to be hampered and harassed and almost crushed.

5. Can you tell the Commission if there was any profit in that mill at the time you were getting logs supplied for 1s. 3d.?—No; the timber at that time was very low, and, although we were getting the logs away cheap, and producing the timber at a very much lower rate than is possible now, there was no profit.

6. *Mr. Morris.*] As an old resident of this district, do you know anything about the durability of rimu for building purposes?—I have a general knowledge.

7. Do you consider it a good building-timber?—Yes, I do. If you get good rimu, and it is well treated, it is a good durable timber. There are buildings in Hokitika that have been there for forty years, and they are still in a good state of preservation.

8. You have some foreign timbers that the worms are eating to-day alongside your place?—Yes. It was timber imported originally for the Bank of New South Wales in the early days, and the worms or the borer have attacked it.

9. *Mr. Jennings.*] What timber was it?—I should think it was Baltic.

10. *Mr. Morris.*] The mill that you put up and made no money out of was considered a very good plant?—One of the most up-to-date mills, we considered, at the time on the West Coast. It cost us £2,600 to put the mill up, without paying anything for the land. We bought it very cheap in Blenheim, or somewhere in the Sounds. It was a mill that cost a great deal more than that originally.

11. So that it could not be said that your mill was of such a nature as not to provide a profit if you were getting sufficient for your timber?—No, it was not the fault of the mill.

12. You know it is said that with the antiquated plants used in this country no one can do anything with them?—That is wrong. I think there are some up-to-date plants on the Coast to-day probably capable of cutting six or eight times more timber than they are now doing.

13. You are quite satisfied that the miller has not been exploiting the public by charging an excessive price for the timber, and so preventing building operations?—My answer, without any reservation, is that I am perfectly sure the millers have not done anything of the kind.

14. Your experience of the business is that they have never made an excessive profit at any time?—I know it to my sorrow.

15. *Mr. Hanan.*] Do you know of any reason at the present time which would justify an increase in the price of timber during the next twelve months?—I fail to see why Oregon pine should not carry an extra duty.

16. You misunderstand me. Do you know of any reason at the present time, or anything which is likely to exist, which would justify an increase in the price of New Zealand timber within the next twelve months?—No, I do not think there is any chance. I think it is just as consistent to protect the sawmilling industry by putting a prohibitive duty on Oregon pine as it is to put a prohibitive duty on flour and breadstuffs required in this country, for the protection of the farmers. I think we on the West Coast, in common with the people of this country, have to pay very much higher prices for food-supplies simply because the farming industry is protected. The West Coast suffers particularly, because we are a consuming population and not a producing population.

17. What is the nature of the duty you would impose for protection in regard to Oregon pine?—I should think the present duty requires trebling. It is 10s. a thousand, and I do not think that less than £1 10s. would be any use. As far as I can learn, the labour conditions, or, rather, the conditions generally in connection with the production of Oregon pine are so entirely different from what they are in this country that I do not think anything less than £1 10s. would be of any use whatever.

18. If that imposition which you suggest would increase the price of timber to the people of New Zealand, would you be in favour of its retention?—Firstly, my answer to that is that I consider it is just as logical and just as consistent that we on the West Coast who are not interested in the farming industry should consider it is wrong to tax us by putting a protective duty on flour and potatoes. In other words, I think it is just as logical to say Yes to you.

19. Even if the imposition of a duty on Oregon pine means an increase in the price of timber to the builder and consumer in New Zealand, you would not object to it?—No, I think the sawmilling industry deserves protection. It is one of our staple industries, and as such it requires protection just in the same way as wheat-growing and potatoes.

20. Do you think, if a duty of the nature you mention was placed on Oregon pine it would lead to an increase in the price of timber throughout the Dominion?—I do not think it would. I do not think the duty on Oregon pine would increase very much, or at all, the price of rimu timber. I think there is sufficient competition, and such a keen desire on the part of those engaged in the industry to keep their mills going, that they would not attempt to put the price up to a rate which would prevent building.

21. Do you think there are any purposes for which it is absolutely necessary to import Oregon-pine timber into New Zealand?—Yes, I say without reservation that Oregon pine may be required in certain cases for certain work.

22. For what purposes?—I have had experience in Hokitika quite recently. We have had to get Oregon pine for the waterworks there.

23. You say that Oregon pine should have a duty on it. I have no doubt you believe that for many purposes New Zealand pine is either suitable to take its place, or more suitable. Now, for what purpose do you think Oregon pine should come into New Zealand?—I am not an expert, and would not like to try and answer that question, but I should think that architects and builders for some special work may require Oregon pine.

24. Would you accept the opinions of the architects and builders as against the sawmiller?—If an architect told me he would require Oregon pine for special work I would, of course, accept his assurance.

25. Then, for certain purposes you would still have a duty on it?—Yes, without any reservation I say Yes; otherwise the industry must to a great extent perish so far as the West Coast is concerned.

26. If it benefited solely the West Coast, would you still have that duty on?—Well, yes I would.

27. Even at the expense of the rest of the colony?—The rest of the colony is doing very well out of the Coast.

28. Are you a nationalist or a parochialist?—You might just as well ask me whether I am a Free-trader or a Protectionist. I say, so far as the West Coast is concerned, that the timber cannot compete with Oregon pine, and so far as the Coast is concerned it is quite certain that it must be protected if it is to continue to be payable to the Dominion.

29. In other words, the West Coast first and the rest of the Dominion second?—Just as I said before, the sawmillers first and the farmers second. We are importing large quantities of flour at certain prices, when I am certain that I could import it from Sydney and Melbourne at very much lower rates, but the laws of this country will not allow me to do so. They say the farmers must be protected, so that those engaged in other industries are protected for the farmer.

30. Do you not think we ought to be a self-contained country, and grow as much of our food as possible?—Yes, I think so.

31. And do you not think the same as regards timber?—Yes, exactly so.

32. Do I understand you to say that the West Coast is unsuitable for agricultural purposes?—Yes, generally speaking. There is plenty of land suitable for dairying and grazing, but as a general rule I should say the West Coast is not suitable, except in special instances.

33. Has there been much increase in the building trade in Hokitika?—No, not a great deal.

34. Has there been a falling-off?—No, a distinct increase during the last five years, but not during the last six months probably.

35. Would you say there has been a slump?—There has been a greater difficulty in getting money.

36. Now, in regard to rents, have they gone up in Hokitika?—Yes, they are distinctly higher than they were, say, ten years ago.

37. What would you pay for a five-roomed house, say, within a mile of the town?—Well, of course there are hardly any houses rented a mile away from the town, but I should say for a five-roomed house in the town the rent would be 8s. to 10s. a week. You would get a house for 9s. or 10s. a week.

38. Do you know anything in regard to the rents here?—They are much higher in Greymouth.

39. I am told that for a five-roomed house within a mile of Greymouth you would pay £1 a week rent?—Yes. That is a much higher ratio than in Hokitika.

40. *Mr. Field.*] Assuming the present state of things continues, what is to happen to the sawmilling industry on the West Coast?—Well, I think a number of the mills must go under. There is no doubt that the Oregon pine which is coming into this country, and which has been coming into this country during the last twelve months, has been felt more in the West Coast than probably in any other part of the Dominion. It has affected the rimu trade directly, and a great portion of that twelve or thirteen million feet that we have heard so much about has displaced that amount of red-pine, and if that amount of red-pine orders was coming to the West Coast during the last twelve months it would have made all the difference.

41. Do you consider the present depression in the trade here is due to the financial stringency or to the importation of Oregon pine?—I should say straight out it is due to both.

42. Whether it is due to the one or the other, the effect of the Oregon pine coming in here is to shut out the red-pine?—I think the West Coast Timber Association has been robbed of ten or eleven million feet of timber in the matter of orders during the last twelve months.

43. With regard to the timber used for the Hokitika waterworks, is it not a fact that some of the New Zealand timbers would have done quite as well as Oregon pine?—No, they would not.

44. You could have used nothing but Oregon pine?—I might say at once that when the Borough of Hokitika decided to let the contract, amounting to some £15,000 or £16,000, for bringing water in from Lake Kanieri, the specification was drawn up by Mr. Leslie Reynolds, and he provided that the pipes should be made in Canada, and we approved of it; but subsequently, at my suggestion and others, it was thought advisable to have the pipes made on the

West Coast, rather than send the money away and employ labour in other countries. The specification was altered to provide that Oregon pine, silver-pine, or Australian hardwood should be used for those pipes, and, as a matter of fact, an attempt was made to procure silver-pine. A considerable quantity was forthcoming, and probably two-thirds of the work was carried out with West Coast silver-pine, but at this juncture those supplying the silver-pine could give no more, and after a considerable delay it was decided to put in white-pine, which proved unsuitable. The silver-pine was very suitable.

45. Then, you could get New Zealand timber for the work?—Yes. I thought you were getting at me, because the contractors have had to get a small quantity of Oregon pine to complete the works.

46. Would you be surprised to know that Mr. Leslie Reynolds told me he could have used either silver-pine, totara, matai, or other timbers, and he would have used them if he could have got them?—All I can say is that he did not provide in his original specification for those timbers as being suitable.

47. At any rate, he did provide for silver pine?—Yes, and for totara. As a matter of fact, we did procure a certain small proportion of totara from the North Island.

48. You are aware that America places a pretty high tariff wall against our products?—Yes, I know they do.

49. Now, would you say it was as fair to put a big tariff on this foreign timber as it is for us to put a big tariff against the English maker of clothes to protect the tailoring industry in this country, and to shut out the foreign goods?—Yes, I would shut out foreign goods. I believe in the preferential tariff up to a certain point.

50. You are aware, of course, of the offer made by the millers to sell at prices to be fixed by the Government?—Yes.

51. Do you see any difficulty in the way of that being done?—None whatever. I think that would be one of the solutions of the whole difficulty. I do not see why the State should not fix the price for timber, and do away with the idea that the sawmillers were exploiting the public. It is evident that the Government does not look for any immediate improvement in the timber industry on the West Coast, because I think I am in a position to say that negotiations are now pending for the removal of a number of new wagons along the western section of the railways on the Coast.

52. You are aware that there is a statute in force in this country regulating the price of wheat, or flour, and potatoes, under which, in certain cases, the duty may be removed off the imported commodity?—Yes.

53. Would not a similar statute be a solution in regard to timber?—Yes, I think it would be a workable scheme. I fail to see that there would be a very great difficulty in devising such a scheme.

54. Are you satisfied that we have in our country here timber suitable for ordinary building purposes, with the exception of hardwood which is necessary for bridge-building?—Yes, I am; and I think that a great deal more of the heart of rimu should be used for our bridges. It is absurd to import hardwood from other countries when you have the heart of rimu quite adjacent to where the bridges are usually required. Of course, I am not an expert, but that is a common-sense view that I put forward.

55. You are aware that Oregon pine is competing not with the whole of our timber, but only with a portion of it—viz., our second-class rimu?—That is the point. We are feeling it on the West Coast, probably more than any other part of the Dominion.

56. It is not competing very seriously, if at all, in other parts of the Dominion where timber is produced?—That is so.

57. Therefore, you can readily understand that it is only competing with a fraction of our building-timber here, and that the West Coast is suffering more severely than any other part?—Yes, that is so.

58. That being so, if it is not competing with a large section of the Dominion, can it be said that by increasing the duty we are taxing the whole of the Dominion?—No, I do not think it can.

59. Is it a correct way of putting it to say that by putting on this duty we are benefiting a few sawmillers in Westland at the expense of the rest of the country?—It is a matter which concerns not a few sawmillers, but the whole of the sawmill-workers, numbering some eight hundred men, with their dependants, which is equal to about four thousand persons in all.

60. Is it a fair thing to say that we are proposing to tax the whole of the Dominion for the benefit of the people of Westland?—You are protecting a number of industries, and why should the timber industry not also be protected? In the case of boots, for example, we are all paying more for them because it has been deemed advisable to protect boots by a duty against the imported article.

61. You know something about our rimu timber: do you agree that it is a thoroughly satisfactory building-timber?—Generally, yes.

62. It can be produced and sold at a price not exceeding the Oregon pine that is now coming in, and, therefore, can it be said that, if people are required to use rimu, that will increase the cost of building?—I do not believe that it would advance the cost of buildings. However, the Government by fixing the price could get over that difficulty.

63. *Mr. Leyland.*] You gave us an illustration of the rise in the price of logs?—Yes.

64. You mentioned that they rose to 1s. 7d.?—I think at the present time they are probably more likely to cost 2s. 6d.

65. That would justify a rise in price?—Yes.

66. If logs cost 5s. you think you would be justified in charging a still higher rate?—I think there is a limit. If timber could not be produced in New Zealand at a reasonable rate, I think we should be perfectly justified from a national point of view in admitting the foreign article; but so long as we can produce a good article at a reasonable price, then naturally the industry should be protected.

67. There are other places where rimu logs cost as much as 5s.?—I think they should not be cut. I think that is asking the public to pay too much.

68. Do you not think a higher retail price would be justified in that case?—My answer must be Yes to that.

69. Now, in reference to your experience in pulling down mills and shifting from one place to another, is there not a great loss? I have myself found an expensive boiler to be so much old iron?—That is my experience. We sold our mill for £450 that cost us £2,600.

70. You told us there was a duty on flour and that duty is 1s. per hundredweight?—I do not care to enter into that question as to whether it is right or wrong. I only mentioned the fact. I pointed out that we protected flour and potatoes.

71. I only want to get at the amount of duty which at present on flour is only 10 per cent.?—Yes, that is near enough.

72. You said you would treble the duty on Oregon pine?—Yes.

73. It is 25 per cent. now. You would make it 75 per cent.?—Perhaps I would qualify that. I would make the duty 4s. or 5s. I qualify it to that extent.

74. *Mr. Clarke.*] You said that the State should fix the retail price of timber?—I think the idea is a good one. If the people are afraid of combinations putting the prices too high, then the State could fix the price.

75. The sawmillers having agreed that they would be willing to have the price so fixed, do you agree with that?—Yes, I think it is one solution to the danger some people see.

76. Would that not be a good reason why the State should be asked to fix the price of other commodities?—Yes, if you admit the principle it is hard to limit its application. No, my answer is not necessarily that, because there are certain supposed dangers put to the front here in connection with timber which might not be generally applicable to other things.

77. Then, if the circumstances are special, you would favour the State fixing the price of timber as against other things?—That is so.

78. With regard to the matter of competing, I think you said that Oregon was competing practically, or altogether, with second-class rimu. Is that correct?—I do not think I said that.

79. You said second and rough rimu?—Yes.

80. If I told you that I am fixing Oregon beams where rimu would certainly not have been used, in what way would that compete with rimu?—It is for special purposes perhaps. There has been a certain amount of Oregon pine coming into the market for years and years to which the sawmillers never objected. But it is this dumping of large quantities in New Zealand that has caused the present feeling of dissatisfaction.

81. It is perhaps a little bit ungenerous to make a local reference. You know you said that rimu was good for general purposes. Now, we have an example here before us. Look at that wall, and tell me if it is a satisfactory job. Is that crack extending from floor to ceiling not the result of rimu shrinking under the plaster?—That only proves that perhaps there was some inferior timber put in. You can get inferior timber in the Oregon.

82. So far as I can see, it means that there are rimu studs on this side and a break in the middle. I ask you, is it a satisfactory job?—It proves that the timber was not properly shrunk.

83. *Mr. Barber.*] What was the capital of your association?—The original capital was £2,000, and we put in another £700 or £800.

84. The capital was lost?—All lost.

85. How long ago was it that you retired or went into liquidation?—About eight or ten months ago.

86. How is it that millers have been able to say that up to that time they were doing very well, and that it was only during the last eight months that they had hard times at all?—I am prepared to admit that. Probably our company was not so well managed as some of these private sawmills are. Company management generally is not so satisfactory as private management. Although they have stated they were doing all right up to eight months ago, I do not think any of them had made a lot of money. I am sure they have not.

87. Were they all men of means then?—They all more or less had capital or the command of capital. They had to have a certain amount of capital or credit, or they could not have put up their mills.

88. How is it that some of these millers have been able to extend their plants and acquire different mills?—I think they had an inflated idea of what they were about to do. I do not think a lot of them would have extended their mills if they had known what was going to come.

89. They must have made money in the first venture?—Not necessarily. I have extended my business in years gone by and have had to finance it.

90. You say they cannot write a cheque for £500?—I did not say that. I said I doubted whether there was a sawmiller on the Coast who could cash a cheque for £500 without seeing his uncle or his banker.

91. Is it due to the fact that they have made earnings of from 8 to 10 per cent., and have invested their capital in further milling ventures?—I should say Yes. Eight or nine per cent. on a milling venture is a miserable result. I would not, as a business man, go into sawmilling to-morrow unless I thought the venture would yield me 20 per cent., because depreciation alone is equal to anything from 10 to 20 per cent. per annum. Then, for the purpose of financing your bills you will pay the bank 6 or 7 per cent.

92. These profits of the company are in addition to that?—I do not think they write off. I do not think they do as a rule write off 10 or 12 per cent.

93. We are told in evidence that millers are putting out 27,000,000 ft. per annum, and that their market is practically confined to Christchurch at the present time?—Yes.

94. Do you think that, considering the depression that prevails throughout the Dominion, it is to be wondered at that Christchurch is unable to take from this district 27,000,000 ft. or half a million feet every week?—No, I am not surprised at it, especially as this Oregon pine is coming in and making the position so much worse.

95. If you were told in evidence by the president of the Builders' Association, who was selected by 150 builders, that there is no demand for either red-pine or Oregon in Christchurch, then would you say that the slump is due to the importation of Oregon pine?—I should say there is a looseness in terms when he says there is no demand. If he said there was a greatly reduced demand for both timbers he would be more correct.

96. You must presume that the demand is very small, even if he did exaggerate a little bit?—Yes.

97. I want to deal with this question of duty. Mr. Field asked you if you did not think, seeing that wearing-apparel—tailor-made clothing—was protected to the tune of 40 per cent., whether the millers ought not to be similarly protected? What is the duty on Oregon pine now?—One pound a thousand.

98. Well, that is 30 per cent.?—Yes, that is right.

99. And you say that should be trebled?—I should say that that should be trebled.

100. That is 90 per cent. you ask for?—In other words, general prohibition, except where the timber is required for special purposes.

101. As a matter of fact, the duty on wearing-apparel is only 25 per cent. It is true that 40 per cent. is charged on a suit when the order is sent Home and the suit is made specially to measure, but that does not apply to slop-made clothing, although the inference was that there was a duty of 40 per cent. on all apparel, which is not so. Do you consider there is any comparison between Oregon pine—rough-hewn timber in the block—and a tailor-made suit to fit a gentleman in New Zealand?—That depends on how you look at it. I would charge a man 75 per cent. duty who ordered his clothes in that way. I understood that Mr. Field was referring to the duty on apparel in a general way.

102. It is only 25 per cent. on apparel, and the duty on Oregon is already 30 per cent.?—Yes.

103. There is no comparison, is there? With regard to the Oregon that you are using here, Mr. Leslie Reynolds first stipulated that the pipes should be imported, and it was only on reconsideration by the local body, who desired as far as possible to assist local industry, that he altered the specification and endeavoured to edge in silver-pine; but you found that was impossible?—Yes. The contractors could not get silver-pine quick enough. They thought they could get the other cheaper. I do not know what actuated them.

104. Mr. Reynolds told me he could not do without Oregon pine?—As a matter of fact Mr. Reynolds has provided for white-pine to be used at the Otira tunnel, and some very large pipes have been built of white-pine.

105. You lost your capital in the venture?—Yes.

106. And you advocate that there should be a prohibitive duty on Oregon pine?—That is if the timber industry is to live on the West Coast.

107. Well, then, you advocate increasing the duty on Oregon pine?—Yes.

108. How do you reconcile your statement that there is nothing in the assertion that there is to be an increase in the price of timber?—I think that the timber industry should be made a payable one.

109. That is likely to be brought about, according to your showing, by an increased price?—I think that before the importation of this Oregon pine the industry was on such a fair basis that it was just a payable business then, but the importation of Oregon pine and the slump that has followed on the West Coast, at any rate, has made it an unpayable business.

110. But your experience was that you lost your money. You say that no money is made, and therefore do you not think that if the price of Oregon pine is raised through an increased duty, it is likely to tend towards an advance in the price of timber generally?—Money was lost there is no doubt, because prices were cut through competition. The timber was shipped at prices that did not leave anything for the sawmiller. That had a tendency to lower wages, too, because it is evident that if the timber was exported at 4s., 4s. 6d. and 5s. 6d., and the sawmiller found that he was going behind, the tendency was to reduce the cost of production, and so it meant lower wages; and, seeing that the cost of living has gone up in this country some 23 per cent., it would have brought about very serious consequences if wages had come down, and wages would have had to come down or the whole industry would have stopped.

111. Do you think that, considering that capital has been lost in the venture owing to the competition of Oregon pine, if Oregon pine is prohibited from coming in, will that not tend to put up the price of our New Zealand timbers?—I think that the price previously was a payable one.

112. Although the price timber reached before the importation of Oregon pine was a payable one the company you were associated with lost £2,000-odd?—Yes.

113. *Mr. Arnold.*] With regard to the question introduced by Mr. Field, would you be surprised to hear that Mr. Leslie Reynolds came to me in Christchurch, in the presence of three or four members of this Commission, and requested us to see the works that were being done here in Oregon as a proof that Oregon cannot be done without, and as an argument against increasing the duty upon it?—I am not surprised to hear that because that was special work. I have admitted already that in certain cases it may be necessary to import special timbers for special purposes. This white-pine was found unsuitable not because of any want of durability when under water, or when used for that particular purpose, but because it would not stand a pressure of 110 lb.; the timber is so porous and so spungy that it wept all over.

114. With regard to the rise in the price of timber, you stated that you did not think it was likely that the price would be raised in the immediate future, in consequence of competition. You thought that competition would rectify that. You know, of course, that there is an association that fixed the price on the Coast, and you know that the merchants have an association and that their price is fixed. Now, in the face of these facts, where is the competition to come from?—I was a director of the West Coast Timber Association for a number of years, and my experience was that there were always enough pinpricks outside to prevent the association demanding any further big prices. There were always one or two outside who were competing with the association.

115. But if the Millers' Association and the merchants fix the prices?—I think those outside can prevent the association from obtaining big prices. The association knows that there is no use fixing a price that would have a tendency to reduce the demand for timber.

116. *Mr. Mander.*] When you went out of the timber business, were you satisfied that you could put your money to much better advantage in other businesses?—Yes, mining is supposed to be a risky undertaking, but I have to say now that I would far sooner put my money into a gold-mining scheme than into timber.

117. You regard the timber trade as a precarious occupation?—Undoubtedly it is.

118. Then it is very necessary that people who go into the timber business should know thoroughly what they are undertaking?—I do not think there is any industry in New Zealand possessing a more thoroughly competent and able set of men than there is employed on the West Coast to-day in the timber business.

119. Do you not think that those men who go into the business themselves and take off their coats and personally supervise the work are more likely to succeed than the men who do not?—Yes, no doubt.

120. Do you think a protective duty or any duty is any good if it does not protect—if it does not answer the purpose for which it is put on?—Yes, it must be prohibitory if it is to be protective.

JAMES BISHOP, Manager, State Sawmill, Runanga, sworn and examined. (No. 74.)

1. *Hon. the Chairman.*] Can you tell us anything about the State Mill that bears on our inquiry?—I cannot throw much light on the subject, except that I can tell you what occurs in the State Mines. We have established a sawmill, which is an adjunct of the mine. We supply the workmen with timber for building their homes.

2. You do not supply any of the outside public?—The only exception is the churches and schools.

3. Why the churches?—I suppose the communities, having their faith there, want to be supplied.

4. What price do you charge people you supply?—I am putting in a statement of the prices to all our workmen. The mill is run on contract.

5. What does the log-getter get for the logs? Do you not contract for the supply of logs alone?—No.

6. What is your contract for?—Red-pine at 4s. per hundred feet.

7. Are you getting this timber through the mill and some one else running it?—No; the contractor for the mill tendered for the whole thing—logging and skidding to the mill for all lengths under 30 ft. For those over that there is an increased price.

8. How many are employed?—The contractor employs as many as is required to carry out his orders.

9. How many?—Sometimes a dozen, and sometimes less.

10. Who is your contractor?—A man named Ross at the present time.

11. Do you let the contract by tender?—It was advertised at first, but has been in existence ever since. The mill started in 1903.

12. And these are the prices they charge you [referring to document handed in by witness]?—These are the prices.

13. *Mr. Morris.*] What price do you charge the public?—Six shillings delivered at the building.

14. Do you make bad debts?—Occasionally bad debts have been made, and long-deferred payments.

15. That is, you supply the men?—Yes, and take the money as they can afford to pay it.

16. To assist your men in getting homes?—Yes.

17. Do you supply dressed timber also?—Sometimes, not much. If we do it is 8s. per hundred.

18. Is that 1 in., $\frac{3}{4}$ in., or $\frac{5}{8}$ in.?—Mostly T. and G., and we do not do much in dressed timber.

19. Do you pay any royalty at all?—I do not know. It is a State coal reserve, and the State has the same rights as others working coal—viz., to cut the timber for mining purposes.

20. Do you pay royalty on what you sell to the public?—I do not know.

21. *Mr. Hanan.*] How many do you employ at the mine?—Between three and four hundred.

22. How many have you put on at the sawmill during the last four months?—I do not think we have increased the hands; we have employed from ten to twelve men.

23. *Mr. Jennings.*] Do you manage the coal-mine as well as the sawmill?—I have the management of all the operations, including sawmill.

24. Can you supply us with the wages you give the men?—I can do it.

25. What do you pay head benchmen?—The head man has £5 per week. I do not know if he is getting it now.

26. *Mr. Mander.*] Do you look upon the mill as a commercial concern?—I do not.

27. Is the timber handed over to the mill?—Yes.

28. Do you provide any plant to get out the timber?—We have provided all steam plant. The contractor works and maintains it.

29. *Mr. Morris.*] Do you make any profit out of this mill at all?—We allow 10 per cent. for depreciation on the mill, which originally cost £1,700, and it now stands at £1,080; and we have a small profit on the timber sold from the mill.

30. Of course, you are able to sell a large quantity of scantling sizes?—Yes.

31. You do not have second-class timber at your mill?—We have some which we dispose of at 3s. per hundred feet.

32. Face cuts and that sort of thing?—Yes.

33. *Mr. Arnold.*] You have not tried to get rid of this class of timber in Christchurch?—No, we have plenty to do in supplying our own requirements, and have no wish to enter into competition with the timber trade in the district.

JOHN HERBERT LEWIS, Resident Engineer, Public Works Department, Greymouth, sworn and examined. (No. 75.)

1. *Hon. the Chairman.*] Can you give us any information with regard to this timber industry?—I only touch upon this matter at odd points, but I will try to answer any questions that are put to me. We are large purchasers of timber in the form of sleepers; our other purchases are comparatively small. These are the only directions in which we should know anything of the industry.

2. Do you not get some timber for bridges?—Yes, a certain quantity; but practically the whole of that is Australian hardwood. Part is ironbark, and it is partly mixed.

3. With regard to sleepers?—These are silver-pine. We purchase sleepers here for the whole of the Dominion.

4. How many in a year?—The number varies according to the amount of construction-work in other parts of the Dominion. At the present time it runs into from fifty to sixty thousand a year.

5. Who supplies them?—Small parties throughout the district.

6. Does the sawmiller supply any?—Occasionally. He very seldom handles that class of timber.

7. With regard to sleepers: You examine them; do you pass all those presented to you?—No, we examine them carefully, and all not up to the mark are not taken. The quantity rejected runs into about 5 per cent.

8. For what do you reject them?—For being badly cut, for not being squared, and on account of having an undue proportion of sap.

9. *Mr. Morris.*] In regard to bridge-building and that sort of thing, do you not think that rough heart of rimu and birch are suitable for that purpose?—They have been very satisfactory where they have been tried, but the result of the experience of the Department has led the engineers to adopt hardwood entirely for that purpose.

10. Would it not be more economical to buy birch or heart of rimu for that purpose?—The instructions of our Department practically imply that it has been found that the maintenance of softwood makes it not so suitable, and that the hardwood is more economical.

11. Have you any traffic bridges under your control?—Practically none.

12. Can you give us any information about brown-birch for sleepers?—No, I cannot.

13. *Mr. Hanan.*] Comparing Oregon with good heart of rimu, what is your opinion as to the strength and practical strain of each of those timbers?—I do not know of any purpose for which Oregon could be used that rimu would not carry the same load. Rimu is very much harder than Oregon, which takes a set quicker; it is stronger throughout than Oregon.

14. What tests have you seen applied?—No proper tests—simply the result of my experience of the two timbers.

15. What is your experience in the Department with regard to both?—Oregon is never used except for temporary work.

16. For what purpose would you prefer Oregon to rimu?—For use in scaffolding—where it has to be moved, lifted, and handled, as in tunnel-work.

17. Whose opinion would you take in regard to the quality of the timber—that of the architects and builders, or that of the sawmillers?—The builders' opinion.

18. You would pay more weight to it than to the sawmillers'?—With strict limitations I would.

19. What are the strict limitations?—Provided the builder was interested in the structure after it is completed.

20. Have you any difficulty in getting orders supplied by local sawmillers?—No, but they are sometimes delayed. In our ordinary specifications a particular class of timber is called for.

21. Do you think architects are qualified to express a reliable opinion as to the quality of timber?—Decidedly.

22. Would you place their opinion above that of the sawmillers?—Yes.

23. Do you know anything about puriri?—Yes.

24. What is your opinion about it?—It is a first-class timber.

25. Is it suitable for sleepers?—It is the best timber obtainable for sleepers.

26. *Mr. Jennings.*] Is there a scheduled price fixed by your Department for sleepers?—The price varies, but it is fixed in Wellington.

27. Do you take any other sleepers except silver-pine?—No.

28. Do you have many disputes over the supplies?—Practically none.

29. *Mr. Field.*] Do you think the local sleeper is shut out?—I am not competent to give an opinion about that question; the Minister for Railways would be.

30. Have you any knowledge of the durability of Oregon?—No.

31. *Mr. Clarke.*] With reference to the limitation on the builders' report, do you not know that the engineer handles the architects' specifications to be used?—Yes.

32. Therefore the engineer or architect would be the man responsible?—That is so.

33. Therefore if the architect and the engineer as well as the builder combined, that combination holds more weight still?—That is so.

COLIN CAMPBELL BELL, yardman for the Lake Brunner Sawmilling Company, Ruru, sworn and examined. (No. 76.)

Witness: As a representative of the workers of the West Coast who are employed in the sawmilling industry, I would like first to point out the loss in wages incurred during the months of December and January. At my company's mill alone the actual loss was the wages of forty-five men at, say, £12 per month for one month, which would amount to £540. However, taking into consideration that the holidays would have absorbed a fortnight of this time, which would have been lost in any case, the net loss to the men would still amount to £270. This is for the Lake Brunner Sawmilling Company alone, and as all other mills on the Coast were similarly affected the loss of wages at the low average of £100 for each mill would amount to considerably over £4,000, and that is for December and January only. We must now add to this loss the fact of the stoppage of several mills and the reduction of hands in others. My company have not worked No. 2 mill since New Year, with the result that fifteen men have been thrown out of employment, at a loss to them of £180 per month (on a £12 average). M. Manson and Company have now only five men employed where originally they had twenty—a loss there of £180. Waller and England now employ ten men when the usual equipment was twenty-two, or £144 per month lost in wages. All the other mills are affected more or less in this matter, so that the loss in wages is very great indeed. In past times it was not thought of at the mills to stop for wet weather or trifling causes. Now there is a suspension of operations for any wet day or for trifling breakages, which loss of time means at least £2 per month to each man. Then there is the element of danger to consider, which is surely worth something, although there is no allowance made for such. Every one knows the hazardous work entailed in sawmilling. During the time I have been associated with the Lake Brunner Sawmilling Company there have been three fatal accidents there, to say nothing of numerous minor accidents of a more or less serious nature. Then we have to contend with all the drawbacks of the backblocks. There are no roads and no means of communication but by rail. The train fares are heavy, and the extra cost of railway rates on goods (that are already very high in price) adds considerably to the sawmill-workers' burden. Our children can only be educated to a certain point, and after that point is reached there is nothing for him or her but hard work. Then there is the want of medical attention when required. I have known cases result fatally owing to the time lost in procuring medical attention. During my many years' experience I have never known orders to be so slack as at the present time, and have actually been forced to cut stock sized, not having a single order to go on with. The price of timber to the sawmiller and the cost of production has already been dealt with by other witnesses, and I can only repeat what has already been stated on that point: Price of best timber, Grey, 8s; railage costs, 1s. 3d.; royalty, 6d.; Grey commission, 1d.; Christchurch commission, 2½ per cent.; trade discount, 2½ per cent.; allowances on inferior timber; insurance on men and plant; depreciation of plant; cost of felling, hauling, and cutting; losses in transit. The increased duty on Oregon and other timber that is likely to compete with red-pine, should in my opinion be such as to bring the selling-price of such timber up to that of red-pine, irrespective of lengths or sizes. The sawmillers wish to show this Commission that the price they receive for their product is not excessive, and they and the workers, and all dependent on them, trust for a favourable report from the gentlemen of the Commission before us to-day.

1. *Hon. the Chairman.*] How long have you been connected with the timber industry?—Twenty-four years.

2. Have you been actually working at the mill during all that time?—I have been at everything in connection with the work.

3. Have you done any log-getting?—Yes.

4. How does it compare now with what it did twenty-four years ago?—Well, I was a boy when I started twenty-four years ago, and I should not like to go back that far.

5. Well, say eighteen years ago?—I was then in Southland, and the conditions there are very different from what they are here.

6. How long have you been in this district?—Thirteen years. The prices at that time were very low, and the sawmiller was cutting at a loss on account of the competition.

7. There were more sawmillers than buyers?—No, that is not the point, but the sawmilling people on the West Coast had no means of keeping the price up, and the result was that they were cutting against each other in order to get orders from the merchant.

8. But if there had been a keener agent it would not have required so much trouble to get orders?—Unfortunately, we did not have a Christchurch man, as we did have later on.

9. Are you interested in any mill personally?—Only so far as getting a living out of it.

10. Then, in your opinion have the sawmillers been paid for their work during the last four years? I mean, are the owners of the mill getting sufficient interest on their capital?—No. From my own personal knowledge I can say they are not, because I am also keeping the books for my firm, and, taking into consideration the depreciation and cost, I know they have not received fair interest on the capital invested.

11. Was it fair up to May or June last?—It was better than it is at present.

12. But was it not sufficient then?—Even at that time it hardly paid for the capital invested. Indeed, I should not like to say that during the past four or five years there has been sufficient profit for the sawmiller.

13. Have there been a good many mills started since that time?—Yes, but there have also been a good number that have knocked off.

14. How many have started since then?—The one I alluded to that started with twenty-two men, and a mill capable of turning out 4,000 ft. to 5,000 ft. a day, has only five men working now, and one of them is a partner.

15. *Mr. Morris.*] The mill that you are employed at is more advantageously situated than any other mill in this district as regards getting orders from Canterbury?—Yes, we are in that fortunate position that we are better situated than others on the Coast.

16. You are able to keep going when others have to shut down?—Yes, that is a fact.

17. Has there been any reduction in the wages at this mill during this year amongst your men?—No, none whatever.

18. *Mr. Jennings.*] What is your position in the mill—a sort of foreman?—Well, practically that. I am in charge of the sales department, and also the shipping and local. I have one clerk under me, and three or four yardmen.

19. I understand you to say you appear on behalf of the men?—Yes, I was asked to put the question of wages before the Commission while I was here, and the position they stood in.

20. Do you know what wages are paid in the sawmilling industry in other parts of the Dominion?—I have a fair idea of the South Island conditions, but not of the North.

21. What does the head yardman get in Southland, as compared with the wage paid here?—I think he gets £11 or £12 a month, and here he gets from £4 down to £3 10s. a week; but that depends on whether he is qualified.

22. What does the benchman get?—We pay him 12s. and 15s. a day.

23. What does he get there (in Southland)?—I think there it is 9s.

24. What is your experience of the men generally—are they good workmen?—You will never get better workmen in the Dominion than you will get on the West Coast.

25. You made a statement about what you thought was a fair return on the capital invested. What do you consider a fair return on the capital invested by a sawmilling company?—You mean if the capital is in a sawmill?

26. Yes?—I should think if a sawmiller was going to make anything at all he would want 20 per cent. At the least you would have 10 per cent. depreciation on your stock. There is a great amount of wear-and-tear on the plant, and I would not say it would be as much as that were it not for the bush running out. With the bush running out I do not think I should be wrong when I say that 8 per cent. would be a small depreciation to write off sawmill stock.

27. You know there is a considerable feeling in the public mind that the price of timber is too high. I am speaking generally, and not locally?—That may be so, but if so I do not think it is a question for the sawmillers to decide, because I think if any one makes profits it must be the merchants. I am certain it is not the sawmiller that is making any profit like that.

28. Personally, can you tell the Commission what is the advance in the cost of building an ordinary workman's cottage of five rooms to-day as compared with ten years ago, taking the timber alone?—Taking it for granted that the timber has gone up 1s. 6d. a hundred during that time, a five-roomed cottage with mouldings would run into anything up to 15,000 ft., and that would only be a matter of £20 at the outside.

29. What are the relations between the workmen and employers so far as your experience goes—are they friendly or hostile?—Very friendly. I might say that the company I represent—the Lake Brunner Sawmilling Company—have men with them now that have been ordinary workmen for the past nine or ten years—they never change. There are some men who do change about, but they are an exception in the Lake Brunner Sawmilling Company. I might also say that from my knowledge of other millers on the West Coast that condition is very general.

30. Is there much contracting done outside the ordinary weekly paid men?—No, in the majority of mills the proprietors run them.

31. What system is followed in getting the logs from the bush—is it by contract?—No, all on wages.

32. *Mr. Field.*] You speak as one who knows the feeling of the men generally?—Yes.

33. And you say there is harmony existing between the millers and the men?—Yes, that is so.

34. Can you tell me what the feeling of the men is respecting this offer by the sawmillers to run their mills and dispose of the timber at prices to be fixed by the Government? What is your own opinion about it?—I think the sawmillers would be in favour of it, and I believe it would be a very good thing for all concerned if a duty cannot be put on Oregon pine; but to give us protection the price of Oregon should be the same as red-pine.

35. The Government could not find a market if the market did not exist?—We have always got a market so far, except on one or two occasions when I have had to cut a little stock sizes of timber; but we are in a better position than the majority of the millers are.

36. Do you mean to say you would throw the onus of procuring orders on the Government?—No.

37. I mean, do you think it would be a fair offer? Do you think the men would agree irrespective of the orders?—I myself would regard it as a fair thing so long as the wages were not affected in any way.

38. Do you think it would be a feasible scheme in view of the fact that the Government already fix the royalty and the wages to be paid by legislation? The Government of the day under-

takes, through the Arbitration Court if necessary, to fix the rate of wages?—They would require to go into it very exhaustively to find out the current rate of pay, because the conditions are so very different from other parts of the Dominion. In other parts you do not have to pay 9d. for a loaf of bread or £1 5s. for a sack of potatoes. That is the position existing on the Coast. If the Government did undertake to fix the rate of wages, it would be a thing they would have to inquire into very carefully, so far as the West Coast is concerned.

39. Are you aware that the sawmill associations attempt to fix the prices of timber?—Yes, they do.

40. And if they can fix them, is there any reason why some other tribunal, or Board, or association of persons should not fix them?—Every association of persons may not have the same knowledge.

41. But assuming you have the same class of men?—You gentlemen would not be in a position to fix the price of timber the same as the men in the timber trade.

42. But men could be found?—Yes, of course, they could be found.

43. Can you tell us whether the timber which is produced in this country, speaking generally, is fit for all building purposes?—I think red-pine is as good as any timber that can be got for building purposes.

44. I understand the mills here have not got the necessary plant to turn out economically the long lengths?—We have cut 54 ft. lengths for McLean Bros. for the tunnel.

45. And what measurement?—Ten by four, I think.

46. *Mr. Clarke.*] In reference to the loss of wages, you said that a certain number of men had been thrown out of work, and consequently so-much money had been lost in wages. Was that the full wages for each man?—I computed the wages at £12 per month.

47. Have those men obtained work elsewhere?—They may have done so, but that does not account for the fact that the mills are running short-handed.

48. If one man went to work for me, he may be Tom Brown who had lost his wages?—Well, in ordinary conditions Bill Jones would have to fill Tom Brown's place now the place is left unfilled. I know one of our fellows at least is still idle.

49. You mean that that much less in wages has been paid at the mill, but not of necessity that those men have not earned anything?—If those men had been there (at our mill) then other men would have been earning that money that they are now earning elsewhere.

50. But those particular individuals have not all been absolutely idle?—Some of them have and some have been working casually.

51. *Mr. Barber.*] You mentioned that something should be done to keep the price of Oregon up to the same price as red-pine?—I think that is what is wanted to cope with the difficulty.

52. Well, if Oregon pine was sold at a higher price than red-pine, you do not think there would be any danger?—No; I think we should get more orders for red-pine, because I am given to understand it is more durable than Oregon pine.

53. *Mr. Ell.*] You say you are paying the rate of wages at present that have been paid for some time?—Yes.

54. Have you heard of any proposal to cut down the wages?—There was no proposal, so far as I know. I believe there was a circular—in fact, I saw one, but it did not relate to cutting down the wages of those already employed. If my memory is right it is with regard to other people who come in who are to be paid at the minimum wage until they prove themselves capable of earning the maximum wage. If a man came with credentials he would get the full wage right away.

55. You spoke about the cost of living being greater on the Coast. What would you pay for a five-roomed cottage here?—My brother pays 15s. per week for a five-roomed cottage in Greymouth.

56. That would not be for a palatial class of building?—No, one of the back rooms wants doing up very badly.

57. What do you pay for bread?—Ninepence a loaf.

58. I am speaking about Greymouth?—I think it is 8d. at Greymouth.

59. What is the cost of meat out there?—We never get any meat under 6d. a pound—that is the lowest price.

60. And potatoes?—I do not know what they are now, but I do not think they are quite so dear as they were a short time back. I think they are 8s. 6d. a hundredweight. We have paid as much as £1 5s. a sack, with freight added.

61. In view of the higher price you have to pay for living, would you think it advisable to reduce the wages?—No, not for one moment.

62. And if the prices of timber keep up to what they are now—to 6s. 9d. and 8s. 6d., do you think that those engaged in the sawmilling industry would agree to any reduction in wages?—No, certainly not.

63. *Mr. Arnold.*] You represent the workers here to-day, not the sawmillers?—Yes.

64. By whom were you appointed—was a meeting held?—I do not know how they appointed me. I received advice by telephone.

65. From whom?—Mr. Roberts, I think, left the message.

66. He is a prominent miller?—Yes.

67. Now, you say that up to the present you do not think the wages have been reduced?—I know they have not been reduced by our company.

68. How long have you been on the Coast?—Thirteen years.

69. You have a fair idea of the wages that are being paid round about?—Yes.

70. Have you bench sawyers working two saws?—We have two in No. 1 mill.

71. What do they get?—One gets 15s. a day and the other 12s. I might tell you they do not have to keep their saws at that rate. We have a saw-sharpening machine.

72. If they only have one saw to keep, what would be the wage then?—It would be the same. The man at the middle bench gets 15s. a day.

73. Is that general?—I think it is. From £4 10s. to £5 a week is the general wage for a sawyer on the Coast.

74. You do not discriminate where there is one or two sawyers?—No. My explanation is that one man getting 12s. a day has the little bench, and if he kept the saw connected with the big bench he would get 15s. per day.

75. Now, take the man who works the big bench and has got a top and bottom saw?—That man who gets 15s. a day keeps that saw; that is the head sawyer. All the saws are sharpened by machinery. I am, of course, speaking of our own company. I do not say there is sharpening machinery in all companies.

76. Have you a first-class machinist in your mill who makes his knives?—We do all that; we have a blacksmith to do it.

77. What wages does he get?—Eleven shillings a day.

78. And the first-class machinist who does not make his own knives and irons?—We do not employ a first-class machinist; either the manager or myself does the machine-work.

79. Well, in other mills?—In other mills the machinists get about 11s. a day.

80. How do the wages run for the engine-drivers?—£3 10s. a week. That is for first-class men, of course.

81. And the engine-driver for the hauler?—Eleven shillings a day.

82. And the bushman?—The head bushman gets 11s. That is the man who keeps the saw, and the other bushmen gets 10s.

83. And the log trollymen?—Well, we do not employ trollymen. We have a locomotive, and the locomotive-driver gets £15 a month, and the man with him gets 11s. a day.

84. But where the log-trollymen are employed what do they get?—There are some paid weekly because they have their horses to look after. I think if you said £3 you would be very well within the mark.

85. What about the timber-trollyman?—He would get the same amount as the log-trollyman.

86. And the tramwaymen?—Some mills let the tramway by contract, but the general wage in the Lake Brunner Company is 10s. a day, and they have about five men on the tramway.

87. And the yardman?—Well, the chief yardman gets about £3 10s. to £4 a week, No. 2 and No. 3 get 10s., and the others 9s.

88. Have you any bullock-drivers?—No, none on the Coast at all. Of course, there are sniggers who require a horse to pull the shoe back to the bush, and their wages run to 12s. a day because it is dirty employment.

89. You are familiar with the wages paid in Southland?—Not now.

90. You have not seen the award?—I have got a copy of it, but I did not bring it with me.

91. Do you think the wages paid here are out of proportion, considering the higher cost of living?—Not at all. I do not think there is one sawmiller on the Coast who would lower the wages.

92. Of course, the circular that has been put in notified a reduction?—Yes, but I think it is a very small reduction.

93. *Mr. Stallworthy.*] Have any new hands been taken on by your company since that circular was issued?—Yes, several have been put on.

94. And they have not come under the reduction?—No.

95. What is the average loss of time suffered by your employees?—Since the New Year the average has been very great.

96. Under ordinary circumstances?—Well, before the slump came on we never lost any time at all, but now the least shower of rain is an excuse for knocking off. So far this month there have been four days lost through bad weather. I do not think they worked all day on Saturday last.

97. It is stated that you are in a better position in regard to the disposal of your timber than other mills. What gives you that better position?—One of our partners is in Christchurch and intimately connected with the trade there, and one of his sons is a part-proprietor in one of the big yards there, and we get all the orders from that yard.

98. *Mr. Mander.*] You are satisfied with the labour-conditions over here?—Yes.

99. There is a good feeling existing between the men and the employers?—Yes, very good.

100. Do you think you would be in a better position if a union was formed?—I think it would put us in a worse condition, if anything. I do not think it will ever come to a dispute on the Coast.

101. Do you not think that the ordinary employer generally tries to husband a good man when he can get him, and he will put up with some little sacrifice to keep a good man when things are slack?—I agree with you. A lot depends on a man himself. If a man says he can do such a class of work, which he is able to do, he will be paid in accordance with it.

102. Then you realise it is a good business principle for an employer to look after a good man, because they are not too plentiful?—Yes, I do so.

103. Do the millowners build cottages for the men?—They do in some cases. I will tell you the rents that are paid at Lake Brunner. A neighbour in a cottage next to me is paying 4s. a week for a four-roomed cottage, another 3s. 6d. for three rooms, and a third 4s. 6d. for four rooms.

104. They get firewood free?—Yes, of course.

105. *Mr. Hanan.*] Having regard to the prices of timber during the last five years, do you think it is in the public interest to establish State sawmills?—Well, no, I do not think it is at present, for the simple reason that we cannot get enough orders for our own output for private enterprise.

HON. A. R. GUINNESS sworn and examined. (No. 77.)

1. *Hon. the Chairman.*] Mr. Guinness, the Commission would like to hear what you have to say with regard to this inquiry?—I have only to say a few words briefly on one or two questions that I have heard evidence given upon.

2. You will not, of course, comment on the evidence that has been given?—No, I shall not do so, sir. I wish to state to the Commission that ever since applications for rights for timber within a mining district were being granted by the Wardens instead of the Land Boards I have had a good deal of experience in regard to the granting of those rights, the holding of them, and their cancellation or forfeiture. It has been suggested that there is dual control between the Wardens and the Land Boards on the West Coast—viz., for the Westland District, sitting at Hokitika, and the Nelson Land District, sitting in the City of Nelson. The true reason why the granting of these timber-rights was by legislation taken away from the Land Boards was in consequence of the distance that the Land Boards were situated from the scene of the timber operations, and therefore the power to grant these rights was vested in the Wardens in the immediate locality. The Land Board sits at Hokitika once a month for the Wesland Land District. That district terminates about twenty-eight miles north of this town. The boundary of the Nelson Land District then commences, and it goes away to the extreme north of this Island, and the Nelson Land Board sits at Nelson once a month. Once a year they journey on tour to Reefton and have a sitting there. Therefore all applications for rights to cut timber, if the Land Board had to deal with them, would have to go to Hokitika or Nelson, for the West Coast. Under the present law those applications are all dealt with by the Wardens upon the West Coast. There are three Wardens, and they sit at the following places and deal with these applications: At Okarito, Ross, Hokitika, Stafford, Waimea, Kumara, Greymouth, Ahaura, Reefton, the Lyell, Murchison, Charleston, and Westport. The Wardens sit at those thirteen places, as compared with only two places under the Land Board system. Now, in taking up these rights there is a good deal of rivalry or rush to get the best piece of bush, and to decide who is the first applicant very often evidence has to be called before the Warden from the outlying districts. The question is tried as to who is the first applicant for an area of bush, and the Warden can decide the matter, as against having to take the applicant with all his witnesses to Nelson or Hokitika. Besides that, if the Warden's decision is considered to be erroneous by either the applicant or the objector, there is a right of appeal to the Appellate Court—the District Court—which sits every three months in the locality. This procedure has been found to have been most beneficial in the past, and a decision can be arrived at speedily. As far as I know, there is no right of appeal from the decision of the Land Board when it decides who is the prior applicant for a timber area. Consequently, Mr. Chairman and gentlemen, the system of granting these rights by the Warden is most beneficial in the interests of the sawmillers, as against the granting of these rights by the Land Board sitting, the one at Nelson and the other at Hokitika. I may tell you that this matter was brought before Parliament last session, no doubt upon the recommendation of the Under-Secretary for Lands or the Minister of Lands, to take away from the Warden the authority to grant these timber-rights and transfer it to the Land Boards. An amendment in the Mining Bill to that effect came before the Goldfields Committee, when there were only a few members present, and that clause was passed by the Committee. I am not a member of that Committee. When I heard of the decision I at once communicated with the Sawmillers' Association in Greymouth, with the result that a very strongly worded telegram came to the Minister urging him not to have this alteration made. I attended before the Committee with a copy of this telegram, and got the Committee to reconsider the clause, with the result that at a meeting at which nine members out of the ten who constitute the Committee were present all of them except the Minister of Mines and Dr. Chapple voted for the rescinding of the previous resolution. The clause was struck out, and afterwards the House of Representatives confirmed the Committee's decision last session. I wish to give these facts in case the Commission may decide to make any recommendation on the subject. The difficulty of dual control can easily be met by the Land Board appointing officers who have the requisite knowledge and experience of dealing with sawmill areas to inspect and see that the conditions of the licenses are strictly carried out. If there is an alteration wanted in the regulations to do that, the requisite amendment ought to be made, in my opinion. I do not think it is right to have the Warden acting as an Inspector, because he is simply a judicial officer to decide judicially whether a right should be held or not. The case quoted by Mr. Flanagan I have in my hand here. It does not bear out his contention. It is cited in the District Judge's decision. He mentioned a case where a license was cancelled by the Warden, but the District Judge restored it because the licensee was waiting for orders to cut timber and therefore could not cut continuously. In the case referred to the facts found by the District Judge were as follows: "In this present case we have a man diligently and continuously working his sawmill and timber area. He engaged in no other occupation, he fulfilled all orders for timber he could get, he continually added to and improved his plant, and as trade increased so did his output" (*vide* page 72, District Court and Magistrates' Court Reports, vol. i). On those facts the Judge decided that it was not right to cancel this man's license for a breach of Regulation 109, subsection (1), which says, "that at all times during the currency of the license he has to keep such a plant in continuous working-operation, unless valid and satisfactory reasons can be given to the Warden for any temporary stoppage." I wish to put the facts of that case before you so that you will have the other side of the question placed before you when you read the evidence given by Mr. Flanagan. The two other matters that I want to speak upon are these: I think the area that a sawmiller can hold, considering the very great expense he is put to, and the capital that he has to invest, is much too small, and during the session before last we got the area increased by 200 acres by way of reservation, so that a sawmiller can now hold 800 acres as a reservation in addition to

the 200 acres held as a sawmill area, provided these four reservations and the sawmill area are four miles from a port or a railway-line. I think that the total area that can now be held should be increased to enable him to hold up to 2,000 acres, according to the value of the plant he has on the ground. For an ordinary plant I should say 1,400 or 1,500 acres should be sufficient, but if a sawmiller has a plant costing £7,000 or £8,000, then to protect that large outlay of capital he should have at least 2,000 acres reserved for him. The other matter I wish to mention is in reference to the sleeper-getters. I agree with the evidence already given by Mr. Dalziell, as I am familiar with the facts that he spoke of. There is only one other matter which I wish to mention, which is when cutting out the bush there is no area which the sawmill hands can fence off or use for the purpose of grazing a cow, growing vegetables, and so forth. I think it is detrimental to our sawmill hands to be compelled to drink preserved Swiss milk, and I feel that some facilities should be given to them to have commonage reserved near the sawmill, where they could sow grass, run a cow, or cultivate a small area as a garden. It should not be exclusive, but for the benefit of all the sawmillers. As showing the slump in the timber trade and the numbers who are unemployed in this district, I have in my possession a return from the Labour Bureau, Greymouth, where for three months ending 31st March last 553 persons applied for work, and out of that number only 260 obtained employment—not quite 50 per cent.—and this notwithstanding the fact that the Government have put a very large number of men in this district on railway co-operative works. There are five hundred men engaged on the State Collieries railway-extension works at Coal Creek, near Greymouth, and at the State Coal-mine about five hundred; at Blackball Railway there are more men employed now than at any time during the last eight years that those three miles of railway from Ngahere to Blackball have been under construction.

3. *Mr. Hanan.*] Mr. Guinness has referred to the District Court when speaking of those regulations. Do you think, Mr. Guinness, that it is desirable that this proposal to abolish the District Court, which is now being launched by the Attorney-General, should be given effect to so far as the West Coast is concerned?—To my mind it is absolutely wrong, as we have a Supreme Court sitting at Hokitika only twice a year, and the whole of the business of the District Court from Karamea, north of Westport, right down the Coast can only be transacted at Hokitika by the Supreme Court if the District Court is abolished, instead of at the five different centres where the District Court now sits—namely, Westport, Reefton, Greymouth, Kumara, and Hokitika.

4. You referred to the District Court?—Yes. The District Court does deal with timber areas when hearing appeals against the Warden's decisions. All those sawmillers in the northern parts of the West Coast would have to bring all their witnesses to Hokitika if the District Courts were abolished. I object to the abolition, and I understand that an indignation meeting is to be held in a few days to protest against the proposed abolition by Proclamation.

5. *Mr. Jennings.*] How long have these regulations been in force in regard to timber?—The last were signed on the 28th December, 1907, but I think the Act has been in force since 1898.

6. Have there been any cases you know of that would warrant the Lands Department or the Minister in charge of that Department bringing forward proposals to alter the present conditions, which appear to me to be favourable to the district?—I have never known of any necessity to do so. So far as I understand, the present system gave the greatest satisfaction to the people on the Coast ever since the late Premier, Mr. Seddon, introduced that amendment.

7. I can see the great disadvantage that would be occasioned by the alteration?—Undoubtedly.

8. *Mr. Stallworthy.*] Were those 570 persons who applied to the Labour Bureau distinct individuals, or did some of them apply twice and thus increase the number?—Distinct and different individuals.

CHARLES MALTRAVERS BENZONI, District Railway Engineer, sworn and examined. (No. 78.)

1. *Hon. the Chairman.*] Have you prepared a statement?—No, I have not prepared one. I am acquainted with some facts in connection with sleepers, and shall be glad to answer any questions asked by the Commission.

2. Can you tell the Commission on what terms you accept these sleepers?—Silver-pine sleepers we take offers for at present. There is no contract, but the price is 3s. 3d. a sleeper. That is the only class of sleeper that is being taken from the Coast for the Dominion.

3. How many on an average per year does the Railway Department take?—On the West Coast section they take an average of 18,000 silver-pine sleepers. The Government buy an average of about forty-nine or fifty thousand here, and the balance, after supplying the Coast, are sent from here to Canterbury.

4. What proportion do they use of foreign sleepers here to the number that is supplied from the bush in the district?—Of jarrah and hardwood sleepers we are not using many here, but they are used at the joints of the rail, and sometimes on the sharp curves. I think we have got about a thousand in stock now.

5. Do you prepare birch sleepers in any way before you use them?—No, we do not use them, but they were used in the early days.

6. Silver-pine?—The silver-pine on the curves have a bed-plate underneath them, and so have the hardwoods. At the end of the rails the silver-pine sleeper has a bed, but the hardwoods have none. The bed-plates add to the cost of the silver-pine considerably.

7. Will the bed-plate last for more than one set of sleepers?—Some of them will, but most of them, with the wear and the weight of the engine and the train, have got bent in the middle, and they go down. The sleeper goes with them.

8. What proportion?—The old bed-plates are never used again, except for sidings and that sort of thing. The fangs are not much good. The totara timber eats the bed-plates and the iron away to some extent—rusts it and eats it.

9. What proportion of totara sleepers do you get here?—None at all.

10. Then, you take delivery at your sidings of these sleepers?—Yes.

11. And you pay 3s. 3d. for all you accept?—Yes.

12. What proportion do you reject?—Well, I could not say. Of late years we have not rejected very many—probably of late years about one-twentieth, but I have not the exact percentage: say, about 5 per cent.

13. Do you know if the Public Works Engineer accepts any sleepers that you reject?—I do not know.

14. Do you know if his proportion of rejects is larger than yours?—I do not know.

15. *Mr. Morris.*] Can you give us any information about those birch sleepers? I think there are a number of them yet on your section?—What class of birch sleeper?

16. Brown-birch or black-birch?—The black-birch is *Fagus fusca*, and the brown-birch is not.

17. Can you give us any information about them?—The brown-birch that you have here is not much good for railway sleepers. The black-birch is much better, but there is not much of it to be got. The *Fagus fusca* would last probably three or five years longer than brown-birch.

18. Are there any birch sleepers on the railway-lines at the present time that have been down twenty years?—Yes, a good many birch sleepers have been down since the line was laid—I suppose eighteen or nineteen years ago.

19. Do you not think it would be in the interests of the colony to use a lot of that timber for railway sleepers instead of importing a great deal of the foreign timber that is now coming in?—Not in the interests of the Railway Department. The jarrah sleepers cost 3s. 11d. here, and the silver-pine—which is the best sleeper in the Dominion—is 3s. 3d. The silver-pine might last on an average, say, twenty years, but the jarrah would probably last thirty to thirty-five years. Silver-pine at the joints costs 3s. 3d. per sleeper, and two bed-plates and two fangs would be nearly 2s. 6d. more, so that every joint in the track with a silver-pine sleeper costs about 5s. 9d. without the labour of putting in the bed-plate.

20. You could get birch sleepers for less than 3s. 3d. Do you not think it is a good policy to use your own timber instead of others?—Of course, I can only speak from a Railway point of view. I should say the best is what is required.

21. You have got birch now, and can buy it at from 2s. 2d. to 2s. 3d. Have you not birch sleepers that have been in the track since the line opened?—Yes. The best-grown of many timbers will last for twenty or twenty-five years. I have seen black-pine in Southland that came out of the old wooden tramway that had been in twenty-five or thirty years, and I was there ten years ago.

22. It appears that we neglected a very useful timber in leaving out birch, and we have got any amount of it here?—We have any amount of birch here.

23. Do you not think anyhow that a twenty-years life is a very fair period for the life of a sleeper?—Yes; there are not many of them (birch) that will last twenty years.

24. Probably they were not ripe when they were put in?—The experience is that in silver-pine and totara you get better timber, and get it more even.

25. Has your Department any trouble in getting orders supplied from local sawmillers?—Is it sleepers you mean, or ordinary building-timber?

26. Apart from sleepers?—No; it comes fairly well. Of course, when we want sizes a little out of the ordinary it takes a longer time.

27. What sizes do you find a difficulty in obtaining here?—It is in regard to the width, not the length. There are so few sticks that I could not say. I have looked there and found stuff over for several months.

28. How long have some of your orders been waiting to be supplied?—Three or four months, and perhaps longer, but only for a few sticks.

29. What is the class of timber?—Red-pine.

30. What do you want that for?—Inch and a quarter by 5, or 2¼ in., or 2½ in.

31. Do your orders amount to much?—No; here we have not a saw suitable for cutting some of them.

32. Do you get any from the State sawmill?—No.

33. Do you know anything about the relative qualities of Oregon and rimu?—I cannot say that I have any actual experience. We do not take much Oregon; I do not suppose that we have had a thousand feet altogether.

34. I mean in regard to your experience in the Department?—I should say that the general idea in the Department is, as far as I am aware, that the red-pine is altogether as good as the Oregon—that it has a bending strength equal to that of Oregon.

35. They are equally as durable to stand the breaking-test?—Yes, I can give the figures—the figures show that kauri, red-pine, and Oregon are about the same. They vary from 4,000 to 12,000 in every class.

36. Are they much about the same as regards durability?—Yes, in the Railway Department they put Oregon a little first. The modulus of rupture in Oregon is taken at 9,400, and in red-pine at 8,600; but Mr. Blair and some others put red-pine first. Authorities varied.

37. You will accept Mr. Blair's test to-day?—There are no later tests of Oregon available. I have several tests of red-pine here in my book.

38. I think it is desirable to get these tests for future guidance?—They vary so much you can only take the mean compared with the old tests.

39. *Hon. the Chairman.*] Do you call Mr. Blair's the old tests?—Yes; the difference between 8,600 and 9,400 is not very great.

40. His tests were taken some years ago?—Yes.

41. How long ago was it?—In the "seventies," I think.

42. Is it not a fact that time has proved some of these tests to be unreliable as regards the facts found?—Yes; the old tests were taken with a piece of timber an inch square. In Canterbury they have been taken with 4 in. by 6 in. and 12 in. by 8 in. The modulus of rupture, which should be the same, is smaller with the bigger pieces of timber, but the comparison of equal-sized sections is the same.

43. *Mr. Jennings.*] Have you any experience of the effects of creosoting on softwood timbers and what the life is afterwards?—I cannot say that I have. I saw them in the Seaward Bush line some years ago at Woodlands; then they had been in about ten years. We assumed then that creosoted sleepers would last from ten to fifteen years. Since then they have been creosoting many thousands.

44. What sort of wood was used?—I do not know. I think a lot of it was black-pine, but I presume it would be of a class the same as now.

45. *Mr. Leyland.*] How long have you been in charge here?—During the last sixteen or seventeen months.

46. Has there been any rise in the price of sleepers during the last ten years?—I could not say; I think not in totara.

47. Referring to silver-pine?—I could not say. There used to be contracts for that; now they accept offers.

48. It struck me that a man should be entitled to a little more per sleeper. I thought that the prices ought to have gone up?—I could not tell you. The Storekeeper could give you the information.

49. *Mr. Ell.*] Do you think if a very careful selection were made of the birch that you could select sleepers fit for railway purposes to last from fifteen to twenty years?—No, of course in the early days when they took them they were, I presume, very careful. Of those put in, a great proportion did not last more than a few years.

50. Do you think there is anybody sufficiently expert to be able to judge of the kind that would last fifteen or twenty years?—No, I do not think they could pick them out to last fifteen or twenty years. They would begin to go at six years. It depends a good deal on the situation. If it is in a damp cutting the birch will always last, but in the drier places it will not.

51. Are any beech sleepers being used now?—I do not think they are buying any at all now. I believe that only a few years ago they were buying them in the New Plymouth and Napier districts.

52. It seems a great pity to see so much timber going to waste?—Of course, the trouble is that the soft class of sleeper wears away on the curves; with the vibration and weight of the train it wears away under the rail.

53. For the straight lengths you can use a softer timber?—Except for the joints.

54. Still, there is no reason, if you can get them sufficiently reliable, why you should not use beech sleepers?—The Railway Department have found that it is not advisable to have them. They can get the jarrah cheap, and it is a much better and safer sleeper to have.

55. With regard to the future, we were told down south in Otago that it would take about a million sleepers, and in the Hurunui–Bluff Section about a million and a quarter, and in Christchurch about forty-four thousand a year?—We use from eighteen to twenty thousand on this section of the line. We buy about fifty thousand per annum, and send the remainder away.

56. Seeing that our system is extending repeatedly, and that we require an increasingly large number, do you think it would be a wise thing on the part of the Department to confer with the Forestry Department to plant for the future needs of our railway system?—Of course, the difficulty is that any of the quick-growing trees would be so very soft. It is only the slow-growing trees that would be any good for railway-sleepers.

57. Are you aware that the American railway companies are planting areas to supply their sleepers?—They use a bed-plate for every sleeper.

58. They think it necessary to make some provision for the future?—I can only say in a general sense that it is a good thing; but from my point of view I would say, use the best and hardest timber you can get.

59. But you are drawing upon Australia for your hardwood. What are we doing for ourselves?—If it is a question of planting for the future or of using concrete or steel, I would say plant for the future.

60. *Mr. Mander.*] Supposing two black-birch sleepers were put side by side, could you tell by their appearance which would last fifteen years and which seven years?—If they were the same class of black-birch?

61. Yes?—I do not think any one could tell that. Of course, in some cases you could tell, but to put two or three together and tell from them would be impossible.

62. In giving your orders to the mill for timber, is it not a fact that usually you order the very best of timber and very often exceptional sizes?—We do not order it in that way, but sometimes the foreman may order a few sticks apart from the millers' sizes.

63. But you usually order the very best?—The timber supplied here for building is the ordinary O.B.

64. But for bridge-building they want the very best of timber?—Yes.

65. Therefore it is more difficult for the millers to supply that, and it takes a longer time to get?—Yes.

66. *Mr. Morris.*] We were told to-day that there was a probability of the MB wagons being removed off this section?—I do not know, that is not my branch; the Locomotive Engineer would know about it.

EDWARD IVEAGH LORD, Borough Engineer, Greymouth, sworn and examined. (No. 79.)

1. *Hon. the Chairman.*] What is your profession?—Civil engineer and architect, acting as Town Clerk and Borough Engineer.

2. Can you tell us anything that will assist this inquiry in regard to the timber industry?—Yes, I shall be pleased to tell you anything I know.

3. You were architect to this building we are sitting in?—Yes.

4. It has been stated by some that the shrinkage of the timber has caused this crack in the brick wall? Is that so?—It is certain that the crack has been caused by shrinkage or settlement, but whether that is due to the timber or to the brickwork it is hard to say.

5. How has it stood the test in other parts of the building? Is there any appearance of shrinkage anywhere else?—Yes; that is where the brick strong-room joins the plaster timber wall. I notice in the whole building that wherever the brickwork comes in contact with a plastered wall there is a sort of crack or settlement caused by unequal shrinkage. All the chimneys are affected the same way. I account for it in this way, that the foundations of the building are on the river-bed gravel. You cannot get any better foundation than I got at from 2 ft. to 2 ft. 6 in. The plan I adopted was to put in a very broad base to the walls and the chimneys, so that it would help to carry the weight on the soft foundation. At every flood, when the river rises to a foot or so below wharf-level, the basement is full of water, which percolates through the gravel and fills the space beneath the building. When I built the place I had to asphalt the basement so as to keep it as clean and dry as possible, and I had to have a drainage fall towards a centre trap so as to discharge the water when the flood subsided. I have put up many buildings here, and have always found the same percolation of water through the alluvial gravels. I have also found that if you put in a broad-enough concrete base it is safe to build upon it. Piling would have been better, but I did not do that, owing to the cost of driving the piles, and my money was very limited. It seems to me that the heavy weight in chimneys and walls will tend to increase the settlement. Another thing is that when we had the chimneys put in we had continuous wet weather, and that probably may have had something to do with a slight settlement.

6. What class of timber did you use in this building?—Nearly all red-pine. In the walls I specified the laths to be totara or other timber to be approved by the architect. The laths are sawn kauri. The studs and all the rest of the building are red-pine. The only Oregon is the framework that supports the Wunderlich ceiling. I dare say you know that it is a patent ceiling, and they insist upon using Oregon timber for framing.

7. Would red-pine or rimu have acted as well in that position?—If it were seasoned as well as the Oregon I am sure it would. The worst of us here is that we have to take the timber cut fresh from the tree and reeking with sap. Any timber under these conditions will shrink. If it is properly stored and seasoned I do not think that rimu would shrink more than any other timber. All our furniture is made of seasoned rimu, and is good joinery without shrinkage at joints.

8. *Mr. Morris.*] Can you give us any information about the lasting qualities of rimu for building-purposes?—Well, of course, for building purposes I can only tell you of my own experience in the matter. I had to do with some work for the late Mr. C. Y. O'Connor, C.E., when I was in the Public Works Department in connection with the Immigration Barracks, near the Technical School in this town. They were put up in the early seventies, and the timber in the building is still sound. Of course, it has been repaired in places, but the main part of the building is quite sound.

9. It has been there close on thirty-five years?—Yes. I also built my own house of red-pine in 1877, and it is still sound. Some of the weatherboards have been renewed in that time, but the whole of the internal part and the bulk of the outside is still in good order and hard as a bell. It was built of timber which I selected myself, and in those days you could get a better class of timber because there was less demand for it, and the miller would give you first-class stuff.

10. In putting up the framing of a building you would have no objection to using rough-heart rimu for studding?—None whatever, I would use it readily. In the building we are now in, the studs are 16 ft. and 14 ft., each 6 by 4, and they are a fair sample of the timber. I over-hauled each piece before it went in, and I reckoned it was good timber. The only fault I had to find was that it was too green when put up, because lengths such as 16's and 14's are not kept in stock. You have to get them cut to order and use them as soon as they are cut. They stood here for some four months before the lath-and-plaster work was put over them, so that they got tolerably dry before the walls were plastered.

11. Have you had any trouble or difficulty with it twisting after being erected?—No, I have never known it to twist in studs if they are properly braced.

12. *Mr. Hanan.*] It takes some time to season timber, does it not?—Yes, especially for joinery-work.

13. Well, I suppose you agree with other architects who have said that it is desirable to put seasoned timber into a building, especially for heavy joists?—Yes, but I have not heard the evidence before the Commission.

14. Mr. Wilson, of Invercargill, said he believed in Oregon pine coming here for heavy work such as joists, owing to the difficulty of getting good seasoned timber for that purpose?—I should say that was right, but I would myself prefer all timber seasoned if I could get it; when you cannot get it seasoned you have to put up with what you can get.

15. Seeing the difficulty of getting seasoned New Zealand timber for heavy work like that, would you say that a prohibitive duty should be placed on Oregon pine, which is used in Dunedin and other places for such work?—That is more a question of political economy than a question for an architect.

16. Do you think as a professional man it is desirable to keep a class of Oregon timber out when it is used for heavy joists, in face of the fact that there are some places in New Zealand

where you cannot get properly seasoned timber for that purpose?—I think under those circumstances if you cannot get suitable local timber of that description you are forced to use Oregon pine.

17. What is the timber you are using for floor-joists in Greymouth?—Red-pine. I have never used any other than red-pine.

18. Is that timber seasoned which is going in?—As far as we can get it—say, three or four months after it is cut.

19. What is the result of putting unseasoned timber in a big building on the second floor?—I think, as far as the joists go, if they have a good projection and firm seat on the wall-plates the shrinkage is not very material.

20. But if the joists are not properly seasoned, does it not follow as a matter of fact that the walls draw away—the timber draws away from the wall?—I do not think it shrinks to that extent if it has a good footing on the plate.

21. How long do you think joists should be seasoned before being put into a building?—I should say red-pine is quite fit to put into a building in six months if kept in a dry place and properly stacked.

22. Do you think it is right to put that timber in if it has not been seasoned that length of time?—I should put it in without hesitation the same as I put it in this building after six months' seasoning.

23. But, say, with less than six months' seasoning?—I do not think it would be a good practice to put it in.

24. Would you sooner put in Oregon pine?—I have never used any of it.

25. Have you seen any Oregon pine coming into New Zealand?—No. The only Oregon pine I ever used was when the Wunderlich people were putting up the framing for the metal ceilings.

26. You get no Oregon pine here?—Not to my knowledge.

27. I suppose it would be treason to bring it here?—I would not call it "treason." If it were suitable I would put it into a building of my own.

28. *Mr. Clarke.*] With regard to the liability to shrinkage in a building like this, with large studs 16 by 4 and 16 by 3, they would not dry so quickly with the work going on as if put into a wooden building?—Well, I do not know what there is to stop it. If the roof was on and all the windows and doors were open and a draught all through, I think they would have a capital chance of drying.

29. I mean where it was in close contact with the brickwork?—Where it touches the brickwork the timber will absorb the moisture, if there is moisture, immediately it touches.

30. In that case if there were minor faults it would not be bad workmanship or bad architecture, but that the timber had not sufficient time to get into its proper condition?—I should think it would. You see it amplified in bridgebuilding more than anywhere else, even with kauri, which is an extremely good wood for bridgebuilding. Where the two pieces come together is where the timber first shows symptoms of decay. Our Cobden bridge was built of kauri, and some few years ago I had occasion to examine it for the Council, and I found that nearly every close-butting beam was dozed and had to be cut out.

31. I want you to understand that any fault I referred to in this building I did not attribute to bad workmanship or bad designing?—I perfectly understand that.

32. *Mr. Mander.*] Have you ever had any experience of plastered buildings of this kind in which Oregon-pine laths have been used?—No, I have used totara, which I always thought the best, and that is why I specified it for this building, but when I could not get totara I adopted kauri. I had used it in Hobart years ago.

33. Have you ever seen any cracks in buildings similar to this where Oregon-pine laths were used?—I have never seen any used, so I could not say.

34. You have never seen the plaster falling off a building where Oregon laths have been used?—I have seen plaster falling wherever I have been. A piece fell from the ceiling of a room I was in in Christchurch when I was lying in bed, but I did not notice what kind of laths had been used.

OSMOND BUTLER sworn and examined. (No. 81.)

1. *Hon. the Chairman.*] What are you?—A sawmiller.

2. You can give some evidence with regard to the timber industry?—Yes. I have several points I should like to speak on. As the value of Oregon pine has recently been discussed, perhaps I might commence by dealing with red-pine heart. Some three or four years ago I induced the Railway Department to take 500 red-pine sleepers as a sample to test them as to durability for that purpose. Every one in this district knows that the life of the silver-pine forest is practically finished. There is very little silver-pine left, and the next question that arises is what is to take its place. I suggested that if they would try 500 sleepers I would supply them at 8s. per hundred superficial feet, which practically means 2s. apiece for the sleeper; but the Lands Department then claimed 2d. each royalty for the privilege of cutting them. The Railway Department's Inspector then came along and threw out a few of them, and those that he passed were sleepers that were cut out of the interior of the tree that had a certain streak of resin in them. I suggested that, if this resinous streak were placed flat-ways with the fang-bolt fastening the two pieces together, that would strengthen the sleeper, as this resin is really nature's creosote. We hear a lot of talk about creosoting sleepers. The European timbers are subject to a rise and fall of the sap, and consequently there are capillary tubes in the wood. If you fell a tree when the sap is in it and drive a nail in at one end, even if it is a 10 ft. log, at the other end you will see the froth coming out, and it is through those capillary tubes that creosote enters into European

timbers when it is being creosoted; but in our native timbers there is no rising and falling of the sap. It only requires a sunny day in winter when the buds will rise and the leaves expand. I have a specimen here of rimu heart-wood, the same size as the ironbark arms that are now being used on the railway between Greymouth and Hokitika. The Railway Department are erecting a new telephone service for their own use, and this specimen is the exact size and is trimmed up in exactly the same way. At the price I supplied those sleepers this piece of timber costs but a little less than a penny—namely, 8s. 4d. per hundred—and there is about 1 ft. of timber in it. Now, at the present time there are thousands of those arms required, and I am quite sure that if this Commission would take the trouble to have this specimen tested for breaking-strain, or durability, or anything else, you will find it is a superior class of timber to Oregon pine.

3. What class is that specimen you have?—That is red-pine, or heart rimu.

4. *Mr. Morris.*] They do not use Oregon pine for that purpose?—No. As Mr. Morris knows, the second-class timber is generally composed of the parts that can be easily cut up into short lengths. Now, quite recently I erected a telephone line from the town-boundary to my sawmill. For that purpose I used 20 ft. 6 by 6 at the top and 8 by 8 at the bottom, and the poles were made out of similar material to this specimen I produce. At the same rate I am quite agreeable to supply more sleepers, and these poles cost about 6s. for the 80 ft., or 6s. 6d. at the most for good, serviceable telephone-pole and cross-arm, and I produce one here that was left over. We have been told in regard to second-class rimu that, if those streaks were in it, it is not suitable for cabinetmaking, but there is no Oregon pine that would look like that piece I produce. The net cost of those telephone-poles was less than 10s. apiece erected. Now, I desire this Commission to make inquiries as to what became of those sleepers and whether there are any more of the same sort required. It often happens that the sawmiller has got pieces of timber. If he cuts it into 4 by 2 or small sizes it may fall to pieces. Still, in a large junk of 8 by 5 it will hold together and make a fairly serviceable sleeper. I think I guaranteed the Engineer that those sleepers would last twenty years, and, if not, that I would replace them if I was sawmilling, and I have heard nothing about them since. I also recommended that this material should be used for telegraph-arms. I have no doubt that this red-pine heart would last as long as any Oregon pine that is imported. Now, the price we are getting for the red-pine at the present time is 8s., less discounts, and 6s. 9d. for second-class, or what we call O.B. A lot of this timber, if it shows any streaks, is O.B., and if we sent that timber to Christchurch the probability is that they would cull some of it out and send it back. The carpenters do not like it because they say it is so hard to drive the nails in when putting up match-lining. Their desire is to get the job finished as quickly as possible, and the timber is slated because the carpenters find it harder to work. I heard a lot mentioned about silver-pine sleepers, but I find now that the sleepers are getting so scarce that it is only in a few places that the squarers are bothering with it. The demand for sleepers is gradually increasing, and the supply decreasing. The next question that arises is what are we to use for sleepers when silver-pine is done. Now, I have heard a lot here about reservations and scenic reserves, and I have known that we should have scenic reserves, but periodically the Ranger should go through them and mark out all the trees that are matured and fit for milling purposes. When I was a boy I was on the Duke of Beaufort's estate, and I was assisting to plant forests. The larches were planted thickly intermingled with oak-trees. The larches in a few years' time were thinned out and sold for hop-poles; the next thinning-out, in a few years, they were sold for scaffold-poles; and the oaks were untouched. By-and-bye the remaining larches grew up long and slender, and the oaks grew up to a long, tall barrel. Some years ago I planted a silver-pine in the bush, and within half a chain I planted an acorn. When I left there that oak was about 12 ft. or 14 ft. high, and the silver-pine had not increased more than 2 ft. in height, and that will show how slow our native timbers grow. I made inquiries about the oak-tree some little time ago. Mr. Blair is using the same cottage that I had then, and I asked him what had become of the oak-tree that was near the cottage, and he said it got high up above the top of the ridge of the house, and he had to cut it down because the sparrows made such a lot of noise in it. Well, not long ago I had occasion to go to Christchurch, and while wandering through the parks there I discovered what I considered a very prettily shaped oak-tree, with straight barrel and deep, serrated leaves, and I decided to take some of the ripe acorns I saw lying about at its foot over to the Coast to see if I could get them to grow. I gathered about half a bushel. At that time the Main Trunk Railway was mooted, and I thought if I could get them to grow I might be able to get the timber in time for the railway. This is now about five years ago. These acorns grew very well on the West Coast. I have a specimen of one of the trees here, and it is about 8 ft. high. No native tree will grow as fast. Nearly all foreign trees seem to grow twice as fast here as they do in Europe, and when we consider that our sleeper-supplies are rapidly decreasing, and seeing that those on the other side are seriously thinking of imposing a heavy export duty on their hardwoods, I think it is time the Dominion decided to grow its own sleepers. What I should like is for the Commission to consider the advisability of setting apart fairly large patches of bush country here exclusively for the Forestry Department to work. They could take a crop off once every five years or ten years, as the case may be. Now, if we go into figures, that little oak-tree of mine is five years old and is rapidly increasing in size. The second year it was not thicker than a penholder, the third year it was as thick as my little finger, and a year later it was as thick as my thumb, and it increases in circumference very rapidly. I can fully see that an ordinary tree 10 in. in diameter will add to its circumference a diameter equal to 4½ sup. in. of sawn timber per each foot of height of barrel for one year's growth—that is to say, a 4½ by 1 the length of the barrel. That tree in another fourteen or fifteen years would increase from 18 in. to 2 ft. It would not only increase in diameter, but also in the thickness of the ring. Now, I have recently cut out a sawmill area of 200 acres, and I have paid a royalty thereon equal to £3 10s. per acre.

It is clear that the value of that ground has increased because I have removed obstructions to settlement. I am of opinion that, after the sawmiller has gone through the bush, if the area so cleared was fenced and replanted with oak-trees, in a very short time the growth of these trees would pay ample interest on the money for the loss on the land being locked up in this manner. I am speaking now of reserving lands for this purpose that would be considered unsuitable for farming and more adapted for tree-growing. We have a damp climate here, and I am quite sure that a lot of our country is so destitute of soil that if it is not planted with trees it would grow nothing better than blackberries and rushes; grass will not grow on it. Again, looking at it from another point of view—that of the effect upon the climate: we know that in Canterbury, owing to the dearth of trees there, for long spells the rain-clouds are not brought down. It is well known that trees and their leaves practically produce rain by bringing down the clouds. Now, if we clear away our forests we are certain to have a climate very similar to that of Canterbury. If there is time there is another aspect of this timber question that should be thoroughly gone into, because, in my opinion, we are now on the eve, or should be, of a very big industry. I refer to timber props in connection with coal-mines. These mines must have props. If we are not careful the day will come when we shall be importing Oregon to prop up our roofs to get our coal. I am looking at this question from the Imperial point of view. When the sawmiller has gone through the bush and taken out all that he requires, there is still left a big crop of useful timber, and if a fire goes through it is totally destroyed. Mr. Bishop tells me that he wants mine-props. There are trees in the bush that we work out quite sufficient for this purpose. I am strongly of opinion that a certain area should be set aside for forestry. But we do not want a scenic reserve totally locked up. I say that the scenic reserves should be available to the sawmiller to take out the right timber, and that timber should be replanted to keep the climate good, and also to protect the rest of the trees that are there. There is a certain amount of this land here that might pay and do for farming. It would be a very uphill struggle, however, to turn most of it into a first-class farm. Trees are natural to the West Coast. The Douglas fir has the property of taking all its sustenance from the atmosphere. We should intermingle with the native trees the Douglas fir combined with the British oak, with the result that we should have twice the value that we have taken off.

5. *Hon. the Chairman.*] The oak is a slow grower?—I think not. I have this specimen, which is four years old and is about 7 ft. high.

6. I could show you a Douglas fir of the same age over 30 ft. high?—The Douglas fir will not make sleepers. My idea is that a large area should be set apart for the total benefit of the sawmilling industry, to be worked by inspectors. On the Duke of Beaufort's estate, once a year a man went round with a red-paint brush and put a mark round those trees that he considered fit for cutting. The trees so marked were then sold by auction. They were used for cement-barrel staves. When they were cut down the forest was closed. I can assure you the realised profits of that were something considerable. With respect to sawmill areas, I have been troubled ever since I started my operations. I have to apply for a sawmill area and then for a reserve, and a reserve, and a reserve. That is, three 200-acre reserves. An ordinary mill costing £2,500 will cut out 200 acres of our forest in two years. So far as I can see, land realises to the Government something between £2 and £3 in the shape of royalty per acre. That land reverts back to the Land Office, and they give it to the farmer. As soon as I cut out one area of 200 acres I have to apply to get my next reserve turned into a sawmill area. On one occasion, through a clerical error, I applied to get a sawmill area granted in place of one that had been previously used, and which I had surrendered. In the meantime some one had picked this out, and it was granted by the Warden. This necessitated my going to a lot of trouble—in fact, I had to mortgage my possession to get back that bit of country. There is an arbitrary rule that each reserve must join, and with the view of protecting one's interest and the industry, the most ridiculous expedients have been resorted to. I have myself applied for a strip, to get a better patch of bush. What I should like to do is this, that the regulations should be amended so that when a man puts up a mill of the value of £3,000 he should have a pre-emptive right to 3,000 acres of timber land. If any of the farming community want a piece of that ground it could be obtained, subject to the rights to the timber on the land. What we suffer from here is that the small grant of 200 acres for timber purposes is far from sufficient. I would suggest that the area should be set out and marked in the Land Office, the boundaries clearly shown, and the pre-emptive right belonging to such-and-such a mill clearly defined as the property of the lessee. All timber should be paid royalty for according to the schedule rate, and if that were done we should be saved a tremendous lot of trouble. I have also to point out the necessary expense and trouble which sawmillers are put to in annually having to go to see that their reserves are properly pegged out and the boundary-lines clear, and to be careful that the annual license for the reserves has not run out. It costs me £1 10s. for every application that I put in by going to a solicitor, and it is not safe not to have a solicitor. I have a sawmill area which I have cut out, and I have a reserve which I may turn into another sawmill area, and under the law as it is at present I have got to rearrange the whole thing every two years. There should be one grant for this pre-emptive right that would secure a reasonable life to the sawmiller, and give him confidence to put in better benches, and thereby enable him to cut longer lengths. When the dredging boom was on I went to extra expense to improve my mill to cut longer lengths. Under our present system of getting the logs the log is cut into lengths of 10 ft., 12 ft., or 16 ft.—any length required. The longer the timber is wanted, the less labour there is in cutting. Unless short lengths were required one or two cuts would be sufficient. The logs brought to the mill are from 45 ft. to 60 ft. long. Now, regarding Oregon pine, the long-length theory is totally wrong, for the reason that in New Zealand timber I have cut 60 ft. lengths quite recently. The Commission probably can see what I am driving at *re* pre-

emptive right. I want a deed so that I can go to my banker and say, "I am about to erect a tip-top sawmill," and I can pass my right in to the banker as security for discounting merchant's bills, or overdraft to pay wages promptly. It seems to me only fair and reasonable that if a man spends a pound the Government should give him a pound's worth of timber, so that he may have some hope of getting his money back. I can prove that for every penny I have made, the Government have made 1s. Now, with regard to afforestation, I can assure the Commission that a very small cost would be incurred to gather at Christchurch a sufficient quantity of acorns to plant a vast area of land. The squirrel, in order to provide for winter, by collecting acorns and burying them became a great planter of oak-trees. I would suggest that in the event of afforestation the old-age pensioners might be utilised.

7. *Hon. the Chairman.*] There is no law to prevent their doing that now?—No, but they want something to live on when they are doing it. You spoke of the Oregon tree, and I can assure you I should like very much to get a few seeds of it. This question of timber is very extensive, and there is another aspect of it that I want to bring before your notice—namely, the terrible waste that is going on in this district. One of the most valuable products at the present time is paper-pulp. We have several very expensive law cases through sawdust getting into the rivers and choking the fishes. I have some specimens here of timbers, and I should like to ask the Commisison to put these into the hands of some person who knows something about it and ask him as to the suitability of that timber for making paper-pulp. Some years ago an American gentleman said that almost everything could be used up for making paper. In making paper-pulp the timber is treated chemically. If this piece of wood was soaked in sulphuric acid it would become pulp. I have also specimens here of red-pine that I would like tested for making brown paper, tissue-paper, &c. The amount that is wasted here would be equivalent in one year to more than what we pay to America. At the present time our newspapers in this town and elsewhere pay for paper not less than £500 each per annum, which goes out of here to America for paper made out of pulp. There is about 10 per cent. of the log reduced to sawdust. By having it properly arranged and elevated mechanically into railway-trucks, which would make freight for the Government and work for the unemployed, a great paper industry could be established in this country. The next thing would be this: coal would be required in connection with the work, and at the State Mine slack costs only 7s. per ton. Then we should require sulphuric acid. The sulphur-ore at White Island could be mined for about £1 10s. a ton, and a ton of that made into sulphuric acid could do a lot of work in reducing fibre to pulp. There was an idea running through my mind that it would be advantageous to turn the Hokitika Gaol into a paper-pulp-manufacturing establishment. In France they pay a premium to the race committees for the purpose of picking up waste paper. A man goes along with a nail in a stick and takes everything away. I remember on one occasion seeing a whole train-load of railway-tickets that had been used going to be made into paper again. During the last seven or eight years paper has doubled in value. One of the chief things in making paper-pulp is to get the material handy, and in this connection I may say that our sawmills are almost all situated alongside the railway-lines, and I am sure they would be very pleased to sell their sawdust, slabs, &c., to a company or the Government, if they would use it. The *Daily Telegraph* has a whole fleet of ships taking grass from the Cape. Our best papers are made from rice-straw, which is very expensive. But with it all the demand continues to exceed the supply. I would like the Commission to make it a part of their business to see that this is inquired into and see if there is anything in what I say. We have an industry waiting at our doors. If the Government would subsidise a company I should feel inclined to take a pocket-book and go round enrolling shareholders.

TAIHAPE, TUESDAY, 27TH APRIL, 1909.

FREDERICK WALTER THEODORE SAUNDERS, Assoc.M.Inst.C.E., sworn and examined. (No.82.)

1. *Hon. the Chairman.*] What are you?—I am engineer and manager of the New Zealand Powell Wood Process (Limited) at Rangataua.

2. Will you kindly give the Commission an idea of the process through which your company puts the timber?—The company is an offshoot from the patent rights held by Mr. Powell all the world over, whose head office is in London. They have been established in India, Western Australia, New South Wales; and this company which is operating here holds the patent rights for New Zealand. The process, which we claim is based on the best of experience, is that we take the wood and expel the sap or nitrogenous matter contained within the timber and fill it with a solution of sugar chiefly. After having the wood placed in the drying-rooms we there thoroughly season it. We use no pressure of any sort. The wood itself having such an affinity for sugar, it enters right into the very centre of it. Beams 20 in. square of ironbark fifty years old have been impregnated right to the very core by the solution. The solution becomes part and parcel of the wood itself; it is not held in a loose form within the cells: and experiments have been carried out by several experts and scientists who have endeavoured to leach the solution out of the wood by steaming and submitting it to conditions in every way to expel it from the wood, and they have been unable to do so. Professor Bulger, of the City of London College, has had it under observation for years, and he has given it as his opinion that the wood is thoroughly immune to the attacks of dry-rot. To the man in the street this may seem peculiar—that he is able to make a statement of that nature; but it is the sap itself that breaks down or works upon the timber, and once that is removed there is nothing left in the timber to ferment but the pure

fibre, and fibre itself lasts almost indefinitely. Another scientist has given it as his theory that the reason the sugar enters into the wood so readily is because wood is scientifically sugar. Like has affinities for like—kerosene for kerosene, water for water, and so sugar for sugar; and then when you apply sugar to the wood it takes it in most readily. We use sugar as a means of conveying other chemicals into the wood, making it thoroughly white-ant proof and borer-proof. Specimens of white-pine Powellised have been buried in the white-ant beds in India, Straits Settlement, north-west Australia, and the Philippines, where the white ants are extremely bad, and in no one single instance has the Powellised wood been attacked. Victoria and South Australia tested sleepers by burying them in the ant-pits. They were buried for a few days, and then they split them open down the centre and sent them into the pits again, and still the ants would not touch them. They had frames made of 2in. stuff, and again the white ants would not touch it. Then, as to strength, experiments were made, and the results were that ironbark Powellised increased 41 per cent. and kauri increased 55 per cent. in strength. Victorian bluegum was sent up 60 per cent. in strength, and from the tests we have made of Powellised rimu at the present time on the works they have exceeded everything beyond our expectations. In fact, they are so great that I would not attempt to mention them at the present moment. I am getting a sample sent to Christchurch to Professor Scott, and he will speak as to what the result is. In sleepers alone at our works at Rangataua running full pressure we are able to treat half a million feet per month if necessary, and therefore we are able to deal with the whole question of the supply of sleepers in the country. Some 420,000 sleepers were contracted for last year, the bulk of those coming from Western Australia. We put a plant down there, and the Western Australian Government alone were treating a quarter of a million a week. They did not satisfy themselves as to the utility of it until experiments extending over several years had been carried out. Then, as regards the cost of the process, we are charging 5s. per hundred sup. ft. For that the person gets a wood that is thoroughly immune to the attacks of dry rot, white ant, or borer. One well knows that seasoned wood will last indefinitely, and it well pays any one to build in seasoned wood, and that is borne out by some of the highest authorities in the land. Dr. Herman von Schenck, of America, is extremely strong on that point. Therefore, this plant is put there to supply a want which we consider is needed in this Dominion.

3. What is the constitution of your company?—A limited company of £50,000 capital.

4. And where do the shareholders reside, principally?—In Hawke's Bay. Our directors are Mr. J. N. Williams, Mr. Studholme, Colonel Gorton, Mr. Kight, Mr. Gorton, and Mr. Bethel.

5. Where have you the works established?—At Rangataua.

6. How far from here?—About thirty-five miles north.

7. *Mr. Mander.*] Close to the railway-line?—Yes, within 16 chains of the railway, and we have a siding.

8. *Hon. the Chairman.*] Have you treated any large quantity of timber up to this time?—We completed an order for 40,000 ft., 32,000 ft. of which were 6-by-1's, tongued and grooved.

9. Who was the order for?—For Messrs. Nelson Bros., of Tomoana. We hold a letter from them in which they stated they were extremely well satisfied with the wood, and if the lasting qualities were the same in proportion to the appearance they would be very well pleased.

10. *Mr. Leyland.*] What timber was that?—O.B. rimu.

11. *Mr. Mander.*] Have you tried it with white-pine?—Yes.

12. *Mr. Jennings.*] How long has this process been in existence?—About six years.

13. And you have your works erected at Rangataua?—Yes.

14. Have you any objection to telling the Commission the amount you have expended in erecting the works?—No. I think they cost something in the vicinity of £18,000 for plant and buildings.

15. And I suppose you have no objection to the Commission visiting the works?—We should be delighted. We have samples of wood there. We court the fullest inquiry, and there is no secret in the matter in any way.

16. Have you any objection to telling the Commission how long it takes to develop the wood undergoing your process—that is, to relieve the wood of the sap?—It takes us from about eighteen to twenty-one days to thoroughly season and make bone-dry.

17. And what is the general effect of your process on what is called soft woods? Have you tried it on kahikatea?—Yes, and it is very satisfactory in that it fills up the wood and makes it harder and closer grain. I have not polished white-pine, but rimu takes a very good polish.

18. And what is the cost?—We are charging up to 1½ in. boards 5s. per 100 sup. ft. You will recognise that the seasoning of 6 by 6 costs very much more than an inch and a half.

19. And for the larger sizes what do you charge?—Well, those sizes 6 by 6 would be by arrangement, but I have not drawn up a detailed price-list as to the cost.

20. In regard to the durability of timber after undergoing your process, you mentioned Australian timbers, but you gave no instances of the local timbers. You have sent that to Professor Scott?—Not yet.

21. Can you give the Commission an idea as to the effect of your process on the local woods?—The only two New Zealand timbers that have been tested are kauri and white-pine. I am speaking from memory when I say it decreased the moisture 35 per cent. and increased the strength 30 per cent., and kauri somewhere in the same proportions. We should be delighted if you visit the works to show you the results of the increase in strength which can be shown in the space of ten minutes.

22. Has there been any general experiment made with what the miller calls waste timber—timber that is not profitable for him to send away by rail or ship?—Can you do anything with what is termed the waste timber?—Yes, we submit we can build the seconds up to make them a useful and reliable lasting timber. Some of the orders coming into the yard are seconds, and we are treating that timber.

23. *Mr. Field.*] You spoke of the timber after it has been treated taking a good polish. What alteration does it make in the colour of the timber?—I have had millers in the office and handed them Powellised rimu, and they have said it is totara, and then a minute or two after they have said, "No, it is rimu," so that the colour is a reddish colour when it is polished.

24. It has a tendency to make the wood red, that is all?—No, it does not have a tendency to make it redder. If anything, it may lighten the rimu and make it paler. White-pine it does not discolour. When it leaves the process there is a colouring on the outside which is removed with the plane.

25. Can you give the Commission any idea as to the effect of your process so far as durability is concerned as compared with creosoting?—No, not definitely. All I can explain is that these scientists and chemists take the wood and put it in their dry-rot ovens and so concentrate the heat and build up the bacteria and germs of dry-rot, and so-many days' standing in those ovens is equal to several months outside. They have had the stuff in their ovens for two and a half years, and so they get a good idea as to how long the timber will last, together with the fact that the nitrogenous matter breaks down the cellulose of timber, and when that matter is expelled there is nothing to ferment and attack the timber. We can also go further and show you specimens of wood Powellised which you cannot burn.

26. Does the process have that effect generally?—No, the wood we are serving out is not of that kind. Indeed, the ordinary Powellised rimu is harder to burn than the untreated rimu.

27. *Mr. Leyland.*] You said that sap timber sets up fermentation?—Yes.

28. I suppose it is partly for this reason that heart timber is less likely to ferment and lasts longer?—Yes.

29. Then, in your opinion, a joist or beam that is partly sap and partly heart is not so good as whole heart?—Yes.

30. You would prefer all-heart joists?—Yes, I would prefer all heart.

31. But you cannot tell us right off the cost of Powellising 12 by 2 joists?—Well, there would be no necessity to thoroughly make that bone-dry. You would reduce that to about 12 or 15 per cent. moisture. The wood at the present time contains anything up to 25 or 30 per cent. moisture, and if you Powellise a 12 by 3 beam and bring it down to 15 per cent. the strength of that would be increased considerably—in fact, in the vicinity of 50 per cent.

32. In regard to this saccharine matter, is it not remarkable that it is not inflammable?—Yes, it is. To a certain extent it is explained by the fact that we expel the whole of the air out of the wood: there is no air inside the wood to aid combustion in the burning of it. At the works we shall be able to show you samples of it. The Powellised wood will burn, but it will smoulder in comparison to the other wood.

33. *Mr. Clarke.*] In view of the large amount of railway-construction that must take place here in the future, and for the maintenance of existing works, do you not think it would be wise to reserve a considerable area of timber to be used for sleepers and railway works and to be treated by your process?—Yes, but it would depend, I should say, on the price at which the millers were prepared to supply the timber to the Government. This matter has been in treaty between ourselves and the Government, and the millers gave us a quotation for sleepers which we submitted to the Government, and, although they have given us a promise, we have had no definite order yet. They have promised us to have the sleepers Powellised.

34. Seeing that the Government own the land, would it not be wise for them to retain the land under their own control, so as to make useless wastes effective?—Yes.

35. At present we have white-pine which is useless as a railway-sleeper?—Yes.

36. *Mr. Morris.*] Have you had any experience with a timber known as brown-beech?—It was one of the first experiences I had when I arrived here. I got some, and had them treated, and they certainly turned out very well. I am able to say that timber treated under our process will not take dry-rot. We have evidence that it will not, but before approaching the Government or other powers we must have the authority of the scientists, as we have, that it is so.

37. You are aware that there are immense quantities of timber in this country fit for sleepers, &c.?—Yes.

38. If this timber was treated by your process, would that obviate the necessity of sending for foreign woods?—Yes, it would. I have impregnated a black-birch log 18 in. in diameter. The preservative was sent right into it.

39. Are you able to tell us what this will cost per sleeper?—Our price to the Government is 1s. 3d. per sleeper. Comparisons are odious, but I can say that there is no other system that gets right into the very centre of the timber.

40. It appears to me that there is practically no use for this class of timber—birch—and I recognise it is one of our best timbers for rough work. It is a strong wood, and will hold the dogs better than any timber that we have?—Yes, I agree with you. It is one of the objects we have in view, particularly with regard to the South Island regarding birch.

41. Do you prefer the timber green off the saw for your process?—Yes, we prefer it as green as possible. It is easier for us to treat. The sap has not had time to start to ferment in the wood, and therefore dry-rot has not started.

42. Can you also treat long lengths, such as would be used for bridge purposes?—We can treat at present up to 35 ft. long.

43. *Mr. Barber.*] Have you supplied any orders besides Nelson Bros.?—We supplied a small order for 2,500 ft. at Wanganui. That went there a few days ago. We had another small order for a firm in Wellington. Our works have only recently been completed.

44. What is your method of doing business? Do you purchase the timber, or do you only take the responsibility of preparing the supplied timber?—If a man sends in for timber I have

an inquiry made. I have an order now which I have handed to the secretary this morning, asking him to give me a quotation, and on that I will base my quotations. We will take the timber from either the producer or the customer, treat it for him, and charge him our price.

45. With regard to these other orders, have you had timber supplied?—Yes.

46. Do you anticipate any difficulty in getting timber for this order?—I do not think so.

47. Has any difficulty been experienced in getting timber?—I do not know.

48. You are not a member of the Millers' Association?—No.

49. You have no knowledge if there is any difficulty in getting timber without going through the association for it?—I do not think so.

50. Why did you apply to the secretary of the association, then?—I do not know whether he split it up amongst the various mills.

51. Or is it that you cannot get it from the individual? Were you forced to go to the secretary?—Not necessarily.

52. Are you quite sure of that?—I am quite sure of that.

53. *Mr. Ell.*] Are there any mills here you can go to outside of the association?—I know of two mills that are outside of the association.

54. So far you have not applied for a quantity of timber, so you are not certain whether they would supply you or not?—That is so. I am not certain.

55. With regard to this process, will it check warping?—Yes.

56. You are aware no doubt that the timber-merchants complained of loss through timber warping in their yards and becoming unsaleable in consequence?—On that matter I might say one of my directors happened to meet Mr. Nelson only last night, and Mr. Nelson stated that what surprised him was that the 4-by-3's did not warp. They had been lying exposed for three or four weeks, and he said that they were as straight as when we sent them down.

57. Now, with regard to white-pine, do you think your treatment would make it serviceable for weatherboarding and general outside work?—I am convinced of it. I am sure it would. It takes from 25 to 30 per cent. less paint, and the timber itself does not shrink or contract after it is seasoned the same as ordinary seasoned timber. The reason is this: the cells and the pores are filled with the solution, and it is therefore impossible for any quantity of moisture to get into the wood.

58. You are aware that the weatherboards on the south-west side of a house are liable to rot through the great amount of wet that they get from that quarter?—Yes.

59. Will your process enable them to stand the effect of the wet from the south-west?—Yes, sir, I am convinced it will.

60. What tests have you made with regard to the wet-resisting powers of the timber after being treated? What evidence have you got to justify that statement?—I cannot say that I have had any direct experience of wet-resisting from actual experience. I simply to a great extent go on the basis of Professor Boulger and other scientists, who have given it on their authority that it is only the tissue left in the wood itself, which is almost indestructible. To cause the rot or fungi *Merulius lacrymans* or *Lentinus lepideus*—two distinct rots—you must have moisture to produce the rot. No moisture, no rot. When you expel the moisture the fungi cannot grow, and that is the only reason why seasoned wood lasts longer than unseasoned. When the moisture is expelled and the timber is impregnated with our preparation no further moisture can enter, the fungi cannot grow, and so the timber is preserved.

61. Now, with regard to rough timber not suitable for building purposes, what would it cost per hundred superficial feet to treat—that is, rough white-pine and rough rimu 8 by $\frac{1}{2}$?—You will understand, of course, that handling small stuff like that necessarily costs more than if you were handling 10-by-16's. Our price at present is 5s. per hundred feet up to $1\frac{1}{2}$ in.

62. The whole question depends upon the cost as to whether your process is going to enable the miller to market a certain class of timber?—Yes, that is true enough. We are here to do business, and you can understand that we must keep our business running.

63. *Mr. Arnold.*] You say that once timber is treated it becomes almost imperishable. Have you any idea to what extent the life of the timber will be prolonged?—We have no actual figures. I might be allowed to explain. For example, as you concentrate the rays of light passing through a magnifying-glass and so enlarge the writing under review, so the scientist can concentrate the heat in his dry-rot ovens, and magnify and create the mycelium of the "dry-rot" fungus, so that a few days in these ovens is equivalent to several weeks under general conditions outside. Therefore if you keep that wood in those ovens which they have had for two and a half to nearly three years, you then can get a proportion as to how many years the timber will last. Dr. McKenzie has had the karri (*Eu. diversicolor*) sleepers treated in this manner. It is one of the worst sleepers in Western Australia for dry-rot, and it was quite impossible to use it for sleepers until the Powellising process came in. He has had his opinion confirmed, and we hold his reports in which he says that notwithstanding all his efforts he has not succeeded in creating dry-rot in the sleepers treated by our process.

64. So that if an ordinary sleeper here in New Zealand had a life of, say, four and a half years, you think that under your treatment it would have a life of thirty years?—Yes, thirty years at least.

65. Would that apply to such timbers as birch?—We submit so.

66. Of course, if you extend the life of a sleeper to that extent, then the life of ordinary timber in building would be almost indefinite?—Yes, that is so.

67. What is the capital of your company?—Fifty thousand pounds.

68. That is held wholly in New Zealand?—Yes.

69. What amount of labour do you require in this process?—Running full-handed we should employ from eighteen to twenty men—that is, if the whole plant is at work.

70. No boy-labour?—No, no boy-labour.

71. Do you require expert men or only ordinary labourers?—Apart from my foreman the others are all men I have engaged here in New Zealand.

72. What wages do you pay?—Ten shillings a day.

73. *Mr. Stallworthy.*] Does your process prevent the timber from splitting?—A small percentage of beams will split. We have had one or two instances in which they have split.

74. You say the capital of the company is £50,000: is it all paid up?—I must admit I cannot speak authoritatively on that.

75. Do you use much material in the process?—Molasses is our chief ingredient, which we have to import from Fiji.

76. Molasses is not an expensive article?—It is very expensive, costing something like £7 a ton.

77. I think you said the cost of the process was 5s. per hundred feet, and you can run through half a million a month; that would be £15,000 a year?—Yes.

78. Is that not rather much on a plant like yours?—Yes.

79. Your plant cost you £50,000, and on the prices it is capable of making £15,000 a year?—That is working full time. If we were running night and day we could reduce the cost of the material.

80. How long has this process been established elsewhere?—About six years.

81. It has had no longer than that to test its proficiency?—That is so.

82. *Mr. Mander.*] How long could you work in a particular locality without having to shift your plant?—We settled at the Waimarino, and we reckon there is in the vicinity sufficient to keep us going for twenty years.

83. Provided that the land is not taken up for settlement?—Well, if it was taken up for settlement the land would have to be cleared, and in being cleared the timber-supplies could be drawn upon.

84. You have got to take all these risks?—That is so.

85. Now, do you not think that 5s. per hundred feet added to the present price of timber would render it almost prohibitory?—I should not say so when you consider that you are getting timber that is thoroughly immune from dry-rot, and seasoned timber at that. We do not expect to have anything to do with jerry-built houses, but with the better class of houses and buildings generally which would warrant seasoned timber.

86. You must have had great confidence in the process. I should say it must have been tested thoroughly?—That speaks for itself.

87. Considering all things, do you consider that the millers are charging too much for their timber?—No, I do not think they are charging too much. From what I have learned from the millers in the Waimarino, and judging on the basis of the royalties paid, carting, haulage, &c., I think their prices are fair.

88. Then, you do not consider the associations are penalising the public at all?—I do not recognise it as such.

89. Do you really think, by what you know of the difficulties of getting timber out, royalties, wages, &c., that the millers could sell their timber at a much less rate than they are doing and live?—I should not think there would be very much profit in it if they reduced the price of timber.

90. *Hon. the Chairman.*] What profit do you suppose they are getting now?—I should imagine that a miller would want to turn over about 12½ per cent., but I do not know what their profits are.

91. You think 12½ per cent. would be sufficient?—Yes, on the money invested.

92. Is that process of yours a cold or a hot process?—It is a hot process. The timber is carefully stacked on roller-bearing trucks. It is then taken on an electrical traverser, and conveyed to the boiling-vat, which is 36 ft. long, 10 ft. deep, and 10 ft. wide. When it goes into this tank a door comes down and it is made watertight. The solution is then turned on and boiled by steam-coils, which are laid on the bottom, supplied by three powerful boilers. After boiling in the solution for about twelve hours, the length of time depending in some degree on the length, size, and quality of timber, the vat is opened, and the liquor is pumped away to the tanks. The timber is then carried to the drying-rooms by the traverser. It is there robbed of its moisture by an electrically driven fan, down to any percentage of moisture that we choose. It then comes out, and the timber is landed on to the railway-truck.

93. Then you only load it once and discharge it once?—Only once.

94. That is all the labour it requires?—Yes, in the matter of actually handling the timber.

95. You made some reference to royalties: what are they?—I cannot speak authoritatively. I only know what I have been told.

96. What have you been told?—I have been told that some millers are paying £10 per acre.

97. That must be some one who has purchased the bush first from the Government?—I cannot say.

98. *Mr. Morris.*] Do you know if there are any duties levied on the material you use in your preserving process?—There is duty on the machinery, but there is no duty on the chemicals.

99. *Mr. Barber.*] You said you thought that 12½ per cent. would pay a sawmiller?—Yes.

100. Do you mean 12½ per cent. net?—Yes.

101. Do you know of any other industry that is paying 12½ per cent.?—I do not know.

JOHN FRANCIS PUNCH sworn and examined. (No. 83.)

1. *Hon. the Chairman.*] What are you?—A sawmiller at Rangataua.

2. What-sized mill have you got there?—At the present time I have a 14-horse-power portable.

3. At about what cost did you establish the mill?—About £1,600.

4. What amount of stuff do you turn out per day when working?—Our mill is capable of turning out about 7,500 ft.

5. How many men do you employ?—At the present time about nine men. I might state that at the present time we have been shifting our mill, and have not got going yet at Rangataua. We start about the first of next month.

6. But when turning out about 7,500 ft. per day, how many men do you employ?—It would take about seventeen men.

7. What is the average rate of wages of your men?—We pay nothing less than 10s. a day.

8. And what is the highest wage?—Twelve shillings a day.

9. What is about your expenses for falling the logs?—Well, that depends, of course, on the position.

10. But on the average?—As I have said, we are just shifting into the Rangataua Bush.

11. But what has it cost you previously when getting 7,500 ft. per day?—It has cost us about 1s. 6d.

12. And how much for the haulage?—About 6d. There is horse-feed, and one thing and another, and the country is pretty rough.

13. And it costs about 2s. to put the log on to the saw-bench?—Yes, about that.

14. Then, what distance do you take the timber before you put it on the rails for disposal?—We only do the local trade there. We are doing the local trade business at Raetihi.

15. And how do you get the stuff carried away?—By our own wagons.

16. What do you supply the local demand at per hundred feet, on the average?—From 8s. to 12s. 6d.

17. What was the royalty you paid? Is it on private bush?—No, Government bush. One shilling per hundred for rimu and miro, 6d. for white-pine, 2s. for matai, and 3s. 6d. for totara.

18. That would be on the sawn timber?—Yes.

19. Was there much waste?—No, it was very good bush.

20. What percentage of waste do you think there would be?—In what way do you mean?

21. I mean from the log. How much would be wasted that might be used in various ways?—It depends, of course, on the situation of the mill. It is a question I did not go into.

22. But there was a certain amount, I suppose?—Yes, and that was thrown on one side.

23. You did not sell anything that was not of fair quality?—No, that is so.

24. *Mr. Jennings.*] Have you been long in the district?—Sixteen years.

25. And have you been sawmilling the whole of that time?—Yes.

26. Do you know the number of sawmillers in the district?—There are ten.

27. And the number of persons engaged or employed in those mills?—I could not say that. I think they would average fifteen or sixteen men to a mill.

28. Do you refer to Rangitikei or Waimarino?—To Waimarino.

29. Could you give the Commission the estimated cost of production, and state whether that would apply generally to the Waimarino?—I should think that the net cost would be from 6s. 6d. to 9s. on the trucks.

30. Are there any differential railway rates existing here for the various timbers?—Well, I understand so, but we have never shipped any. I understand that white-pine is carried cheaper than other timbers.

31. Are the ruling rates of wages paid here similar in all mills?—Well, I think they are considerably above the award rates.

32. Is there an award existing in this district?—Yes.

33. What do you think would tend to increase the industry in the Waimarino district? Has there not been a move in connection with a reduction in the railway rates?—Yes, there has been. That is a matter on which we have a very substantial grievance against the Government. For instance, a J truck from Rangataua to Wellington costs £3 15s., and an L truck carrying 2,600 ft. costs £4 19s. 8d., which is 25 per cent. greater.

34. Have representations been made to the Railway Department in connection with the matter?—Well, I could not say. I understand that the millers have met the Minister of Railways and the Premier about the matter.

35. Is there an association of sawmillers in the Waimarino district?—Some of the millers in the Waimarino belong to the Rangitikei Association.

36. Are you a member of the association?—Yes.

37. What are the millers co-operating for?—For co-operation, and to eliminate the supplying of undesirable men. The chief object as far as the miller is concerned is security in regard to getting his money on the 20th of each month.

38. Have you any idea as to what amount of timber there is in the Waimarino Forest?—As I said, we have been milling on royalties for the Government, and, although the areas have not been measured up, I have no hesitation in saying that we cut out 30,000 ft. to the acre.

39. But, speaking generally, so far as the Waimarino Forest is concerned, what is your opinion?—Twenty-five thousand feet on the whole.

40. What would be the number of trees to the acre?—I could not state that.

41. In order to further advance the timber industry in your own particular district, have you any suggestion to make that would improve it?—Yes, I think the construction of a branch line of railway to Raetihi is absolutely essential in the interests of the sawmilling industry in the Waimarino.

42. What is the distance?—About eight miles. Those people are considerably handicapped, as most of the timber will have to come from that direction.

43. Is it a heavily timbered district?—Yes, the whole of the way.

44. What is the general effect of clearing the timber from the lands—speaking generally, is it for agricultural and pastoral purposes?—Yes, it is very good grass country.

45. And you express that opinion as a result of your observations?—Yes, after an experience of sixteen years.

46. In regard to the importation of Oregon pine, what has been the effect on the industry in the Waimarino?—Well, at the present time I know there is a considerable depression, and most of the mills are running half-time. Of course, as I said before, we have not been placing any timber on the outside market yet, but I know from my own observations and my own knowledge that the whole of the mills are working practically half-time. One day the men are in the bush and the next day at the mill.

47. Would you say that the importation of foreign timbers is one of the factors that has brought about a reduction in the hands?—I would not say that.

48. Has not the stringency of the money-market had some effect?—Yes, there is no doubt the importation of Oregon pine would tend to lessen the output from our local mills, but I am inclined to think that the depression has had more to do with it.

49. With regard to sending the timber away, has your market been principally local?—Yes, ours has been local.

50. Have you sent any timber away at all?—No, not to any extent.

51. Do you know if the rebate system exists?—In what way?

52. Does the merchant get a discount from the miller?—I have had no experience of it.

53. *Mr. Field.*] The Commission understands that the sawmilling industry in this part of the country is in rather a bad way at the present time?—Yes, that is so.

54. Are any of you making any money?—I know, as a matter of fact, that some are losing money.

55. Are they selling timber at a loss now in order to keep the mills going?—Absolutely. I am certain some are selling at a loss.

56. Do you know anything on the subject of the increased price of timber during the last few years—whether the increase has been large or not?—As I said before, I am not conversant with what has taken place outside, and I am not exporting any timber from the district; but, so far as we are personally concerned, the increase has been very slight, and at the present time we are selling timber cheaper than we were sixteen years ago.

57. Under the present circumstances are the mills likely to increase in number?—No, certainly not.

58. What would be the effect on the sawmilling industry if the present state of things continues?—It would paralyse it completely.

59. Do you think a number of mills would have to close down?—I am absolutely certain of it, and I heard this morning that one had closed down.

60. *Hon. the Chairman.*] Would you state the name, and where that mill is situated?—I heard this morning that Abbott and Proud's mill, situated on the Raetihi-Ohakune Road had closed down.

61. With regard to Oregon pine, you are aware, of course, that every foot that comes in is used in place of a foot of our timber?—Quite so.

62. And the importation of, say, 7,000,000 ft. in a year into Wellington would affect materially the timber industry?—Yes, certainly.

63. Have you any idea how many men are employed in the industry in this district?—No. I said there were ten mills in the district, and I think they would employ fifteen or sixteen men each, but I do not think they would employ that number at present. If full going they would employ on the average twenty men.

64. *Mr. Leyland.*] You said that the timber cost you 2s. at the mill—the logs?—Yes.

65. You did not include royalty in that?—No, simply the labour.

66. You were not thinking of the cost of trams and material, labour, and maintenance?—I was speaking of labour only.

67. You did not include anything for yarding and stacking and general repairs and maintenance?—I was speaking then as to what it would cost to put it straight on to the mill skids.

68. Of course, there are maintenance expenses, printing, stationery, rents, rates and taxes, fire insurance, bad debts, depreciation, and all those things that have to be allowed for?—Yes.

69. Did I understand you to say that the cost was from 6s. to 9s.?—From 6s. 6d. to 9s.

70. *Mr. Clarke.*] With reference to the closing-down of the mills and the slackness of trade, I suppose you recognise that in times of depression all industries must suffer—that it is not peculiar to sawmilling only?—Well, I do not know about other industries, but I know the sawmilling industry is having a very bad time.

71. You have no reason to suppose that other industries are flourishing more than this?—No.

72. *Mr. Morris.*] Can you give the Commission some idea as to the cost of putting in trams?—That depends, of course, on the country over which you are laying them.

73. What would it cost per chain on the average?—It costs us about £1 5s.—that is, the laying of it.

74. You have fair average country?—No, ours is rather easy country.

75. *Mr. Barber.*] You say that the cost of putting the log on to your bench is 2s.?—Yes, approximately.

76. Now, how do you make the cost 6s. 6d. to 9s. if you have not included the items mentioned by Mr. Leyland?—Of course I do. In getting the logs to the bench there is the cost of cutting, royalty, depreciation and maintenance, &c., and cartage.

77. You have made provision for those items mentioned by Mr. Leyland?—Certainly.

78. So that the total cost, including everything, is from 6s. 6d. to 9s.?—That is what I would say is the average cost in the Waimarino.

79. And the higher the cost is on the material the higher royalty you pay?—No. I think the royalty is based on the average. The Government royalty is higher than what we have to pay to private people. The cartage I consider is the difference between 6s. 6d. and 9s. to where the mills are situated.

80. You are only in a position to give an approximate idea?—I know what we are paying for cartage and what the country is like.

81. What is the cost of production of timber from your own mill?—Well, 6s. 6d. without any cartage. I consider it cannot be done for less.

82. Would that include royalty?—Yes.

83. But it would not include the royalty on totara?—There is not sufficient totara in the district to signify. I average the royalty at 1s. The Government royalties would amount to more than that—about 1s. 3d. on the whole.

84. The average cost of all your timber is 6s. 6d.?—Yes, about that.

85. You say the timber business in this district is in a very bad way. Does that apply to yourself, or is that general?—I do not know about other people. I only know about myself.

86. You say you are selling timber from 8s. to 12s. 6d.?—That was the price in Raetihi. Of course, we have shifted now.

87. Well, is not that a very good margin? It is practically 100 per cent. in some cases?—It would depend on your output. If you were only putting out 150,000 ft. a year you want a good margin.

88. It seems the smallest profit is 1s. 6d. a hundred, and 6s. on the dearer timber?—And then the dressing is on top of the 6s. 6d.

89. That is the rough timber at 6s. 6d.?—Yes.

90. And you are selling dressed timber in Raetihi at 12s. 6d.?—Yes, and there are discounts off that.

91. What discounts do you allow?—The usual trade discount of 2½ per cent.

92. Is that the only discount you allow?—Yes, that is all.

93. Is that discount to the private individual?—Yes, to the consumer.

94. Do you allow any higher discount to the builder?—Yes, the builder gets another allowance of 3d. per hundred feet.

95. On what conditions does he get that discount?—That he is a builder.

96. Is that the only condition?—Yes.

97. Is it necessary for him to take the whole supply from you?—No, not to get that 3d. per hundred.

98. You are a member of the association?—Yes.

99. If a builder were getting his timber or part of it from a miller who was not attached to the association, would he still get the discount?—I understand he would still get his 3d. per hundred, but I cannot be sure. I understand that to be the rule.

100. Is your association connected with the Timber-merchants' Association in Wellington?—At the present time there are no close districts. The whole of them solicit orders everywhere. The miller can supply any merchant he likes.

101. Now, with regard to your own district, you do not export at all?—I have not done so as yet.

102. You say that, with regard to yourselves, the timber business is in a very bad way?—Yes.

103. Has there been any Oregon pine imported into your district?—Not that I am aware of.

104. So that the effect on your trade is quite independent of the importation of Oregon pine?—That is, so far as the local trade is concerned.

105. According to your own mill?—Yes. For some time we have been engaged in shifting our plant.

106. But the falling-off in your trade is due to something other than the importation of Oregon pine?—That is so.

107. *Mr. Ell.*] The area cut by your mill yields about 30,000 ft. to the acre?—That is the estimate of what the area was cut over.

108. And what kinds of timber?—Rimu, matai, and red-pine—about 35 per cent. of matai.

109. What about white-pine?—There is not a great deal of white-pine—not more than 7½ per cent.

110. Now, have you had any difficulty in getting a market for the white pine?—There was a difficulty in placing the white-pine up there at that time.

111. Did you cut the white-pine clean out of your bush?—Yes, we had to take all the timber on a face.

112. Down to what size?—It depends on the Crown Ranger.

113. What size did he stipulate?—He would take it down to a foot or less.

114. You say you cleaned your area of white-pine right out and also all milling-timber?—Yes, that is so.

115. Now, supposing you had a very tall tree 60 ft. or 70 ft. high, and supposing it branched out at the top and had two stout limbs 15 in. or 16 in. in diameter, would you mill those limbs or only take the trunk?—We would mill the limbs too.

116. What other kinds of timber were growing in the bush?—A bit of miro.

117. Was that cut down?—Yes. The royalty was the same as rimu.

118. No totara of any quantity?—That is so. No totara of any quantity.

119. At the time you were working this mill, what did you sell your timber at locally?—From 8s. to 12s. 6d. Of course, we had to deliver it within a certain distance for those prices.

120. Eight shillings undressed, 12s. 6d. dressed?—Yes.

121. What quantity of timber would a log produce? What percentage of timber could be cut out of a log? We are told that there is a loss of 25 per cent.—some say 60 per cent., and some 40 per cent.?—I should say there would be 30 per cent. loss on log-measurement.

122. *Mr. Arnold.*] How long have you been in business?—Sixteen years in the Waimarino district.

123. What class of forest have you up there?—It is principally rimu. In some places there is a good proportion of matai. There is not a great deal of white-pine, and there is a considerable quantity of birch. The birch is not a particularly good marketable timber at present.

124. Is there much sale for birch?—No.

125. For white-pine?—We did a little in white-pine—up to about 7½ per cent.

126. Do you cut the white-pine when you come to it?—We take it all.

127. Do you also take the birch, or do you leave it standing?—There is no birch where we are cutting.

128. Have you to go far now into the forest, or, in other words, has the expense of milling increased very much?—The efficiency of labour is not so great as it was, although it is not so bad as it was twelve months ago.

129. What do you mean by the efficiency of labour?—Labourers will not do the work. Some twelve months ago they would not work at all for you. Work was very plentiful. If you asked a man to work for you he might tell you to go and mind your own business.

130. You had a difficulty in getting labour?—There was a difficulty.

131. You do not suggest that that increased the cost?—Certainly it increased the cost.

132. Did it limit the output?—Certainly; you had to employ more men to do the same amount of work.

133. How do you explain that? Is it simply because there was a greater demand for labour, or is it because men are not so willing to work as they were previously?—I think it was because labour was so plentiful.

134. Things have improved now?—Different altogether now. They are not so independent.

135. Coming back to my question: the cost of production, I presume, is increasing in consequence of the greater difficulty in working your bush?—Yes, that is so. There is more railage and haulage, and we are going farther back all the time, and this, too, apart altogether from the efficiency of labour.

136. All this tends to increase the cost?—Certainly, yes.

137. So that you anticipate that the price of timber will rise further?—Timber must go up on its present price, because the producer cannot continue to supply the article at the present rates. That is impossible.

138. Are you sure of that?—Yes, to some extent.

139. You know that the building trade throughout the Dominion is very slack at the present time?—Yes.

140. That accounts for your slackness to some extent?—Yes, to a considerable extent.

141. If the price of timber increases, that will have a tendency to perpetuate the present condition of things—that is, building must decrease owing to the increased cost of the commodity?—People must have their houses.

142. Whatever their price may be?—Up to a reasonable price.

143. You suggest that to protect your industry a duty should be placed on Oregon?—Well, I do not say that, so far as our district is concerned. If we got some concession on our railway freights that possibly might meet the case, although I know it will not benefit other portions of the Dominion.

144. Would that be sufficient?—It would depend upon the concession.

145. What do you suggest?—One shilling per hundred feet, thus bringing it on a par with freight by sea. I do not see why the agricultural and pastoral industry should be more favoured than the timber industry.

146. Do you suggest this reduction in railway freights in preference to a duty?—Yes. That is my own opinion.

147. Now, with regard to your association, where do your orders come from? Do you receive them from the builder, or do they come through the association?—We have had so very few from the association, and they do not make much difference. We always get our own orders.

148. You do not send an order to the association to be pooled?—No, we have not done so.

149. Do any millers?—I think they stick to the whole of the orders they receive.

150. But the whole of the orders come through the association?—No, the majority of them receive their own orders.

151. Does the association limit your output or the output of any of the millers?—Well, I believe that, according to the articles of association, all orders are to come through the association, but I know that that is not observed.

152. Up to the present time no attempt has been made to limit the output of your mill?—No, not that I am aware of.

153. *Mr. Stallworthy.*] You gave us the cost of production at the mill where you were: will the cost of production be anything less or about the same at your present mill?—Approximately the same.

154. What area of timber have you got to work upon for your new mill?—We have 4,000 acres altogether.

155. Is it private or Crown land?—Some of it is Crown land, with the right of purchase; the balance Native lease.

156. How long will it take your mill to work it out?—We do not anticipate working it all in one mill. We are putting in one of the largest mills in the district, but owing to the slump we have had to postpone it.

157. How long would it take you to cut it out?—These areas are in different places. Some are at Rangataua, some at Ohakune, and it was our intention to put a mill at Ohakune.

158. You are going on with you mill at Rangataua?—Yes.

159. How long will you keep the mill there?—There is twenty years' cutting, but we do not intend to keep it to one mill.

160. I think you said the royalty was 1s. on rimu?—Yes.

161. Do you pay on the output or on the log-measurement?—On the output.

162. Is there any reason why you should pay 1s. here, whilst on the West Coast they only pay 6d. per hundred feet?—It is a strange thing, but it is nevertheless the case.

163. Under ordinary conditions, should I be right in estimating your average profit at 1s. per hundred feet?—I think we ought to get 1s. a hundred feet profit. That would not be too much.

164. The West Coast people tell us that 6s. 9d. and 8s. 6d. is a fair price for timber. They do not want it raised any higher. Would that price suit you?—On the trucks?

165. Yes, on the trucks?—It would not suit some of the millers, but it would suit me.

166. Is that satisfactory to you, with a margin for the railage?—No, I do not think the millers here can put it on the trucks at that price.

167. You think the expense of working timber in the Taumarunui district is heavier than it is on the West Coast?—I do not know why it should be so. I do not think that 6s. 9d. would pay. There would be no profit at that price.

168. What do you estimate as a fair profit on timber?—I think 1s. per hundred feet would not be too much.

169. Your mill is capable of turning out 7,500 ft. a day, and at 1s. that would give you £975 a year on your mill costing £1,600—is that a fair profit?—Considering the risk we run with fires, &c., I do not think it is too much.

170. *Mr. Mander.*] Do you pay royalty on the standing timber or on the output of the mill?—On the output of the mill. We have, however, our own bush.

171. What do you estimate the royalty on that timber will cost you?—It is occupation with right of purchase. We have held the land for thirteen years.

172. When you speak of 6s. 6d. at the mill, do you include in that all classes of timber?—The whole of the product of the log, but not dressed timber.

173. You have to add cartage to that when you deliver it?—Yes.

174. That is the price at the mill?—Yes.

175. When timber goes above a certain price, do you not think that people will begin to look round for some other material to build houses with—that is, when timber becomes higher than brick?—Certainly.

176. Do you not think that competition between millers will generally regulate the price fairly well?—Competition has more than regulated the price so far.

177. The fact of your having an association has not kept the price up?—No.

178. You were asked if there was any Oregon coming into your district. Now, supposing Oregon was coming into Wellington and killing the trade there, is it not likely that other millers would come into competition with you?—Yes, that is so.

179. *Mr. Stallworthy.*] How is the sawn output calculated by the Ranger?—We have dockets for every bit of timber that goes out of the yard. A waybill goes with it in triplicate, one copy being for the manager, one for his own use, and one has got to be forwarded to the Crown Lands Ranger.

180. How often do you send in a return?—Fortnightly.

181. *Mr. Arnold.*] Do you demand payment every three or six months?—Six months is the time.

182. *Mr. Field.*] When you say that your product is 7,500 ft. a day, do you mean to say that you are doing that on the average?—Certainly not.

183. You said in answer to Mr. Barber that Oregon pine was not affecting you: I suppose there are plenty of other millers in this district who are exporting to Wellington, and therefore they will say that Oregon pine is affecting them. If their market is restricted there, they come into competition with you?—Yes, certainly.

184. *Mr. Barber.*] How many millers are there in Raetihi?—There are ten mills in the Waimarino district.

185. Do they export?—Yes. It was out of the question for us to export, because we were so far from the railways.

186. As to those other mills in Raetihi, how do they get their timber to the railway?—They cart it. They are on the road, and are considerably nearer than we are.

187. How much nearer?—The nearest mill to Raetihi is some three miles nearer the station.

188. Do these people have any local sale?—They have been pressing local sales for some time.

189. They have to cart this back three miles in order to get it into competition with you?—That is so.

190. You would have considerable advantage over them, being on the spot, irrespective of that three miles cartage?—We have to pay heavy royalties, heavier than they are paying.

191. You average your royalties at 1s.?—I said our royalties were from 6d. to 2s., and that they would average about 1s. 3d. on the whole.

192. You are in a more advantageous position to supply the local demand?—It all amounts to the quantity you turn out. If you are putting out a large amount you can reduce the price.

193. With regard to the price you are charging, you said you were selling timber at from 8s to 12s. 6d.?—That is so.

194. You said that included cartage?—Yes, in the township.

195. In reply to a similar question you said that was at the mill?—I said 6s. 6d. at the mill.

196. *Mr. Field.*] Does £1,600 cover the cost of your mill, trams, &c.?—The trams would be extra, as would the tram-horses.

197. What would be the ordinary cost of a mill?—Ours is only a small mill, and it cost £1,600.

198. *Mr. Morris.*] Have you had any reduction during this last twelve months?—Very much reduced lately.

199. That is due to the fact, I presume, that the millers are not able to get their timber away to their usual market?—That is so.

200. Consequently you are very much concerned in Oregon coming into this country?—Yes, in that way.

201. *Mr. Ell.*] I understand that the present price you are selling at is 8s.?—No. That is the price we had been selling at. At present we have no supply.

202. Now, an experienced West Coast miller assured us, and produced a statement of his accounts to prove it, that he could sell his timber at 6s. 9d. free on the wharf at Greymouth—*i.e.*, second-class timber, and 8s. 6d. first-class, and then make a profit of from 8 to 9 per cent. Why can you not do that here?—Part of that would be accounted for because their royalty only costs them 6d. per hundred feet.

203. You assumed about 30,000 ft. to the acre?—I assume the district would equal 25,000 ft. as an average, although over what we cut it is about 30,000 ft.

204. They assured us they rarely get more than 8,000 ft. to 10,000 ft. per acre, and that would more than make up the difference in royalty?—Yes, that would follow. I do not know how they do it.

205. *Mr. Arnold.*] In regard to the 6s. 6d. at the mill, do you include royalties in that?—Yes, everything.

206. *Hon. the Chairman.*] You appear to have a grievance with respect to the cost of railway carriage: how much have you railed up to this?—Practically we have not railed any away.

207. So it has not affected you at all yet?—Not in that way. At the beginning of this month we shall be ready to put timber on the open market.

208. Where do you intend to find a market?—That is the trouble.

209. At any rate there is no local market at present?—No, we are not looking for a local market now.

210. You made a comparison as to the cost of the carriage of sheep as against timber?—That is so.

211. What is the difference in the weight of a sheep-truck loaded and a timber-truck loaded?—There would not be much difference. Taking a double-decked sheep-truck there would not be much difference. It carries about seventy fat sheep.

212. How much timber do you think a truck of equal size would carry?—I was comparing it with an L truck, single-deck, which carries 2,600 ft.

213. I think that would be a good deal heavier than a sheep-truck—I am not sure, but I think so?—I do not think there is much difference.

214. You know, if you have a grievance you want to be able to show that there is some injustice, if you expect to get it attended to. You want to be as clear on this point as you can?—I have not made an accurate comparison.

GEORGE ALBERT GAMMAN, sawmiller, Ohakune, sworn and examined. (No. 84.)

1. *Hon. the Chairman.*] How long have you been established in Ohakune sawmilling?—About eighteen months.

2. About what was your turnout on working-days?—Full-handed we can turn out about 30,000 ft. a day.

3. Have you been working full-handed during this last eighteen months?—Up to about four-fifths of the whole.

4. You would be getting about 26,000 ft. on an average?—Yes, about that—24,000 ft. to 26,000 ft.

5. Is yours a local trade or by rail?—We depend on the rail practically for our trade. I think our local trade would not amount to more than 30,000 ft. during the eighteen months.

6. Which is your local market principally?—Wanganui, Hawera, New Plymouth, Napier, Palmerston North, Masterton, Wellington, and Gisborne.

7. Have you only the one mill?—No, we have another mill which is just finishing up in Dannevirke—it has practically finished cutting.

8. Are you in the association?—No, unassociated.

9. Then, do you make any difference in selling your timber, whether it is to a merchant or a builder or private user? Do you differentiate between them?—We give the merchant 1s. a hundred better—he is a larger buyer. We can sell the timber to him at 1s. a hundred less and make as much profit, as the sorting is much less for the timber-merchant than it is for the public, who want it sorted out in particular lengths, while the timber-merchant buys it in bulk lots.

10. Would you sell to the private users?—We would sell to anybody if they have the money.

11. What is your average price for selling at the present time?—The prices we are getting now run practically about 8s. a hundred. It would hardly run that. I have here a statement of my prices worked out.

12. It would be better if you read your statement out?—We figure out that the cost of our bushwork at the present time at the Ohakune mills is about 2s 10d. per hundred feet, and that cost will be increased as we get further back into the bush. That is the cost from the bush to the saw-bench. The statement I have prepared is as follows:—

The average cost of bushwork at our Ohakune mill is as follows:—

	Per 100 ft. s.	d.
Crosscutting and felling	0	4
Tracking	0	1
Hauling	0	6
Trucking and landing at mill	0	8
Skidding	0	1
Firewood and fuel, hauling-engine and locomotive	0	1
Iron-rail tram, laying, ballasting	0	5
Crosscutting and skidding at mill	0	1
Upkeep, engines, locomotive, steel ropes, blocks, tools	0	4
Depreciation and interest, bush plant	0	3
	2	10

making a total of 2s. 10d. per hundred feet. This cost, I may point out, will increase as we get further back into the bush.

The cost of sawing, loading, and royalty at our Ohakune mill is as follows:—

	s.	d.
Sawing logs into timber	1	0
Stacking and sorting	0	3
Carting and loading	0	7
Oil, files, saws, beltings, tools, and upkeep	0	3
Travelling-expenses, office expenses, station stamps and telegrams, 2½ per cent. discount on sales, deductions, and shortages	0	9
Depreciation—mill plants, sheds, houses; and interest on capital	0	2
Insurance—fire, workmen (employers' liability)	0	2
Royalties	1	0
	4	2

The following is a statement of the proportions of the different qualities of the timber sawn, marked at prices we consider payable and reasonable in view of the conditions under which we work:—

	Per Cent.	s.	d.
Ordinary building-rimu, at 8s.	40	3	2½
Sarking and rough boards L., at 7s.; rough linings, at 6s.—say, 6s. 6d.	30	1	11½
Rough building-heart, at 10s.	10	1	0
Clean heart, at 14s.	8	1	1½
Second-class, at 5s.	12	0	7½
Average price		7	11

The proportion of rimu cut is two-thirds of the whole output.

The following are the prices and proportions of the matai timber:—

	Per Cent.	s.	d.
Clean heart matai, at 14s.	30	4	2½
Clean O.B. matai, at 8s.	30	2	4¾
Rough heart matai, at 9s.	20	1	9½
Seconds, at 5s.	20	1	0
		9	4¾
White-pine—			
Clean white-pine, at 6s.	80	4	9½
Rough white-pine, at 5s.	20	1	0
		5	9½

Average, matai and white-pine, 7s. 7d.

Matai and pine, taken together, constitute one-third of the output.

The general average price over rimu, matai, and pine works out as follows:—

	s.	d.
Rimu, at 7s. 11d. (two-thirds of output)	5	3
Matai and pine, at 7s. 7d. (one-third of output)	2	6½
	7	9½

Thus the general average price over all timber and classes at Ohakune is 7s. 9½d. Extra widths and lengths need no adjustment because the cost of cutting is immediately increased. As pine is produced at less cost than rimu and matai, the prices and proportions of O.B. would net nearer 8s. to 8s. 3d. than 7s. 9½d.

Now, with regard to royalties and timber assessments made by Government and Native land valuators, I consider the royalties equal to 1s. per hundred feet on all grades of rimu, matai, and pine. Considering the heavy freights by rail, they appear to me to be too high. The payments

are by the acre. Low prices for timber mean that lower grades cannot be cut at a profit. Thus royalty will increase on what is cut. The stringent condition imposed upon millers to cut out a given area per year does not seem just in the face of unpayable prices or slackness in demand. The Government valuators are entirely responsible for the prices put upon the bushes and the conditions of cutting. I would ask the Commission to fully investigate this statement by getting experts to assess the quantities per acre and the fair value of royalties.

Then I wish to mention that railway sidings, paid for by sawmillers and costing from £300 to £1,000, revert back to the Railway Department without any allowance being made to the miller, who paid for the whole of the material. Some bushes that are valued at £6 per acre are, in my opinion, not worth £1 as a milling proposition. Bush and land in Ohakune district, sold about fourteen years ago for £1 per acre, is now valued at £10 per acre for bush alone.

Then, again, owing to the position of the mills and bushes on the Main Trunk line, millers are handicapped by heavy railway freights to the leading centres. From Ohakune to Wanganui the freight is 3s. 5d. per 100 ft., to Palmerston 3s. 4d., to Wellington 3s. 11s., to Napier 4s. 1d., to New Plymouth 4s. 2d., to Masterton 3s. 11d., to Hamilton 3s. 7d., to Waihi 4s. 1d., to Auckland 4s. 3d. Owing to there being a great area of inferior country surrounding this bush there is not a great local trade. I would point out that one large truck of timber fully loaded is equal in freight-return to forty passengers' fares. 380 ft. of timber are recognised as one ton. Often it would take double that number of superficial feet to make one ton, owing to the timber being dry-seasoned. All things considered, the railway freights are high.

Then, many of the mills in the South Waimarino bushes are handicapped with heavy carting, the cost of this running into an amount of from 1s. to 2s. per hundred feet. The wagons are also restricted to half-loads during winter months, and winter is unusually long is this district. The millers are subject to wheel-tax, and will probably soon have to pay a county tax at per hundred feet.

The wages paid at our mill at Ohakune are as follows:—

	£	s.	d.	
Mill,—				
Manager	25	0	0	per month.
Machinists	18	0	0	,,
Benchmen	0	15	0	a day of eight hours.
Tailmen	0	11	0	,,
Ordinary men	0	10	0	,,
Three men	0	9	0	,,
Bush,—				
Manager	21	0	0	per month.
Engine-drivers	0	11	0	a day of eight hours.
Ropemen	0	12	0	,,
Balance	0	10	0	,,

These wages, at ten hours a day, the same basis as worked in America, work out as follows:—

	£	s.	d.	
Mill,—				
Manager	31	5	0	per month.
Machinists	22	10	0	,,
Benchman	0	18	0	a day.
Tailman	0	13	9	,,
Ordinary	0	12	6	,,
Three men	0	11	3	,,
Bush,—				
Manager	26	5	0	per month.
Engine-drivers	0	13	9	per day.
Ropemen	0	15	0	,,
Balance	0	12	6	,,

Employers' liability insurance to cover the above hands has to be added. This, at £2 5s. per £100, works out as follows, the amount for each man being stated: Mill—15s. 7d. per month, 11s. 3d. per month, 5¾d. per day, 4¼d. per day, 3¾d. per day, 3½d. per day; bush—13s. 2d. per month, 4¼d. per day, 4½d. per day, 3¾d. per day. With respect to wages, we have also to comply with all labour laws, Arbitration Court awards, Employers' Liability Act, and to insure against our liabilities. As the work is considered dangerous, the rates are high.

Now I come to the question of the importation of Oregon pine and the conditions under which it is produced. I submit my evidence to you only as statements made by leading timber authorities in America. On the 26th February, 1909, evidence was given before Congress at Washington by Mr. F. Housley and Mr. H. D. Sims in reference to labour-conditions in British Columbia sawmills. The statements made were:—Fraser River Mill, B.C.: Output, 300,000 ft. per day, ten hours; workmen, 375 employed—20 whites and 355 Japanese and other Asiatics. Hastings mill No. 1: Output, 250,000 ft. per day, ten hours; 300 men employed—50 whites and 250 Orientals. Brunnette Sawmill, New Westminster, B.C.: 100,000 ft. to 120,000 ft. output, day of ten hours; employ one-quarter whites and three-quarters Orientals. Small and Bricklin, New Westminster, B.C.: Output, 70,000 ft. per day, ten hours; 125 men engaged—10 whites and 115 Japanese and Hindoos. Royal City Mills, B.C.: Output, 80,000 ft. to 100,000 ft. a day; 54 men in yard—5 white, 9 Japanese, 5 Hindoos, and 35 Chinese. Terminal Mill and Lumber Company, Vancouver, B.C.; E. H. Heap and Co.: Practically same conditions. Rate of wages paid by these mills: Japanese, $1·20 to $1·50; Hindoos, 80 cents. to $1; Chinese, 80 cents

to $1·10. Hours worked, ten per day. 11,438 Orientals were landed in British Columbia in ten months of the year 1907, these being 8,125 Japanese, 1,266 Chinese, and 2,047 Hindoos. Mr. J. H. Bloedel, of Washington State, made the statement that the average price of labour at the mills he is connected with in Washington State, employing 400 men, is $2·99 per day of ten hours. Mr. V. H. Beckman estimated the average wage in Washington at $2·25, the wage running up as high as $5 to $10 per day for expert men. This evidence was given before Congress (see pages 49 and 50 of the *Lumberman*, 26th February, 1909). I would point out that the United States place a duty of $2 per thousand feet on all Canadian timber imported, as a protection duty (see page 50, *Lumberman*, 28th November, 1908). Page 60, *Lumberman*, 8th August, 1908: Wages low—experts, $28 a month; ordinary men, $18 a month.

These, gentlemen, are the kind of mills we have to compete against. I give these statements to show how easily they can flood our markets. If our O.B. rimu can be proved to be as good as Oregon pine we can supply an unlimited quantity. Other advantages that the American millers have over New Zealand mills are as follow: The cost of plant is considerably less, *pro rata;* the mills work ten hours, against our eight; labour restrictions are not so exacting, and labour is not so high; they have large timber holdings and resources and large outputs from the mills, thus inducing millers to put in the most complete and up-to-date labour-saving machinery, which it would not be profitable to put down in New Zealand mills owing to the small area of bush that can be secured. Their large outputs allow them to work on a small profit per hundred feet and yet make good returns. Managers at £25 per month on a 300,000 ft. daily output, and £25 on 30,000 ft. illustrates one of the gains. Then theirs is lighter timber to handle, and has less shakes and defects; and they get profits back from the workmen for goods supplied.

The output of some of the mills in America, according to the *Lumberman*, is as follows:—Tongue Point Lumber Company, Portland, Oregon, Columbia River: 70,000,000 ft. per annum. Bozalusa: Timber-supply, 7,000,000,000 ft.; daily capacity, 600,000 ft.; this company owns a township of 750 dwellings, hospitals, schools, hotels, telephone, electric light; in the handling of timber every known appliance has been installed to economize cost in manufacturing; one mill of this class would need the whole of the Main Trunk forests. North Pacific Lumber Company, Portland, Oregon: Annual capacity, 125,000,000 ft. Portland Lumber Company: Daily capacity, 400,000 ft. Falls City Lumber Company (two mills): Annual capacity, 30,000,000 ft. Forest Lumber Company: 150,000,000 ft. per annum. W. H. White Company, Oregon, manufactured 17,000,000 ft. of lumber last year, and paid 15 per cent. dividend.

The reported timber acreage, according to the American *Lumberman*, is as follows:—

	Acres.
Canada	1,637,600,000
United States	450,000,000
Russia	527,000,000
Norway and Sweden	58,000,000
Europe	720,000,000
Japan	28,000,000
Australia and New Zealand	40,000,000

The Drury Inlet Timber Company have acquired 1,000,000,000 ft. of standing timber in British Columbia (*Lumberman*, 26th December, 1908, p. 71). The British Columbia Government have leased out 60,000,000,000 ft. of timber on twenty-one-years leases. To comply with these leases 3,000,000,000 ft. a year will have to be cut, in addition to other titles, which are considerable (see *Lumberman*, 14th December, 1907).

With regard to the competition of Oregon with rimu for long beams, I would point out that heart of rimu is specified by architects. As already shown, this is the best part of our logs. Clean ordinary building-rimu can be supplied in long lengths and deep widths in large quantities at reasonable prices. It is a matter of vital importance as to the relative durability and strength of Oregon and O.B. rimu. Builders will argue in favour of Oregon on account of its being light and easy to handle and work.

With respect to wages, if our wages at eight hours a day are equal to same at ten hours in America, the difference is this: If 30,000 ft. of timber is produced in eight hours, the same number of men will produce 37,500 ft. in ten hours. The extra 7,500 ft. could be produced at a cost of not more than 2s. per hundred, and this would reduce the cost per hundred feet from 7s. 9½d.—our average—to 6s. 6½d.

With regard to the preservation of our forests by the introduction of foreign timbers, if cheap imported timbers enter into competition with New-Zealand-produced timber, the result will be that only first-class grades of New Zealand timber can be sold. Bushes containing, say, 15,000 ft. of marketable timber at reasonable sale prices would, at low rates, only produce, say, 10,000 ft. of payable timber. The inferior grades would be left in the bush, and be burned or find their way to the slab-pit. Low-grade timber costs more to produce than clean, sound timber. Many acres of damaged bush now being worked out in Hawke's Bay, Wellington, and Taranaki Provinces would not pay to operate upon; while many thousand acres of green bush that have now been opened up by rail, roads, and settlement cannot be preserved. The true position is a race between the mills and fires. If the timbers are not sawn out in a few years they are burned. Preservation of forests under these conditions is a theoretical proposition and not practicable. The evidence I can produce to confirm my statements is what has happened in other districts, and

I herewith name a number of large blocks of bush that have been more or less destroyed by fire. On investigation I think that double this number could be obtained :—

	Acres.	
Tamaki, Dannevirke	20,000	(approximately).
Tahoraiti, Dannevirke	6,000	,,
Piripiri, Dannevirke	15,000	,,
Te Ohu, Dannevirke	2,000	,,
Otanga, Dannevirke	6,000	,,
Tiratu, Dannevirke	6,000	,,
Rakaitai, Dannevirke	3,000	,,
Takapau, Potts Block	4,000	,,
Maori Reserves, Ormondville	2,000	,,
,, Norsewood	2,000	,,
Government Reserve, Waione	2,000	,,
,, Weber	1,000	,,

These blocks more or less destroyed by fire in Dannevirke district alone. Some of the causes of the destruction of the bush are as follow: Roads and railway-lines made through forests cause a strip of trees to be felled and burnt. These fires kill many more on the margin and a few chains into the green forest. The trees killed rot and fall; the wind gets in, and many are uprooted. Again, settlers during the winter months turn cattle into the forests in numbers, and the cattle break down the underscrub. Fires from the settlers' holdings are continually charging the outskirts of the bush and killing more green trees, until finally with heavy winds in an extremely dry summer the fires will run through the bush for miles, burning the broken underscrub, vines, and bark, and killing the large trees. Following fires complete the destruction. Forests intended for reserves need to be picked out in isolated places, and cattle kept out of the bush. The destruction that I have just spoken of often goes on all round the forest, and it soon completely destroys it. These statements are from my own observations, and I believe them to be correct, and I offer them to your Commission as such. I might mention that the Otanga Block of 6,000 acres was a block of green timber that the fire went absolutely right through, and the Tiratu was another. Those were exceptional fires.

I was going to point out that if our timber industry is crippled it means that five or six thousand workers are going to be thrown into the towns to seek employment, along with many more who cater for these workers. Many railwaymen who cart this timber are going to be thrown out of employment, and will have to compete with the city workers—in order to allow those city workers a reduction of 6d. a week in rent. Personally I do not see any benefit in this employment of Asiatic labour in preference to our own workmen.

I should like to point out that the Government, who profess to be the champions of labouring interests, are not consistent when they allow this timber to come here, which is produced by foreign labour, with only a two-shilling duty. The gain in the duty is more than lost by the railage freights and royalty, without taking into consideration any loss to the working-class. If you want cheap timber, give us cheaper royalties and better conditions to work under. It is far better to give us the chance of having the Japanese here, who can spend their money in the country, than to close up our industries.

13. *Mr. Jennings.*] You did belong to the association of millers here?—I did.

14. Have you any objection to state your reason for separating from them?—I resigned because I could not get enough money in the association.

15. In reference to the men employed, we have heard various statements throughout the Dominion. Are the men to-day equal to those employed fifteen years ago?—I do not think they are. A couple of years ago there was a big demand for timber, and men were hard to get. They did not seem to do as much work for the money as formerly. They are now coming back to the standard of the old time.

16. Are they as careful in looking after waste as they were formerly?—I think so. We have to cut the timber according to the price we get. We must save the waste. The cheaper the timber is, the more waste there is.

17. Have you any objection to put your wage-list in to the Commission?—None whatever.

18. Now, speaking generally, Mr. Gamman, can you give the Commission any information as to the increased cost of timber as compared with ten years ago?—I think so. Ten years ago we were paying 1d. to 2d. per hundred feet in the way of royalty. People chased us to come and cut their bush out for nothing. We had a freight of 2s. 6d., as against 4s. to-day and 1s. royalty. The wages-conditions, too, are now different. The cost of a draught horse twenty years ago was from £18 to £20, whilst three years ago they were fetching £60 apiece. We had a contract for chaff then at £3 a ton. Last season it was £7 10s. a ton at Ohakune.

19. Those are factors in determining the cost of timber?—Absolutely.

20. How do the wages paid to-day compare with those paid ten years ago?—Wages are higher to-day than they were ten years ago.

21. Do you know anything about the differential rates paid here on the railways in regard to timber?—Yes, there are differential rates in force. White-pine timber is carried up to eighty miles for 1s. 8d.

22. Have you any objection to state the nature of your tenure, and the area of bush held by you for sawmilling purposes?—No. We have a forty-years lease. We have four thousand some few hundred acres of bush, and we have bought it at so-much per acre. I consider that the valuation of the bush and the assessment of the bush is far too high. The valuators and the Land Board are responsible for the high royalties on timber in Waimarino. The amount we are getting off

our place is nearer 15,000 ft. per acre than 40,000 ft. per acre. I can show them acres there with not more than two or three thousand feet to the acre. I have seen bush land assessed at £6 per acre for which no practical sawmiller would give more than £1 per acre. The valuators are absolutely impracticable and incompetent.

23. How do you account for sawmillers purchasing at the prices?—I account for it this way: We went up there and spent something like £3,000 in trying to secure a Maori block. We had our plant partly erected, and we could not turn back. After we spent £120 to prove our case in Wanganui it was simply ignored, and we were told by the Land Board that we should have to pay or go out. If we could have gone out we would have done so.

24. Then, the high prices that have been charged are factors in determining the price of timber to-day?—That is so. About fourteen or fifteen years ago the land and bush together was offered and sold by the Government for about £1 per acre, and now they are asking for the bush alone some £10 per acre.

25. You have given us a very interesting account regarding the timber operations in America: Have you any fear in regard to the importation of Manchurian timber?—I have heard a good deal about it coming into Australia, but it seems to me that the Oregon pine is going into Japan, and we shall not have much trouble with Manchurian timber here.

26. From a public standpoint, apart from the views of sawmillers or politicians, what is the increase in the cost of timber of a six-roomed house to-day as compared with ten years ago?—On the timber alone not more than from £10 to £15.

27. *Mr. Field.*] You say you have been a sawmiller at Ohakune for eighteen months?—Yes.

28. You have had other experience?—Yes, since I was a child.

29. What did your mill cost you?—About £14,000.

30. What is the average capital required to erect a sawmill capable of turning out, say, 12,000 ft. a day?—From four to five thousand pounds.

31. The amount stated as £1,600 would be exceptional?—It would not be much of a mill at that price.

32. Did you tell the Commission what you thought would be a fair thing by way of profit?—I think a sawmiller should be able to write off 1s. per hundred feet net for his profit to cover a reasonable liability. There is great danger from fire, and in one moment a miller may lose everything.

33. I understand that the insurance companies will not insure up to the full value?—They will not take more than half, and they charge £7 in every £100.

34. You talk about the charges on the railway: Are there any special concessions for white-pine in the way of freight?—Yes, up to eighty miles.

35. After that it is charged the same as any other timber?—No, it is higher. It is carried six miles for 1d., and matai is carried ten miles for 1d.

36. Is that not wrong?—Absolutely wrong.

37. You quoted from the *Lumberman*, which stated the number of blacks employed. What was the date of it?—March 6, 1909.

38. You told us that the United States put a duty of $2 per thousand feet on Canadian timber?—Yes.

39. What do you deduce from that fact?—The duty is put on to avoid competition, I should take it, from Asiatic labour.

40. You say the duty is considerably less than the duty we charge. What remark have you to make on that?—Yes, that is so. The conditions under which they work are different from the conditions under which we work here. We have 4s. freight, and many of those vessels leaving Vancouver can sail into ports without incurring the additional charge of railway freights.

41. You said the builders found Oregon easier to handle: what did you mean by that?—The Oregon is much lighter, and it is easier to saw. It is a softer timber, and it means less labour to build a building.

42. You think the builders have got a good deal to do with the importation of Oregon?—I think so on that basis alone.

43. Would they pay more for it?—It would make a difference of 1d. or 2d. per hundred feet in the working of the timber.

44. You say that while the present trouble with Oregon continues only first-class timber can be sold: does that not mean a higher price for the first grade?—Yes, that is the natural consequence.

45. You said, I think, that one of the results would be that a great deal of the bush would not be milled at all?—There will be a good many dead bushes about Hawke's Bay and Wellington Province if Oregon comes in, and if it displaces our cheap-grade timber it will be impossible to work that timber up, which would be lost to the State for ever.

47. Are you aware for what purposes Oregon is being used in Wellington?—Mostly, I think, in large beams; but it is also competing against ordinary building-rimu in cottages. It is really fighting our rimu in point of price. I tried to get an order myself in Wellington a few days ago, and the price I gave was 11s. per hundred feet, whilst the price of Oregon was 10s. 6d., cartage paid to Island Bay. I think the Oregon was sold below cost.

48. At what price can you land your ordinary building-rimu in Wellington, and get a fair profit of, say, 1s. per hundred feet?—Twelve shillings per hundred feet.

49. I mean your ordinary building?—We would want 8s. on the truck, and then there is 3s. 11d. freight per hundred feet to pay, which makes the price 12s. as near as possible.

50. You cannot sell it at 12s.?—Yes, you can, but you are not making what I consider a fair profit.

51. Can you tell me from your own knowledge whether Oregon, as a matter of fact, has reduced the cost of building substantially?—Just at the present time it may have, while the fighting war is going on. As a general thing I do not think it will make very much difference.

52. Do you think buildings are cheaper in Wellington than in Taihape?—You can build cheaper at Taihape.

53. I have heard that Oregon timber is better for the framing of houses than ordinary building-rimu, for the reason that, although you season rimu for a long period it is liable afterwards to twist and warp?—I do not think that would happen if the rimu is properly seasoned, at least not to any extent. Of course, all timbers warp a bit. Rimu is the best.

54. Do you think that putting a duty on Oregon timber means the taxation of the rest of the Dominion for the sake of a few sawmillers, or is there a wider and fairer view to be taken?—I think there is a benefit to the whole of the sawmillers in the inland towns, and I think it has a very much farther-reaching effect.

55. How do the American shipping laws compare with ours?—The restrictions in the matter of loading in New Zealand are very severe. I can speak with more authority, as we owned some vessels in New Zealand. Deck-loading in America is almost unlimited.

56. You are aware that American ships are allowed to land their cargoes here at whatever ports they like? Do the Americans allow that?—I cannot say, because I do not know.

57. How long has our present duty been on?—I did not run up against Oregon until recently. It must have been on a good many years.

58. If there was a reason for the duty then, is there not a greater reason now?—I take it we are entitled to it because of our labour-conditions and the restrictions from which we suffer. On that basis alone the duty ought to be increased.

59. Have you any other remedy to suggest beyond the increase of duty?—I suggest that the Commission go into the matter of the royalties to which I have referred, with the view of their reduction, because we are saddled with very heavy freights; indeed, I think that it is quite possible that the railway freight could also be reduced, and still allow the Department a handsome profit.

60. You are aware that the millers have offered to mill at Government prices. Would the millers be prepared to do that?—Personally I would be prepared to do that. They have fixed all our prices bar the selling-price. And they may as well fix that.

61. Do you see any real difficulty in the way of that being done?—The association has been able to do it, and therefore the Government should be able to do it.

62. Do you think there would be a remedy in treating timber the way flour and potatoes are treated in the matter of duty—viz., to increase and decrease the duty inversely with the rise and fall of the local commodity?—I think it would be a fair thing to have the duty on a sliding scale according to the price that timber is being sold at.

63. *Mr. Leyland.*] You lay emphasis on the fact that you consider the industry is entitled to a considerable reduction in railway freights?—I say that should be done.

64. The people in Southland and Westland say the Government cannot afford to lower the freights?—There are not many sawmillers who will talk like that.

65. They talk like that on the West Coast. What freight do you pay on fifty miles?—I should say about 2s. 1d., or something like that.

66. You pay 1s. 5d. on white-pine, and for fifty miles on the West Coast they pay only 1s. 4d., and that includes wharfage?—On the West Coast.

67. Do you think they are influenced in favour of the railways because of their special rates? They pay 1s. 4d. for fifty miles, whilst you here pay 2s. 2d. for the same distance. They have also included in that the wharfage. Do you not think it is an anomaly that one part of the Dominion should pay 1s. 4d. for railage whilst another part pays 2s. 2d.?—I want to know the conditions. There must be some difference in the conditions. I cannot therefore express an opinion. We would take it if it was offered to us.

68. You gave us some evidence from the Lumber Journal. That evidence was against the admission of Oregon free into the United States. Now, Oregon has been out on the list as one of the items to be admitted free?—Yes, it was passed against Canadian timber going in free of duty.

69. They are competing in the world's market with lumber from Canada?—Yes.

70. They have found that their supplies are becoming short, and it is proposed to abolish the duty altogether?—That is so.

71. With regard to the Asiatics employed, are you aware that the mills prefer white men if they can get them?—They do not say that. They put the black men there, and they have to move automatically with the machinery, or they get knocked over.

72. We have evidence to show that they can employ two white men in place of four black men, or rather Asiatics, and that there is a saving thereby. I was over there in 1901, and again in 1908. I went through the States of Oregon and Washington. Since then the mills have in their interests discharged nearly all their Asiatic labour, and they are now employing white men, because it pays better?—There is a bitter feeling there against Asiatics, and there is a stronger feeling in the United States.

73. Would you object to employing Hindoos, seeing that they are British subjects?—I prefer employing white men. If you are going to force this timber on us, which is produced by Hindoos, you had better get them here.

74. With reference to duty, you know that America is a high-tariff country?—I cannot speak with any authority on that.

75. They have a duty of $2, whilst we have a duty of $5 on the same timber?—That is so.

76. With reference to the cost of production, during the Inter-State Commission, which sat as a result of the rate war between the lumber-merchants and the railway magnates, evidence was taken?—Yes.

77. And the cost of production, taking four hundred mills, worked out at 5s. 11d. at the mill?—That is the cost of production of the timber.

78. Yes, in four hundred mills in Washington?—I know in the *Lumberman* the common grade is quoted at $9 f.o.b. That was only a month ago. The first grade was $12, the second grade a little lower, and the common grade $9. That is the price per thousand feet.

79. Seeing that our people in America employ Asiatics, and that the others do not employ them, who would you prefer to buy your timber from?—When you go out of the district to buy Oregon pine you would naturally buy it in the cheapest market.

80. If O.B. rimu is as good as Oregon pine we ought to use it, and would you be prepared to abide by the decision of engineers, architects, and other experts who are not sawmillers, and disinterested, as to the relative value of the two?—I think if it was tested and we knew the nature of the expert evidence on the question we naturally ought to be satisfied. I think it is very material that we should have the very best evidence.

81. How much of the present depression in the rimu trade do you attribute to the importation of Oregon pine?—I think we have suffered more in this district than in most districts, because Wellington has been one of the centres of the most activity in regard to Oregon pine. If 10,000,000 ft. is going in there in twelve months it is a large portion of our yearly 30,000,000 ft. from the Rangitikei district.

82. The West Coast millers told us that of the Oregon pine going into Wellington fully 90 per cent. of it took the place of their timber, and that only leaves 10 per cent. to affect you?—They are fighting their own battle, and we are fighting ours.

83. Then, the evidence we have from the West Coast millers should be discounted?—I think the proportion was probably too great. It would probably be 60 per cent. here and 40 per cent. in their mills.

84. During the last two years since Oregon pine has been coming here our exports have fallen off by £9,000,000—£4,000,000 for 1907 and £5,000,000 last year. That is £9 for every man, woman, and child in the Dominion. Do you not think that that has a great deal to do with the present depression?—We naturally know there is a depression outside the trouble of Oregon pine. There is a stringency in the money-market, but we say that the Oregon pine has made our position considerably worse. The fact of it coming in has aggravated the position.

85. But would you not admit that the falling-off in our exports to the extent of £9,000,000 was a large factor?—Yes, I do admit it.

86. And on top of that comes the financial stringency, which was aggravated by the American financial panic, and that also is a factor?—Yes, we admit all that.

87. Well, seeing that in 1895 our output for the colony was 191,000,000 ft., and that in ten years after it was 413,000,000 ft.—more than double—do you not think that overproduction has had something to do with the present trouble?—I do not think there has been overproduction in this district. Were it not for the large amount of Oregon landed in Wellington our mills would have been kept going.

88. But a certain amount of that timber has been used in place of kauri?—I understand kauri has got pretty short—they cannot supply it.

89. And with that kauri-shortage they had to get Oregon pine to a large extent, so that it could not all have come into competition?—We think we should have had the orders for rimu instead of the Oregon.

90. Taking the colony as a whole, and not your particular district, do you not think overproduction has had something to do with it?—I should not like to say that.

91. Bearing in mind that the population has increased, and that the cost of production has also increased much more rapidly?—We know there has been a pretty big boom in the country.

92. In regard to insurance, are you able to insure your bush against fire?—No, not at all.

93. Not any portion of it?—No.

94. That is the risk you have to take, and you consider you ought to be allowed for the loss you suffer?—It depends a good deal on the condition of the holding. If you have paid for the bush right out you are naturally the biggest loser. If we are paying so-much per acre, and the timber is not there that is the other man's loss.

95. What is the price for delivering rimu in Wellington to-day?—I cannot touch the Wellington market to-day.

96. Would you be surprised to know that we had evidence to the effect that Oregon pine costs 11s. 9d. in Wellington?—That does not bear out the price we have had quoted. I think our last quotation for Oregon pine was 7s. 6d.; plus duty, 9s. 6d.; wharfage, 6d: total cost, 10s.

97. We have had the evidence of Mr. Massey, of Southland, who owns six mills, and he says that quite 95 per cent. of the depression is due to other causes than Oregon pine. Would you agree with him?—No, I would not admit that. I do not think that is right. In our district the percentage would perhaps be 60 per cent. depression and 40 per cent. Oregon pine.

98. You contend that the importation of Oregon pine interferes with the milling industry generally?—Yes, it has affected us a lot.

99. Directly and indirectly?—Yes.

100. Our output for last year was 432,000,000 ft., and during that time we are supposed to have imported 27,000,000 ft. of foreign timber. We will put it down at 20,000,000 ft., and that does not represent more than 7 per cent. of our total output. Could it have affected the industry of the Dominion to a greater extent than 7 per cent.?—It affects some parts more than others. There may be some parts where there are not many mills, and it would be right that Oregon pine should come in, because native timber would be too costly; but where the timber can be put on the market at a reasonable rate I think it is only right that the country should use the rimu timber, and I think Wellington is one of those places where rimu can be got at a reasonable price, and Auckland is another place.

101. You think it should go into Auckland?—I think the Main Trunk line ought to be able to put the timber into Auckland at a reasonable price to prevent Oregon pine going in except for special purposes.

102. Are you not making too much of a giant of this Oregon pine, seeing that it is only 5 or 6 per cent. of our output?—If this Oregon pine is allowed to come in we cannot say what it will do in a few years to come. From the *Lumberman* it appears to me that they are after the New Zealand trade, which may develop into half our trade.

103. You are aware it came here owing to the rate-war?—Yes.

104. And now that the rates have gone up and prices increased, very few orders are going away for it?—The question as to the price of Oregon pine going up is not corroborated in the *Lumberman*. It states that prices are low. No. 1 grade is 12s. and common grade 9s. on the ships at Portland, and with freight added it does not put the price up much higher.

(At this stage the Commission adjourned till 7.30 p.m.)

Witness: In reply to Mr. Leyland's remarks that Oregon pine costs 11s. 6d. to land at New Zealand, the remark I made in good faith I wish to withdraw. I wish to hand in fresh evidence as to the cost of Oregon at f.o.b. prices, American ports. February 13th, 1909, page 96, *Lumberman*, quotations $13 and $10 per thousand feet equals 5s. 5d. and 4s. 2d. per hundred feet. You will also find on page 76, 27th February, 1909, "Elsa," cargo of 2,900,000 ft. f.o.b., Lyttelton, Dunedin, Napier, Auckland, value £32,000, equals $11 per thousand feet, equal to 4s. 7d. per hundred, which goes to show that the common grade is what is coming here. On page 39, 20th February, 1909, evidence given before Forest Commission shows that 50 to 75 per cent. of Oregon is No. 1 and No. 2. Common grade has been sold at $9, but would leave a good profit at $11 per thousand, equal to 4s. 7d. per hundred feet. I should like to be clear as to the prices stated by Mr. Leyland, if they are landed in the yard.

105. *Mr. Leyland.*] Yes?—Our quotations are 6d. extra. There is the cartage to the yard also.

106. *Mr. Clarke.*] With reference to the extent of the timbers in this district, they were spoken of as being in an almost inexhaustible supply. Do you regard them in that light?—No, I should not say I did. I should say the Main Trunk timber will have a very big shake in twenty years.

107. The local timber is sold largely in Palmerston, Hawera, and Masterton. They have not had a timber district within comparatively recent times round those separate places?—Yes, I should think so. Masterton had timber about ten or twelve years ago or less, and Palmerston, say, twenty-five years ago. I worked at a mill there at that time.

108. And is it not a fact that the bush is very rapidly receding round about here—that this was once a very densely wooded area, but that it is being rapidly cut out?—There has been a good deal of timber fallen here for settlement.

109. Do you not think, in the interests of your own trade and the sawmilling business, that it is imperative something should be done to renew our supplies of timber?—Yes, that is right if you can get your supplies and not lose your own forests, but if you are going to lose your own forests by fire there is really no gain.

110. We want to look a little bit further ahead. Supposing we are losing them by fire, what is to happen to the next generation?—I think there ought to be forest-preservation, and I think they ought to be in picked and isolated places where it can be preserved. We have preservations along the Main Trunk line for scenic purposes. I think in ten years' time there will be no scenery. I think all the bush that is opened up by road and settlement has to be worked out or burnt out. If you can get bushes in isolated places it is a wise policy to preserve them.

111. You agree in that respect with the report of the Crown Lands Department, which says, "In considering any scheme for the profitable conservation and partial utilisation of our forest lands, therefore, it has always to be borne in mind that the obtaining of the largest possible quantity of sawn timber from any given area of forest is not the only consideration, but that with a limited supply of timber-trees it behoves us to insure that too rapid a cutting does not take place at the present time, and that a future supply is systematically provided"?—I agree with it inasmuch as once you have already opened up the bush you cannot cut out fast enough, because what you have not cut will have a great chance to be burnt.

112. With regard to the timber-supplies and the competition with foreign supplies, have you seen the report of the Timber Commission set up in the United Kingdom recently?—No.

113. Mr. Millar, who has had extensive experience in Canada, United States, Russia, and other places, states that in thirty years there will be no timber available unless the large countries of the world set about replanting immediately. In view of such expert evidence, would you advise this Commission to recommend the immediate setting about of replanting?—That does not quite agree with the statements made at a meeting of sawmillers, where they put it down as sixteen billion feet of timber to be cut out in twenty-one years. Of course, there is a tremendous acreage beyond that, and it does not seem as if it will be worked out as quick as Mr. Millar says.

114. Do you not think that evidence brought before a Royal Commission in England is far more impartial than statements of men in the *Lumberman*?—A good deal would depend on the expert who obtained the knowledge. The sawmillers after all have a better knowledge themselves of their own places probably than the man who goes in to estimate the quantity something like the valuers have estimated our quantities in the Waimarino, which are absolutely wrong. I would contend that I have a better knowledge probably of what is on an area than they have.

115. Are you familiar with the report which was laid on the table of the House of Representatives here about three years ago, giving the total estimated quantities of our native timbers?—No, I am not.

116. In which it stated that the supplies might last, say, from fifty to sixty years without allowing for any contingencies such as fires?—I have not seen the report, but I should think from what I know of the forests in the North Island that they will probably last fifty years, because the Waimarino is not the only forest we have left.

117. Then, supposing they last as long as fifty years, which is very much doubted by a good many authorities, do you not think it advisable not only in the interests of the general public, but in the interests of your own trade, that the trade should not work itself out but that something should be done to supply the wants of the colony in the immediate future?—Yes, I certainly do.

118. With regard to the objection to Oregon pine, you know that in the large centres here the architects have much to say in regard to what timber shall be used, have they not?—Yes, that is so.

119. If they specify and prefer a certain class of timber which is all heart it would not be a matter of surprise if they chose all heart of Oregon pine in preference to rimu, which is only 7 or 10 per cent. of heart?—The black heart you refer to is a most peculiar timber, and about two or three inches in any rimu log is a brown heart. You cannot call it sap, and yet the architects do.

120. With regard to checking the importation of foreign timbers, what check would there be on trade combinations as to price if these were absolutely prohibited?—We offered to let the Government fix our price as they fix everything else, and if that was so there would be no further trouble, and if the duty was on a sliding scale and the timber went up to a prohibitive price the duty would come off the foreign article, and that would prevent the timber-merchants putting the price up too high.

121. In regard to the offer made to the Government to fix the price, you would expect them to fix it at a profit?—Naturally enough.

122. Would you expect the Government to fix it at a profit without fixing the profits in all other things?—There does not appear to have been so much trouble in other industries: they are very much more protected at the present time. This trouble has originated through Oregon pine coming in. The Government took a hand in fixing the royalty and the freight, and they might just as well take a hand in fixing the price.

123. *Mr. Morris.*] Have you thought of the question of the loss of wages due to the importation of this much-boasted Oregon pine that we have heard so much about?—I have not gone into the figures in order to find out what it runs into per annum, but I know it must be a tremendous item.

124. You consider that 3s. 6d. per hundred feet will at least go into the pockets of the men working about the mills producing New Zealand timber?—Yes, I should think all that.

125. And the Government railage from this district will average 3s. 6d. more?—Yes.

126. So that the colony has a very big interest in this timber business, equal to 7s. per hundred feet?—And 1s. more for royalty, whatever that might be, on top of that.

127. Well, that means that 20,000,000 ft. of Oregon pine, which is about the amount brought into this colony during the last twelve or fourteen months, is equal to a sum of about £75,000 which has been lost to New Zealand altogether. I am not talking about the carpenters and joiners —that does not come into the question at all: it is a question of the railage and men's wages in producing this timber at the mill?—I have not gone into the figures, but it would run into a tremendous amount.

128. Do you think this country is able to give that amount of money away?—No, it seems to me that the more money we can keep in this country the better it is for us.

129. *Mr. Barber.*] What was the cause of your receding from the association?—I should like to say that when I was in the association I did not seem to be doing any good for the mill, and I came out of it to see if I could do better.

130. Why were you not doing any good in the association?—Well, they were not getting so many orders, and ours is a big plant, and I thought we were entitled to get better orders, and so I came out.

131. The orders were pooled by the association?—No, not that. In the association I have belonged to we have always had a free hand to go to the public, builders, and timber-merchants to sell as we liked.

132. What difference would it make your being out of the association—do you have those privileges out of the association?—I had to conform strictly to conditions which did not quite suit me. Our mill is in a different position from most mills. We first produce the timber and then manufacture it, but most of them do not manufacture the timber.

133. You inferred by your answer that by receding from the association you would get more business and more freedom?—I should get a bigger volume of trade.

134. Unless you had some other advantage how could you increase the volume of trade? The fact of your leaving the association would not give you an increased advantage?—When I got out I got on to the road with our travellers, and we started to work purely by ourselves; otherwise we used to trust to a certain amount to the managers of associations to go out on the road, and although we had a free hand we did not do the business we wanted to through depending on them.

135. What was the output of your mill previous to the one you are working now?—We had four mills before we erected this present one. Our output ranged from 600,000 ft. to 800,000 ft. a month.

136. And what is the output now?—At the present time we are putting out about 400,000 ft. a month.

137. Has there been any delay in executing any orders from your mill?—Yes. I might say that the unfortunate part is that we have not got totara in our bush, and we have to depend on other mills to supply it, and sometimes they have not done so.

138. That is the explanation for the delay in executing orders?—Yes. Our part of the work was executed within a few days after receiving it.

139. Not that you were overtaxed with orders?—No. We have no totara to speak of in south Waimarino.

140. Now, with regard to the price which you say it costs to produce your timber. Can you explain how it is that the mills in Southland are supplying and disposing of the output of their mills at 6s. 6d. per hundred?—I could not answer that question. I do not know much about Southland, but from my knowledge of milling the man who is disposing of it at 6s. 6d. is not making much out of it.

141. That is the total output of the mill?—That makes a very vast difference. If you are supplying the total output of the mill you take it off the saw-bench and put it on the trucks or the steamer, and there is an end of it; but if you are supplying the public you have to take out the different lengths to supply your customer, which puts a considerable amount on to the cost of the timber.

142. But the cost you have given us is the cost of production in a forest which is not adjacent to the railway-line?—We have given you our price-list to the public. If a timber-merchant quotes at 6d. less for the whole output of the log, I should consider whether I should not give him the whole lot.

143. On the West Coast they dispose of the whole output of their mill for 6s. 9d. for O.B., and 8s. 6d. for clean heart or dressing-timber?—I am given to understand that they are competing against Oregon pine. There is a war going on between these timbers, and both rimu and Oregon pine are being sold under cost.

144. That is not a temporary price that I quoted, because it has been ruling for a long time?—Then is it the total output of the log?

145. No?—There are, of course, mills in a specially good position as against mills in a bad position, and if you happen to have a mill with the very best position you might be able to do it. If I saw the mill I might be better able to give you a satisfactory reply.

146. So far as we could see as to conditions on the West Coast with regard to milling, they were not so good as those found in the Waimarino Bush. The statement that you made with regard to the additional cost for a six-roomed house ten years ago was that it would cost about £10 or £15 more now?—That is so.

147. How many thousand feet do you estimate it would take for the erection of a six-roomed dwelling?—Twenty thousand feet.

148. With a rise of 1s., that is £10?—Yes.

149. If timber has risen 6s. in the Wellington market, the additional cost would be £60 instead of £10?—It has not risen to that extent.

150. You say that 1s. rise on the cost of timber would make a difference of between £10 and £15?—Of course, 20,000 ft. is approximate, and I say that timber has not risen 6s. a hundred between to-day and ten years ago.

151. If timber has risen 6s. during nine years, that would mean an increase of £60 in the cost of the erection of a house?—Yes, certainly.

152. *Mr. Arnold.*] With regard to the question put to you by Mr. Morris, do you anticipate that the importation of Oregon will close every mill in the Dominion?—Well, if it comes into our markets it will be a serious factor to the majority of the mills in this particular district.

153. Do you anticipate that it will close one-third of them?—I anticipate that it will close quite two-thirds of them.

154. Throughout the Dominion?—I do not know the Dominion well enough to answer that question.

155. You said that it was going to displace the total labour of your mills?—I pointed out, if our labour was disposed of, what would happen. I suppose that there will always be a few mills running inland, but it does not take very much of a mill to supply these places.

156. Surely you do not intend to tell this Commission that the importation of Oregon is going to close down one-half of the mills of the Dominion. You do not mean to say that Oregon is going to wipe out the whole of your red-pine and other timbers?—The importation of Oregon into Wellington for one year was something like six millions and a half, whilst our district output was something like thirty-six millions, and the probability is that we have not yet properly felt the importation of Oregon.

157. I simply want a clear answer. Do you or do you not think that it is going to displace the total amount of labour that is employed?—No, I do not think it will displace the whole.

158. With regard to the loss on our railways, even if they did not carry the red-pine and the Oregon had a monopoly, the Oregon, I presume, would have to be taken over the railways of the Dominion—they would have to build with something?—Yes, that is true.

159. So that the railways would not lose?—No, not proportionately so much.

160. Even supposing the mills were closed down and the labour displaced and the railways did not get that revenue, can you tell us how the Dominion would lose that amount of money?—I do not quite follow you in that.

161. You said, in answer to Mr. Morris, that it would be unwise on the part of the Dominion to lose the amount of money paid in wages, together with the total revenue derived by our railways from the carriage of timber. Now, how would the Dominion lose that amount of money through Oregon coming in?—You would lose it by the loss of the bush through fire; you would lose all the capital that the millers have put into this business, because they would go bankrupt. I do not think that the wages paid would be as high as we are paying. You would lose part of the railway freight, and you would certainly lose the royalties.

162. I am asking you how the Dominion would lose that amount of money?—Well, if you send the money out to America to pay for the timber, the probability is it will not come back here again.

163. Mr. Morris has led you to answer a certain question, and the Chairman would not let me put the matter right then, and I want you to do it now. It is not a matter of sending money out of the country, it is a question of the loss of railway revenue and the loss of the men's wages? —If we maintain that half of the timber is to be displaced, we are logically maintaining that half of the wages will be lost and half the railway freights.

164. I want to know how the Dominion is going to lose that amount of money?—I cannot follow you.

165. Then I will not press the matter further. Earlier in the day you stated that five thousand men would be displaced: is that correct?—I think the number of our workers by statistics is something like that.

166. That is the total number of mill hands?—Yes.

167. So even in that you anticipate that the whole industry would be lost?—Outside of the mill hands there are a good number of people catering for them. In this township the population would not, probably, be half of what it is.

168. So you hold that if Oregon was permitted to come in five thousand men would be displaced?—If it was allowed to come in free of duty I think quite that number.

169. *Mr. Stallworthy.*] Do you employ a large number of men?—In one mill there are seventy-five men employed. The mill has been running about eighteen months. The output when I began to run was from 5,000 up to 20,000 a day.

170. On an average?—Sometimes we were shortened down. We worked some part of the time half-handed on account of the shortage of orders, and even to-day we are not running up to the full capacity of the mill.

171. What was your output eighteen months ago?—Then we were running to stock. We are now running about four-fifths of our strength, which would probably be about 26,000 a day.

172. You cannot say that your output has fallen off?—The railway was not there until the slump in trade came, and we could not test the market. We stocked waiting for the railway-completion.

173. Was it a re-erected mill that you put up?—A good bit of it was new stuff.

174. Where were you milling before?—In Dannevirke. There we have gone up as high as 800,000 ft. a month. Operations have practically ceased in Dannevirke.

175. Can you still supply the same markets as you did from Dannevirke?—Pretty well the same.

176. You have the same customers?—Yes, many of them.

177. Have their orders fallen off very much?—Yes, a good bit.

178. *Mr. Mander.*] How much has your trade fallen off in the Wellington market?—I think it is down to a very small per cent. in Wellington. In fact, we could pretty nearly say we have not done anything in Wellington during the last month.

179. Do you attribute that largely to the importation of Oregon into Wellington?—I attribute it to the competition of Oregon.

180. You heard from Mr. Leyland that only 5 per cent. of Oregon came into competition with New Zealand timbers: do you consider that correct?—I have no figures to prove whether it is right or wrong. Oregon is in its infancy. In two years' time it may be 50 per cent.

181. Is it not a fact that it comes into competition with the cities and not with the country? —It has been in the country.

182. Any quantity of it?—No, I do not think a great lot.

183. You are aware that there is a considerable amount of timber exported from New Zealand to the Australian Colonies?—Yes, a good bit of pine.

184. It (Oregon) would not come into competition with white-pine, so far as New Zealand is concerned?—No.

185. The competition would principally be in the chief cities of New Zealand?—I think it would be more likely to capture our main markets and populated places.

186. You are aware that there is freight and a half on Oregon?—Yes, on all imported timber.

187. That would prevent it from finding its way into the country?—It would allow rimu a better chance of competing.

188. Is it not a fact that Oregon comes most into competition with your O.B., such as scantlings, joists, and things of that kind?—It comes into competition with beams as well.

189. Are you able to supply beams in long lengths?—We can supply them in O.B. rimu. We are always asked to supply them in black-heart rimu, which we cannot do.

190. Do you think it would be any injustice to the millers of this country if Oregon was allowed to come in in long lengths and large sizes—say, from 30 ft. upwards?—I do not think we could complain very much provided it did not come in in the shape of logs and junks, to be resawn into shorter lengths and thus compete with our shorter lengths.

191. I suppose you are aware they could not send logs over here on account of the greater freight?—They would send junks or squared logs.

192. I suppose you would consider it a very great waste of good timber to put kauri into long beams at its present price, when Oregon can be bought for a considerably less price for that purpose?—It looks a waste, yes.

193. Would it be satisfactory to the millowners in this part of the Dominion if a slight reduction was made in the long lengths?—I think it would be satisfactory if it were *bona fide*. No miller would complain of that. I should not myself.

194. Is it not a fact that if your O.B. rimu was put out of the market you would be compelled to put up the price of the better quality of rimu?—We should be asked to supply the better quality of timber, and consequently a lot of rough logs would be left in the bush.

195. Then, if the Oregon timber did reduce the price of the O.B. material the finishing-timber would cost so much extra, and so the cottage would not be reduced in price to the working-man?—There would be a natural tendency that way.

196. *Mr. Ell.*] You said that you considered the quantity of timber in our forest was very much overestimated?—I said that. To my mind it is, and there is evidence of it in the Taumarunui district.

197. I am led to believe that there are vast quantities of timber there?—I have heard, up to 100,000 ft. per acre.

198. You do not think that that is not right?—I am absolutely certain that the 100,000 ft. is not there, or anything like it; 15,000 ft. is a fair estimate, and that was my estimate in Mr. Seddon's time. I stated to him that an average of 15,000 ft. was what was in the Waimarino Block, and I maintain that I was not far out.

199. So that if the officers of the Lands Department calculate on a basis of 100,000 ft. instead of 15,000 ft. it is misleading the public?—Yes, and we are paying too much for our bush.

200. During this last two or three years a lot of people have gone in for milling?—There was a big rush three or four years ago.

201. Why was that?—There was a belief that every sawmiller in New Zealand was making heaps of money, and consequently the business was rushed by lawyers, butchers, and bakers. They were all trying to get hold of a bit of bush and a sawmill, and many of them are repenting it to-day.

202. At the prices obtained, say, fifteen months ago, what would be your earnings?—Timber was at its highest in 1907, but in 1908 our company could not show a profit. We had a misfortune in having a mill burned down, which cleaned us out of £3,000 in one lump.

203. Had that loss not taken place?—We should, in that case, have had a good profit.

204. The millers could do well?—We were having a big profit. At that time there was a shortage of timber, and mills that had timber could nearly ask what they liked. This Waimarino Bush was not open then.

205. What prices were you getting then?—We were getting up to 9s. 6d. on the trucks at times—perhaps hardly that. It was about 9s. on the trucks. That is 1s. more than what I considered was a fair profit. Eight shillings is a fair profit for O.B.

206. After providing for depreciation?—After providing for all contingencies I think we ought to net clear 12½ per cent.

207. Is that not all provided for in the depreciation?—I mean, so far as you can protect yourself. Although we may get 12½ per cent., that very mill might be burned out during the next year and that profit has gone, so that in the sawmilling business you are entitled to make more than the ordinary profit. Sawmilling is like gambling on a racehorse.

208. With regard to the sale of your timber in Wellington, say that the merchants there are discriminating with regard to the quality of timber that they will take from you: I mean, are they throwing much back on you?—We are not doing anything there owing to Oregon pine.

209. Where are you selling?—We sell to the builder and the public direct.

210. Do the general public discriminate?—We always give them a fair quality.

211. You sell the whole output of your log?—Yes, the whole output.

212. Is there any waste timber left behind?—In districts where one can run up a house pretty cheap, there is always a chance of getting rid of your rough stuff.

213. The West Coast people complain that they are unable to get a market for the rougher descriptions of timber?—I think that is true from what I know of their trade.

ALEXANDER LAIRD, Sawmiller, Taumarunui, sworn and examined. (No. 85.)

Witness: I am a sawmiller at Taumarunui.

1. *Hon. the Chairman.*] How long have you been sawmilling there?—Five years.

2. What class of mill have you?—A small mill.

3. What is about your output?—Seventy thousand feet a month.

4. Do you get orders sufficient to take that quantity of timber?—No.

5. What are you doing?—Working half-time.

6. So you are not putting out 70,000 ft. now?—We are not putting out more than 30,000 ft. now per month.

7. Where is your general market?—Auckland and the Waikato.

8. Do you find that Oregon competes with you in Auckland?—I cannot say that it competes with us; I know that orders from Auckland have fallen off in consequence of Oregon being imported.

9. If you believe that, you surely suspect Oregon being the cause?—Not the whole cause, but partly the cause.

10. What is your Auckland price for ordinary O.B. red-pine?—Fifteen shillings in Auckland.

10A. What is the cost from your mill to Auckland?—Freight 3s. 6d.

11. That leaves you 11s. 6d. on the truck?—No, by no means. We have 10 per cent. for ordinary customers by way of discount, and 20 per cent. to merchants.

12. Then you are not getting the price you stated you are getting, net?—The discount off £1 is 20 per cent. in the case of mills, and 10 per cent. in the case of ordinary individuals—that is, 16s., less 3s. 6d. freight, which leaves us 12s. 6d. On the fifteen-shilling timber there is 3s. off for discount and 3s. 6d. for freight, and these amounts off 15s. leave 8s. 6d. on the truck.

13. Is that the highest price on the truck?—For O.B., yes. We are milling totara up there, and heart of totara brings £1 in Auckland.

14. Has your output of totara fallen off similar to the pine?—For O.B., yes, but not for heart.

15. It will be to your advantage to cut as much heart as possible?—Unfortunately, the tree will only hold a small percentage of heart. You cannot cut what you have not got.

16. *Mr. Jennings.*] I understand you have got some comparative figures?—I propose to submit comparisons of cost worked out in different ways. I have been a builder and a carpenter for some twenty-five years, and a builder for some ten years prior to entering upon the sawmilling business. I have made out the cost of timbers for a house of £800, as well as for a £200 cottage, and I wish to read it and put it in. It shows the rise in an £800 house as compared with 1903 and the present time. That is the time the association with which I am connected was instituted; and the difference in cost from the same specification shows that the advance is only, in the cost of an £800 house, £12 15s. 11d., based on the price-list obtaining in 1903 and 1909. The price-list was advertised. In the case of cottages, however, it was somewhat higher.

Comparison of Cost of Timber used in building Residence.

		1903.		1909.	
		Cost per 100 ft.	Total Cost.	Cost per 100 ft.	Total Cost.
	Undressed Timber.				
	Ft.	s. d.	£ s. d.	s. d.	£ s. d.
Sleepers, 5 by 2½, heart totara, 7/28	132	..	..	..	..
Wall-plates, 5 by 3, heart totara, 160 ft. lineal ..	200	..	..	..	..
	332	20 6	3 8 0	20 0	3 6 4
Inner plates, 5 by 3, O.B. rimu	440	12 6	..	13 0	..
Upper plates, 4 by 2, O.B. rimu	350	12 6	..	13 0	..
Lower studs, 5 by 2, O.B. rimu, 150/11	1,375	12 6	..	13 0	..
Upper studs, 4 by 2, O.B. rimu, 150/10	1,000	12 6	..	13 0	..
Braces, 8 by 1, O.B. rimu, 12/14, 12/16	240	12 6	..	13 0	..
Corner, 4 by 1, O.B. rimu, 36/11	99	12 6	..	13 0	..
Ground floor-joists, 5 by 2, O.B. rimu, 44/17 ..	624	12 6	..	13 0	..
Porch floor-joists, 5 by 2, heart totara, 3/7 ..	17	20 6	..	20 0	..
Middle floor-joists, 12 by 2, O.B. rimu, 17/18, 17/22..	1,360	12 6	..	13 0	..
Stair floor-joists, 6 by 3, O.B. rimu, 4/8	48	12 6	..	13 0	..
Ceiling floor-joists, 5 by 2, O.B. rimu, 50/14 ..	584	12 6	..	13 0	..
Rafters, 5 by 2, O.B. rimu, 4/16, 24/18	411	12 6	..	13 0	..
Rafters, W. and B., 4 by 2, O.B. rimu, 12/8, 7/14 ..	130	12 6	..	13 0	..
Herringboning, 3 by 2, O.B. rimu	100	12 6	..	13 0	..
Bal. plates, 12 by 3, O.B. rimu, 1/16	48	12 6	..	13 0	..
Bal. posts, 6 by 6, heart totara, 1/12	36	20 6	..	20 0	..
Streets and hangers, 4 by 2, O.B. rimu	200	12 6	..	13 0	..
Longitudinal ties, 4 by 2, O.B. rimu, 6/20	80	12 6	..	13 0	..
Ridges, 8 by 1½, O.B. rimu, 1/3, 2/20	43	12 6	..	13 0	..
Hips, 8 by 1½, O.B. rimu, 2/12	24	12 6	..	13 0	..
Purlins, 3 by 2, O.B. rimu, 40/14	280				
	7,489	..	46 9 6	..	48 6 7
	Dressed Timber.				
Rusticating, 8 by 1, heart matai	3,650	18 0	..	19 6	..
Facia boards, 8 by 1½, heart matai	108	18 0	..	19 6	..
	3,758	..	33 16 5	..	36 12 10
Frieze, 16 by 1, heart totara	130	22 6	..	22 0	..
Barge-boards, 14 by 1½, heart totara, 4/18.. ..	126	22 6	..	22 0	..
Cover-boards, 10 by 1½, heart totara, 4/18	75	22 6	..	22 0	..
Finials, 5 by 5, heart totara, 2/6	39	22 6	..	22 0	..
Spandrels, 6 by 1½, heart totara, 1/8, 1/11 .. .	14	22 6	..	22 0	..
	384	..	4 6 4	..	4 4 6
Soffits, 6 by ¾, O.B. totara, P.T.G. and V	310	14 6	..	16 0	..
Mock purlins, 6 by 3, O.B. rimu	56	14 6	..	16 0	..
Gable spandrels, 6 by ¾, O.B. rimu, P.T.G. and V ..	170	14 6	..	16 0	..
	536	..	3 17 9	..	4 5 9

Comparison of Cost of Timber used in building Residence—continued.

		1903.			1909.		
		Cost per 100 ft.	Total Cost.		Cost per 100 ft.	Total Cost.	
Dressed Timber—continued.	Ft.	s. d.	£ s. d.		s. d.	£ s. d.	
Flooring, 6 by 1, P.T. and G., heart matai	2,300	18 0	20 14 0		20 0	23 0 0	
Flooring, balcony, 6 by 1¼, P.T. and G., heart totara ..	75	22 6	0 16 10		22 0	0 16 6	
Stairs, 12 by 2 strings, 12 by 1¼ treads, and 6 by 1 riser	300	22 6	3 7 6		22 0	3 6 0	
Matched lining, 6 by ¾, P.T.G. and V, O.B.	3,070	14 6	22 5 7		16 0	24 11 2	
Rough lining, 6 by ¾, P.T.G. and V, O.B.	5,439	11 6	31 5 6		12 0	32 12 7	
Ceiling panels, 12 by ¾, P.T.G. and V, O.B. ..	1,235	14 6	8 19 0		16 0	9 17 7	
Shelving, 12 by 1 and 8 by 1, P.T.G. and V, O.B. ..	600	14 6	4 7 0		16 0	4 16 0	
Wash-tubs, 18 by 1½, heart totara, 4/8	72	25 6	0 18 4		25 0	0 18 0	
Door-frames, 6 by 1, O.B. rimu, ...	600	14 6	4 7 0		16 0	4 16 0	
Sash-frames, 6 by 1, heart totara	575	22 6	..		22 0	..	
Tankstand, 6 by 6 and 9 by 2, heart totara ..	164	22 6	..		22 0	..	
	14,430	..	8 6 3		..	8 2 7	
Mantelpieces, 8 by 1¼, 18 by 1, 4 by 1, and 10 by 2, heart rimu	120	20 0	1 4 0		20 6	1 4 7	
Cupboard, bath, and other timber, O.B. rimu ..	450	14 6	..		16 0	..	
Arches	100	14 6	..		16 0	..	
	670	..	3 19 9		..	4 8 0	
Totals		..	202 19 7		..	215 15 6	
						202 19 7	
Difference		..	..		..	12 15 11	

Total rough timber	7,821
Total dressed timber	19,778
	27,599

Percentage Table in Relation to Total Cost.

	Comparative Percentage.		Cost.					
	1903.	1909.	1903.			1909.		
			£	s.	d.	£	s.	d.
Timber (1903, £202 19s. 7d.; 1909, £215 15s. 6d.) and joinery (1903, £79; 1909, £86 18s.)	36·90	35·71	281	19	6	302	13	6
Labour	30·00	30·44	229	0	0	257	10	0
Bricks and concrete	3·39	3·34	26	0	0	28	5	0
Paints, oils, screws, &c.	3·58	3·87	27	10	0	32	16	0
Plumbing	5·73	6·10	45	0	0	51	15	0
Ironmongery and galvanised iron	6·29	6·26	48	5	0	53	0	0
Insurance, accident and fire	0·97	0·88	7	10	0	7	10	0
Scaffolding, cartage, &c.	1·95	2·03	15	0	0	17	10	0
Incidentals and contingencies and drainage (2½ per cent.) ..	2·22	2·27	17	0	0	19	5	0
Profit, shop-rent, and management (10 per cent. on £697 4s. 6d. and £770 4s. 6d.)	8·97	9·10	69	14	0	77	0	0
	100·00	100·00	766	18	6	847	4	6
						766	18	6
Difference	..	..	..			80	6	0

Increase, per cent. .. .. 10·48

Percentage Table of Increased Cost on each Line.

	Percentage of Increase.	Cost. 1903.	Cost. 1909.
		£ s. d.	£ s. d.	£ s. d.
Timber and joinery	7·35 =	20 14 0	281 19 6	302 13 6
Labour	12·44 =	28 10 0	229 0 0	257 10 0
Bricks and concrete	8·65 =	2 5 0	26 0 0	28 5 0
Paints, oil, scrim, &c.	19·38 =	5 6 0	27 10 0	32 16 0
Plumbing	15·00 =	6 15 0	45 0 0	51 15 0
Ironmongery, galvanised iron	9·84 =	4 15 0	48 5 0	53 0 0
Insurance, accident and firs	..		7 10 0	7 10 0
Scaffolding, cartage, &c.	16·66 =	2 10 0	15 0 0	17 10 0
Incidentals and contingencies	13·23 =	2 5 0	17 0 0	19 5 0
Profit, shops and plant (10 per cent.)	10·65 =	7 6 0	69 14 0	77 0 0
	113·20 =	80 6 0	766 18 6	847 4 6

Average increase, per cent. .. .. 12·57
Actual increase, per cent. .. .. 10·48

Comparison of Timber, &c., used in building Cottage.

	Ft.	1903. Cost per 100 ft.	1903. Total Cost.	1909. Cost per 100 ft.	1909. Total Cost.
		s. d.	£ s. d.	s. d.	£ s. d.
Rough Timber.					
Blocks, 30/3		0 4	1 10 0	0 4	1 10 0
Sleepers, 4 by 3, rough heart totara, 14/16, 224 ft.		14 0	1 11 4	15 0	1 13 7
Plates, 4 by 2, O.B. rimu, 4/12, 4/14, 12/18	307	12 6	..	13 0	..
Studs, 4 by 2, O.B. rimu, 150/11	1,100	12 6	..	13 0	..
Joists, 5 by 2, O.B. rimu, 54/14	630	12 6	..	13 0	..
Ceiling-joists, 4 by 2, O.B. rimu, 34/14	318	12 6	..	13 0	..
Rafters, 4 by 2, O.B. rimu, 38/16	406	12 6	..	13 0	..
Ridge, 8 by 1, O.B. rimu, 2/18	24	12 6	..	13 0	..
Braces, 6 by 1, O.B. rimu, 12/16	96	12 6	..	13 0	..
Corners 4, by 1, O.B. rimu, 26/11	96	12 6	..	13 0	..
Purlins, 3 by 2, O.B. rimu	300	12 6	..	13 0	..
	3,277	..	20 9 7	..	21 6 0
Rough lining, 9 by ½, 1,400 ft.		8 0	5 12 0	9 0	6 6 0
			29 2 11		30 15 7
Dressed Timber.					
Rusticating, 9 by 1, O.B. rimu, 2,100 ft.		14 6	15 14 6	16 6	17 6 6
Flooring, 6 by 1, O.B. rimu, P.T. and G., 1,250 ft.		14 6	9 1 4	16 6	10 6 4
Matched lining, 6 by ¾, O.B. rimu, P.T.G. and V., 1,500 ft.		14 6	10 17 6	16 0	12 0 0
Barge-boards, 8 by 1, O.B. rimu, 4/18, 1/16	59	14 6	..	16 0	..
Cover, 6 by 1, O.B. rimu, 4/18, 1/16	44	14 6	..	16 0	..
Angle-stops, 6 by 1, O.B. rimu, 5/12	30	14 6	..	16 0	..
Angle-stops, 5 by 1, O.B. rimu, 5/12	25	14 6	..	16 0	..
Soffits, 6 by 1, O.B. rimu, 4/18, 1/16	44	14 6	..	16 0	..
Shelving, 12 by 1, O.B. rimu	50	14 6	..	16 0	..
Finials, 4 by 4, O.B. rimu, 2/5	14	14 6	..	16 0	..
Skirting, 8 by 1, O.B. rimu	100	14 6	..	16 0	..
	366	..	2 13 0	..	2 18 7
			37 16 4		42 11 5

Comparison of Timber, &c., used in building Cottage—continued.

	1903.		1909.	
	Cost per 100 ft.	Total Cost.	Cost per 100 ft.	Total Cost.
Joinery.	s. d.	£ s. d.	s. d.	£ s. d.
Front-door frame, door, and fanlight, and architraves	55 0	2 15 0	60 0	3 0 0
Back-door frame and door and architraves ..	47 6	2 7 6	52 6	2 12 6
Five ordinary D.M. doors, frames, and architraves ..	27 0	6 15 0	29 0	7 5 0
One mullioned sash-frame and sashes, four lights, architraves	75 0	3 15 0	82 0	4 2 0
Three sash-frames, sashes, and architraves ..	40 0	6 0 0	45 0	6 15 0
Three single sashes and frames	12 6	1 17 6	14 0	2 2 0
Two mantelpieces, 15s. and 26s.	..	2 1 0	..	2 5 0
		25 11 0		28 1 6
Total of rough and dressed timber and joinery	..	92 10 3		101 8 6
Other Materials, &c.				
Bricklayers' material	..	6 10 0	..	7 0 0
,, labour	..	3 0 0	..	3 10 0
Range	..	6 0 0	..	6 10 0
Kitchen sink	..	1 4 0	..	1 7 6
Nails, 2½ cwt.	16 0	2 0 0	17 6	2 3 9
Galvanised corrugated iron, 12½ cwt.	20 0	12 10 0	22 6	14 1 3
Sash-weights, 172 lb.	0 0⅞	0 12 6	0 1⅛	0 16 1
Locks and hinges	..	1 9 9	..	1 13 0
Plumbers' material	..	7 17 6	..	9 0 4
,, labour	..	2 15 0	..	3 5 0
Paints, oils, scrim, and paper	..	10 4 0	..	12 10 0
Painters' labour	..	8 10 0	..	10 0 0
Carpenters' labour	..	33 5 0	..	38 14 0
Scaffolding and cartage	..	5 0 0	..	5 10 0
Shop-management and profit (10 per cent.) ..	..	19 6 0	..	21 18 0
Insurance, fire and accident	..	1 10 0	..	1 15 0
Incidentals and contingencies (2½ per cent.) ..	..	4 17 2	..	5 9 6
		219 1 2		246 11 11
				219 1 2
Difference in total cost	..	..	..	27 10 9

Table of Percentages in Relation to Total Cost.

	Comparative Percentage.		Cost.	
	1903.	1909.	1903.	1903.
			£ s. d.	£ s. d.
Timber and joinery	42·23	41·12	92 10 3	101 8 6
Labour	21·68	22·48	47 10 0	55 9 0
Bricks, &c.	2·96	2·85	6 10 0	7 0 0
Paints, oils, scrim, &c.	4·67	5·08	10 4 0	12 10 0
Plumbing	3·59	3·65	7 17 6	9 0 4
Ironmongery, galvanised corrugated iron	10·84	10·78	23 14 3	26 11 7
Scaffolding, cartage	2·28	2·25	5 0 0	5 10 0
Insurance, accident and fire	68	65	1 10 0	1 15 0
Incidentals and contingencies (2½ per cent. on £194 18s. and £219 4s. 5d.)	2·21	2·24	4 17 2	5 9 6
Shop-rent, management, and profit (10 per cent.) ..	8·86	8·90	19 8 0	21 18 0
	100·00	100·00	219 1 2	246 11 11
				219 1 2
Difference in total cost				27 10 9

Percentage Table of Increased Cost on each Line.

	Percentage of Increase.	Cost. 1903.	Cost. 1909.
		£ s. d.	£ s. d.
Timber and joinery	9·63 = 8 18 3	92 10 3	101 8 6
Labour	16·73 = 7 19 0	47 10 0	55 9 0
Bricks	7·69 = 0 10 0	6 10 0	7 0 0
Paints, oils, &c.	22·50 = 2 6 0	10 4 0	12 10 0
Plumbing	15·02 = 1 2 10	7 17 6	9 0 4
Ironmongery	12·09 = 2 17 4	23 14 3	26 11 7
Scaffolding, cartage	10·00 = 0 10 0	5 0 0	5 10 0
Insurance, &c.	..	1 10 0	1 10 0
Incidentals, &c.	12·69 = 0 12 4	4 17 2	5 9 6
Shop-rent, management, and profit	12·96 = 2 10 0	19 8 0	21 18 0
	119·31 = 27 5 9	219 1 2	246 6 11

Average increase, per cent. .. 13·25
Actual increase, per cent. .. 12·56

Cost of Production.

	Log measurement, per 100 ft.	Sawn Timber, per 100 ft.
	s. d.	s. d.
Royalties (average)	1 3	1 8
Crosscutting, felling, and bush trams	1 8	2 3
Tramming	0 7	0 9
Sawing and yarding	1 2	1 6¾
Carting and loading trucks	0 7	0 9¼
Insurance, discounts, and interest on overdraft	0 2¼	0 3
Management, office and travelling expenses	0 11¼	1 3
Depreciation (plant and trams)	0 7½	0 10
	7 0	9 4

The above figures show the actual cost as ascertained from our balance-sheet, year 1907–8.

The following is the published price-list, which substantiates the figures quoted by me:—

Waikato Price-list.—South Auckland Sawmillers' Association (Limited); Head Office, Hamilton, N.Z.—Rimu and White-pine Price-list.—Freight paid to Papakura or any Station south of that Locality.

	s.	d.
Rimu,—		
Ordinary building-timber	12	6
Heart	15	0
Rough heart	11	6
Selected heart	18	0
Second-class building-timber	9	6
Rough lining, 6 in. and upwards: ½ in., 8s.; ¾ in.	9	6
White-pine,—		
Ordinary building-timber	8	6
Heart	11	0
Second-class and rough lining	7	0

Dressed timber of all classes, 2s. extra per 100 ft. super. on undressed prices, and will be charged on original sizes.

Mouldings in selected rimu, same price as similar numbers in kauri, as per the K.T. Company's list; ordinary rimu mouldings, 10 per cent. discount from same list; white-pine mouldings, 25 per cent. from same list. All per 100 ft. lineal. Freight paid in all cases.

Totara,—		
Heart (on trucks)	18	0
Rough heart (on trucks)	11	0
O.B. (freight paid)	13	0
Second-class (freight paid)	10	0

	s.	d.
Matai,—		
O.B. (freight paid)	13	0
Heart (freight paid)	16	0
Rough heart (freight paid)	12	6
Second-class (freight paid)	10	0

Conditions of Sale.—Quotations are per hundred feet superficial undressed timber not exceeding 20 ft. in length, or 12 in. in width. Freight paid to Papakura or any station south of that locality. Long lengths: An extra charge of 6d. per hundred feet will be made on all timber for every foot in length over 20 ft. and up to 30 ft.; above that length by arrangement. Wide timber: An extra charge of 6d. per hundred feet will be made on all timber over 12 in. in width from 13 in. to 24 in. (inclusive); above that by arrangement, except in white-pine, where rate applies up to 42 in. Delivery at sawmill: An allowance of 6d. per hundred feet will be made on timber purchased and delivery taken from any sawmill in purchaser's own conveyance. Minimum railway load is 1,200 ft. up to seventy-five miles; above that distance, 2,000 ft. When orders are for less than the minimum load, the actual excess freight paid will be charged. Selected and seasoned timber, when so ordered, will be charged 1s. per hundred feet extra. Specified lengths, in flooring, lining, and weatherboards, 1s. 6d. per hundred feet extra. Shorts to be any timber 7 ft. and under, but shorts supplied in specified lengths to be charged at ordinary rates. Minimum lengths in flooring and weatherboards, 8 ft. Odd inches in length, when ordered, will be charged as next foot. Claims for errors and short delivery must be made within six days, or they will not be recognised.

Definition of Classes.—Ordinary building may be either heart or sap, but free from pinholes, open shakes, and loose or large knots. Heart may contain firm knots and sound gum streaks and small shakes. Rough heart is heart timber, but may contain knots, shakes, and other defects. Selected heart is free from any defects. Second-class may be either heart or sap, and contain knots, shakes, and other defects.

This price-list is subject to alteration without notice.

South Auckland Sawmillers' Association (Limited), (Head Office, Hamilton).—Members: Bailey and Bollard, Taupiri; A. Bell, Ngatira; Ellis and Burnand (Limited), Otorohanga; Forrest and Clark, Paeroa; Mountain Rimu Company (Limited), Mamaku; A. W. Roe, Mamaku; Rotorua Rimu Company (Limited), Mamaku; Steele Bros., Mamaku.

Hamilton, 1st September, 1903.

South Auckland Sawmillers' Association.—Waikato Price-list for 1909.

(All quotations are freight paid to Papakura, or any station south of that locality.)

	Scantling. s.	Scantling. d.	Boards 4½ in. wide and upwards. s.	Boards 4½ in. wide and upwards. d.
Totara,—				
Ordinary building-totara	13	0	14	0
Second-class totara	11	6	11	6
Heart, building, and bridge totara	20	0	20	0
Clean heart of totara, suitable for joinery purposes, &c.	22	0	22	0
Rough heart totara	15	0	15	0
Totara door and window-sills, per lineal foot	0	9	...	
Matai,—				
Ordinary building-matai	13	0	14	0
Second-class matai	11	6	11	6
Heart building and bridge matai	17	0	17	6
Rough heart matai	12	6	12	6
Rimu,—				
Ordinary building-rimu	13	0	14	0
Second-class rimu	11	6	11	6
Rough heart rimu	12	6	12	6
Heart rimu (building beams and planking, and joists 9 by 2 and over, bridge and wharf timber	16	0	...	
Clean heart rimu for building and joinery	18	0	18	6
Rimu window-sills, per lineal foot	0	8	...	
Rough lining (rimu and totara),—				
6 in. wide and upwards, ½ in.	...		9	0
6 in. wide and upwards, ¾ in.	...		11	0
4 in. to 6 in. only, T. and G. and thicknessed, ¾ in.	...		12	0
Fencing class,—				
Broads only, mostly shaky heart (a most useful class for fencing and all kinds of outbuildings and rough work)	...		10	6
White-pine,—				
Ordinary building white-pine, under 12 in. wide	9	6	10	0
Second-class	8	0	8	6
Rough lining, ½ in.	...		7	0
Clean white-pine, 12 in. wide	...		11	0
Mouldings (freight paid in all cases),—				
Totara and rimu, selected	K.T. Co. list price.			
Totara and rimu, ordinary	10 per cent. off ditto.			
White-pine	25 per cent. off ditto.			
Dressed timber,—				
Flooring, weatherboards, and timber dressed four sides	...		2	6
All other dressing	...		2	0

Dressing in all cases charged on original sizes per 100 ft. super.

17. *Mr. Field.*] What is the increased cost in the timber of such a cottage?—£8 18s. 3d. £27 10s. 9d. is for everything. The difference is between £92 10s. 3d. and £101 8s. 6d. for timber and joinery. With regard to the cost of production in our district, speaking as a sawmiller now, the royalties are on the log in our particular case. The figures I have mentioned are taken from our balance-sheets for the years 1907–8, and they are at the service of the Commission. I might mention that I have not included interest on capital. The price-lists are for 1903–9. The association did not issue a price-list for totara and matai, but I have a price-list from Messrs. Ellis and Burnand (Limited) for 1903, and also the prices for 1909 attached to the papers from the South Auckland Sawmillers' Association.

18. How do they compare totara and matai in 1903 and 1909?—In some respects there is very little difference. Take for instance heart of totara: it was 18s. on the truck in 1903, plus 3s. from the mills, and to-day it is 17s. and freight added; rough heart of totara, 11s. on the truck.

19. *Mr. Jennings.*] Is your bush in the Waimarino district?—No.

20. Well, what is your estimate of the amount of timber in the Taumarunui district and round about there so far as the supplies are concerned?—I do not know that I can answer that question. I have not considered it at all.

21. Is your bush principally totara?—Yes.

22. And where is your market?—Auckland and Waikato.

23. Are there any differences in the rates charged by the Railway Department for the various classes of timber?—Not in the classes, but there is between white-pine and other timbers.

24. There are differential rates?—Yes. On white-pine we pay 1s. 8d. for eighty miles, and after that $\frac{1}{6}$d. a mile.

25. Is your bush held under lease from the Maoris or from the Government?—Partly from each. We pay the royalty to the Maoris when working their bush and the royalty to the Government in advance.

26. Are the bushes about your district generally held in the same way?—No, they are all Maori bushes with the exception of our own bush.

27. What is the royalty?—The Government charge us 1s. 6d. in the log for totara, 1s. for matai, 7d. for rimu, and 6d. for kahikatea.

28. What do you pay to the Natives?—Two shillings for heart of totara, sawn (we buy off the saw there), 1s. for matai, 1s. for rimu, 6d. for kahikatea, and 6d. for all seconds or rough heart, and that is sawn measurement.

29. Is that the general system right through?—I think so. Millers generally find it is best off the saw, because no man, no matter what his experience may be, can estimate the bush accurately.

30. Do you dispose of your timber to timber-merchants or to any purchaser?—To any one.

31. Do you belong to the Sawmillers' Association?—Yes.

32. And will they as an association supply any person who has the cash to pay for it?—Yes.

33. Do you know of any case where that has not been carried out?—No, not so long as a man was considered a reasonably good mark.

34. In regard to the estimation of the amount of timber, it was stated in the *Lumberman* quite recently that the officials in America had underestimated by billions and trillions of feet the amount of timber in America: do you think the officials in this district have overestimated the amount of timber on the lands that are disposed of?—I think there has been a tendency to overestimate.

35. Can Rangers make a mistake?—Yes, quite easily.

36. But what system would you adopt as a sawmiller in estimating the bush that would be put up for sale?—I would take and measure an area of, say, an acre here and there, and try to estimate the balance from a matter of judgment by comparison.

37. Would it not be a difficult matter to do, taking the amount of timber in this district?—Yes.

38. In regard to your timber, do you send it out seasoned?—Well, all millers send the timber away seasoned, but it is not builders' seasoned unfortunately.

39. I ask the question because it has a most important bearing in my mind in regard to the price of timber?—No miller likes seasoned timber—he likes to get it away from the mill as soon as possible. If it is seasoned it is because he cannot get orders.

40. Has the importation of Oregon pine affected the market so far as the Auckland sawmillers are concerned?—I can only judge from my own opinion. Something has affected it. I know my sales do not amount to 50 per cent. of what they did in March of last year.

41. Has not the stringency in the money-market and the depression been a factor?—I do not attribute all of it to Oregon pine. I think there is something to be said so far as the stringency of the money-market is concerned.

42. In regard to the durability of totara, can you give the Commission any information about that? How does it stand the test so far as strength and bending-strain is concerned with, say, Oregon pine?—As far as durability is concerned, I think the Commission would obtain absolutely accurate information from the reports of the Institute. I do not profess to be an architect, but as to the breaking-strain I should judge that it is quite equal to Oregon pine.

43. You have no facts that you could place before the Commission?—No, I could not speak authoritatively on the matter.

44. In reference to the statement made of the danger to the bush by fire, have any facts come under your observation that render that a matter for consideration by the Commissioners?—I might say that I have not known any milling-bush to be burnt, with the exception of the Government bush on the Waimarino: a fire ran through it and destroyed much bush some three or four years ago. And the Stratford fire, I think, in 1885 or 1886.

45. Was there much bush destroyed?—A considerable quantity I should say.

46. In regard to the Government mill here, does that mill enter into competition with other mills in supplying local requirements?—Yes.

47. And what price do they charge for the timber?—It is always difficult to find out. When you quote a price to the individual and you do not get the order and it is supplied to some one else, you naturally think it is being supplied at a lower price.

48. They would have an advantage over the private miller in that they do not pay any royalty?—Yes.

49. We have heard statements made throughout the Dominion about the workmen. Do you think they do not give a fair return for their labour?—I must qualify it like the previous witness. When there is a surplus of workmen you can get better results than when there is a shortage. They seem to be like other people and take advantage of the market.

50. Can you furnish the Commission with the rates of wages paid in the Taumarunui district?—Yes.

51. *Mr. Hanan.*] What timber areas do you hold?—Very small areas. I cannot give you the acreage because it has not been defined, but the quantity is about eight million feet.

52. When did you acquire the last area?—We have only had one area since about the middle of 1903.

53. When did you make out your last balance-sheet?—On the 31st October last year.

54. Comparing it with your previous balance-sheet, what profits did it show?—None.

55. Then you are on the wrong side of your ledger comparing the last balance-sheet with the preceding one?—Yes.

56. And the preceding balance-sheet to that showed what?—We did not have one. That was our initial effort.

57. You have said that you think the falling-off of your trade with Auckland is to some extent due to the importation of Oregon pine?—Yes.

58. Do you know the quantity of Oregon pine that has been imported into Auckland?—No, I do not, but I have seen a considerable quantity piled up in the yards in Auckland, and taking a rough shot I should say there are about three to four million feet in Auckland at the present time.

59. To what extent would you say that Oregon pine has displaced red-pine?—That would be quite beyond my ability to say. I am speaking from our own standpoint when I say that our sales have fallen off 50 per cent.—at least, in O.B. timber.

60. When did you find your orders falling off substantially—what month?—About the latter end of last year.

61. Do you get your orders through an agent at Auckland?—No, I am frequently there myself. I endeavour to get orders wherever I can. I have not supplied any timber-merchant in Auckland since about July of last year.

62. What has been the reason that has been given to you for the falling-off in your orders in Auckland?—I do not think the orders have fallen off in Auckland—I did not say that. I said I had not supplied a timber-merchant since July. Our orders have fallen off in the proportion I suggest—about 50 per cent. all round, both in the Waikato and Auckland.

63. Do you find that the people whom you did business with attribute it to Oregon pine?—In a measure they do. I know from my own knowledge that architects are specifying Oregon pine where red-pine was previously used, and if the architects are specifying it then the customers are ordering it, and that is an index to the general opinion.

64. Do you take it, as a builder, that the architects think Oregon pine is a better timber than red-pine for certain purposes?—I cannot say what the architects' ideas are. There are many reasons which might influence an architect in specifying Oregon pine.

65. Speaking as an experienced builder, are there not certain purposes for which Oregon pine is superior to red-pine?—From my knowledge I could say that Oregon pine is better than red-pine. Do you mean O.B. red-pine or all-heart?

66. Take O.B.?—I do not think it is even equal to O.B. from my knowledge of it; it is liable to be attacked by the worm, and I have known O.B. red-pine to be so attacked.

67. In regard to O.B. long lengths and beams?—You can get it better in O.B., but the architects are generally specifying heart for beams.

68. That may be one reason why the architects are using Oregon pine for joists—because of the difficulty of getting good heart?—I think that may be a reason. I do not really see how the reason could be, because it is a superior timber. There may be a difficulty, but I do not regard it as a superior timber.

69. Do you find much difficulty in supplying orders for heart rimu?—I do not cut much rimu—mostly totara and matai.

70. Do you know if the builders have complained of the difficulty of getting good heart rimu?—I have not heard any builders complain, but I have heard the cabinetmakers complain that they cannot get such good figured stuff as formerly.

71. Speaking as a builder, do you think we should conserve our good heart rimu to some extent?—Yes, I think it would be desirable to have some measure of conservation, because it is a very handsome timber, in my opinion. I look upon it as a very valuable timber for furniture purposes. It appeals to me in this way, that rather than see it burnt out I would see it cut out. The trouble is that where settlement goes there is burning almost immediately.

72. Do you favour an export duty being placed on kauri?—I think, in the interests of the Dominion it would be a bad proposition, because that is perhaps the timber *par excellence*.

73. As regards imported timbers, do you think they should come in free?—No.

74. On what imported timber would you place a duty?—On the timbers that would compete with the lower grades that we have in New Zealand.

75. As a builder, what kind would you say they were?—Second-class qualities, irrespective of name.

76. You would not include jarrah?—I do not know that I would. It competes with totara,

77. You are speaking from the standpoint of the supply in the North Island?—Yes, I am more acquainted with the North Island. I do not know the South Island at all.

78. Are you in favour of an increased duty being imposed on Oregon pine?—On the smaller sizes only. I think Oregon pine serves a useful purpose, but on the smaller sizes there ought to be an increased duty on it.

79. What duty would you suggest?—Another shilling on the smaller sizes.

80. Would not that tend to make the cost of building dearer in the Dominion?—I doubt it.

81. As a builder, would you be inclined to favour any duty being imposed which would increase the cost of building?—No, I would not.

82. Would you favour the price of timber being increased?—What is the price of timber?

83. What are you charging—take your own prices?—The present prices are an unknown quantity. The present disorganization, whether it is owing to Oregon pine or the dullness of the money-market, has meant that timber seems to be any price now.

84. Do you not think the importation of Oregon pine tends to keep down the price of New Zealand timber?—I do not know whether it tends to do so, but if it tends to keep the prices any lower than they are at present a number of sawmillers will have to go under.

85. Have any millers near you taken up any areas within the last few months?—No.

86. How many millers are there in your district?—There were eight.

87. How many have gone out of the business during the last eighteen months?—Four.

88. Sold out to other millers?—The Official Assignee is doing part of the business for them now.

89. Do you cut for other mills?—We all cut for each other. If one has a preponderance of orders, the others assist, but not as a regular thing.

90. What is your charge to other millers?—The ordinary price prevailing in the market, less 12½ per cent.

91. *Mr. Field.*] I suppose as the mills have been closed the men have gone out of employment?—Yes.

92. Have you any idea how many men are out of employment in your district owing to the present depression?—Well, speaking without any actual knowledge, I should say there are 60 per cent. out of employment during the last twelve months.

93. And have the wages been reduced in the mills in your district?—No.

94. You have no award there, have you?—Yes.

95. Are you paying the award wages?—Above the award wages, and all the mills there are doing the same.

96. You spoke of the Government royalties: do you consider them too heavy?—Yes. I consider the valuers in apportioning the royalties do not consider the nature of the country sufficiently. They are not acquainted with it. In rough country it is much more difficult to get your timber to the mill than in ordinary country, and they do not apportion it accordingly. Whether the timber is totara, matai, or rimu, there is no distinction made for bad or good country.

97. In regard to the royalties paid to the Natives, do you consider they are too high for the millers?—I think they are paying plenty.

98. On the subject of large pieces of timber for use in bigger buildings, we are told that Oregon pine is probably replacing kauri. Do you not think we could use our rimu timber for the purpose of replacing kauri?—If they would only allow O.B. to be used instead of specifying heart. The grade is too high. There is some beautiful rimu, and yet they will specify that class of timber for a beam.

99. It is just as great a pity to put that in as to put in kauri?—Yes, in my opinion.

100. Would beams of ordinary building-rimu be as good as Oregon pine?—Yes.

101. Do you see any difficulty in the way of the millers cutting long lengths?—Some builders may have a difficulty, but I know a number of mills which are able to cut up to 40 ft. and 45 ft. without any trouble.

102. You expressed the view that Oregon pine should be imported in large pieces?—Yes, because it confines the long lengths to certain mills, and all the mills cannot get those long lengths. If Oregon pine did not come in, all the mills would have an equal opportunity of competing with the longer lengths.

103. And if our mills could supply all the lengths we wanted, would not that be a reason for getting our mills to do the work?—I hope so, and a very good reason, too.

104. Have you had any experience in regard to any change in the cost of building, and where Oregon pine is used whether it cheapens the cost or otherwise?—No, I have no experience. I can only take the price-lists as in Auckland to-day, and they do not cheapen the cost in any way.

105. What is your opinion as to whether we can sell ordinary building-timber—rimu—as cheap as Oregon pine?—It depends on the price or Oregon pine.

106. Well, from your knowledge of the price at which Oregon is being sold?—It does not leave very much for the merchant so far as our mill is concerned.

107. Well, if the price was the same, or Oregon pine was dearer than our timber, it could not possibly be argued that Oregon pine was cheapening the cost of building?—No, it is taking the place and architects are specifying Oregon pine, but for what reason I do not know. They are specifying Oregon pine to the exclusion of rimu in Auckland. That is also the same in other parts of the Dominion.

108. Have you any reason to believe that Oregon pine is easier to work than our timbers?—It is not easier than some of our timbers, but easier than rimu. It is not easier than totara.

109. Is it softer and lighter than rimu and easier to put nails in?—Yes, I believe so.

110. Would that be a reason why the builders prefer it?—Yes, they would prefer it.

111. We have been told that our rimu is not fit for the framing of houses, that no matter how much you season it it warps and twists and cracks the plaster. Have you any knowledge of that?—I can only say that the Opera House in Wanganui is built of rimu, and I did not notice any serious cracks in it. I built the hospital at Taumarunui, and there do not seem to be any faults in the plaster.

112. Do you regard the timber-merchants as a necessity?—To the small miller they are almost a necessity, because in small mills the management is very expensive, and that is because you have got to hustle for orders. Your expenses creep up in inverse ratio to your income, and the merchant fills a place. An order from a builder will give a miller more trouble than an order from a merchant. A merchant will simply want so much timber—so-many thousand feet, whilst a builder, on the other hand, must order his timber according to his specification, which has to be picked and sorted. You may have forty or fifty different sizes to pick out. The merchant's order is simply put into the truck, and you are done with it.

113. For that reason you differentiate in the price?—Yes.

114. As to the remedy for the present trouble with Oregon, you say you would increase the duty on the smaller sizes?—I should like to see the money kept in the country, instead of sending it out. The preceding witness said that a large truck of timber was equal to the fares of forty people in the train if it travelled any distance. I think that a lot of freight is being lost at the present time. I do think, on the inferior classes of timber the rates might be reduced—that is, for ordinary building-timber—by some 20 per cent., at all events. That could be done by the Department without involving them in any loss.

115. Do you think that timber pays too much as compared with other goods?—I am certain of it.

116. Would the millers be satisfied with a clear shilling per hundred feet profit?—I should be satisfied, from my experience, but it is not a satisfactory profit for all that.

117. Would you be willing to mill at Government prices?—Yes.

118. Do you see any real difficulty in the way of that being done?—I do not think the sawmillers would have any objection to the price being fixed. It would have, of course, to be a reasonable price, considering the money involved in such an extensive business, and the risks there are. I can hardly see, however, how a uniform price could be fixed to meet all exigencies. There are different mills in different localities, and you cannot get the mills all alike. If they were all in the same position and under the same conditions there would be no difficulty in fixing a uniform price. We look, however, to the Government for guidance, and I suppose they would help us in that respect.

119. You are aware that the duty on potatoes and flour may be increased or decreased, under certain conditions, as the price of these commodities falls or rises in the local market—that is, when the price of flour or potatoes rises beyond the prescribed rate the duty comes off the imported article automatically. Could the price of timber not be regulated similarly?—To prevent the sawmiller raising the price?

120. Yes?—I do not think any one would disagree with that.

121. *Mr. Leyland.*] You told us that before you went into the sawmilling business you were a contractor?—Yes.

122. Have you improved your position through embarking in the milling industry?—No.

123. You told us that the timber-merchant was practically a necessity?—Yes.

124. You said your price was 15s. less 10 per cent. to the builder?—Yes.

125. You give the timber-merchant 20 per cent.?—Yes.

126. Now, the timber-merchant has to cart it from the railway, put it on to the trucks, and cart it round to his yard, and this cannot be done under 5 per cent. There is no doubt about that. Then there is the measuring when retailing it again, which costs another 5 per cent., making a total of 10 per cent., so that the sawmiller has nothing left for other expenses, such as rates and taxes, interest on stocks, depreciation, &c.?—I do not think you are putting it fairly. You are putting it as if the merchant sold all his timber to the builder, but that is not so. There is a considerable amount of timber sold to the general public that is not sold under that 10 per cent. discount.

127. Is there 2½ per cent. so sold?—I have no information.

128. Mr. Massey told us that a timber-merchant should really get 25 per cent. Do you not think you should encourage timber-merchants a little more?—I do not see that that is a fair position. In Auckland a system has crept in which is wrong. I mean that the discounts allowed in Auckland are too high, and I have to allow 10 per cent. because you allow it. I consider the discounts are too high altogether.

129. They allow it in Southland. When you were a builder, and worked on your plans night after night, and did not get the job, did you not think that you were entitled to a special discount to compensate you for your labour?—I got 2½ and 2½ per cent.

130. Did you think that enough?—No, I did not think it was enough.

131. You are not short of orders for heart of totara?—No.

132. Oregon is not interfering with totara?—No.

133. Is Oregon underselling your O.B. totara in Auckland?—Not to my knowledge underselling.

134. You do not complain, then?—Not on that score.

135. You told us you saw it (Oregon) piled up in the yard?—It only had arrived. I saw it in November.

136. You thought it was about three to four million?—It looked a terrible lot of timber.

137. I believe it would be fair to say that half of that Oregon is still in Auckland and held in stock?—It only wants to be held long enough and it will be all right for us.

138. Therefore this timber which is held in stock has not gone into competition with you?—That is so.

139. You said your trade fell off 50 per cent. in the Waikato and Auckland. Has the Oregon interfered with the falling-off in the Waikato?—I cannot say whether it has interfered with our trade in the Waikato.

140. Oregon pays rate and a half on the railways?—Yes.

141. The railway does not lose any freight over that. Now, have you heard or do you know of your own knowledge that the members of the Auckland South Sawmillers' Association have all the orders that they want for clean heart of rimu?—Select.

142. Not select. I mean ordinary first-class heart for matching?—Yes, I believe they can get as many orders as they want.

143. If the architects say that O.B. rimu is not as good as heart of Oregon you could not blame a timber-merchant for supplying Oregon?—Certainly not.

144. Why do you think they specify it?—I have no idea, and I do not know.

145. *Mr. Clarke.*] Now, with regard to the architects, do you think they have any ulterior motives?—I think the reason the architects are specifying this timber is because they, in common with a great many more ignorant or misinformed people, consider we, the sawmillers, are banded together to exploit the general public. Of course, the architects may think the Oregon is good.

146. Do you suggest that as a class the architects are more ignorant than the sawmillers?—I did not say it in general terms. I did not say they were ignorant.

147. I thought it was a fair inference from what you said. Referring to totara, I understand you to say that you thought it was equal to Oregon in the breaking-strain. Why do you think so?—From the density of the timber. I am only judging it. I have no expert or test knowledge on the question.

148. Do you know of any architect who would be the least likely to use a totara beam if he could get an Oregon one of the same dimensions?—Yes.

149. I have yet to meet that gentleman?—You can take any of the Government Architects, and you will find that they will specify heart of totara before Oregon for beam-work.

150. With regard to the effect on plastered work and the suitability of our timbers for plastered work, bearing in mind that rimu is cut green, do you know of any plasterer who would be likely to choose rimu framing as best for his work as against Oregon as you may get them in the open market?—It all depends whether the rimu is dry. Many times you may get it from Mr. Leyland dry, and many times it is wet.

151. We are not talking about any particular yard. If you were assured that the architects prefer Oregon to rimu for plastered work, would you not assume that these men knew what they were talking about, and that their judgment should be relied upon in that matter?—They do not use green rimu for plastering at any time. If rimu is dry I do not know of any plasterer who would prefer Oregon to it—that is, seasoned rimu, not green.

152. Can you get seasoned scantlings generally?—Yes, if the architect specifies it. It is only a question of price and the extra cost of stacking.

153. Does Oregon take the worm?—I have only seen a few pieces attacked by the worm.

154. Is it a fair thing to say that Oregon is more likely to take the worm than red-pine?—I am not suggesting that it is more liable. I have only seen two or three pieces with the worm.

155. Do you base your judgment on that?—Yes, I consider it is as liable to the worm as white-pine.

156. *Mr. Morris.*] You were asked whether you imputed any ulterior motives to the architects in specifying Oregon. I suppose you know that the Americans are pretty hard to beat?—Rather.

157. And they have got peculiar ways in pushing their stuff on the market?—Yes.

158. Do you not think it is possible that they may have peculiar ways in this matter?—It is quite possible.

159. As a sawmiller have you any difficulty in getting rid of your O.B. rimu?—I have not cut much.

160. Have you any difficulty in getting rid of what you did cut?—Yes, great difficulty.

161. What is the cause of that? Is it because Oregon is taking the place of O.B. rimu?—I attribute a portion of it to the fact of Oregon coming into the Dominion.

162. Regarding the question of paying royalty?—I think the configuration of the country should be taken into serious consideration.

163. What should be the royalty in the class of country we have been on this afternoon?—I have not seen it.

164. As to the matter of conserving our forests, have you any experience with fires in your locality?—I saw a fire in the Government bush at Owhango, and it swept away a good deal of the bush about four years ago.

165. There is no difficulty in keeping your bush where you are?—We have had a fire. It gave us some trouble to put out; but, fortunately, a day after the fire started it came on to rain, and that stopped the fire. I was not on the ground. I merely saw the fire in the distance. I did not see the extent of the damage done, but I know it was pretty expensive.

166. As a practical man, is it feasible to protect your bush from fire?—It would be very difficult to protect us.

167. It would be a costly operation?—I am afraid it would entail a good deal of attention during the burning season.

168. Have you given any attention to the loss in railway freights and wages consequent on the importation of foreign timbers?—I have thought about it in a parochial kind of way. I know that the export of timber from our locality has seriously dropped. I know from my own little way that last year we paid something like £400 for freight, and, judging by this year's operations, we shall not pay £200 for freight.

169. The question is one that is controlled altogether by the amount of timber that is landed in the country. Presuming that an equal amount of out stuff was displaced through Oregon or foreign timbers coming in to that extent, the railways would suffer?—Quite so.

170. The loss through freight is somewhere about £80,000 or £90,000?—I quite believe that. It appears to me that if there is 16,000,000 ft. of timber imported into the country, and even assuming that only half of that is sold, there is 8,000,000 ft. in competition to the exclusion of timber produced in this country, which makes it pretty serious.

171. Can you understand people buying stuff that they cannot sell?—Sawmillers are credulous people, and the inducement to buy was the enormous profits they could make on Oregon—at least, so the merchants thought.

172. Do you think timber-merchants would buy very large stocks of Oregon timber that they could not sell?—They apparently thought they had a good thing on, if all the stories we hear about Oregon are true. It is generally believed they could afford to have one-third of it in their yards without costing them anything.

173. You think, then, if they sell one-half of their stock they will get their money back?—I did not say that.

174. This is one of the questions we have not gone into at all yet. It wants thinking out. The working-man has lost in wages approximately £35,000 if you take it at 3s. 6d. per hundred feet?—They have no right to lose it.

175. Our railway system has lost an equal amount?—Practically an equal amount, because the rate for Oregon is a rate and a half, and there has been a small proportion going inland. Mr. Leyland was trying to get me to say that there was a small amount introduced into the Waikato, and I believe there has been a small amount.

176. *Mr. Barber.*] With regard to the example of these two dwellings that you gave us: you took the conditions as they existed in Taumarunui?—In the Waikato.

177. Why did you select 1903?—Because that was the first year that our association was in operation.

178. That was the year before timber had risen to its maximum height, and in the same conditions existing to-day, so there is very little difference between the two price-lists?—Very little difference.

179. Timber has receded?—I beg your pardon: it has not receded. The present price went up in 1908, except so far as the Oregon pine has disorganized the market.

180. Prices receded?—No, emphatically no. I have already told you in answer to that gentleman that there are any amount of orders for timber in the heart classes. It is the O.B. timber that we are short of orders for, and that is the class we claim that Oregon has come into competition with.

181. There is no reduction then?—No.

182. Then, the theory that it has been brought down to an unpaying price is incorrect?—You should put the question fairly, sir. I do not wish to be placed on the horns of a dilemma. I am dealing with the South Auckland Association. It is their price-list that I am working on.

183. If the price-list has not receded, you do not feel the competition to the same extent that the other millers have felt it?—I cannot agree with you on that point either. Our output has been restricted to the extent of 50 per cent. for some reason, and I suggest Oregon pine as part of the reason. We are only working half-time yet.

184. And in order to meet the competition you have not reduced the price at all?—It is impossible to reduce the price and live.

185. With regard to the increased cost in the price of these dwellings, what was the increase in the price of timber for the period you named?—Ordinary building-timber was 12s. 6d. in 1903 and 13s. in 1909, which is a rise of 6d.

186. In a district where the timber has gone up 6s. in nine years, the additional cost in the erection of those buildings would be a considerable increase?—Certainly, if it has gone up that much.

187. Should you have based your increase in a rise of 6d.?—I have based my increase on an actual fact. I say the different price-lists show the increase is 6d.

188. That is, a rise of 6d. which you have taken into account as the increase in the cost of the erection of those buildings?—Quite so. That is on O.B. timber. There is another point you might like to know, and that is the question of dressing. On all timbers in 1903 it was 2s., and in 1909 it was 2s. on some classes and 2s. 6d. on others

189. You say that Oregon pine is responsible in some measure for the shortage of your orders. Have you any knowledge of the fact that there are a large number of builders out of work at the present time?—Well, no more than hearsay. I believe there are a number out.

190. You have not seen the resolutions passed by the builders' associations in Auckland, Dunedin, and Christchurch?—No, I cannot say I have. I do not remember any resolutions being passed. To what effect?

191. Asking that the duty on Oregon pine be abolished in some cases. And the Carpenters' Union in Auckland passed a resolution to the effect that the Oregon pine was not responsible for their being out of work?—Yes, I have seen resolutions to that effect.

192. And you know a large number of builders are out of work?—I did not know there were except from hearsay, like the man in the street.

193. You know there is a falling-off in the building trade?—Yes, I understand that.

194. Is not that evidence as to the shortage in the consumption?—Yes.

195. And Oregon pine would be responsible for that?—No.

196. If Oregon pine was taking the place of the timber you produced last year, the carpenters would be employed to the same extent as last year?—Quite so.

197. So that the falling-off in the trade shows there is a scarcity in the building trade?—Yes, I admit that.

198. Now, with regard to the mills, you have said there is a smaller number in your district now. Is it not a fact that some of those have cut out?—No.

199. Then those are mills that have closed down?—No, I said there were eight mills in the district of which four closed down.

200. And none of those have closed down owing to the bush being cut out?—Yes, one was owing to that, but not within the last twelve months. I included that in the eight mills which were formerly in the district. Mr. Charles Ryan had a mill which was cut out eighteen months ago, but that reduced the number to seven, of which three stopped and four are working.

201. Those are closed up entirely owing to the shortage of orders?—I do not know. One is in liquidation, and another is undergoing a process of reconstruction.

202. With regard to those two buildings which you say you erected in Wanganui?—I did not say I erected them—I knew of them. I built the Taumarunui Hospital.

203. What laths were used for them?—Oregon. O.B. totara framing, and matai flooring. There was also some red-pine, but not a great deal. Rimu framing and totara laths were used in the Opera House in Wanganui.

204. *Mr. Ell.*] Do you think there would be a market for your O.B. totara in other parts of New Zealand if you got it to the market at a reasonable freight?—Where totara has been used before—yes—where they know the timber. It is the freight that stops it getting into the market.

205. Into what sizes do you cut your O.B. totara?—Down to the smallest sizes—3 by 1.

206. What general purposes is it put to?—Framing, weatherboarding, lining, rusticating, and framing of all kinds.

207. Do you get rid of all your heart of totara?—Yes.

208. When did the falling-off commence to take place with regard to O.B. totara?—We noticed it first at the latter end of last year.

209. About the same time as the falling-off in the building?—It was about coincident with it as far as my knowledge of building goes.

210. Of course, as a business man, information would reach you as to whether the building trade was brisk or not?—Yes, that is so. That is my reason for not attributing the whole of the depression to the importation of Oregon pine.

211. Seeing that the imported timbers for cabinetmakers, joinery, and furniture-making would run manufacturers into £4 or £5 per hundred feet, and that they can get our own really good native timbers at from about 12s. to 15s. for that purpose, which would enable them to make cheap furniture for our homes—in view of those facts, do you think it advisable that the Government should endeavour to provide for the conservation of our timbers for those big industries?—Yes, I think it would be wise. There are many timbers which would be very valuable from the point of view of joinery, but whether it would be wise to conserve the timber with the everlasting fear of fire in front of you, I should not like to express an opinion. I should like to see certain areas conserved for future needs.

212. *Mr. Arnold.*] Is there much forest that is in an immature condition round this district?—I cannot say—I do not know this district.

213. Well, in the district you do know—round Taumarunui?—No, not very much immature timber.

214. And if the timber in the district now is fit for milling, do you think it a wise thing that it should be conserved and retained there: it cannot improve?—It is mostly totara, and I do not look upon that as being a joinery timber. You want to make me answer generally, but I wish it to be specific, and even then I would not express an opinion definitely.

215. If the timber is now ready for cutting and will not improve, and there is the fear of fire, is there anything to be gained by conserving it?—Well, it is open to argument whether the land is more valuable with the timber off or with the timber standing on it. I do not know so much about it.

216. It is a fact that in your district the larger portion of the land, at any rate, is fit for grassing almost immediately the mill has passed through it?—Yes, if sown it takes grass readily. I think it is fair grazing-country.

217. You have not gone into the question as to which would pay the Dominion the best as compared with conserving the bush for forty or fifty years?—No, I have not gone into that question at all.

218. Have you any information with regard to afforestation or replanting?—I think it is desirable to replant any areas unsuitable for agricultural purposes. The various effects of reafforestation in the country affects the climatic conditions considerably, and even to that extent it may be desirable.

219. Can you tell me whether there is a large amount of land which is suitable for tree-planting which is not fit for agricultural or pastoral purposes?—Well, I saw land in the Auckland Province which is considered unsuitable for agricultural purposes, but I think it is because we do not know how to use it. The same thing applies to pumice land, and I think that land will be available some day when we know how to use it There are some lands down there which may be used for planting the same as at Rotorua.

220. You would only go in for afforestation where it is shown that the land is not fit for anything else?—That, I think, would be a wise policy to pursue.

221. You stated that the men were not doing as much work now as they did previously, and you thought they took advantage of the state of the market?—That is what I said in regard to the last portion. I did not make the first statement in your question. I said I thought they were like other people, and took advantage of the market, and made the best of it, and you cannot blame them for it.

222. For instance, the millers themselves do that, do they not?—I heard a miller say so to-day.

223. You know the millers on the Coast have attempted to lower the wages in consequence of the state of the trade?—No, I did not know that. I never heard of them attempting to lower the wages.

224. Well, this Commission has had evidence before it to that effect, and that fear would cause the men to work harder in slack seasons, would it not?—I do not know that the question of wages enters into a man's mind so much as the question of work.

225. Well, there is the possibility of his getting discharged?—The lowering of wages does not increase the volume of work.

226. But the possibility that wages might be lowered would have a tendency to cause men to work harder to prevent being thrown out of work?—I quite admit the possibility. What I said before was that when there is a surplus of labour the employer has a better chance of discriminating, and where there is not a surplus of labour or where there is a surplus of work the employee takes the same advantage as the employer in regard to wages.

227. Now, as regards the loss of wages, if Oregon pine is imported and the men are discharged, you said that the men would lose their wages to that extent?—I did not say so, but I do not mind saying so to-night.

228. What did you say in answer to Mr. Morris?—Mr. Morris did not put the question in the same way. He asked if it was not a fact that the introduction of 20,000,000 ft. of timber had that tendency, and I suggested there was only half that quantity sold and the other half was lying in the yard.

229. No, that is not the question. Speaking of the loss of the men's wages, if the men are not employed the men would lose their wages, and you said that was so?—But you are wanting me to say that the 20,000,000 ft. imported ——

230. No, that is not the point: I am speaking of the wages. If the men do not get their wages, of course, they lose them?—Yes.

231. But the Dominion is none the poorer, is it?—As regards the wages question, no.

232. The men have lost them?—Yes.

233. But not the Dominion?—I cannot agree with that.

234. Let me put it in another way: if the men have lost, say, £5,000 in wages, the Dominion itself has lost no money?—I cannot say. If you use machinery you have got to use the full earning-capacity of that machinery to pay. If you are losing money, then you are not using it to that extent; and if you do not use the labour you must be losing money on that labour. I consider it a loss.

235. What is the asset the Dominion has at the present time in the milling business?—I did see some figures, but I cannot remember them. From memory, I should say the milling industry is responsible for the greatest amount of wages spent on any one particular industry.

236. But is it not an asset that the Dominion has the standing forests?—Possibly so.

237. And if a fire passes through the forest, then I presume the Dominion has lost financially to that extent?—It depends upon whether the Dominion has secured the cash in advance, as it sometimes does.

238. Even then the cash has only passed from one hand to another: the Dominion is still the loser, is it not, only of the timber that has been burnt?—That opens up a wide question, because I may have come here with £5,000, and paid £5,000 on the bush. The Dominion has made the £5,000, and it is passed over from another country altogether. The Dominion would have the £5,000 and the timber standing in the bush.

239. *Mr. Stallworthy.*] Are you still engaged in building?—No; but I built a hospital within the last two years.

240. Is it a fact that they charge royalties on the log-measurement in your district?—Yes, the Government does.

241. And it is 7d. on rimu?—No, that was our tender. Sixpence is the irreducible minimum.

242. Would you sooner pay on the log-measurement than on the sawn output?—I would sooner pay 1s. on the output.

243. Do you think that, if the merchants had not got this 5,000,000 ft. of Oregon pine stacked, they would be stacking rimu?—Yes.

244. So that the Oregon pine stacked in the yards is interfering with the rimu?—Yes.

245. *Mr. Mander.*] When you spoke of the extra cost of building now as compared with six years ago, did you mean rough timber only?—No, the timber and joinery together.

246. Which do you think would last the longer, heart of rimu or heart of Oregon pine?—I prefer not to offer an opinion about that, because my knowledge of Oregon pine is limited as to its standing qualities.

247. You have not had any experience in Oregon pine?—Yes, I have had some experience, but I am not prepared to offer any opinion as an expert.

248. I think I understood you to say that O.B. rimu was equal to Oregon pine?—I also said is was my opinion.

249. Well, in your opinion, is heart of rimu more durable than heart of Oregon pine?—Yes, that is my opinion, although I do not wish to pose as an authority. It is very much my opinion.

250. And, supposing you went into the retail trade in connection with your business, and retailed your timber, would you not require a very much larger capital to handle it?—Yes.

251. And would you not in retailing that timber lose very considerably by splittage and classification of lengths?—Yes.

252. And you would have the interest on your money to calculate?—Yes.

253. It would need a very great margin between the wholesale and retail?—Yes. It would leave a fair margin.

254. What would you consider a fair margin between the wholesale and retail?—About 4 per cent.

255. For the handling?—No, that is for the loss by splittage, and so on.

256. But what would be a fair profit between the two—the wholesale and retail?—I do not think a merchant could handle timber under 10 per cent.

257. Do you think he could handle it for that?—It depends entirely on the quantity. The percentage of cost of management is regulated by the quantity put through. Where one man might make a profit on four or five million feet a year another man would make a loss on half a million.

258. What would you make it per hundred feet to cover rent, insurance, risks of fire, and everything?—I should think that 1s. 6d. would be a fair thing.

259. I think you would be making less out of the wholesale than the retail?—I could not be making less.

260. Do you know whether the American millers allow more than 10 per cent. to the merchants for selling?—No, the merchants keep that to themselves.

261. Now, do you not think, when trade is dull in our country, that it is more necessary we should be protected than even when it is brisk?—In the interests of the whole it is possible it should be protected, but I mean any line. I am not speaking of our own line particularly.

262. Do you think a protective duty is any good if it does not protect?—No; but there is a difference between protection and prohibition.

263. I think you said you were in favour of an export duty on kauri?—As a means of conserving it, yes.

264. If you were the holder of a large rimu bush, which you bought under present conditions, and you had a large market for it on the other side at good prices, would you consider it fair that the Government should prevent you sending your timber to the other side?—No, I would not consider it fair.

265. What would you do with the people who had totara bushes?—I would give them an opportunity of doing what they liked with it. I would not make it retrospective.

266. Do you not think it would have been better for the Government to have let it on other conditions and prevent you exporting it?—Yes, if you bought it under those conditions, but not if you bought it under different conditions.

267. *Mr. Ell.*] I was given to understand three or four years ago that the sawmillers in this district would not supply timber to the Wellington District. Is there any such arrangement obtaining now?—Not in our district.

268. I want to know whether you are supplying anybody in the Wellington District?—Yes, or even in Christchurch. I will supply an order anywhere in New Zealand.

ROBERT ADAMS WILSON sworn and examined. (No. 86.)

1. *Hon. the Chairman.*] What are you?—A sawmiller, living at Bull's.

2. Have you a statement you wish to read?—Yes.

* The evidence which I am desirous of bringing before the Commission relates to the freight paid for timber compared with the other products carried in bulk by the New Zealand railways. In talking to people I have found a very general impression that timber pays a very low freight, and that timber traffic is not very profitable to the railways. This error arises, perhaps, from the fact that to the general public a basis of comparison is not easy to arrive at, as grain, for instance, is carried at so-much per ton; chaff, firewood, or live-stock at so-much per truck; and timber at so-much per hundred feet. I have therefore instituted some comparisons between the various classes of freight. As you know, freight is classified under various headings designated by letters. In making these comparisons I have disregarded the classes A, B, C, and D, as they are mostly carried in small lots, and as low as 5 cwt. is carried at these rates without extra charge. Wool also is difficult of comparison, as it is carried at so-much per bale without any minimum quantity. I will therefore take the other classes—E, F, K, M, N, P, and Q—which can be compared by the truckload, and which comprise the great bulk of the freight of our railroads. Of these classes, E, F, and M are what may be termed the farmers' classes, E comprising the various grains, manures, sacks, seeds, &c.; F chaff, firewood, fencing-posts, lime, &c.; and M the various live-stocks: while N, P, and Q are the commercial lines. Of these, N is a small class in total bulk, including concrete blocks, iron and steel rails, and imported coal and bricks; while P, though only containing a small number of classes of freight, bulks rather large, as it includes ordinary bituminous coal. Q is the cheapest freight of the three, and includes the bulk of the goods included in the railway return under the heading "minerals," comprising as it does native bricks, native brown coal, drainpipes and gravel, sand, quartz, &c. My first comparison I will make on a basis of so-much per truck, and to simplify matters I will take the ordinary L truck as a basis. In an article on freight in the American *Lumberman* of the 14th November, 1908, are the sentences, "It is pretty clearly understood that railroads make their profits out of carload freight. This class of traffic is loaded and unloaded by the shipper, so there is no expense for station or freight-house work at either end, and the 'billing' or office work costs no more for a car than for a box of soap that would pay 25 or 50 cents revenue. The railroads with a large volume of carload freight are prosperous and pay good dividends, but local roads lacking this commodity traffic seldom pay." In New Zealand the tare of an L truck is about 4 tons, while the freight it carries is 6 tons. The tare is therefore never less than 60 per cent. of the paying load, and it is evident that with so much dead load a basis of comparison

* For reply to the following statement, see letter by T. Ronayne, General Manager of New Zealand Railways, following his evidence in Wellington, near end of evidence.

of so-much per truck is a much truer basis than so-much per ton. Now, Class E is carried at so-much per ton, with a minimum of 1½ tons and a maximum of 6 tons. We must therefore assume some average, and, as in the classes to follow, we will take it as half-way between the minimum and the maximum. This would be 3¾ tons, but we will take 4 tons as the average rate. Then, F is as per truck, as also is M. N, P, and Q are the same as each other—so-much per ton—with a minimum of 4 tons and a maximum of 6 tons—average 5 tons per truck. Now we come to K. The minimum to 75 miles is 1,200 ft.; over 75 miles, 2,000 ft.: while the maximum may be taken as 2,400 ft., though it varies with the variety of the timber. The average would be, therefore: up to 75 miles, 1,800 ft.; over 75 miles, 2,200 ft. The table works out as follows per truck:—

Distance, Miles.	Class. E.	Class. F.	Class. M.	Class. N.	Class. P.	Class. Q.	Class. K.	Feet.
50 ...	27/0	23/6	30/0	49/2	38/4	27/1	39/0	1,800
75 ...	34/8	29/9	41/8	59/7	46/8	34/7	52/6	1,800
100 ...	38/8	36/0	50/0	65/0	50/10	39/7	69/8	2,200
150 ...	47/0	48/6	62/6	75/0	59/2	50/0	80/8	2,200
200 ...	55/4	61/0	75/0	87/1	70/10	60/5	91/8	2,200

The only freight, therefore, in these classes that approaches timber is Class N, and this is only paid by a small quantity of goods, some of which are put in this class to penalise them and protect local industry, such as imported bricks and imported coal. If we take the three first as the farmers' classes, the average would be, for 100 miles, 41s. 7d. per truck, as against timber-freight of 69s. 8d. Even then this is scarcely a fair comparison, as Class M, live-stock, can only be carried in special trucks, and as the great bulk of the haulage in this class is to the freezing-works at the ports, special trains have to be put on to haul the idle empties back into the country again. Even without this advantage, however, the farming classes get their produce carried 40 per cent. cheaper than the sawmillers. The average mineral freight is, for 100 miles, 51s. 9d. That is taking N, P, and Q as minerals. This is over 20 per cent. cheaper than timber-freight. In America, on the other hand, timber is nearly always cheaper than other classes. Owing to their different system of cents per 100 lb. weight, it is difficult to arrive at a comparison, but in a concrete case quoted in the American *Lumberman* of the 23rd May, 1903, on a truck of timber of 13,480 ft. sent from Oregon to Pennsylvania, a distance of three thousand miles, the total freight was $276·88, or approximately 8s. 7d. per hundred feet. In New Zealand until lately a freight of 8s. 7d. per hundred feet would only carry our timber 450 miles, but it has lately been altered, and it would now carry timber about 750 miles. Even this latter, however, is four times the American freight over privately owned railways. It will, therefore, be seen, that, instead of being cheaper than the average freight in New Zealand, timber is considerably the dearest. Even up to 75 miles it is only surpassed by one class, N, and after 75 miles it is much the dearest freight, and as a matter of fact very little timber is sent such a short distance as 75 miles. The great bulk travels 100 miles and over.

I have also worked out some more tables, which explain themselves, as follows:—

Table 1.—Freight per Truck of each Class for 100 Miles.

	E.	F.	M.	N.	P.	Q.	K.
Maximum ...	59/0	36/0	50/0	78/0	61/0	47/6	85/6
Minimum ...	14/6	36/0	50/0	52/0	40/8	31/8	63/4

Table 2.—Rate per Ton for 100 Miles, assuming 5 Tons per Truck for Class F, 3 Tons Class M, 450 ft. per Ton Class K, and 6 Tons per Truck for other Classes.

E.	F.	M.	N.	P.	Q.	K.
9/8	7/3	16/8	13/0	10/2	7/11	14/3

Table 3.—Railway Receipts per Ton (Gross) hauled for 100 Miles at Maximum Loads, assuming Tare per Truck is 4 Tons for L Trucks in each Class, and 4 Tons for J and H Trucks, and Net Loads 6 Tons in each Case except M, when Load is 3 Tons.

	E.	F.	M.	N.	P.	Q.	K.
Freight per truck ...	59/0	36/0	50/0	78/0	61/0	47/6	85/6
Gross tonnage hauled ...	10	10	7	10	10	10	10
Receipts per ton of gross load	5/11	3/7	7/2	7/9	6/1	4/9	8/6

These tables are all instructive, but the latter is perhaps the best basis of comparison that can be made, and this shows that, considering the actual railway receipt per ton of gross load (*i.e.*, load including the wagon and the paying load), timber is much the highest, and in one case more than double the other class.

If we take another comparison and find out what is the proportion of the freight to the value of the product, we get the following result for 100 miles:—

	Value. £ s. d.	Freight. s. d.	Approximate Percentage of Freight to Value.
Class E. 1 ton oats, 1s. 9d. per bushel ...	4 18 0	9 8	10
,, F. 1 truck chaff, £3 per ton	15 0 0	36 0	12
,, M. 1 ,, sheep, 10s. per head ...	30 0 0	50 0	8
,, N. 1 ton rails, £6 per ton	6 0 0	13 0	10
,, P. 1 ,, coal, £1 5s. per ton	1 5 0	10 2	40
,, Q. 1 ,, bricks, £2 5s. per thousand ...	1 2 6	7 11	34
,, K. 100 ft. timber, 7s. per 100 ft. ...	0 7 0	3 2	45

Here also we see that the proportion of freight to value is higher in timber than in any other class. When the public, therefore, say that it is unreasonable of the sawmiller to ask for a higher duty on imported timber, as the distance the outside timber has to be brought is a sufficient protection, they forget that the sawmiller pays a higher freight to the New Zealand railways for carrying timber 100 miles than the imported timber does for bringing timber 6,000 miles away from America. If the sawmiller paid the same freight as the farmer, we should get our timber carried to Wellington from this district for about 1s. 6d. less per hundred feet than is paid at present, or an amount nearly equal to the present duty. The amount of timber carried on the railways last year amounted to 276,000,000 ft. Except on the Westport and Westland sections the major portion of this timber is carried considerably over a hundred miles, and we may therefore put the average freight down as about 3s. This would give a gross income of about £400,000 per annum, or more than a quarter of the whole revenue received from goods. To show how important it is, we have Mr. Ronayne's own statement made lately that the slump in timber has seriously affected the revenue of the Main Trunk line. If, therefore, Parliament desires that the sawmiller should go on paying such a large proportion of the revenue to the railways, it should also give an increase in the duty to enable the sawmiller to compete with outsiders. If, on the other hand, it desires to give cheap timber to the towns it should do so by decreasing the freight. At present the amount of royalty the sawmiller pays for Government timber, the rate of wages he pays for labour, and the rate of freight he pays to the railways is all fixed by law, and he cannot control them, and these items make up quite 80 per cent., or probably 90 per cent. of the present price of timber delivered at the ports; and if it is the desire of Parliament to keep up the present high rates of royalty, labour, and freight, adequate protection should be granted to the sawmiller. If our railways were owned privately and it was found that (as in the past has been the case) large quantities of timber were coming into the ports from outside centres and taking away freight from them, they would lower the freights to enable them to get the traffic. Parliament, however, has the power of keeping out foreign timber and still keeping the freight on the railways by imposing a higher duty, and in fairness to the sawmiller it should either impose this higher duty or lower the freight.

In another way also the sawmiller is treated unfairly—*i.e.*, in the question of income-tax. The manner in which the question of allowing depreciation has been treated by the Land and Income Tax Department bears very hardly on the sawmiller—harder perhaps than on any other trader or manufacturer, owing to the sawmiller's depreciation being so much larger than the ordinary trader's or manufacturer's. The Act as passed by the House gives power to the Commissioner for the time being to allow such depreciation as he deems just, but the Commissioner has taken the stand that, except for 5 per cent. depreciation on the half-value of the engine and boiler, he does not consider any depreciation comes under that head, and as the Act makes him his own judge his decision is final. Such a decision is absolutely unfair, as will be seen by the following concrete illustration: If a sawmiller wishes to start cutting he will, when he has secured his bush, purchase his machinery. If he erects the ordinary mill of this district, that may be put down at, say, £1,500, including a planer and the necessary belts, pulleys, &c.; add to that £500 for a log-hauler, and most people would think the main expenditure is over, but it is only a small part of the sawmiller's total expenditure. If he wishes to work economically he must arrange for a private siding, and the average cost would be quite £500. The erection of the plant would take perhaps £500 more, including the timber for the mill and the labour of erecting and supervising. He would then have to build houses for the men at a cost of at least £1,000, if he wished to make his men at all comfortable, for his married men would probably total six, and £120 would not build a very big house, while he would have to erect a cookhouse and sleeping-place for the single men. Then would come his trams. If his mill be situated at the siding his bush is probably some distance away, while if it is erected in the bush he will probably be some distance from the railway siding. In any case he would be lucky if he could get his mill ready to cut with an outlay of £1,000 for trams. This would mean a total outlay of as follows:—

	£
Plant	1,500
Hauler	500
Siding	500
Erection	500
Building	1,000
Trams	1,000
	£5,000

and this is probably under the average cost of the mills in this district. He then commences to cut, and if we assume he makes a profit of £1,000 per year before allowing for depreciation, and before allowing himself any salary, this will serve our purpose. He will, when sending in his income-tax return, first take off, say, £500 for depreciation, but he will probably be astonished to find that of this amount he will probably be allowed 5 per cent. on, say, £400 as half-value of engine and boiler—*i.e.*, £20. On the remainder, if he is in business as a private trader, he will pay 6d. in the pound or £12 per year. If, as is the case quite frequently now owing to its convenience in working, he is trading with others as a limited company, he will pay 1s. in the pound or £24 per year. We will now assume that this goes on for, say, eight years, when the bush is finished. He will then realise his assets, and how much will they fetch? The machinery may be worth £500 if it has been well looked after; the log-hauler is probably cast aside years ago, or, if in use, is probably worth a very small sum. The siding is worth the value of the rails if the railways care to allow this, and that would be worth, say, £20. The buildings and trams can be written off as valueless, and the total value would be about £600. Now, the depreciation at

this rate has been about £550 per annum, or a total depreciation of £4,600. And how much will the Department have allowed? A total of £160. In reply to any question the Department say they will allow anything actually finished with to be written off, but this will not help much, as none of the expenditure above-mentioned can be considered as useless until the mill is finished, and under this ruling the last year would be the only year to be allowed such reduction. This question has been brought up before, and to the ordinary member of the community is serious enough, but to the sawmiller it is really a penal tax. A simpler way out of the difficulty would be an amending clause to the Act giving persons and companies the right to claim depreciation as certified to by public accountants, not to exceed 10 per cent. The Legislature has recognised the existence of the accountants by an Act last session, and by requiring a declaration from a public accountant that so much depreciation has been allowed by him as fair and just, the Department could, by penalties involving loss of their status to any accountant making a false declaration or by being liable to a fine, completely safeguard the interests of the country.

3. *Mr. Jennings.*] I want to ask Mr. Wilson one question: Does this freight war exist in other parts of the world, especially in regard to timber?—Yes, certainly it does.

4. What is the position in regard to timber-freight in America as compared with our Dominion?—They carry out a different system there. I notice in the last paper containing the particulars the counsel for the railroads acknowledged that timber should be carried cheaper than the ordinary freights.

5. Are there not factors, such as handling?—Yes, all in favour of the sawmiller, because he handles his own stuff. They enforce demurrage on timber which they often do not insist on in the case of a farmer.

6. *Mr. Field.*] The Railway Department runs no risk in respect to possible damage to timber: they have not to cover it up?—No, it is not perishable.

7. With respect to the return of timber-trucks after the timber is discharged, I understood you to say that the trucks were reloadable with goods on their way back for more timber, whereas cattle-trucks were not reloadable?—Yes.

8. What you mean to say is that in the case of trucks carrying timber two loads can be carried—viz., timber from the sawmill to its place of destination, and goods from there back again?—Yes.

9. Then, in respect to cattle-trucks, nothing can be returned with them?—Yes, that is so.

10. *Mr. Morris.*] Have you ever known the Railway Department to allow a sawmiller to remove his siding after going out of business?—I have only been in the sawmilling business for a few years, and I do not know. I know that after five years we have no right to any compensation whatever.

11. *Mr. Barber.*] Are you engaged in the Railway Department?—No.

12. *Mr. Stallworthy.*] You based your calculation on a sheep weighing 100 lb., and valued them at 10s.?—Yes.

13. Is not that a low value?—I did not want to exaggerate it.

14. If you made it a higher value it would show a less percentage?—That would be against the timber. I am making out that the percentage of freight to value on the timber is higher than in other classes. The higher the value you put on a sheep, the less the percentage of freight to value in the case of stock would be.

15. *Hon. the Chairman.*] But you leave out altogether the fact that the sheep will walk off the truck, and you have to leave the timber for three days before unloading it?—They do not allow you longer than the regulation eight hours with us. I do not know what they do in other districts.

TAIHAPE, WEDNESDAY, 28TH APRIL, 1909.

GEORGE JOHNSTON NEILL sworn and examined. (No. 87.)

1. *Hon. the Chairman.*] What are you?—Representative of the sawmill-workers in Taumarunui.

2. Have you any information you desire to place before the Commission in regard to the timber industry?—I have been appointed by the timber-workers to lay their position before the Commission.

3. What timber-workers do you represent?—Piriaka, Matapuna, Manunui, Taumarunui, Waitangi, and Ongarue. Twelve months ago there were about 280-odd men working in the mills, and that number is reduced at the present time to about 150. Those are the regular employees. Outside of those there have always been a number of casuals. Those are the men who have a few acres of land, and who are carving out homes for themselves, putting in part of their time at their homes and getting a week or two's work from the mills, and that has been of great assistance to them. Well, that casual work is now a thing of the past. Four or five mills have closed down altogether, and it is rumoured that one of the largest in the district has verbally informed the men that they are to expect a reduction in the wages unless things materially improve.

4. Did you hear any one give that notice?—No, not as to a reduction in the wages, but as to a reduction in the hands, I have. I myself have been reduced. The bushes round Taumarunui are somewhat different from other places. There are small areas of bushes of two or three hundred acres, and we hold that, if the small mills are closed up, the men will be at the mercy of the larger mills, and as a natural consequence reduction must follow. A few years ago there was plenty of work, and not too many employees perhaps; but now, since so many mills have closed down, there seems to be too many men. At the present time about Taumarunui we have any-

thing from three to four hundred men out of work in the district. If the mills were to resume cutting we think we should reap considerably. The sawmills pay more in wages per pound of capital invested than any other industry in the colony.

5. *Mr. Jennings.*] Is there a Sawmill-workers' Union in your district?—No, not a registered union. They call meetings occasionally. They have recently had one or two public meetings, called by advertisement.

6. Does the Arbitration Court award apply to the men in your district?—Yes.

7. Were they represented before any proceedings that took place in connection with the award for sawmill employees?—I do not think so—not to my knowledge.

8. Then, how do you account for the number of men being out of employ now: what is the cause of it?—Owing to the mills closing down for want of orders.

9. How did that come about, in your opinion?—Well, we feel that it is partly owing to the depression, but aggravated by the importation of Oregon pine.

10. And in connection with Oregon pine, what do the men in your district propose, or what do you suggest?—They think it should be treated as other articles of commerce. For instance, the duty on boots and many other colonial manufactures is considerable, and the workers in the timber industry claim that they should have the same protection as other industries.

11. Are you engaged in the sawmilling industry yourself?—Yes.

12. What phase of it?—I have been in the yard and on the tram-line for the Taumarunui Sawmilling Company.

13. You say a statement has been made that the men are to be reduced in wages?—At one mill. I do not think there is any question that it is going to take place. As a matter of fact, at one mill that has been paying one class of labour 9s. a day some of the men have been knocked off for a few days or a week, and other men have been put on in their places at 8s. a day.

14. And do the men in your district suggest in any way that there should be an increase of duty on Oregon pine, or on any other foreign timbers?—They think that they should be protected the same as other branches of trade are.

15. But to what extent?—Two shillings a hundred extra on the present prices. So long as they get protection they do not wish or feel competent to say what amount should be placed on it so long as it protects them.

16. Have the men on any occasion to your knowledge taken into consideration the rates that are charged by the railway in regard to freights, or the royalties charged by the Government?—Yes.

17. And what is the opinion of the men in regard to that?—The railway freights are too high and the royalties are too high. They think that the royalties in the smaller areas of bush should be abolished. There are one or two bushes of two or three hundred acres, and if there is not a small mill put in and the timber cut, the march of settlement will bring it to the ground and it will be burnt and lost.

18. As you appear on behalf of the men, what is the general effect so far as the increase of wages is concerned on the retarding of building operations?—We do not think it affects the building trade at all. We do not think it stops buildings in any shape or form.

19. Have you any knowledge as to what the increase has meant, say, on 100 ft. of timber? Take a period of ten years, what the wages were then and what the increase has meant, say, on 100 ft. of timber?—No, I could not give you that.

20. But in your opinion it is not one of the causes that has retarded building operations?—No, we do not consider it has at all.

21. Have you any knowledge of the size of the timber areas held in your district: are they large or small?—Two or three are only two or three hundred acres. There are two others which are fairly large, but I could not state the area.

22. You touched on the question of the smaller sawmiller. If a man has 300 acres to cut out, naturally he will put in a mill running side by side with the larger sawmiller; but if, on the other hand, he has a big area of land like Puponga, he will put in a bigger mill?—Yes. We have an instance of Mr. Ryan having cut out his small area, and his mill was being shifted to another area, but owing to the state of the market it has not been shifted. Owing to the stringency of the trade the mill has not been shifted, and it has closed down altogether.

23. And if there had been an increase of business probably it would not have been closed down?—It was packed up ready to be shifted.

24. Have you any knowledge of the destruction of bush by accidental fires in your district?—I know they have had considerable trouble in protecting the bush from fire last summer.

25. As you appear in a representative capacity, I should like to get an expression of opinion from you in regard to the question of the conservation of the bush. What would be the effect generally on settlement if that were followed to the conclusion that some people would like it done?—It would stop settlement, and a fire is bound to occur. The settlers are bound to farm their land, and they must put a fire into the bush, and, no matter what restrictions you put on, you cannot restrict fire by law.

26. Then, in your opinion, it is better to have that timber cut and put the settlers on the land than to run the risk of fire by conserving?—It is far better for the whole colony.

27. *Mr. Field.*] How long have you been in that district?—About four years.

28. Have you had a long experience of working in sawmills?—No, not very long—just a year or two.

29. I suppose the men recognise that the sawmillers are not having a very good time just now?—Yes, they do.

30. And, being a fair-minded body of men, they agree that if a reduction of wages takes place it will probably be a necessary reduction in order to enable the sawmiller to live?—Yes, they have come to that conclusion.

31. Would they be prepared to voluntarily offer to take a reduction of wages from the miller while the bad times last?—They have not done that so far.

32. I understand it has been done in the case of one mill up here?—Yes.

33. You spoke of the probable effect of the continuation of the present sawmilling trouble, that the bush would be burnt, and so forth. A number of men are at present out of employment, and a number more would be out of employment as a result of the closing-up of the mills?—Yes.

34. Would the men with the smaller capital go under and be forced to sell their properties to the men with the large amount of capital, who were prepared to wait for better times? Would it tend to create a monopoly in the sawmilling business?—That is the feeling that the men have. We feel that the more markets there are for us to sell our labour in the better it is for us.

35. And you would like to see the small millers mill profitably?—Yes, because they have a tendency to keep up the wages.

36. Then, you do think that the effect of a continuation of the present depression would be the closing-up of the small mills and the mopping-up of them by the large millers?—Undoubtedly.

37. Do you know anything about the question of importing large lengths? We are told it is necessary to have Oregon pine in this country for the purpose of furnishing long or large lengths which cannot be supplied in rimu?—It is practically all totara in our district, and from that point of view the men have not gone into it.

38. You cannot talk about rimu?—No.

39. Have you any information as to how the Oregon pine which comes here is regarded—whether it is a good timber or an inferior timber?—No, I could not say authoritatively.

40. Now, you are probably aware that the millers have offered the Government to mill at prices to be fixed by the Government?—Yes.

41. Do you think that is a fair offer to make?—I think that is a liberal offer to make—exceptionally so.

42. Do you see any difficulty in the way of carrying out that proposal in view of the fact that the sawmillers' associations at the present time fix the prices of the various districts? Do you see any reason why it should not be done by some other tribunal?—Considering that they have agreed to mill at Government prices, I think it is a very liberal offer to make. Of course, I should think that it is only the state of the market that has forced them to make it. Some men say there cannot be much in sawmilling, and they all seem to say the same thing that the managers and owners are not making anything, and in our particular district there is always a mill apparently in financial difficulties. They are either reconstructing or closing down.

43. It has been suggested that we should treat timber very much as we treat wheat and flour?—Yes.

44. That is to say, when the prices rise to a certain height in this country the duty on the foreign product should come off?—Yes.

45. Do you think that might be made to apply to timber?—Yes, it would prohibit the millers from raising the price at any time there was a scarcity of timber.

46. Speaking generally, has there been harmony and cordiality existing between the men and the millers during the time you have been there?—Yes, there has been no trouble.

47. *Mr. Leyland.*] You said that in the case of one mill notice had been given of a reduction in wages?—Not authoritatively, but we are getting more than the award provides for.

48. Are you working under the Auckland Sawmillers' award?—Yes.

49. Then, that award does not expire till October, 1910?—But we are getting more, and they can reduce us to the award.

50. But they cannot reduce the wages below the award?—No.

51. If they gave you more than the award when good times were existing, you could hardly blame them for coming down to the award when bad times come?—That is human nature.

52. And it is only fair play?—Yes, it is fair play.

53. Does your union know you are representing them here to-day?—We have no registered union in Taumaranui.

54. But you must belong to the union?—I think you would have a hard job to find a unionist about our district.

55. *Mr. Clarke.*] With reference to your comparison of the duty on timber and boots, I think you said the duty on timber should be treated the same as boots?—I simply quoted boots as an example. There are a number of other lines besides boots which are protected.

56. Are boots not a completely manufactured article and classed as practically a raw material? Would it not be more correct to class it as leather and not as boots? The labour is all expended when the boots arrive here?—If there is a mill or bush in the district with an area of timber, and if it is not cut and put into commerce, a fire will come along and burn it down, and what is the loss to the colony?

57. I ask you the question whether it is fair to compare a natural product with a manufactured article in the matter of duty?—Is a boot an article of commerce?

58. Is it a manufactured article or a natural product?—But outside that it is a question of protection. You do not allow boots to come in except with a large duty, and not only boots, but clothing. Take the bushmen's tools, for instance; I do not suppose there is any other calling in which they have less protection than from the point of view of the employees. In all other trades the tools come in free, and in our case the appliances bear a duty of from 20 to 25 per cent. and upwards.

59. I think you said you do not think the increase in the price of timber and the increase in the rate of wages had any effect on the general buildings in the direction of stopping building. Would it have no effect at all in that way?—We think the amount involved is so small that it would have no material effect.

60. Now, with regard to the small mills that have been mentioned, do you suggest that special taxation in the form of extra rates should be imposed to provide for a 300-acre mill—that is to say, that the whole country should pay more for its timber because a man is working on a small area with insufficient capital and cannot make a living?—No; we do not look at it in that way at all. We say that in areas like that the Government should not take the royalties. They should encourage the miller to go in and cut the timber.

61. But not that that should be a reason for increasing the duty on foreign timber?—We say the Government should increase the desire to go into these isolated places. The cost of the haulage is greater, and it would not pay to expend a lot of capital to bring the logs out of the bush, and this timber will either be cut for settlement and burned, or cut by the sawmillers.

62. *Mr. Morris.*] As the representative of a number of men engaged in the timber trade, have you any ideas about manufacturing our own sleepers in this country for our own railways instead of sending a tremendous amount of money out of the country?—So far as the sleepers are concerned, we have any amount of totara.

63. But can you not get money enough for them?—We cannot get the orders. The sleepers are there for the getting and squaring, but we cannot get orders for them.

64. We had evidence here yesterday about the Powellising process: have you heard of it?—No.

65. Should we not endeavour to use the very large amount of timber we have in this country fit for that purpose instead of sending the money out of the colony to buy timber elsewhere?—Yes, certainly.

66. Do you think it would be good economy to keep the money here and employ our own people?—Yes.

67. In regard to the question of encouraging the small millers, you mentioned the fact of the big millers swamping them. Have you had much experience of sawmill life?—A year or two.

68. My experience is that the small miller cannot be swamped by the larger miller, that they can work cheaper than the big millers for a time?—You look at it from a different standpoint. What I said was that if the small mills are allowed to close down and the large millers have the monopoly, the first thing that will take place will be that the men will suffer in regard to their wages, and we wish to protect ourselves before that takes place if we can.

69. By putting a prohibitive duty on Oregon pine?—Yes.

70. *Mr. Stallworthy.*] At what mills have you worked?—The Taumarunui Sawmilling Company, and I was for a short time with the Tarangamutu Company.

71. What is the actual time you have worked at a mill?—Nearly two years.

72. You are not working at the mills now?—I was, up to a week or two ago—within this last month.

73. And taking the whole time you have worked at the mills, what is the length of time?—That is my actual time. It is about two years since I went to the Taumarunui Sawmilling Company.

74. You were appointed to represent the workers?—At a public meeting.

75. Where was it held?—At the Taumarunui Town Hall.

76. And how many were there?—About 140, I should say.

77. Are you representing the Taumarunui workers?—No.

78. Have you met the secretary of the union?—No.

79. Do you not know he has made several visits to that district?—No.

80. Do you not know that many men have been sent to the mills for employment on an application of the millers there?—No.

81. Are you not aware that there are many union men in the mills which you have mentioned this morning?—I do not know a union man, and I have asked several.

82. You told us that there were 280 men employed in the eight mills there eighteen months ago, and now the number is down to 150?—Yes.

83. And also that there were three of four hundred men out of employment. Did you refer to the millers?—No.

84. And how many mill-workers are there out of work?—There are so many that have left the district that I could not say. A number of mills have closed down, and reductions have taken place. There is less than half the number employed now that there was twelve months ago.

85. Are they out of work?—A great number of them are endeavouring to obtain employment in other channels.

86. When you said there was not a registered union in your district you could not call that correct, because there is a union in the Auckland District which you are in?—It may be so, but I say we do not know of any union. There have been some public meetings, and I should say that if there is a meeting to be called for the good of the workers the union would take it up, but I do not know of any communication having been made with the workers of the unions outside the Taumarunui district till recently.

87. But there must be a registered union, seeing there is an award?—As far as the workers are concerned, we do not recognise any union. I do not know of any one at the Taumarunui sawmill, and I have never heard of a union being discussed. It is generally supposed there is a representative of the union at each mill.

88. Will you name that mill at which you say verbal notice has been given?—I said I could not speak authoritatively.

89. You said it has been rumoured that at one centre the wages are to be reduced?—Yes.

90. Will you name that mill?—It would not be fair to mention the name. I said it was rumoured, and we know coming events cast their shadows before them.

91. Then you had no right to mention it?—I think I had, speaking generally.

92. Do you wish us to place any value on that statement?—Yes, I think so, so far as the results of the trade are concerned. Take the mill that I have been at: the reduction there now is considerably less than half.

93. I am talking about the reduction in wages. You have stated in answer to one question that the men have come to the conclusion that if a reduction is made it will be because it is necessary on account of the trade, and they will agree to it. Do you state that on the authority of the men you represent?—I did not say so. I do not think Mr. Field asked me any such question. I take it that Mr. Field was referring to the fact that the millers have been paying us 1s. and 1s. 6d. above the award rate, and that the millers are bound to come down to the award rate. We feel that they have a right to come down, and we cannot go against them. There is the award of the timber-workers, and we are quite willing to abide by it.

94. What is the award?—It varies.

95. But is there not a minimum wage?—Yes.

96. And you think the men will always agree to work for the minimum wage?—If there are a number of men out of work, as there are at present, they will have no option. If there is a vacancy and there is only one man applying for that vacancy he has a chance of getting a better wage than if a hundred men were after it.

97. *Mr. Mander.*] Do you not think it is a more sensible thing for the working-man to meet the employer in a case such as this rather than be thrown out of employment altogether? Do you not think it is a wiser thing for a man to submit to a reduction of wages and have regular employment rather than be thrown out of employment altogether?—I personally think so, but if you get a hundred men together you cannot always get them to think the same.

98. But if you went to the Arbitration Court would you get under the present circumstances the rate of wages that has been paid by the millers in the past?—No, we could not get it when things were better.

99. Then, seeing there is a depression on, do you think it would be a more sensible thing for the men to agree to come down to the award rate rather than to say, "We won't accept any reduction"?—Yes, it is better than closing the mills.

100. Is it not a fact that the millers have treated the men fairly, taking into consideration the cost of the timber? Do you not think it would be a fair thing on the part of the men to say, "We will take a reduction, seeing there is a depression, on condition that you raise the wages again when the depression is over"?—Yes.

101. And do you not think it would be a fair thing for the Government to protect the labourers of this country by preventing any commodity coming in that can be produced in this country to cut them out of their employment?—That is what we are asking for.

102. Do you not think it is a fair proposition that every commodity that can be manufactured in the country should be protected, and commodities that cannot be manufactured here should be let in as easy as possible?—Yes, that is so.

103. *Hon. the Chairman.*] You made the assertion that all the articles that the workers use in your trade are subject to a duty of 25 per cent.: is that a fact?—The majority of things used by bushmen are subject to a duty, yes.

104. But you mentioned 25 per cent. or over?—Yes, in many instances over.

105. And none under?—At the present moment I cannot think of anything under.

106. What is the duty on saws?—Axes and wedges are our principal tools. We also use saws.

107. Do you import the wedges too?—Yes.

108. What is the duty on them?—It runs about 25 per cent.

109. And what is the duty on axes?—I think, from 15 to 20 per cent.

110. It would look from your statement that you are penalised more than the workers in other trades?—There are some trades in which the tools come in free. For instance, carpenters' tools come in on a 5-per-cent. duty.

111. With regard to totara sleepers, does the Government take any of them now?—They take some.

112. And use them?—Yes.

113. And what do they pay for them?—About 3s. 9d. or 4s.

114. Are they sawn sleepers or squared?—Squared.

115. Are there many men working at that business?—When the orders are about, there are a number of camps.

116. They do not advertise for sleepers?—The orders for the sleepers are allotted at the beginning of the year to different individuals.

117. How are they allotted: are they given to a number of workers or to one contractor?—To a contractor, who gives so much for splitting and so much for squaring.

118. How much does the contractor pay them?—He generally makes a profit—anything from 9d. upwards.

119. Do you not think that 9d. is a good profit on a sleeper?—He may have carting to do after that. He has teams.

120. You never did any work at sleepers yourself?—No.

121. What wages do the workers make out of sleeper-splitting?—Generally speaking, they make fair wages.

122. How much, do you think?—About 10s. a day.

123. They work more than eight hours?—Yes, on piecework. They work generally from daylight to dark.

124. So it is not perhaps such high wages per hour after all?—No, that may be so.

HARRY LUNDIUS, Crown Lands Ranger, Wanganui, sworn and examined. (No. 88.)

1. *Hon. the Chairman.*] We wish you to give us some information about this timber business?—I am afraid I cannot give you much information about milling, because I have very little to do with it.

2. You know on what terms they are working?—I will tell you how much I know. There are not any milling leases at the present time under the Wellington Land Board. Only one mill has been working in the bush here on Crown lands.

3. What class of land are the others on?—On freehold land, leasehold land, and Native land.

4. There is only one mill working on royalties in this district?—It has ceased now. It closed down about a month ago. The Land Board has not offered any timber land lately.

5. Have you any idea how much timber they have here?—In the Waimarino district? My figures are only approximate. There are 60,000 acres of milling-bush, and of Native and privately owned lands I estimate there are 135,200 acres. In private lands I include lands leased from the Crown to Europeans under lease in perpetuity and occupation with right of purchase.

6. You mean land that the Crown has parted with to tenants?—Yes, and it is included in the 135,200 acres.

7. Could you separate these?—I could let you have that information in Wellington if you sit there. It would take some time to work out.

8. How much do you allow under one lease when it is let here?—I am a member of the Aotea Native Land Board, and we have put through a good many timber leases in Raetihi district. Gamman and Co. have got nearly 4,000 acres.

9. Did you let that in one block to one man?—Yes, one firm has got that.

10. What is your estimate of the quantity of timber per acre in that bush?—Taking the whole of the block I should say that the average would be about 20,000 ft. to the acre on 4,000 acres.

11. And you let that to one sawmiller?—Yes.

12. Is there any limit under any Native Act with regard to the disposal of bush land in that way?—I do not think there is.

13. If the Natives wish they can give the whole of the milling-timber on the Island to one man?—I understand our Board was appointed to safeguard the Natives.

14. Do you think you were safeguarding the Natives when you gave 4,000 acres to one man?—There were special circumstances attached to it, and we could not help ourselves.

15. Will you detail the circumstances, please?—It is rather ancient history. A number of years ago Messrs. Gammon and Co. entered into an agreement with the Natives for the purchase of these timbers for the whole of these blocks at a very low royalty. That was before the railway was completed and before there were any roads. At that time the timber was practically valueless owing to the want of access. I forget the royalty, but I think it was something like 3d. or 6d. per hundred, which is ridiculously low. I understand they secured a good many signatures from the Natives for the lease of these blocks. Since then these blocks became vested in the Land Board, and they came to us and asked to have the leases confirmed under the Act, I think, of last session. We were in a position, by refusing, of being cited before the Supreme Court.

16. Why did you not get advice on that matter with the view of discovering whether they had a case against you?—We could not settle how the Court might decide it.

17. In the first instance, when you looked at this 4,000 acres to be let to one company, with 18,000 ft. of timber per acre, you surely thought it was too large an area to give to one man?—That is exactly the way I felt myself personally, but the President seemed to be of opinion that it would be wiser to compromise.

18. Who is your President?—Mr. T. W. Fisher, Under-Secretary for Native Affairs. I may say personally I was not in favour of it. It was pointed out to me that it would be the safest thing to do, to let them have it at a fairly reasonable rental in the way of royalty.

19. Do you know what the royalty is?—Some blocks pay £5 and some £7 10s. per acre.

20. Then it is more like a sale?—It is a cutting-right.

21. But it is at per acre, not so much per tree?—That is so—so much per acre.

22. *Mr. Jennings.*] You are Crown Lands Ranger?—Yes.

23. And you occupy a position on the Maori Land Board?—Yes.

24. Are there any other Rangers in the Dominion who occupy a dual position?—I could not say. I hope, for their sake, there are not any.

25. As there is no limit to the area of timber land that a person may acquire from the Natives for sawmilling purposes, does the same principle apply in respect to pastoral lands acquired from the Maoris: are pastoral lands also unlimited?—Oh, no! Only 2,000 acres. They have to make a declaration when they come to our Board for a lease. I think it is 3,000 acres limit.

26. Are there any other cases of such large areas being held?—It is the only one so far as my Board is concerned.

27. So far as the royalties are concerned, are they paid in most cases to the Government and to the Maoris?—It all depends. So far as Gamman and Co. are concerned, the royalties are paid to our Board, and then we pay the money over to the Maoris *pro rata* according to the shares they hold. If the Natives and Europeans come to us and ask for confirmation of a lease or cutting-right on a block of land owned by the Natives themselves, then the sawmiller has to pay the Natives direct, and in that case we only see that the terms are correct consistent with the rights of the Natives.

28. When were you appointed?—I was appointed in 1891 as a Ranger.

29. How do you arrive at the amount of timber per acre?—I measure off an acre here and there, I then count and measure the trees on that acre, then I strike an average of the areas appraised.

30. You have not been over every portion of the district personally?—No, that would be impossible. It would take years.

31. It has been said here that the estimates of timber are very inaccurate and unreliable. Your estimate may be like that of the American timber rangers. It was found on investigation years afterwards, where it was said they had so much timber, that the estimate was short by many trillions of feet?—We are not out to that extent. If I find a valuable bush, comprising chiefly totara, then every tree is counted. I have a piece here now of 135 acres where that was done.

32. Is Mr. Ammunson associated with you?—He is in the Wellington Land District like myself.

33. Do you remember applications being made by workmen to take up timber land here, and also for the purpose of making homes?—I had to go and make inquiries amongst the workers.

34. Have you any idea how many of these men have taken up homes?—Not one, as far as I know.

35. For what reason?—I cannot tell you.

36. Have you any idea what area was offered to these men?—I could not say. I do not even know what blocks, if any, were offered.

37. You made a report?—Yes, regarding the men themselves.

38. Who had to deal with that report?—Of course, I got my instructions from the Commissioner of Crown Lands, and I forwarded my report to him. He, I presume, sent it on to the Under-Secretary of Lands, who would report to the Minister.

39. With reference to the accidental destruction of bush lands by fire, have you any idea of the area that has been destroyed?—I cannot tell you the areas. There have been cases where fires got into the bush in several places in the Waimarino district. They did not do any great damage, although some damage was done.

40. In reference to the settlers who have taken up these lands where bush is still there, do you know if there are many of them holding land for speculative purposes—that is, not dealing with the land at all and not improving it?—We know in a good many cases round about Raetihi that they are holding back certain areas, but we are taking very good care to see that they comply with the conditions of the Land Act.

41. If they want to acquire that land with good timber on it, and there is no means of getting that timber out to the market, what do you suggest could be done in regard to these settlers? Would you deprive them of their rights, or would you have the timber absolutely wasted and destroyed by cutting it and burning it?—I think it is a great mistake to throw open any land for settlement purposes that is fit for milling. In the Waimarino district the first time I came round I found a good many people holding timber sections, and in every case I recommended the Board to hold these sections back until the timber was cut off them. Here is a block of land shown on this map which was cut up under farm-homestead-association conditions into 200-acre sections, and there is only one occupier who has improved his property. All the rest surrendered. I recommended that this block should be held back for sawmilling, and it was done. Here are four or five other sections which are being held back for milling. All this block here is also held back for milling. In the Gladstone Block, back here, there are about half a dozen settlers who have improved their sections, and the Government have paid these settlers for their improvements, and resumed the sections for milling. There is very good milling-timber in this block.

42. With regard to those men who threw up their sections, if they had remained on their lands and felled the timber it would have been wasted?—Certainly.

43. I want to push on settlement in this district. If these reservations are going to be continually made it will retard the progress of the district in my opinion. Can you suggest to this Commission anything whereby these small areas that have been reserved can be given to the people who are wishful to take them up and dispose of the trees to the sawmillers?—A certain percentage of the royalty should go back to the Crown. At the same time I think it would be an awful pity for the Crown to throw open these blocks of land, with valuable timber on them, and get no revenue from the timber.

44. I want to protect the man who is going on there?—Of course, you could load the land with the timber, and the settler would have to pay cash for it.

45. What is the average price paid to the Crown by way of royalty?—There is only one case here near Raetihi. The royalties were there 3s. 6d. for totara, 2s. for matai, 1s. for rimu, and 6d. for white-pine.

46. What royalties are paid to the Maori?—They receive generally so-much per acre. We got £10 per acre for this piece here, although we did not ask for that, as the sawmiller volunteered to give it to us. We got £10 an acre for all these Native lands. They contain very little totara.

47. Are there many cases where they have paid more than £10 per acre?—No, they have not got beyond that yet.

48. Do you think the sawmiller should precede settlement?—I think it would be better.

49. If that view was held generally, you are met with this aspect of the case: Settlement will not go on if those lands are to be reserved for a greater period of time for the sawmiller. That is the dilemma we are in?—Settlement might be put back for a few years, but the land would still be there. The country up here is very wet and cold, and the soil is not of the best; it is very light, and there is a magnificent forest growing on it. When the forest is removed I think the Government should replant it. There are magnificent trees growing on a foot of soil.

50. What is your experience generally of the land after the timber is taken off: does it take grass fairly well, taking the district as a whole?—The high country here will not hold grass. It seems to run out.

51. Have you any knowledge as to how the grass has taken on the pumice lands farther along?—It has taken fairly well down there, where it is a warmer climate. The frosts at Raetihi seem to lift the grass out by the roots.

52. Have you many public reserves in the district under your supervision?—Yes, there are a good many public reserves, both scenic and forest. They vary from 100 acres up to 3,000 acres. In nearly every block certain areas are set aside as forest reserves.

53. *Mr. Field.*] Do you think the royalties charged by the Government too high?—I do not think they are too high. They are fair to the miller and fair to the Crown.

54. Do you know the highest price put on timber, per acre, by the Government in the Waimarino district or in the Raetihi district?—We have not sold any areas in this district, and I do not think we have been asked for a price. Here is a block of land in the Awarua Block, which has been open for selection since 1905. The reason why it was not taken up was owing to the want of a bridge over the Rangitikei River.

55. I notice that in some cases the royalty is 4s., and in other cases 3s. Do you not think that is high?—Yes. Of course, if it was not for the Rangitikei River that timber would have gone off at these royalties.

56. Those prices are estimated on the sawn output of the log?—We generally measure the trees and deduct from 15 to 20 per cent. for waste. That would cover the waste, I think.

57. Somebody told me that the Government had put as much as £20 per acre on the timber lands up there?—That is very likely.

58. For the timber alone?—I think some of it is well worth £20 per acre.

59. In the best of that timber country, how many feet are there to the acre?—There may be as much as thirty or forty thousand, perhaps fifty thousand in some isolated cases.

60. In reference to the estimated quantity of timber, Mr. Jennings referred to mistakes made in America?—We are very careful in obtaining accurate data. I think if you were to ask the sawmillers they would tell you that if there was a mistake at all it was the other way about.

61. In any case you estimate is only an approximate one?—Only approximate.

62. You were out with us yesterday?—Yes.

63. Do you admit what you saw yesterday was disastrous to maiden bush—I refer to the fire that had gone through a large area of bush?—If it had not been for the borer it would not have been disastrous.

64. How many acres do you consider the fire went through in the area we saw yesterday?—About five or six hundred acres.

65. You yourself saw timber recently cut from the bush, and the borer attacked it soon after the fire?—Yes.

66. Seeing that the borer follows so rapidly after a fire, what inference would you draw?—I should say that bush in that position would be far better opened for settlement.

67. I suppose you would also draw the deduction that sawmillers holding this class of bush are running risks?—That applies to any business. You must accept certain risks. There is one thing: these fires only take place every ten years on the average.

68. Do you see any difficulty in preserving the State forests in selected localities?—Not if reasonable safeguards are exercised in the way of fencing, in keeping cattle out, and so on.

69. Are you a member of the Maori Land Boad?—Yes.

70. Do you know of any case where the Board insisted on the miller paying more royalty than the Natives agreed to receive?—I think there were one or two cases where we knew that there was more bush than that represented by the royalty offered.

71. How did you arrive at that?—I have got a fairly good local knowledge.

72. As a rule, have these leases resulted favourably to the miller: have they been able to carry on and pay royalties?—I have not had an opportunity of seeing the results, because they are recent transactions.

73. *Mr. Leyland.*] Are there any open lands suitable for settlement in your district not yet taken up?—No. All our open lands are tussock land, very poor, and not fit for settlement.

74. What percentage do you allow for waste when estimating totara?—From 15 to 20 per cent. for waste.

75. You told us that you had no experience in sawmilling?—No, I have no experience.

76. I think you are unfortunate in that, since I do not think there is any timber milled in the colony more wasteful than totara. You cannot tell how many logs are hollow; there is a large proportion kaikaka'd, and it is shaky, too. Seeing that the royalty is from 3s. to 4s., would it not be fair to charge royalty on the sawn output of the mill?—I think so in totara.

77. There is more waste than 15 per cent. in converting a tree if it was as solid as a cheese, in sawdust alone?—As I said before, I only had one case, and they paid from the bench.

78. Two shillings for matai is too much. There is sap in the matai?—Very little.

79. With reference to your approximate estimates, you may have overestimated?—Yes, that may possibly be so.

80. We have just cut out a sawmill area which we contended was overestimated. We paid 6d. royalty, and we found it was overestimated by 25 per cent. The royalty on the log-measurement costs us 7½d. instead of 6d. Do you not think that is a reason why the sawn measurement should be fixed as a basis?—It would be more accurate.

81. Seeing that it is the custom that obtains in some parts of the Dominion, do you not think that it should be made universal, and thus put all millers on the same basis?—Of course, there may be circumstances that would make a difference. It would be better if it were possible.

82. *Mr. Clarke.*] Do you not think, if royalty were paid on the sawn output instead of on the log, that it would induce a tendency towards waste? Would the miller not be very careless

if he had only to pay on what he measured up?—We always go round and see that there is no waste. If we see that he is leaving too high stumps or too much of the top of the tree we tell him that his license will be cancelled if waste is continued.

83. It has been repeatedly stated and inferred in questions that it is impossible to prevent the destruction of bush reservations sooner or later by fire. Do you hold that opinion?—I think we should give the reserves every chance. If fire comes along you cannot help it.

84. In Europe, for example, the growing of timber for future use has become a great industry. Naturally the growing timber must be preserved in some way. Then, if they can preserve timber in Europe why are we not able to do it here?—It would be rather expensive here. They keep a staff of men doing nothing else. We cannot even keep the cattle out of our reserves here.

85. It is not impossible to do it?—If the Government were to appoint sufficient men to look after such matters it could be done. The risk could be greatly minimised.

86. *Mr. Morris.*] Do you think that 4,000 acres of bush land is too much for a mill such as Mr. Gamman put up?—Yes, I think it is.

87. How long do you estimate that it will last that mill?—If Mr. Gamman put in another plant it would not last very long. It will last ten or fifteen years.

88. I have figured it out, and I make it nine years?—I think it would be far better for the Dominion as a whole if there were similar areas for each miller as a whole, of, say, one or two thousand acres.

89. Can you tell us how millers can be expected to sell timber cheap if they have 2s., 3s., and 4s. royalty to pay per hundred feet?—I do not know much about sawmilling.

90. It is certainly not consistent with cheap timber for the miller to have to pay such exorbitant prices?—The sawmillers offered these royalties themselves. We did not ask for them. They came to our Board and offered £10 an acre.

91. You had nothing to do with fixing the price?—No, the millers fixed it themselves, and we are in the position of trustee for the Natives over these blocks, and as trustees we could not go any say to them: you are offering too much.

92. It appears to me that this is an exorbitant price to place on timber, particularly when people consider they are paying too much for timber?—We are getting it, and that is the main point.

93. The Dominion is reaping the benefit out of the pockets of the people indirectly?—The Natives are reaping the benefit.

94. What do you think about small sawmillers: do you think they should be encouraged?—Yes, I think they should. I think small sawmillers are good.

95. Do you think there is any possible chance of the big sawmillers swamping them or smothering them in any shape or form?—I do not think so.

96. The small man can work cheaper than the big man?—Yes, I think so.

97. You are aware that the land in question was sold for £1 an acre some fifteen years ago?—I do not know what was paid for it. Part of the same block was sold to the Crown, but I cannot say what the price was.

Hon. the Chairman: Perhaps if you had been there at that time, Mr. Morris, you might not have bought it.

Mr. Morris: I agree with you. I have every sympathy with those people who went in there at that time.

98. *Mr. Ell* (to witness).] With regard to these high royalties that sawmillers have been paying to the Natives, they paid, I suppose, because they thought they would get it out of the public again all right?—I presume they expected to make a bit of profit.

99. So that the high royalties are self-imposed?—Yes.

100. There is no blame attached to the Government in the matter of these Native royalties?—No blame whatever.

101. Do you or the Department fix the royalties?—Generally Mr. Ammunson and I. Whoever is sent round to value the land fixes the royalties. Of course, our reports are all submitted to the Land Boards and finally settled by them. If they do not approve they alter them.

102. With regard to the settlement of land covered with valuable timber, do you think it should be used by the settler immediately, or do you think it should be reserved for the sawmiller, even though it may retard settlement in that way for five or ten years?—It could be disposed of to the settler loaded with the timber. I do not see how the Crown can lose valuable timber. The Crown should get value for the timber. The settler could pay royalty for the timber in cash, or if he sold the timber to a sawmiller he could refund the royalty to the Crown.

103. Do you know of any land in the district under your control containing timber of value that was recently disposed of to settlers?—No, not now.

104. There is no land at present being disposed of to settlers containing milling-timber?—It is all being held back. We have very strong instructions on that point.

105. I am very glad to hear it.

106. We have it on evidence that timber imported for furniture purposes costs £4 to £5 per hundred feet, whilst New Zealand timber, equally useful, can be had at 13s. 6d. per hundred feet, landed in Christchurch. In view of the high price of the imported article would it not be prudent on the part of the Government and in the interests of the people to make reserves of New Zealand timber for furniture purposes?—I suppose, looking at it from a broad point of view, it would be in the interests of the people and the country. I think so, decidedly.

107. Seeing that the Forest Department reports that the trees which have been planted will not mature for about forty years, in the face of that do you not think it desirable that we should make sufficient reservations to supply the needs of our own industry until such time as those trees have matured?—Most certainly we should.

108. Forest areas can be reserved with reasonable safeguards?—I think so. Of course, there is always a certain amount of risk. I think if proper safeguards are provided the risks would be very small.

109. You are speaking now of a good many years' experience?—About eighteen years' experience. Unfortunately I have not been able to exercise many safeguards.

110. How many Rangers have you got in this district?—At present there are four Crown Lands Rangers in Wellington District and one timber expert. When I came up here first in 1891 there were only two of us.

111. You do not think that the staff, considering the valuable reserves to be protected, is large enough?—Not by a long way. You saw the position yesterday morning.

112. Seeing the valuable interests the people have in the timbers of this district, do you think it would be desirable to have one or more Rangers appointed to assist in protecting the forests?—Yes, I think it would be.

113. Are you aware that one of the Government plantations in the South was partly destroyed by fire a few years ago?—I cannot say that I heard of that.

114. As a matter of fact it was so. Do you think it reasonable that the Government should cease planting because they met with one accident?—Certainly not. They should go on planting.

115. So also an occasional accident in our New Zealand forests is not a sufficient reason for stripping our lands and putting the timber through the mill?—I agree with you.

116. *Mr. Arnold.*] You spoke about poor land with very little soil, and that after the grass was planted the frost brought it all up. You recommended that it should be replanted with trees?—Yes.

117. Where is this land?—It is nearly all here, and you will be passing through it on your way north.

118. About how many acres are there?—There are thousands of acres.

119. Have you any idea of the class of trees that should be planted?—I could not say. We have not done any planting. I should say that Baltic pine would do very well here. It comes to maturity fairly early—that is, in about thirty years.

120. Would you recommend quick-growing trees. Would you recommend the planting of any New Zealand timbers?—I do not think so. Our timbers are slow growers, and they would not pay to plant.

121. Have you considered the advisability of the Government giving to the farmers two or three hundred trees for planting purposes, and whether such a scheme would be beneficial to the Dominion?—It would, no doubt, be a good thing if the farmers would plant the trees and look after them, but the average farmer will not do that.

122. You think that in the matter of replanting or afforestation a bigger scheme than that must be entered into to be of any utility?—I think so. We have some pastoral runs along the coast here between Waitotara and Manawatu. These leases fell in last year, and in the new leases there is a clause inserted encouraging the settlers or lessees to plant marram-grass and trees. They get a bonus for planting. I think the same thing might apply in connection with afforestation. Any settler who planted so-many acres of trees should get a grant of land or a bonus.

123. Would you recommend the planting of trees in fairly decent country?—I consider we have got quite a sufficient area of poor land. I am speaking only of my own district, where we have got a sufficient area to satisfy all demands.

124. *Mr. Stallworthy.*] In the case of royalties at 6d. are the areas then put up to tender?—Yes, in those cases the royalties are fixed, and those were put up for auction, and in addition to that they have to pay for the privilege of cutting.

125. What is the general royalty received—about 6d.?—It depends on the price of the timber. Rimu and white-pine are 6d. to 1s.

126. On the average it is above 1s.?—No, it is 1s.

127. *Mr. Mander.*] What do you consider a fair number of feet for a miller to hold with an average mill with an output of, say, 10,000 ft. a day?—I have not had sufficient experience to be able to answer that question. I have had very little to do with the sawmills.

128. Do you not consider it would be fairer to allot to a miller a certain number of feet rather than a certain area of land?—Yes.

129. Is it not a fact that some timber land is very patchy?—In some localities, yes.

130. Is it not a fact that the whole of the land farther northward contains very little milling-timber?—Yes, that is so.

131. Therefore, when letting an area of, say, 2,000 acres to a miller in that country in all probability there would not be more than half of it containing timber?—Yes, I think it would be fairer to let a certain area containing a certain quantity of timber.

132. You said, in reference to the rimu destroyed by fire, that if the borer had not got into it the injury to the timber would not have been much?—I do not think it would have been.

133. How long will the sap last after a tree has been killed?—The sap will last a long time.

134. But how long will it last to be marketable?—I should say it would not last more than two or three years.

135. How long would sap rimu keep after a fire had been through it? If that timber could not be milled out in a very short time, is it not a fact that one-third of it would be lost?—Yes, if there was no sap in it.

136. Therefore there would be a considerable loss?—Yes.

137. Now, when those individuals made the offer of £10 an acre for the milling-lands, is it not a fact that timber was very much higher in value than it is at the present time?—Yes.

138. And does it not prove that the millers at that time were prepared to give fair value for the timber on the land?—Yes.

139. And do you consider that the royalty that was fair three years ago is a fair royalty to-day considering the state of the trade?—Perhaps it would be a little bit too high to-day.

140. Do you think it is possible for the millers to pay those royalties to-day and carry on the business?—I have not had sufficient experience to answer that question.

141. Now, do you not think it would be wise for a man in your position to have some milling experience in order that you might come to just conclusions in regard to matters of this kind?—Well, of course, I have such a lot of other work to do that I cannot find any time to attend to the private mills.

142. Now, do you ascertain the value of timbers, the proportion of loss, say, in a totara bush?—Well, I strike an average.

143. I suppose you are aware that the totara timber is very subject to what is called honeycomb and hollow?—Yes.

144. Do you make any allowance for hollow trees when you go through a bush?—Where I can. If I see a tree is very badly hollowed I do not take any notice of it at all.

145. It is difficult to ascertain?—It is almost impossible.

146. Therefore millers purchasing totara bush on a standing royalty would take a very great risk if they bought at a 15-per-cent. reduction?—Yes, but I think the Land Board is always agreeable to adjust anything like that if it is found that the bush turns out badly. They would not act harshly to the sawmillers.

147. I suppose you are aware that there are other districts farther north where there is far more danger in regard to fire than round here?—Yes; I have been north and south.

148. How would you propose to guard against the danger of fire?—Well, round the sawmill areas I would plant a belt of macrocarpus.

149. I suppose you are aware that in the North, in the drier parts of the South of Auckland, sparks will fly half a mile and set bush on fire?—Yes. It is almost impossible to guard against that.

150. *Mr. Jennings.*] Can you indicate what part of this Waimarino district is suitable for tree-planting?—Yes. The Waimarino plains from Erua, where you enter the bush going down to Raurimu.

151. Are you aware that investigations are now being carried out in regard to the soils of those plains as to what use they can be put to?—No.

152. Speaking generally, I think you have conveyed the impression, whether rightly or wrongly, that the district is not a suitable district for settlement?—You mean the Waimarino?

153. Yes?—Well, part of it is and part of it is not. I think the climate is too severe and the soil too light.

154. Well, in regard to the bush district particularly, are you prepared to assert that that is not suitable for settlement?—I will not say it is not suitable for settlement.

155. Are you aware of the amount of stock and other stuff that has gone out of this district since the railway-line was opened?—Yes; but there is a good deal of good country round Raetihi.

156. And Raetihi is typical of a good deal of the bush country in this district?—Yes. There are thousands of acres of land which would be suitable for settlement, but the land round Horopito is not suitable. It is all right in summer-time, but in winter for five or six months there is no growth in the grass at all.

157. Are you aware what is being done in regard to afforestation in the Dominion?—No.

158. Are you aware there have been over twenty million trees planted by the Forestry Department in the Dominion?—I am very glad to hear it. There has been nothing at all done in this district.

159. In one straight-out issue, would you favour reserving bush lands instead of letting them go for settlement purposes?—If land is suitable for settlement purposes I should certainly say, Let it go for settlement, but if it is not I think it should be planted.

160. *Mr. Morris.*] In assessing the amount of royalty to be paid for timber, do you take into consideration at all the country to be worked and operated upon, or treat it all alike?—I would certainly take into consideration the country.

161. *Mr. Field.*] When you computed those royalties, you said the times were better in the milling industry than they are now?—Yes.

162. And probably owing to the present circumstances it would be a fair thing to reduce them a bit?—Yes, possibly.

163. You said you had no actual sawmilling experience?—Yes.

164. I suppose if you had been able to do it you would have preferred to have had that experience?—Yes, and if I had more to do with timber leases I would make it my business to do so, but I have had no occasion to do so.

165. But if you continue as a Ranger you think it would be an advantage to devote some time to it?—If I saw a likelihood of more timber leases being issued by the Government I would certainly do it, and it would not take very long either.

166. *Hon. the Chairman.*] But is there not a timber expert outside put on special cases?—Yes, he does most of the timber-work.

167. With regard to the fires through the bushes, and the borer, you were at the mill that we visited yesterday afternoon?—Yes.

168. You saw a log put through there that had lasted for over ten or twelve years; and was there any sign of borer there?—Not a great deal.

169. Was there any?—No, not in that log.

Mr. Mander: It had only penetrated the sap, not the heart.

170. *Mr. Ell.*] In the part we went to yesterday there was a very large white-pine tree on the loading-stage?—Yes.

171. If you remember, it was estimated that four logs contained five or six thousand feet of white-pine?—Yes.

172. We were told that there were many other trees lying back in the track that it would not pay to get out?—Yes.

173. Are there large milling areas round about this district in which considerable quantities of white-pine have been left standing the same as on that particular area?—I think so—there is a good bit, I think.

174. Why were those trees not taken out instead of being left standing there when working the mill first?—Well, perhaps there was not much demand for white-pine. You very often see a mill going through a bush three or four times. They skim it through first, and the timber is not so valuable, and they may go through three times cleaning up.

175. You are aware, when the cream of the bush is taken out it would hardly pay a miller to go back for a number of trees like we saw there yesterday?—It all depends, of course.

176. You heard a miller say himself that it would not pay him to touch them unless except those lying alongside the track?—Not at the present time, but in a few years it may pay him.

177. Would it pay him to put a mill up there again to work that area, and go to the expense of putting down trams?—Not for white-pine, I think.

178. And the result is that that timber will lie on the ground and be wasted?—Yes.

179. Mr. Jennings said that twenty million trees had been planted, and are you aware that those trees are planted 4 ft. apart?—I have not seen the plantations.

180. Is it not likely that trees being planted so close together will not be able to be milled?—I do not know.

181. Then we shall not have twenty million trees to be milled if they have to be thinned out?—Naturally not.

182. When I tell you that twenty million trees are planted on 9,480 acres, would you think that area sufficient to supply the future needs of this Dominion?—Not the whole Dominion.

183. *Mr. Mander.*] Do you not think it would be in the interests of the miller to get every stick of timber out of the bush he could possibly get, provided it is in a working mill, by putting tramways in?—Yes, certainly.

184. And because he cannot get a profit out of the timber he is bound to leave it?—Yes, that is so.

JOHN AMMUNSON sworn and examined. (No. 89.)

1. *Hon. the Chairman.*] What are you?—Crown Lands Ranger and Timber Expert for the Wellington Province.

2. How long have you been in the Government employ as Timber Expert?—Roughly, about ten years.

3. Have you been in the Ohakune district all that time?—No.

4. Where did you commence—what district?—In Taranaki in the old days, and then I was transferred. I always had a liking for nature and bush; and I was connected with surveying in the old times in Taranaki, when fighting was going on between the whites and the Natives. I always had my employment amongst the trees and that sort of thing. That is twenty years ago.

5. Were you in the Government employ twenty years ago?—No.

6. *Mr. Jennings.*] How long have you been in this district as Ranger?—Ten years.

7. And you were formerly in Taranaki under Mr. Percy Smith?—Yes. I may say that I have been employed for some years past in looking after the Crown timber in the Waimarino district, measuring same, and reporting on any areas proposed to be utilised for sawmilling, settlement, or reservation. My reports are transmitted to the Commissioner of Crown Lands, Wellington, who is consequently in a position to furnish you with any desired particulars regarding the Waimarino Forest, and he will be better able to give evidence than I can.

WALTER AMBROSE LUCAS BAILEY sworn and examined. (No. 90.)

1. *Hon. the Chairman.*] What are you?—A sawmiller at Taihape. It is very hard, Mr. Chairman, to touch upon any point that has not been touched upon in a case like this. I might say that we are the oldest sawmillers here. We started at Rata when the main line first started, and we worked the country right up to Silver-hope, Mangaonoho, and Toitoi. We have been in existence now as sawmillers for some forty-odd years, so that we have had a varied experience in that time.

2. Do you agree with the evidence which has been given by the various sawmillers during the time you have been present here, or is there anything you disagree with?—In the main, sir, I agree perfectly with it. There is only one thing I have always found, and I say this after looking over a long past—that they generally estimate the bush at too much per acre. We have tried it ourselves in working out a bush. The last one was in the Hawke's Bay District, the Piripiri, and people who know that will tell you it was a remarkably well-timbered block of ground. It ran out at something like 10,600 ft. to the acre. We have generally found that the average given both by the Rangers and by the people buying is far higher than it really turns out. That is taking the waste and everything into consideration. Especially does this apply when you speak of totara.

3. *Mr. Mander.*] Can you get out with less than 50 per cent. of totara?—No, I am certain you cannot—not without it is remarkably sound bush.

4. *Hon. the Chairman.*] How do you generally operate with regard to royalties—has it been private bush or Government bush that you have been exploiting?—At the present time, at Mata-

mau, it is Government bush. It was a lease of Mr. Rathbone's, of Hawke's Bay, and when the lease fell through the bush was not all worked out, and we were allowed to go on, but they doubted our royalty.

5. But that would be an agreement with you when you started?—No, we only had one agreement with Mr. Rathbone.

6. But before they would sanction the transfer you had to make a new agreement with the Government?—Yes, that is so.

7. You were satisfied with the agreement when you made it?—Yes. The plant was there, and there was two years' working, and it was better than shifting. In our other bushes part of it has been Native land—the part we have just finished at Toitoi, which contained some 2,000-odd acres.

8. What lease had you?—We paid a royalty of 6d. for rimu and 3d. for white-pine, and 1s. for totara.

9. How was it situated—was it favourable with regard to access to enable you to get rid of your timber when milled?—Yes, but it cost a good deal of money. We put a rope over the river, and brought the sawn timber over by a cage. The rope would be some 14½ chains long.

10. How much do you think it cost to get the timber carried across the river by the rope—per hundred?—It would cost us quite 3d. per hundred feet.

11. What price were you getting for the timber at that time?—It ran to something like 8s. on the truck. There was very little totara. It was nearly all rimu and a very big sprinkling of white-pine. The white-pine was mostly exported to Sydney. Of course, until lately that was at a very low price, but it has now increased a bit.

12. Is there a sale for the white-pine just now?—Yes, but not so brisk as it has been.

13. And what price were you able to put it on the truck here for?—We could put it on the truck at 5s. 6d. and live, but there would be very little in it.

14. And still you brought it across the river and carted it to the train?—No, we brought it in trucks to the river. The mill was right along the river-bank.

15. But it was on the opposite side?—Yes.

16. But you had to pay for bringing it on the rope across the river?—Yes.

17. And then bringing it from there to the station?—No, we had a siding.

18. And did the Government truck go to that siding at the river?—Yes, when it was landed at the river. The only handling you had was to put it on the trucks. We had a tram running parallel with the trucks.

19. Is that work finished now?—We are stopped just now.

20. But the timber is not cut out?—No.

21. What induced you to go out?—Our agreement with the Maoris, for one thing, terminated, and we had not made a fresh one. We were considering whether at the present time it was worth while making a fresh one. I might say we had another mill in Taihape that you gentlemen were looking over yesterday. We have stopped that simply because of the slackness in trade. We did not think it was worth while giving our timber away, and it would be merely giving it away to keep on cutting it down.

22. *Mr. Hanan.*] When did you find your orders falling off to any extent?—When I was in the Wellington District.

23. How long ago?—Well, the commencement would be about eighteen months ago.

24. Previously to that you had been doing well?—Yes, we were before November.

25. Were you able to supply orders?—No, we had a difficulty.

26. In respect to what class of timber was the difficulty—heart of red-pine?—No, any class. The greatest difficulty was in keeping the men going; they would on every occasion take a holiday. I might say that none of us resided up here, and we had to depend on the manager, and it made it worse than if one of us had been living here.

27. But up to that time your mills worked full-handed?—Yes.

28. And you were doing fairly well considering the capital you had invested?—No. I can produce my balance-sheets for the last three years, since we did nothing to speak of.

29. Would you have any objection to producing them to us?—No, not at all. I will produce the last one when you are in Wellington. We made a loss of £300 for the twelve months.

30. Was that due to bad debts?—No, we had no bad debts to speak of.

31. You had no bad debts up to eighteen months ago?—No, not to speak of—a mere bagatelle.

32. Does that apply to other sawmillers?—Well, I think they have nearly all had the same experience. I might say that we had some very heavy tram-laying. You would hear some sawmillers say they would lay a tram-line for £1 and £1 10s. a chain, but we had some which cost us £20 a chain.

33. Would you say that your being on the wrong side of the ledger was owing to putting more capital into the business?—No.

34. Through acquiring more bush?—Yes, we have bought more bush at Taihape, and it has not been a success.

35. But up to eighteen months ago, so far as business itself was concerned, it has been good?—Yes, as far as orders were concerned. Of course, you have got me rather at a disadvantage. I take no active part in the business, and our manager, who should have been here as a witness, met with an accident.

36. How many own the mill?—We are a company.

37. I suppose there are some Wellington people in it?—No, only three brothers.

38. Would the sawmillers like to get complete control of the timber-markets of the colony?—Of course they would. If there was anything in it for them it goes without saying.

39. You think there is nothing in it?—Not at the present time.

40. Then, I understand you recognise that there is a slump in the colony?—Yes.

41. The building trade has fallen off?—Yes.
42. Giving rise to a diminution in the amount of orders for timber?—Yes.
43. And the price does not pay the sawmiller?—Yes.
44. Would a duty on Oregon pine put up the price?—There is no doubt it would help it.
45. Would it not put the sawmillers in a better position?—Yes, we should have more orders.
46. But would you not get a better price?—We should have to, or else shut down.
47. How many years have you been in the sawmilling industry?—About forty.
48. Well, speaking as a sawmiller of forty years' standing, in your opinion, if a duty was placed on Oregon pine it would help to keep the sawmilling industry in a good financial position?—Yes, so long as it is at a payable price.
49. Are not these the main factors—the falling-off in the building trade and the price of timber being too low—that have materially caused the sawmilling industry in this country to be in an unsatisfactory position?—That is so. You must bear this in mind, that when we were working in an area of country which was more level we could produce the timber very much cheaper than we can now with the difficult country. The difficulty of working the country has made the price very much higher.
50. In Southland by reason of the cutting-out of the bush they have to go back away to the hilly country, and the cost of production has increased, resulting in an increase in the price of timber in Southland?—Yes.
51. Am I warranted in concluding that in your opinion the cost of production must increase in this district, necessitating an increase in the price of timber like that in Southland?—Yes. There is only one thing which might alter it. We have been paying far too high a wage in this district, and it must come down slightly. We are paying far in advance of the Arbitration Court award, and it must come down to a certain extent.
52. Then I take it that in your opinion, if the wages of the men are reduced and the price of timber is increased and the building trade goes up again, the sawmilling industry will be in a better and more satisfactory position, taking all things into consideration?—That is so.
53. *Mr. Jennings.*] If the Parliament of the Dominion were to grant some concessions to the timber industry, what compensation is the buyer to get from that—would the prices be higher or lower?—They would have to be slightly higher than they are at the present time. Any sawmiller will tell you that they are cutting timber now and selling it at below cost, but they would never rise to injure the public to any great extent. They have not risen for many years like the people talk about.
54. But still you know that it is not true that the sawmiller is getting the great profit out of the business that is thought by the public—the public generally think there is a combination to keep up the prices?—That is so.
55. Then, if the Commission felt that that was so and made some recommendation—I am putting a suppositious case—that would tend to help the timber industry, what benefit would the public get?—It is rather a knotty point to answer. The only combination we have is a sort of collecting office, which saves each individual sawmiller so much clerical work and minimises the risk of bad debts. It would be very hard to answer your other question. The sawmillers are in such a bad state now that they would have to have a little for themselves.
56. We have recently been through the South Island in the sawmilling districts, and some of us, particularly the North-Islanders, have had our eyes opened in one respect—namely, the number of branch railways they have to feed the main trunk. If we had branch lines of railway running through this timber district, would not that assist the timber industry considerably?—Yes, very considerably.
57. And tend to keep the prices up to a fair rate?—Yes. I might say that various settlers about here in conjunction with some other sawmillers tried hard to get the Rangitikei County Council to run in a branch line, but at the same time this was part of the Government bush. It was advertised and tenders called for the upset price. The royalty for heart of totara was 4s. 6d., matai 2s., and rimu 1s.
58. If the people in this district and other portions of what I may call the King-country, owing to the economy that is foreshadowed by the Government in regard to railway-construction and other public utilities, subscribed their own money to construct branch lines, would the sawmillers favour such work and allow the Government to take over those branch lines at a valuation?—I am sure of it. They would pay a very fair carriage-rate to get their stuff brought out on such lines. We have found out one thing in this district, and in the Hawke's Bay District the same thing applies, and that is that the local bodies as soon as the winter sets in commence to curtail your load, and in many cases stop you altogether. Well, that means that you have either to shut up your mill, which means a considerable depreciation on your trams and machinery, or you must work and stack your timber up, which a great many millers cannot afford to do. There has been some very heavy fighting between some of the sawmillers here and the local bodies. When you get away from the railway-line there is not much in carting timber.
59. Then the necessity for branch lines of railway is very great?—Very great indeed.
60. *Mr. Field.*] You and your brothers have been milling for forty years?—Yes.
61. Have you made any large sums out of sawmilling?—No. Whatever little money I did make I made out of the ground we first bought. We had some capital, and we started to buy freehold with it. We cut out our own bush, and I am living now, or have been until the last fortnight, on the first piece of land from which we cut the bush between Palmerston and Feilding.
62. Now, in regard to the importation of Oregon pine, is it true that every foot that reaches us here displaces a foot of our timber?—Naturally it must.
63. Therefore, if twenty million feet comes in in a year it means that twenty million feet of our timber less is used?—Yes. I myself think they will not be so ready to use Oregon pine in the

near future as they have been. We have always got it to fear. I can go back even more years still, and recollect when the duty was first struck off—that was thirty years ago. The sawmillers were asked then if there was any danger if it was struck off, and they said No, but within the next three or four months several cargoes were dumped down, and then they told a different tale.

64. How long has the duty been on?—A considerable time. It was afterwards put on at once.

65. If it was necessary to have it put on when times were good, is it not more necessary to have it on when times are bad?—Yes. We might not have felt the Oregon pine so much if it had not been for the slump, but when the two came together it meant really bad times.

66. As to the class of Oregon pine that comes here, do you know anything about it?—No, I do not, but it looks a very coarse timber. I saw several cargoes, but I have not had any experience of it.

67. Would you say there is any heart timber in it?—Not by the look of it. I might say this: that we were curious after seeing that in Wellington, and we wrote over to various firms in Vancouver and got samples and price-lists over, but the samples of timber we got over were very different from what we saw lying on the wharf. It was a much more expensive timber, and looked a very much better timber. We got about a dozen samples.

68. That would be far better Oregon pine?—Yes, and the price was far higher.

69. Now, we are told that the amount of Oregon pine imported is only about 5 per cent. of the total output of our timber, and therefore cannot affect our trade here very much. What do you say about that?—It is almost impossible to say. We know this, that whether it was the Oregon pine or the slump or the two things combined, it fairly cut off our Wellington trade. At the present time there is scarcely a load going into Wellington. Mind you, their yards are still stacked up with Oregon pine, so that it looks as if the two things combined did the mischief.

70. Are you aware what timber of ours Oregon pine comes mostly in competition with?—O.B. rimu.

71. Is it fair to put it that it is 5 per cent. of our total output, and only comes into competition to that extent when it does not come into competition with a lot of our timber?—No.

72. Does it come into competition with totara and kauri?—No. It could not come into competition with kauri—kauri is too good. It would only be those who were putting up jerry-built places who would put in Oregon pine.

73. Would it come into competition with matai?—To a very small extent.

74. You say it does not come into competition with our best rimu?—No, not for furniture or manufacturing purposes. I have seen sashes made of it, but they were very indifferent.

75. Does it come into competition with our timber in places like Taranaki?—No, I do not think it ever touched Taranaki. The last time I saw Mr. Athier he told me it had never touched Taranaki, and it is only recently that it has touched Napier. I believe there is some landed there.

76. And a large portion of our output it does not come into competition with at all?—Yes.

77. And you have to consider the smaller portion it does come into competition with?—Yes.

78. And the twenty million feet would form a pretty large proportion of that?—Yes.

79. It has been said that by increasing the duty on Oregon pine you would be taxing the rest of the country for the sake of a few sawmillers. What do you say as to that?—I do not think it is possible because with the exception of a few cases where the merchants in Wellington were anxious to unload, it has always been a little higher in price than our O.B. price. Of course, the contractors and carpenters prefer it, and would give a trifle more to use it than our O.B. timber, because it is easier to work. You can drive three nails into it to one that you can drive into a matai board, and it is very much lighter.

80. Could it be said that by increasing the duty we were taxing the users of timber which it does not come into competition with?—No, you could not say that.

81. Now, tell me candidly, do you consider that the importation of Oregon pine into this country is cheapening or likely to cheapen the cost of building?—No, I am certain it is not.

82. Do you know anything respecting the prices at which Oregon pine and our timber is produced?—Well, it would only be what the merchants told me. We have had the evidence of Mr. Gaman yesterday that he was certain there was one order supplied in Wellington below 11s., but the merchants' quotation for it when I was in Wellington was 17s.; but I knew for a fact at that time there had been a large cargo discharged, and some of the merchants whom it was consigned to had not been able to lift their consignments, and it was going begging at 9s.: that was to lift the whole of those consignments.

83. And the duty was on top of that?—No, it was landed on the wharf.

84. *Mr. Leyland.*] The duty has to be paid after it is on the wharf?—I thought the duty was paid on the ships.

85. *Mr. Field.*] Assuming, as apparently is the case, that Oregon pine costs more than our timber, why do the architects and builders use it?—Well, one could hardly answer that question. You might have your own surmise, but you could hardly answer it. I might tell you this much, that a few of us took the trouble to go round and interview the various architects, and the answer they gave us was that they were having a little trouble in getting some long lengths in rimu.

86. About these long lengths, do you see any reason why we should not supply them?—None at all. I could not supply them in heart.

87. Is it not a waste of timber to use heart rimu in big lengths?—That is a matter of opinion. If you were putting up a very good building you would not spoil it for the sake of a few shillings in putting in good stringers. I have always put in the very best of heart that I could get.

88. If Oregon has taken the place of kauri for big beams, could rimu not be used instead?—I do ont see why it should not be used. We are told that Oregon is better than our rimu for framing, particularly where the building has to be plastered, even though it has been seasoned for some time; they say it warps and twists?—I have had no experience of that kind of thing. You see very little plaster.

89. Could you get a much better timber for building houses than our rough-heart rimu?—No, not if it is properly seasoned.

90. Are you aware that they are using Oregon for many purposes—even for outside purposes it has been used, I understand, to some extent?—That is so.

91. If Oregon is competing so with our second-class, what is to happen in respect to our first-class timber; must not the price of first-class go up if we cannot find a market for our second-class?—As things are, a large proportion of our building-rimu must be destroyed, and consequently the people would not be able to buy the first-class because it would become so expensive to produce.

92. What do you think would be a fair profit for millers over and above the cost of production?—I do not think that a miller could live if he made under 1s. 6d. per hundred feet. I have heard it said that 1s. was sufficient, but that is not my opinion. You must bear in mind that after a mill has been working for five or six years—and that is the average life of a New Zealand bush area—you have got to shift. Moving is expensive, and there are other expenses sufficient to wipe out the profit for the last two years of the mill's existence.

93. Are you still prepared to mill at Government prices?—Yes, still.

94. Hand over your books?—Yes, that is so.

95. Do you see any good reason why that should not be carried out?—None at all.

96. The Government have fixed the cost of other items of production by legislation?—They could carry it out as easy as our association.

97. About some of those small millers with small capital, what is to happen to them if the present trouble continues?—I think they are going to have a real bad winter. That does not apply to a man who is in a position to say, I will shut down my mill, but it certainly applies to a man who must keep his mill going or lose everything. There are many in that position with their royalties—that is, they have to pay the royalty whether they are working or not.

98. What will happen to their properties? Will the larger man with more capital come and buy them up at a cheap rate?—I would not say that, because it does not pay any one to have half a dozen mills going on small areas. You have to pay too much to get it superintended.

99. In Southland the wealthiest miller there made his money, I am told, by buying up small milling properties in bad times?—That might apply if the bush was any way close to, but if it was any distance I do not think it would apply.

100. Before the Main Trunk line went through have you ever heard that one of the reasons for pushing on the line was because the timber-freights would pay for the cost of the line?—That was one of the great arguments that was brought forward, although the line was not hurried very considerably.

101. What will be the result on the freights if the timber industry is not going to flourish?—There must be a wonderful falling-off during this last quarter. I would like to see the figures.

102. *Mr. Leyland.*] You stated, in reply to Mr. Field, that every foot of Oregon coming here replaced a foot of your timber?—Yes.

103. Let us look at the other side of the question. We exported, according to last year's Year-book, 72,000,000 ft. of timber, and we imported 16,162,228 ft. of sawn timber, and 144,384 ft. of dressed timber; of logs we imported 14,000,000-odd feet. You will therefore see that we have imported a total of 26,723,154 ft., and that there is a balance in favour of our exports of 45,000,000-odd. Might not the people who are purchasing our timber make similar statements?—A tremendous lot of that timber exported would be for butter-boxes. I am not sure now, but I think from some figures I saw recently that one firm alone in Sydney had imported over 50,000,000 ft. of white-pine for New South Wales.

104. You have heard reference made to dumping. The timber that came here from America was sent in response to orders send for it?—That has only been the case lately. A while ago there was a demand, and a very big demand, in Australia for white-pine. They recognise that it is the only timber they can use for their butter-boxes.

105. Very well, if there is a demand here for Oregon, are we not justified in bringing it here?—No, because there are timbers here that you can use in its place, and better timber.

106. We import twenty-six million, including logs, and we export seventy-two million, and yet we are talking about the unfairness of the position. Do you not think that in that respect rather one-sided arguments have been used?—Oh, yes! But we always look to ourselves.

107. Our imports were £17,000 and our exports £20,000. With the view of keeping the money in the country, seeing that we have collared £3,000 of the other fellow's money, the balance is again in our favour?—Yes.

108. Speaking of Oregon, you said you noticed very little heart in it?—That is so.

109. You are not quite sure of that?—I said at the time I had no experience. I looked at a cargo that was being discharged, and the first thing that struck me was the openness of the grain and the coarseness of the timber. Of course, when you are not acquainted with the timber you cannot tell whether it is heart or not.

110. We saw a shipment of Oregon recently that came to Dunedin, and we found that it was practically all heart?—I have had no experience of it.

111. It was all heart?—It was a very rough heart, and that is all I can say.

112. You said that Oregon does not come into competition with totara?—No.

113. There is a witness here who says that it does?—Did he say that it came into competition with his heart of totara? It might come into competition with his O.B. totara.

114. Then it does come into competition with O.B. totara?—I was referring to heart of totara. Yes, of course, it does in that case compete.

115. You did not think it came into competition with kauri?—No.

116. Well, as a matter of fact, I want to tell you, as head of a firm that has probably imported three-fifths of the Oregon that has come into Auckland, and handled four-fifths of the rimu sold in Auckland, buying 100,000 ft. weekly, that Oregon is absolutely not taking the place of either totara, rimu, or matai, but it is taking the place of kauri owing to the shortness in the supply of the latter?—I should not have thought that. It would be second-class kauri.

117. Rough-heart kauri?—Yes.

118. Seeing that experts want Oregon for beams and other purposes because they must have heart, and you say you cannot supply heart, would that not be a fair reason why Oregon should be used?—I did not say that the duty should be increased on the larger sizes. We are only asking for an increased duty on the smaller sizes, the sizes that are competing with our smaller timber.

119. Is a 6 by 2 a fair joist?—No.

120. Is a 9 by 2?—No, I would not say even a 9 by 2. I mean long lengths.

121. If I were prepared to give you an order for it in heart would you be prepared to supply it in heart of rimu?—No, I do not think I could.

122. But we must have heart from somewhere, and we cannot do it in kauri?—Yes, that is what I said. We are not asking for increased duty on the larger sizes.

123. You are aware that the cheap Oregon that you saw was bought at a time—some months ago—when there was a big slump in America?—That is so.

124. If on top of all that the Wellington merchant is unable to take up his papers and pay for it and it is sold at panic rates, do you think that is a standing and a fair price at which Oregon can be bought under normal conditions?—No. I suppose it would be so.

125. If you wanted to buy it in America now it would cost you over 12s.?—Yes.

126. If you are going to confine the purchase of Oregon to buying long lengths, the quotation given in the E list is from $15 to $25; now would that not be a sufficient handicap without any duty on at all?—Oh, no! The merchants could always do as they did a little while ago: they could stock a certain portion for a particular work. We are not asking for any extra duty on the large sizes.

127. Would you take the duty off the long lengths if you could not supply them, and supposing this Commission was to recommend a higher duty on the smaller sizes?—With your vast forests that are being opened up in Waimarino we might be able to do far better than we are doing at present.

128. They are not prepared to take an order when it is offered to them?—I could not answer for that.

129. I can assure you that the importers of Oregon would very much prefer to handle our own timbers if it were possible to get them. You had a statement made yesterday to you that through the importation of Oregon there was a loss in the revenue returned as railway freights of 3s. 6d. per hundred. Do you agree with that statement?—I have never worked it out.

130. The Oregon that is landed in Auckland is taking the place of timber that does not come over our railways at all?—I do not follow you.

131. It does not compete with our railways, because kauri is brought to Auckland by sea?—It is in our districts.

132. We have it in evidence that there were ten million feet of Oregon landed in Wellington, Christchurch, and Dunedin?—During what time?

133. During the last thirteen months?—Not the last thirteen months: there has been considerably more than that.

134. I do not think so. So that that brings it down very considerably. We have it also in evidence from architects and builders that Oregon has been used in place of the shortage of kauri. We have it on sworn evidence that 90 per cent. of this Oregon that has come into Wellington and Christchurch is to replace rimu and rimu only that is supplied from the West Coast?—Oh, no!

135. On the West Coast the average railway freight on rimu is 1s. or 1s. 1d.?—Oh, yes! they were always a lucky people on the West Coast.

136. *Mr. Clarke.*] You said in a general way that the timber on our bush lands was much overestimated in quantity—that the quantity said to exist did not exist. Does that not show that we are nearer to the end of our natural supplies than even the official figures on the aggregate go to prove?—Yes, I suppose it does to a certain extent.

137. Would you not recommend some steps being taken to prevent the extinguishment of your own industry—for instance, in the way of afforestation and replanting?—I would recommend replanting strongly, and I think it should be done; but you cannot preserve your existing bush. You saw the effects here yesterday. I am sorry to say that one of those bushes belonged to my company, and these fires take place every few years. Eight or nine years ago the whole of the district was swept by one big fire. A year or two afterwards we had a mill burned at Takapau, where there was a fire for thirty miles along the railway-line. That was about eight years ago.

138. That is a matter as to whether it should not be protected. You would not allow that fact to hinder replanting?—I am a great believer in replanting.

139. It is being largely done in America, and there they are successfully fighting forest-fires?—In many parts of New Zealand it could be done.

140. With regard to the experience of people who are using Oregon, I presume you would allow that the architect and the contractor, whose business it is to understand the subject, would be more likely to have a better idea of its value as a building-timber than the sawmiller pure and simple?—I suppose so.

141. If an architect insists on having heart timber, and heart rimu is not procurable, what is his alternative?—Your architects do some very peculiar things, and you wonder at them. I could point you out a house here for which the order was brought to me to supply the timber. The specification was drawn by a Wellington architect, and I can assure you that every bit of timber specified was foreign timber. This house was to be built right in the heart of our bush country.

Even the floor was specified as tallow-wood. When the order was brought to me I said I could not look at it. We could not stack such timber, because it would be a general loss if thrown on our hands.

142. That is not a general practice. If experience teaches that it is advisable to have Oregon for joists and beams where heart of rimu is not procurable, what would you do?—I should say that the Oregon I saw in Wellington had very little heart in it.

143. If I tell you I have myself known and worked Oregon as long ago as forty years, and I agree with Mr. Leyland on the question of Oregon, would what I have asked you make any difference in your opinion?—I told you I have no experience. I take your word for it, but it did not look like heart to me.

144. *Mr. Morris.*] This Oregon timber that is causing so much trouble—do you think the competition is due to the superiority of the timber itself, or is it not due to some methods of pushing that are not always aboveboard?—I could not answer an ugly question like that.

145. You know that the Wellington architects repudiated the fact that they specified Oregon timber?—I am aware of that.

146. They repudiated it very strongly?—Yes, I am aware of that.

147. Several of them threw their specifications down and challenged you to find a piece of Oregon specified?—Yes.

148. Do you not think that the chief reason is due to the fact that it pays a far greater percentage of profit to the seller than the ordinary native timber?—I could not say.

149. Have you had any difficulty in getting rid of your O.B. timber since this material came on the market?—None at all. We simply closed down. We were not going to fight the thing.

150. What has become of your employees?—They are out of work. Do not let me mislead you for one moment. In regard to two there is a little trouble over the time. One here in the town has been closed three or four months. The bush is there, but we are not going to give our timber away.

151. What has become of your men?—I do not know. We were very very sorry to get rid of the last gang we had there, because they were exceptionally good men.

152. You might have been able to keep these men going if this timber had not come in and swamped your market out?—We might have been able to work short-handed. It would have helped us very considerably.

153. What is about the percentage of long lengths that we hear so much about—what percentage over 30 ft. have you been asked for during your time as a miller?—It would be a very small percentage. They are only required in exceptionally big buildings. It has become very frequent of late in Wellington.

154. Have you had to refuse any orders owing to the long lengths asked for?—No.

155. There is nothing in the statement that long lengths could not be supplied?—Nothing at all.

156. What kind of bush land have you connected with this mill here?—There are 2,700 acres, I think, at Toitoi. I am not quite certain of the acreage at Taihape, but I think it is something like nine or ten hundred acres. The rest is Maori bush.

157. What amount of milling-timber per acre have you been able to take off these lands?—There is very little in the one working here. At Toitoi I should say that we have taken off 8,000 ft. to the acre. I could give you the figures of our bush at Matamau, Hawke's Bay; I think it ran out at 1,490 acres, and from this we cut 15,835,857 ft., equal to 10,600 ft. to the acre.

158. You do not agree, then, that even three or four thousand acres is too much for a fairly large mill?—No; you have got to look at it in this way: Your public are always calling out for cheap timber, and unless you let your bush in fairly large areas, so that you can put up your mill to cut a good day's work, you cannot produce cheap timber.

159. These high royalties are not consistent with purchasing cheap timber?—We have been on the lookout for a site for the last three years farther north than where we are; but we are not touching anything, because there is no use in working for nothing.

160. Can you suggest any remedy to enable us to get over this trouble if they continue to charge so much for the land?—Royalty all through the piece. When the Main Trunk line was opened people fairly got mad, and they rushed frantically into milling. It was not the *bonâ fide* sawmiller who boomed the prices up, it was the speculator.

161. *Mr. Barber.*] You said you were a member of the association here?—Yes.

162. Can you supply the Commission with a copy of the rules of the association?—You will have the secretary up before you in a few minutes, and he can do that.

163. Is that association connected in any way with the Timber-merchants' Association?—Not at all.

164. Was it connected?—No, never. They were always two different bodies.

165. Would you supply anybody outside the association?—Yes, we always reserved the right to do so. As a matter of fact, however, we have supplied very few, because it is so much easier to supply merchants and collect your money.

166. Do you know of any insurance where you supplied a builder, and afterwards that builder was practically boycotted by the Timber-merchants' Association?—I have had nothing to do with the Wellington Timber-merchants' Association. We merely supplied them as we would supply any other customer that came along.

167. Do you know whether, according to their rules, they would not take any more timber from you if you supplied any other customer?—I know that some of our millers have been supplying outsiders. I do not think we ever supply a private individual or person.

168. That is why they continue to deal with you?—No, they deal with others as well as us.

169. Do you know that the builders in order to get a trade discount have got to sign this declaration: "The Secretary, Timber-merchants' Association, Wellington.—SIR,—I hereby apply to have my name inserted in the 'Builders and Contractors Special I Discount List,' in consideration for which I agree to confine my purchases of timber to members of the Wellington Timber-merchants' Association.—Name in full: . Occupation: . Address: .—Recommended by , Timber-merchant"?—Is that twenty years old?

170. No, it is last year?—For over twelve months the association has practically ceased to exist. They are going as they like. I have no idea as to the working of the association. We always reserved for ourselves the right to supply any one in Wellington. Speaking of my own individual company, we never supplied anybody outside of the association.

171. You say there has not been a rise in the price of timber for a number of years. There has been a rise in ten years?—There has not been a considerable rise. In fact, in many of our timbers there has been a fall of late years, especially in our heart timbers. I know that for heart totara thirty years ago we got a greater figure than we get now.

172. If timber has not risen in this district, do you think there is any justification for the rise in the retail price of 6s. during the past nine years?—No, because I do not believe there has been that rise.

173. But if there has been a rise?—There would be no justification to that extent.

174. Considering the price of timber has not been risen by the miller, or very little?—That is so.

175. You said you were quite certain that the introduction of Oregon would not cheapen the price of buildings?—No.

176. What is the increase of long-length timber even at the mill? Supposing you were asked for 30 ft. or 35 ft. lengths, what would be the percentage of increase in the price?—It would be very little at the present time. Some time ago there was a scale by which it rose, but now you would not confine yourself to that scale.

177. What was the scale?—Sixpence per foot per hundred up to 30-odd feet, over 22 ft.

178. So that if a person asked for a length over 35 ft. that would be a rise of 6s. on that timber?—You see, you are taking me at a little bit of a disadvantage. I have not been actively engaged in the timber business for some years. I have been merely a director.

179. So that if any one wanted such timber you would have to pay that?—Yes, but, as I said before, they were so rarely asked for.

180. Do you know what price is charged for kauri for those lengths?—No, I have no idea of the price of kauri.

181. How is it you are such a judge of Oregon?—I said I was not a judge of Oregon.

182. Would you be surprised to hear that these lengths in kauri are over £1 10s. a hundred feet?—Very likely.

183. How can you reconcile the fact that the importation of Oregon which has been sold as low as 10s. will not cheapen the cost of buildings if it takes the place of kauri, costing £1 10s. per hundred?—It does not come into competition with first-class kauri, but with second-class. They said rough heart, I think.

184. If you can get timber to take the place of kauri for building purposes at 15s. per hundred feet, will that not reduce the cost of a building by 50 per cent. for that material?—Of course it does.

185. You said that Oregon was being used in Wellington for outside sheathing?—In one or two cases the chairman of the Wairarapa Association told me he saw a cottage built wholly and solely of Oregon. I have not seen it.

186. I have taken a very great interest in this question, and I have not seen a single instance where Oregon was used for the sheathing of a building?—I have not seen the cottage, but I am informed it is so.

187. *Mr. Ell.*] On what date did you close down your mill here?—I closed down my Taihape mill last October.

188. At that time, what price were you getting for your O.B. rimu timber?—I cannot tell you really; my clerk will be able to supply you with that information when he is giving his evidence.

189. You say you have thousands of acres here?—Some of it was worked before we bought it It was second-hand when we bought it. We got it from a man who did not make a do of it.

190. What royalty are you paying?—I think it is 6d. a hundred feet.

191. Have you ever had an order sent to your firm from Wellington that you have not supplied?—No, not that I know of.

192. *Mr. Stallworthy.*] Is the secretary of your association a practical miller?—No.

193. Will he be able to answer questions regarding the dealings of the association?—Only in respect to the clerical work, the placing and the taking of orders. He has no knowledge of sawmilling.

194. Do you attend the meetings of the association?—No.

195. *Mr. Mander.*] I suppose there were other sawmillers in the district who could produce timber cheaper than you could?—I suppose there would be, yes.

196. I suppose there are other sawmillers who could go on at the present price and make a reasonable profit, provided they could get free sale for their timber?—It would be a very small profit. The reason most of them are going on is that they are bound to time with their bush, otherwise more would close down. A great many of them have to pay royalty whether they like it or not.

197. If the Government reduced railway freights slightly and the royalties were also reasonably reduced, would that not enable the sawmillers to go on without reducing the rate of wages?—

I dare say. But then, you see, the railway freight would have to be reduced considerably. It would not have to be a reduction such as they offered us a little while ago.

198. Supposing you had a reduction of 6d. in freights and 6d. in royalties?—Yes.

199. You said you would be in favour of the Government regulating the selling-price?—Yes.

200. Do you not think it would also be fair for the Government to regulate the prices of groceries, drapery, &c.?—These lines have not been called into question. It was alleged that the millers are making excessive profits.

201. You would not think it a wise principle to adopt that principle throughout the whole of the country?—No, you could not run the country on those lines.

202. Australia takes our white-pine?—Yes.

203. Is it not a fact that we could produce all the timber that we want, except the long lengths, and do very well without the Oregon?—Yes, except for these particular long lengths.

204. Are protective duties not for the purpose of looking after our own interests?—Yes.

205. Therefore, we must look after our own interests in regard to timber?—Yes.

206. Do you not think it is wise to use the timbers we have available for necessary purposes as we go along?—If you do not it will simply be burned.

207. There is greater danger from fire the further you go north?—Yes.

208. Do you not think it is necessary for architects to have long experience before they can judge the qualities of Oregon as compared with rimu?—One would fancy so. We should very much like to see the durability of Oregon tested. We have had the breaking-strength of rimu and Oregon pine tested, and the rimu proved the superior timber. There is not yet time to test the durability of Oregon pine. You hear various reports. At Wanganui, where they stocked Oregon many years ago, the manager of a business there told me that the ends of it rotted very, very quickly. It could not have been good old heart stuff.

209. Do you not think that the West Coast millers are in a very favourable position compared with us, when they can get timber for 6d. per hundred feet on the saw output of the mill?—They have been lucky in every way, especially with their water carriage.

210. Do you not think it would be a fair thing to put all the millers in the country who have to compete with one another on the same footing with regard to royalties, railage, &c.?—You have to take the country they are working. You could not put them on the same footing.

211. You have the same conditions in the North Island as in the South Island?—No. You will admit that when you go through that Taumarunui Block; you will find it is far easier to work. I could not agree with that.

212. I did not mean to make the royalties the same all over the Dominion, but merely to work on the same principle. You said the timber association broke up twelve months ago?—No, suspended.

213. Has the price of timber been reduced in Wellington since the association broke up?—I believe it has slightly, but I am not personally aware of it.

214. You have a yard in Feilding, I believe?—Yes.

215. I suppose it pays you better to shut down your own mills and buy timber from other sawmillers?—Yes.

Hon. the Chairman: In Southland you know they have water carriage, and the railway has to compete against that, otherwise it would get very little trade.

Mr. Mander: There is a Government monopoly, and they stick to it.

Hon. the Chairman: You cannot put it as strong as that. Notwithstanding the statement that was made here last night I can contradict it. There is a lot said that is not fair. It is merely a matter of business, and a private company would do the same thing. When you find that that is the case do you think it is unfair for the Government to lower the price to get trade for the railway, which has to run in any case?

Witness: I do not think it is unfair. We know that water carriage is the cheapest carriage you can get.

216. *Hon. the Chairman.*] Can you show they are penalising you—you have not shown us that yet?—No, I cannot do so. We had a list of the various places where they were getting their carriage very much cheaper than we are getting it. We went to Sir Joseph Ward with it, and he then pointed out that it was only in places where there was competition with water carriage that this thing happened.

217. With regard to this offer that the sawmillers made to the Government, did you hold a meeting previous to making the offer?—That offer was made in Wellington when there were delegates from all parts of the North Island pretty well, and the West Coast, too.

218. But did not those delegates know perfectly well that it was an impossibility for the Government to take it up; it was simply a question of bluff with them?—They are not the class of men that go in for bluff.

219. I think on that occasion they were, because every man must know that the Government could not do that. I know what the Government has to face sometimes?—They are not that class of men.

HENRY GEORGE MACKINTOSH sworn and examined. (No. 91.)

1. *Hon. the Chairman.*] What are you?—Contractor at Taihape.

2. What line of contracts?—We have a contract from the Taihape mill for delivering the timber on to the railway-trucks from the bush.

3. Then you do practically the whole of the work?—Yes.

4. Where is your mill situated?—The mill is a mile and a quarter from the Taihape Station.

5. And is the bush adjacent to the mill?—About a mile and a half from the mill.

6. How much does your mill cut per week or per day?—Between 7,000 ft. and 8,000 ft. a day.

7. Can you get the stuff cleared off as fast as you get it for them?—Well, we did up to October of last year.

8. And what happened then?—There were no orders, so we had to shut down.

9. How did your contracts come out after that?—They terminated there.

10. Have you been in work since then?—No, not as contractors.

11. What else have you been doing?—I am looking after a mill for the Manawatu Timber Company.

12. And the mill is idle?—Yes.

13. How many men are employed when contracting?—Thirty.

14. And have they got work about?—A few of them got work about Taihape. I have lost the run of the majority of them.

15. The majority of them cleared away somewhere?—Yes.

16. What was your contract with regard to the price of putting it on the truck from the stump?—In a contract starting in September, 1906, and extending to May, 1908, the price for heart of rimu, heart of totara, or heart of matai was 6s. 3d. per hundred feet; O.B. rimu, matai, or totara, 5s.; and white-pine, 4s. 3d.

17. That was your contract price?—Yes, delivered on the truck at the station at Taihape.

18. And you had to find the men and pay the wages?—Yes.

19. And you were able to do that comfortably up to that date?—No; we were working for twenty months, and we did not make ordinary wages. There were two of us in the contract.

20. Have you to pay anything with regard to the upkeep of the mill under the contract?—Yes; oil, files, and horse-feed we had to find.

21. Any insurance?—Half insurance on the men.

22. What did that amount to per hundred feet?—I would put it down at 1d., or less than that would cover it. We gave that contract up, as we did not do any good. We had another contract. The Manawatu Timber Company spent £250 on cuttings for trams between the two contracts.

23. And did the company lay the trams themselves?—No, we laid the trams.

24. What was the further cost after the £250 for the cuttings?—We put a tram in after that, and that cost about 10s. a chain. Of course, I might mention that my part of the contract is at the mill. So far as the bush-work is concerned I do not know much about it.

25. You stopped at the mill, and your partner stopped in the bush?—Yes.

26. How long was this second contract for?—The £250 contract was a separate thing from our contract. Our second contract lasted for four months, and stopped in October of last year. We got for heart of rimu, matai, or totara, 7s.; O.B. matai or totara, 5s. 3d.; and white-pine, 4s. 6d.

27. What quantity of white-pine did you cut under that contract?—Not very much, perhaps 20,000 ft.

28. How much O.B. did you cut during that time?—It is very hard to say?—I have not gone into the matter.

29. Can you give us the output for the four months: were you working full time?—Yes, about 160,000 ft. per month.

30. Can you tell us, then, how much of the seven-shilling timber you put through—rimu and heart of totara?—About 25,000 ft. per month. We made good wages out of the second contract.

31. Is there much bush left in that place where you are in charge of the mill?—About 600 acres yet to go on.

32. What amount per acre do you think there would be?—I am not competent to tell you that. I was not working in the bush at all myself—I was at the mill. I do not pretend to know anything about the bush.

33. But you would very likely hear the owners whom you contracted with stating what timber there was to cut. Have they made any statement with regard to their starting again, or have they closed down for good?—I think they are waiting for things to improve. They say there is five years' cutting there. Then I might say that there is bush at the back there which could be worked up. It can be acquired.

34. How much is there of that—1,000 acres?—No, about 400 acres.

35. And it is similar bush to what you were cutting?—Yes.

36. *Mr. Hanan.*] When did you first find your orders falling off?—I should say about July or August last—they were slackening then.

37. Where are your markets?—Wanganui principally.

38. Have you had any complaints with regard to the building trade falling off there?—Well, orders have been stopped.

39. That is an indication that the building trade has fallen off?—Yes.

40. Do you know if any Oregon pine has been going up to Wanganui, and, if so, can you give us any information with regard to the price?—No, I do not know anything about Oregon pine at all.

41. To what do you attribute the slackness in the sawmilling industry?—I cannot tell you myself. I have not gone into the matter, but they say it is partly Oregon pine and partly owing to the tightness of the money-market.

42. But generally you think it is more the tightness of the money-market and the slump in the building trade?—I do not know—I should not like to give an opinion.

43. In fact, you have nothing to base an opinion upon?—No.

44. Well, speaking of the building trade in this place, do you know anything about the difference in Taihape?—Yes.

45. Has it fallen off or increased?—I think it is about the same. There is not a very good building trade here at any time.

46. Are there many men out of work here?—Yes, a lot of men out of work.
47. What class of labour were they engaged in?—Mostly the sawmill line.
48. Do you think the price of timber is high?—We have done no good out of our contracts. As far as we are concerned it is not high enough.
49. In your opinion the price of timber should be increased?—We finish with it when it is on the truck.
50. Do you think the price should be increased?—I did not go into the royalties—I do not know what it costs.
51. Have you had any difficulty in getting the price you asked for?—No.
52. Have you had any bad debts?—Of course, we have nothing to do with bad debts. We have a contract from the Manawatu Timber Company to put the timber on the trucks from the bush at Taihape.
53. What do you use?—We haul it about a mile, and put it on to a wagon, and then put it on to the station.
54. How long have you been doing that?—For two years.
55. Have you increased your charge for that work?—No.
56. And no increase in the cost?—No.
57. Do you cart much red-pine?—Yes, principally red-pine.
58. And good heart of red-pine?—No, it is not all good heart of red-pine. I suppose there would be more O.B. than heart.
59. Do you know if there is a difficulty in getting good heart of red-pine?—Yes, there is a great difficulty.
60. And totara?—There is only an odd tree of totara.
61. And is there much white-pine where you are?—No, not a great deal of white-pine—just an odd tree. It is principally rimu and matai.
62. *Mr. Clarke.*] Is there any miro in the bush you are working?—Yes, an odd tree.
63. Is that classed in with the red-pine?—Yes.

CHARLES HUTTON sworn and examined. (No. 92.)

1. *Hon. the Chairman.*] What are you?—I am a bush contractor for the Egmont Box Company of Taranaki and I live at Utiku.
2. It would be chiefly white-pine that you handle?—Yes.
3. How long have you been at that work?—Since August last.
4. Are you still working?—Yes, but short-handed.
5. How much have you turned out since August last?—I could not exactly tell you, but our best month short-handed has been 80,000 ft., and 148,000 ft. when working full-handed.
6. When did you shorten the hands?—In the latter end of November.
7. How many did you shorten them by?—By eight.
8. Out of how many?—There are nine left.
9. Do you know where the timber is disposed of?—Principally in Eltham, to their own yards.
10. To the butter-factory?—Yes.
11. Do you know the price?—No, I could not tell you the price.
12. Well, what is your contract from the stump to the truck?—My contract with the company is 1s. 6d. per hundred feet off the saw delivered at the hauler-bank in the bush.
13. How far is that hauler-bank in the bush to where they would get it on the truck at the rails?—Twenty-seven chains from there to the mill.
14. And you do not do anything with that?—No, once the machine brings it to the hauler-bank I have done with it. I have to help to put it on the trucks.
15. Then do you put through any other timber but the white-pine?—Yes, totara.
16. What is the price for that?—I get 1s. 6d. all round.
17. And then you do the bushfelling?—The hauling from the bush to the bank where the machine stands, crosscut it into lengths, help to load it on the trucks, and then I am finished with it.
18. How many men do you employ?—Five, including myself—I work with them.
19. Can you make good wages?—Yes, fairly decent.
20. Slightly better than the ordinary wages?—Yes, slightly better than the ordinary wages. I think a contractor is entitled to that.
21. Are you still making a good wage?—Yes, but not so good as we should be making if we were working full-handed.
22. Have you formed any idea as to what to attribute the falling-off in the white-pine orders?—Well, I think one reason is that they had not sufficient room to stack their timber. They have to season it for eighteen months, I should say, for the purpose of making boxes, and they had not the room.
23. Do they season it at the mill or where it is delivered?—They season it at Eltham.
24. And practically the mill belonged to them?—Yes, the owners are Taranaki people.
25. And they told you they had not the room to stack the white-pine?—Yes.
26. Well, with regard to the other timber, have they told you anything why it was not required?—They could not get orders for the heart timber.
27. *Mr. Jennings.*] Is the work of getting out the timber in this district done by contract or day-labour?—I think it is done principally by day-labour. There are some millowners who let it on contract.
28. Have you any idea what wage is paid—whether it is a satisfactory one to those employed?—Yes. I have been working on wages before I was contracting. I was working for Perham, Larsen, and Co.

29. Is there much kahikatea in this district?—Yes, on some blocks there is a fair amount, and on others not so much. On our own block at Utiku there is a fair percentage.

30. And is there a slackening-off of kahikatea now?—I should not say so. The reason why the company has reduced our output is because they have not sufficient room to stow it—it takes so long to season it.

31. In regard to seasoning timber, you have been engaged in this industry for a long time?—Nine years in New Zealand.

32. Did you hear the evidence given by the manager of the Powell Process Company?—Yes.

33. Did you not think that, if that is up to the expectations he mentioned, it would have a great effect in regard to the seasoning of timber?—Yes, I believe it would be a really good thing—that is, if it is up to what it is represented to be.

34. Then, instead of stacking the timber for eighteen months, three weeks would season the timber?—Yes, if there are no after-effects from the seasoning.

35. But, speaking generally, it would have a marked effect so far as the timbers are concerned that have a great deal of sap in this district?—Undoubtedly; birch, for instance. I think it would be very good.

36. Are there many men out of employment at the present time that you know of?—Yes, I am sorry to say, in Utiku and Taihape from what I have seen.

37. To what do you attribute that mainly?—I think myself that a great deal of it is caused through the importation of Oregon pine. I do not say it is all due to that, but I say this, that if we had not to contend with the Oregon pine I think we should get along much better even supposing there is a tightness in the money-market; but I think that helps to make it worse for the working-man.

38. Well, if that is the case, what is your suggestion to combat even that factor, small or great as it may be, in helping the position so far as the industry is concerned?—Well, I am in favour of a higher duty on Oregon pine, for one thing, in the small sizes especially.

39. Is not the milking season now approaching a close, and will that therefore affect your mill so far as kahikatea is concerned for butter-boxes?—No, I do not think it will, because they use 1,500 boxes a day during the season.

40. But that does not continue throughout the whole year?—No, I do not suppose it does.

41. Have you any idea what has become of the men who have gone out of employment here?—Well, so far as those are concerned who can afford it, I know for a fact that a good many working-men are leaving New Zealand for Queensland, and good men too. Some of my own men have gone.

42. Then to help our own men we should do something?—Yes, I should think so.

43. *Mr. Field.*] There is cordial feeling existing between the men and the employers up here?—Yes, I think so.

44. And the men are in sympathy with the millers in their desire to have the conditions of the industry improved?—Yes, they are.

45. *Mr. Leyland.*] Are you aware that the Queensland millers have been agitating for a duty on white-pine, and almost carried it in the Federal House?—Yes, I believe they did.

46. Do you think they were justified in asking for a duty on white-pine? They say it competes with timber that resembles our kauri over there. Would you like to see them successful in their application?—I could not say, but I do not know of any timber that resembles white-pine in Queensland. I have been in all the colonies.

47. Should you have liked to see them successful seeing that their conditions are similar to yours?—No, I should not like to see it.

48. *Mr. Morris.*] I suppose you recognise that the Queensland people are well able to look after their own business?—Yes, and I wish the Americans to do the same.

49. *Mr. Barber.*] I understood you to say that 1s. 6d. was paid for felling the log and putting it within—how many chains of the mill?—Twenty-seven. It all depends on where the log-hauling machine is standing. I have to deliver my timber at the hauler-bank wherever the machine is standing.

50. What kind of bush are you getting this timber from—difficult or easy?—Very difficult.

51. And 1s. 6d. pays you?—Yes, at the present time it does; but, of course, I cannot say whether it will later on because the country is much rougher.

52. *Mr. Hanan.*] On what do you base your opinion that Oregon pine is tending to cause a slackness in the sawmill trade?—I will put it this way: If there has been 26,000,000 ft. of Oregon pine brought into New Zealand in eighteen months, then orders to that extent distributed amongst the mills in the Rangitikei district would have helped us a good long way along the track.

53. You do not, I suppose, supply the whole of the towns of the Dominion?—No, but partly.

54. Do you know how much has gone into Wellington?—No, I have no idea.

55. How have you come to that conclusion? Is it mostly from what you have heard?—I have read of how much timber has been landed in New Zealand, but whether it is correct or not I could not say. I have seen shiploads landed in Wellington and Wanganui.

56. What quantities have you seen in Wellington?—I could not say—perhaps half a million feet.

57. What period does that apply to?—About six or eight months ago.

58. In eight months you say you have seen half a million feet?—Yes.

59. Do you mean to say that if that half-million feet had not gone into Wellington you would have got more timber from your district into Wellington?—I think there would have been more orders for the millers working here if the Oregon pine had not been put into Wellington.

60. Do you know anything about the consumption of timber in Wellington?—No.

61. Is it not a fact that the Oregon pine taken into Wellington is a very small proportion of the supply of timber?—I could not say.

62. Do you know whether it is a large or small one?—I do not know.

63. And yet you are satisfied that the importation of Oregon pine affects your trade seriously up here?—I do not say it has got everything to do with it. I say it has a tendency.

64. Supposing a duty were put on to-morrow, do you think it would start the mills working full-handed?—No, but in some cases I think it would.

65. What do you mean by that?—Some people have got better bushes to work, and are nearer the railway, and are probably easier.

66. But seeing that Oregon pine is a very small part of the timber supplied at Wellington, do you think that would put the mills right?—I do not think it would put them right altogether, but it would help.

67. You say you have heard that some of your hands have gone to Queensland?—Yes.

68. Have you not read in the newspapers of bricklayers and contractors going to Queensland?—Yes.

69. Does not that show that the building trade in the Dominion has fallen off?—That is so.

70. If the building trade has fallen off does not that mean less orders for the sawmiller?—Yes.

71. And if the builders and carpenters have in their evidence before us opposed a duty being placed on Oregon pine, do you think they are competent to express an opinion?—I do not know.

72. And the architects also think it is desirable that Oregon pine should come in?—I think myself that the New Zealand timber in long lengths, what the architects say should be put into buildings, could be produced in this country just as good as they can be produced in America, and I think it is just as reliable in a building.

73. And if the architects have told us they must get Oregon pine for long lengths, you think they are under a misapprehension?—I know there has been a test with Oregon pine and heart or O.B. rimu, and I know our New Zealand rimu stood the test better than the American timber.

74. Which was it, heart rimu or O.B.?—I could not say positively which it was, but I know it was rimu.

75. Who made that test?—It took place in Robertson's foundry in Wellington.

76. What did the test consist of—can you give us any information about the test?—No, I could not say how it was done.

77. Do you know anything about Tasmanian timbers?—I do.

78. Do you know of any tests that have been applied there in regard to the breaking-strain of the Tasmanian timbers?—No.

79. From your own knowledge, do you think we have any timber in New Zealand from the standpoint of the breaking-strain to compare with Tasmanian timbers?—No, I do not.

80. Would you be surprised to know that according to a pamphlet in the hands of Mr. Morris particulars are given of certain breaking-tests, and that Oregon pine comes out on top compared with Tasmanian timbers?—I have been pretty nearly all my life in Tasmania, and I should be very much surprised to hear that, and I could not believe that till I saw it. I have worked in all the timbers both in Western Australia and Queensland, with ironbark, jarrah, blue-gum, stringybark, and I consider that Tasmanian stringybark is equal to any timber in the world.

81. Do you think we should allow it to come in free?—No; but I see by the paper we are likely to have something like Oregon pine here.

82. Would you keep it out if it is such good timber?—But if it is only equal to New Zealand timber——

83. You say it is better?—I believe it is a stronger timber.

84. More durable?—I could not say whether it is or not. I know some New Zealand timbers would stand a longer time.

85. Would you keep jarrah and all other hardwood timbers out of New Zealand?—Not if it is necessary to use them in this country, such as for railway sleepers or girders.

86. You said you had a difficulty in getting good heart of rimu?—We have no rimu at our mill.

87. Do you know if there is a difficulty in getting good heart of rimu in the district?—No, I do not think there is any great difficulty in getting good heart of rimu—not in any of the mills I have worked in. There is rimu round Utiku which is very faulty with shakes. One end may look perfectly sound and a first-class log, and if you go to the other end you find shakes.

88. Do you know anything about the bush in the South Island?—Very little.

89. According to the evidence given by the Railway Engineer at Greymouth, he put Oregon pine first before red-pine from the point of view of the breaking-strain. You would not agree with that?—No.

90. And you have applied no test yourself?—Well, I was in Wanganui when a vessel was unloading there, and I picked up a piece of Oregon pine. I cannot say what size it was, but something like 3 by 2; it was very small, and I had no trouble in breaking that just for a test. I ran the risk of getting myself into trouble, but I wanted to see the strength.

91. What test did you apply?—Just with my feet.

92. Would you accept that as a proper way to test it?—No, but I wanted it for my own experience.

93. You might do that with red-pine?—Yes, but I do not think you would do it so easily.

94. Supposing the millers got a better price for their timber and the building trade gets on a better footing, would not that put things right?—Well, I do not think the miller is looking for an increased price—not twelve months ago. If they got orders at the price that was ruling then they would be satisfied.

95. We had evidence from a man who has been forty years in the sawmilling business, and he says it is necessary that the sawmillers should get an increase in the price of timber?—You must remember I am not a sawmiller, and cannot speak authoritatively on the matter.

96. Would you like to see the cost of buildings increased to the worker in this country?—No.

97. Do you not think that the putting of a duty on Oregon pine would increase the price of timber in New Zealand—certain classes of timber?—No, I do not think so. I can say this, that I think it applies just the same here. We here in Taihape have to pay just as much for groceries, with the rail at our door, as those twenty-five miles back.

98. Does any Oregon pine find its way here?—I do not think so.

99. Does much go to Wanganui?—I have seen two vessels unloading Oregon pine. If they use Oregon pine in Wellington to build houses, the timber-merchants there do not want timber from here, and that is where the harm is done.

100. It is not used in the towns in the interior?—If it is of any use it would be.

101. You think it does not reach the interior?—Yes. I think it is used mostly in the cities, and if it is used in the cities the millers here do not get the orders.

102. You favour the imposition of a further duty on Oregon pine?—On certain sizes.

103. What sizes?—On the small sizes.

104. Why not on the large?—I do not think it is necessary on the large.

105. Why do you draw the distinction?—Because there is so very little of the large size used, but really I do not know.

106. *Mr. Ell.*] You are not getting any rimu logs out?—No, there are none in our present block.

107. It is declared that Oregon pine is displacing rimu—you are not affected by it?—No, not our company.

108. Your company is not affected at all by the importation of Oregon pine?—I could not say whether it is or not. Our company does not feel the importation of Oregon pine as much as other millers because their mills are put in for their own use to cut butter-box stuff. They use thousands and thousands of feet every year.

109. I think you said that the company is making up about 1,500 butter-boxes a day?—I am not quite sure, but I think it is somewhere about that. I think the manager at Eltham told me that was the output.

110. That number at six days a week would be 9,000, and taking, say, 8,000 a week, that would amount to 32,000 a month?—Yes.

111. You know the butter-box industry is a very big industry in this country —Yes.

112. Employing a lot of labour on the farm, producing a great deal of wealth to those engaged on the land, and employment for those who get the timber and make up the boxes?—Yes.

113. In view of that fact, that it is an established and rich industry, do you not think it is desirable on the part of the Government to try and hold some reserve of this timber, which is specially adapted more than any other timber in Australasia for butter-box making?—Yes, if fire can be kept from it; but at the present time we find there are millions of feet of white-pine destroyed every year by the settler.

114. Then the Lands Department is handing over to the settler timber that should be milled?—Yes. I felled 300 acres two years ago, and I think that when a fire went through it it must have destroyed four million feet of timber.

115. That was on settlers' land?—Yes.

116. Seeing that timber is so much required, and will be required for years to come, do you think it is wise to allow that timber to be destroyed by fire?—I do not think it is a wise plan at all. I think if possible the sawmiller should be allowed to go through it first, because then everybody gets a benefit from it. If it is felled by the selector and destroyed by fire I do not see that anybody benefits by it.

117. You saw men working on the land yesterday that had been cleared and partly burned?—Yes, partly on account of the railway. When pine is down if it is not milled it is absolutely of no use.

118. The heart in that timber you saw yesterday was all right?—Yes, but there was a considerable amount of waste.

119. The sap had gone?—Yes.

120. Now, when I tell you that the Central Dairy Factory in Christchurch requires from thirty to forty thousand butter-boxes a year, and that this company you are working for require, we will say, 25,000 boxes a month at the least, do you not think it would be a wise thing on the part of the Government to reserve some of the timber?—I do certainly.

121. Because by keeping these white-pine forests to supply our own needs we have the means of employing the labour of this country?—Yes, to some extent I believe in reserving it, but I would not suggest the reservation of the whole of the white-pine forests.

122. But make a reasonable reservation and select poor land for the purpose?—Yes.

123. *Mr. Mander.*] Where timber is standing on good land and there is no immediate use for it, do you not think it would be better to have it used rather than hold it for an indefinite period?—Well, if it is not possible to mill it or to use it in any other way, there is very little else to be done with it; but in many cases I think it should be milled.

124. But I suppose you are aware that the longer you hold timber the more expensive it becomes, and the interest on the money would run it up so high that it would be very dear for butter-boxes in a few years, would it not?—Yes.

125. *Mr. Field.*] You are aware that at the present time while the trouble is on the millers are selling their timber at something below cost?—Yes.

126. Then you are not surprised that those millers should desire the price raised above the present price—the starvation price?—No, I think they are entitled to it.

127. Regarding the question of whether the Queensland Parliament should put a duty on white-pine: you have been in Queensland?—Yes.

128. And you know there is no timber in Queensland which is as fit for butter-boxes as white-pine?—I do not think there is any timber fit for it there.

129. In sending our white-pine to Australia we are not cutting into their trade with their timbers?—I do not think so.

130. In the case of Oregon pine it is cutting into our trade here, is it not?—To a certain extent I believe it is.

131. And is it fair to draw any similarity between the two cases?—Well, there is this, that the Oregon pine coming into New Zealand takes the money out of the Dominion, and our timber that goes to Australia—white-pine, for instance—brings the money into New Zealand.

132. *Mr. Barber.*] Regarding white-pine being imported into Queensland, do you think you know more about it than the workers in Queensland, who have petitioned Parliament to put on a duty of 1s. per hundred feet?—I was not aware that white-pine was being imported there.

133. Do you think they are the best judges?—Well, they should be. I have travelled Queensland a good deal, and I have not seen any timber there that our white-pine could take the place of. It is nine years since I was there.

134. *Mr. Morris.*] Do you think this Commission should look after the Queensland man's interest and business?—I think they should look after their own.

135. *Mr. Hanan.*] Do you know what class of timber Oregon competes with in this country?—I am not quite sure.

136. Do you know of your own knowledge?—No, I do not know.

137. If it competes against good heart of rimu, do you think that a good thing?—No, I do not. I was not aware that it did.

138. *Mr. Mander.*] You are not in the trade?—No, I am a contractor.

HENRY DARGAVILLE BENNETT, Merchant, and Chairman of the Chamber of Commerce, Taihape, sworn and examined. (No. 93.)

Witness: I may say in opening that I have followed up the question of the introduction of Oregon pine into New Zealand for a long time, and I have been in constant touch with the effect of its importation into this country. I am in a position to speak rather feelingly on one or two aspects, both from a sawmiller's point of view and from the point of view of an ordinary merchant whose trade and commerce with the community depends to a great extent upon the success of the sawmilling industry. I have also been associated with the main movements that have been carried on with reference to making application to the Government for the protection of the industry, and I am more or less in touch with the arguments used for and against that proposal. I do not propose to deal with the question purely from the sawmiller's point of view, for you have had plenty of that, but I wish to go over the ground generally and endeavour to show to the Commission sitting in Taihape the general conditions prevailing here. I understand you are taking evidence from the different parts of both Islands, and, although you have had the question of the cost of production repeated over and over again in many parts of the ground you have covered, yet I think it is only fair to the sawmillers of this district to put on record what it costs to produce the timber here. I propose to touch briefly on the cost of production in this district a little later on. I wish to say that most movements that have been instituted recently with reference to fighting Oregon pine have been started in this district, and I also want to try and show if I can that it is because we feel the pinch—it is because of the penalty that was imposed on the sawmillers in this district—that we were obliged to make this appeal to the Government; and I submit that our repeated applications to the Government for help are a fairly sure sign that we were in real difficulties. I wish to examine the subject from a wide point of view, and whatever arguments I bring forward in favour of the protection of our local industry I want to say in the first place that I do not propose to run Oregon pine down. I realise that it is a very good timber, and that it is wanted for certain purposes in New Zealand.

My contention is that we must be a protective people, and our industries must be protected. New Zealand is a young country, and the Governments we have had in power have tended to uplift the status of the working-classes, and so in order to meet the impositions that have been put by Government on the industries of New Zealand it is absolutely necessary, as a matter of sequence, that these industries and manufactures should be protected against industries carried on in other countries under lesser restrictions than we have to contend with in New Zealand. That is the main principle, and it covers the whole of the ground that I desire to develop and bring specially under the notice of the Commission. I want to say this—to bring the main point of my argument to a head—that the Government has introduced measures whereby the cost of producing certain articles in New Zealand has been raised—raised entirely by the introduction of these measures, and that the same power that brings these measures to bear must protect our industries against outside competition. When we say that certain wages must be paid and certain insurances must be effected, and that many other extraneous charges must be incurred by the capitalist, it follows that the cost of articles locally produced, whether timber or anything else, must be raised, and consequently if we are to live, and if our workmen are to exist, they must be protected. I wish to emphasize the fact that we have got the timber in New Zealand, and if it can be proved that Oregon pine is worked under conditions different from ours, and can be produced in consequence at a lesser cost in America, then it is necessary to put on such a duty as will bring it up to the level of the timber that is competing against it in New Zealand. I would not say that Oregon pine must be prohibited from New Zealand, but I do say that that timber must be landed in Wellington at such a cost as will admit of the local industry going on. I need hardly refer to the value of this business to New Zealand. I will only refer to the fact that the sawmilling industry must be admitted to be one of the most important in New Zealand. It is, of course, a

dying industry, and one which if not now protected will be a thing of the past in a few years' time, so that I think we should protect it while we can and while we have the opportunity. Here we have the means of distributing thousands and thousands of pounds, of keeping our labourers at work, of circulating money in the country, and yet some will dispute the wisdom of this course. In all fairness the timber industry should be fully protected for the next ten years, and if that is not done at once there will be no sawmilling industry to protect. We must not overlook the commercial and financial aspect of our timber industry to the community as a whole, to the workingman, and to the man who sells the timber and distributes it. These are all factors. Moreover, it is the product of our own soil. It is something that we produce, and can produce, without importing anything from abroad in connection with it. In connection with other industries there are cases where much of the raw material comes from abroad, but that is not so with timber, which is purely a natural local industry, and should therefore be conserved almost at any cost. It is a wealth, too, which if not protected deteriorates.

You have had the question of the value of timber to our railway revenue brought before you very ably by one witness yesterday, and in this connection I only want to say that the evidence of that witness has been compiled and has been in the hands of the Minister for some time, and it will be no news to him to have it before him again. We have accused the Government of charging more for timber than any other commodity carried on our railways. We have had no reply to that, and we want that reply and a reply to those figures.

It is necessary, of course, in talking about the cost of the production of timber, to also refer to the cost of producing Oregon pine, and in touching on that subject I want to say that it is no matter to me what the cost of producing Oregon pine is in America, it is sufficient for me to find out what is the landed cost in Wellington. A few weeks ago when in Wellington we had all these figures available. We were told from the best authorities—from those buying the timber—that the cost of landing Oregon pine in Wellington was 9s. 6d. per hundred feet. I am told since on other evidence that it costs 1s. more than that to land it on the wharf at Wellington, making the price about 10s. 6d., and probably another 6d. will take it into the merchant's yard. Taking that as a basis for Oregon pine—whether it be at the older rate of 9s. 6d. or the later rate of 10s. 6d., it is impossible for mills in a country such as we have here to compete against it in the Wellington market, absolutely impossible.

I have stated what, in my opinion, is the cost of landing Oregon pine in Wellington, and I want now to refer briefly to the cost of producing timber in New Zealand, or, rather, in this district. I have before me figures extracted from most of the sawmills in this district, and why I have not got figures from all of them is simply because I have confined myself to those mills that undergo a proper audit every year. Without going into details I want to show that the cost of producing every hundred feet that is sawn in this district is about 9s.; that means that if we are to land our timber in Wellington, taking that class as a basis, it costs us 12s. 6d. to put it on to the trucks in Wellington. Now, I am not blind to the fact that although those are the figures for a certain class of timber, we have still another class of timber yielding us a much higher price than that. Let me say here that from my experience and knowledge every hundred feet of O.B. timber sold in the Wellington market is sold at a big loss. The reason of that is because the millers get a better price for their heart timber, and on the whole the profit on one covers the loss on the other. I now come to the question of the difference between the different timbers of the Dominion. When I first came into contact with the sawmilling business, and made a study of it, the timber mostly came from Hawke's Bay, a lot of it going into Wellington. The O.B. timber that is now being charged at such a high rate could have been got for as low as 4s. 6d. per hundred feet. There has been a great deal of difference in the cost of the O.B. standard in later years. One of the reasons why timber from this district has gone up in price is because the proportion of the heart to the O.B. is so much less than was the case in Hawke's Bay. When that district was in full swing they were able to produce twice as much heart out of one log as they are now able to do here. That is to say, that every log that we take into our mills here produces only half as much valuable heart as it should do, and that reduces our chance of making a profit. In years gone by, although we might have lost in the O.B., still there was more heart available to make up the profit. We will submit you figures to show that the general proportion of the heart as against the O.B. is very much in favour of the O.B. I have got all the figures extracted. Taking the total product of the log the heart rimu represents no more than 11 per cent. (These figures I may tell you have been extracted from the summarised figures from the whole of the association—that is, taking all the mills of the district, excluding those that are non-associated). Seventy-five per cent. of the product of the log is classed as O.B.; 6 per cent. of it is worked out in the ½ in. lining, and 8 per cent. of it is worked out as seconds. Those are the proportions of our output in this district. So you will see that if the proportion of the O.B. was less than what it is—say, it was only 50 per cent. and the heart was a little bit more, we could afford to reduce the price of timber generally. As I said, we are losing on the O.B. at the present selling-prices in Wellington, and you will see by comparison that if there was more heart in the timber that we get in this district we should be able to reduce the price of timber in Wellington. The proportions for the other timbers, according to the extracts I have made, show that totara yields 59 per cent. of heart, 27 per cent. of O.B., and 14 per cent. of medium heart. In matai, the proportion of heart is 48 per cent; O.B., 36 per cent.; and 16 per cent in seconds heart. It is estimated that of the whole of the timber sent down to Wellington from this district two-thirds is rimu, and one-third distributed over the others. This is the aspect which bears directly on the competition with Oregon pine—viz., our big proportion of O.B. When I submitted to you in the first instance that two-thirds of the timber that we send down from here to our principal market consists of our rimu, and when I add to that that the Oregon pine competes principally against our O.B. rimu, and when I add further that of the rimu we send down 75 per cent. is O.B., you will readily realise the difficulty that we have to contend with.

I have dealt with the question from a national standpoint. The question of the loss in our railway freights through the introduction of Oregon pine is a matter the extent of which has been variously stated. I do not think it is nearly so great as has been stated by the last witness, but I do say this, that there is a big shrinkage in our railway freights and receipts, and so long as Oregon is landed into the parts of the Dominion where our principal markets are, so long must there be a falling-off in railway receipts, for the reason that our rimu is being replaced. I cannot say very much about the Auckland district, but I realise that a good deal of the freightage there is by water, and I wish to say, even if that be the case, there is still a certain amount of wages in connection with this water carriage, and other charges, which are circulated in the Dominion. These boats carrying timber from port to port are local boats, and whatever money is spent in that way is kept in the country just as if it were railway freight. Then, there is some talk about reserving the forests for future use. My views are that New Zealand cannot afford to reserve anything but poor country for such purposes. If the Commission can find any land, say, in the middle of this Island that will grow nothing else but timber, I am prepared to say, Reserve it all by all means for future years and future generations; but so far as the question touches Taihape and this district I would say that it is a total absurdity to attempt to tie up thousands of acres of land such as you saw yesterday for the purpose of growing timber for generations to come. It does not need any calculations to show that if we were to make an attempt to reserve timber for future generations standing on land that can be made to produce so much wealth, that timber will cost hundreds of times as much as it would cost to bring it from abroad in years to come. If, as I have said, you can find barren land, fit only for the production of timber, and plant that, you will be doing a national good, but if you attempt to tie up timbered land which the settlers want for general pastoral and agricultural purposes, you are making a mistake. Such land would have cattle grazing on it within two years from the time the settler took possession. The people must have the land, and the sawmiller is their pioneer. My own company have 1,500 acres of land which we have reserved. We should be quite willing if some supernatural power could lift all the timber away and allow us to use the land. We joined the rush in the foolish days, when we thought the timber was a profitable business, and paid, altogether, some £3,000 or £4,000 for bush and plant, and now we are on the horns of a dilemma. It may be news to the Commission, but I can say that for two years we have showed an absolute loss on the sawmilling business.

Now, coming along a little bit nearer home and looking at the matter from a commercial point of view: I have been in Taihape for a number of years, and have seen the rise and fall in the timber business, and I have felt, very much to my sorrow, the effect of some of these falls. I speak on it from a point of view affecting the commercial interests of the district. It will not take much reiteration or forcing on the members of the Commission when I tell you that as soon as the depression in the timber business came there was a corresponding fall in the business done in this town. My books amply prove this, by showing a falling-off of from 30 to 40 per cent. in the general turnover. The result was that a certain number of assistants had to be released, and a great deal of financial assistance had to be sought from outside. Most of the money that had been circulated in this district, even now to a small extent, but in those days to a very great extent, came from the sawmiller and his workmen, who circulated, of course, in the ordinary way. As soon as that source of income had been stopped we felt the depression at once in business, and I tell you it is a very serious thing indeed for this district. That aspect of the question must not be overlooked, and it is one that members of the Commission will admit is very serious. I may add that I do not attribute the whole of the depression to the introduction of Oregon pine, but I do attribute it, as far as business is concerned, to the fall in the amount of money that was being distributed in this district.

There is also another aspect of the question that should not be overlooked, and that is this: Some people will ask you why it is that we see so many large sawmillers opening businesses in spite of this depression. That is a question that requires a little care, but I wish to submit that if the thing is looked into you will find that those who are opening up mills are people who are occupying the dual position of sawmiller and timber-merchant. There is not one single instance in this district where it can be found that the sawmiller pure and simple has embarked in further mills. I have here a return furnished by the Sawmillers' Association showing the number of mills that had been in operation in this district in October, 1908, and the number of mills in April, 1909. In October, 1908, there were thirty mills working in the district, outside of three or four mills that were not associated with the Millers' Association, whilst of these thirty mills, no fewer than nineteen had closed down in April, 1909. The output of the thirty mills that were operating in October, 1908, came to 3,000,000 ft. per month, whilst in their reduced circumstances their output runs from 1,250,000 ft. to 1,500,000 ft. per month. You will note, as I said, that these people who are starting new mills are people who occupy a dual position, and I say that if this position is maintained for any length of time the small millers will have to give up. It is absolutely impossible for a small miller to keep on at the present prices. It is hoped from day to day that the Wellington market will be opened up to them again, and that they will be able to resume operations. Although most millers recognise that one of the principal factors in connection with the falling-off in the timber trade is the general depression throughout the Dominion, yet at the same time the fact must not be overlooked that as two thirds of the local output goes into Wellington, and as that is the timber that is being fought against the Oregon pine, you will realise that it is a very important matter to us here. There has been some talk, of course, of asking the Government to fix the selling-price of timber. Now, I do not want to harp upon that. You have sufficient evidence to show that if that were accepted by the Government the millers would be quite willing to abide by it. I realise that it is a very difficult matter for the Government to do anything like that—very difficult indeed, and my own political views on that particular question are such that I would object to the Government stepping into too many of these things. However, there is

precedent laid down, and if the Commission cared to take that part of the question up and accept it I am quite willing to allow the Government to fix the selling-price of timber, and impose at the same time such a duty on the Oregon pine, by way of sliding scale according to the selling-price of timber in New Zealand, as would prevent the Oregon coming in when New Zealand timber was below a certain price, and admit Oregon when it rose above that price. I am in favour of imposing a further duty of 2s. per hundred on Oregon pine in the smaller size, in order to allow our own industry to keep pace with the trade. I realise, too, that in certain sizes of Oregon pine it is necessary to allow that timber to come in, and I would suggest that all big-plank sizes be admitted in at the present duty, but all smaller sizes or that class of timber that is competing against our O.B. rimu should carry a further duty of 2s. per hundred feet. When I was in Wellington a few days ago a merchant asked me for an order, and at the same time invited me to look through his new factory—a large boot-manufactory. I looked through the place from one floor to another, and after passing up some five stories the manufacturer asked me what I was looking for, and I had to tell him I was looking to find a piece of rimu. The whole structure was made of Oregon pine. When we got to the shop we started to talk business, and I said, "I am very sorry, but owing to the depression in the timber industry in my district, consequent partly on the fact of the Oregon timber used in this building, I am not in a position to give you an order." In that great building from the floor right up to the top there was not a single piece of local timber, and yet people will tell us that there is not much Oregon pine being used in Wellington.

Now, with reference to another aspect of the question—viz., that of preserving our timber—the members of the Commission saw yesterday where some 600 acres of bush had been practically destroyed by fire, and that is a risk which has practically to be carried by the sawmiller. During February of last year a big fire swept through that maiden bush you saw yesterday, and there were no dead branches or chips there to start a fire. We showed members of the Commission some timber that had been sawn from that area, and it will be admitted that within three months after the fire had been through, the borer had attacked the timber, and if you succeed in getting any timber out of a bush like that at all will only be second-class.

The question has been asked, if an extra duty is put on Oregon pine will it raise the cost of the cottage to the working-man who wants to build. My answer to that is that if it does it will only be to a small extent. In a £450 building erected in the suburbs of Wellington only about £90 of that amount represents timber, so that a shilling rise would make very little difference indeed.

There is another aspect of the question which should not be forgotten—viz., that if we are able to sell our O.B. timber we should then be in a position to sell our heart timber at a little better price. I say unreservedly that if we could get a market for all our O.B. timber there would be no necessity for us to charge as much as we do for the hearts.

Then there is some talk of an enormous rise in the selling-price of timber during the last few years. I have a return made by the sawmillers here which shows the position during the last three and a half years—from March, 1905, to October, 1908. Heart of totara has gone up 9d.; clean heart of totara, 1s. 9d.; seconds in totara, 2s. 9d.; O.B., 1s. 9d.; heart of matai, 2s. 9d.; O.B., 1s 3d.; clean heart of rimu, which is a specification that has only recently been put in, shows a rise of 4s., whilst in ordinary heart of rimu there is no rise at all. In O.B. there is a rise of 1s. 3d., and in sarking and lining there is a rise of 1s. per hundred feet. So that these prices will show that there has not been such a great rise in the cost of timber. The cost of most other materials shows a bigger rise than this. Joiners' work, for instance, has risen in a greater proportion, and even the cost of bricks has gone up, as also the ironmongery in connection with a building—all have gone up out of proportion to the increase in timber. Evidence to that effect will, I hope, be submitted by some builders who may appear before the Commission.

I think I have touched upon all the general points, and if there is anything not quite clear I shall be very glad to do my best to elucidate it.

1. *Mr. Jennings.*] Regarding railway rates on timber, what is the rate for a distance of 165 miles?—About 3s. 6d.—from Wellington to Taihape.

2. Looking at the question from a public standpoint—that is, looking at it generally—I admit that you have made an excellent statement of the case, and I agree with you, but still there is the public aspect of the question regarding the price of timber?—In that case the public must be divided into different sections. The introduction of free timber from abroad would probably give a slight advantage to the builders of houses in the large centres, or at the ports, but the inland people would derive no benefit thereby. The inland sections of the Dominion would not benefit.

3. Respecting the price of our local timbers, is the inland man able to purchase cheaper than those in the centres?—There is no special advantage given to the local consumer of timber. As a matter of fact, the local man has to pay slightly more for his timber than would be the case if that timber was sent direct to a merchant in Wellington, the reason being that the man who wants timber just for one building requires certain specifications worked out, all of which means a great deal of handling.

4. Can any person purchase from the association if he has the cash?—Yes, any person.

5. Though it was a combination, there was discretion so far as the general public are concerned?—Well, there was discretion, but what combination do you refer to?

6. It is asserted there was a combination of sawmillers: is that a fact?—That is so, for certain purposes only.

7. Did that combination discriminate against any section of the public? If I came to you could I purchase timber from your sawmill if I had the cash?—Yes.

8. In reference to the reservation of timber, knowing the very great interest you have in this district, and also being chairman of the Chamber of Commerce, what would be the general effect, so far as the prosperity of the district is concerned, and particularly the North Island and the

Dominion as a whole, if reservations were made in a direction that some people would like?—I have tried to make it clear that wherever timber is growing on soil that would produce grass afterwards, that timber should be swept away by the sawmiller at once to make room for the settler.

9. Respecting royalties, how are the timber lands held here generally—are they from the Crown or from the Maoris?—Both. There are leases from the Natives and also, practically, leases from the Crown. Principally I think the land is passed to the settler by the Crown, and the settler in turn hands it back to the sawmiller. The royalties that the settler is now drawing from the timber is something that he has not given value for.

10. Is it a fact that the high price of royalties in this and the adjoining district in some instances determines the price of timber?—Yes, that is an important factor in determining the price of timber.

11. What I want to connect with that, so far as our investigations are concerned, is that in the South Island particularly the royalties are very much less than they are here. What would be a general average in respect to royalties in this district?—An important factor in settling the question of royalty comes from the jurisdiction of the Land Boards over the Native lands that are available in the adjoining district, at any rate, and also a big guide has been given by the Government in the matter of fixing the price when they put certain timber lands up to auction. That is an important question. The Government advertise certain areas to be sold by auction, and the royalties are fixed—that is, there is an upset price, and hence the high royalty.

12. You maintain that the importation of Oregon pine has, to a very large extent, caused the depression or want of orders for sawmillers in this district?—Undoubtedly. If it was not competing in our markets the local timber would take its place.

13. If the architects specify that Oregon pine is to be placed in a building, what answer have you to that?—They can only specify such timbers as would be put into a building at a reasonable cost, and owing to the price at present Oregon pine is tempting them to specify for it. It is at such a figure as to induce them to specify. If the Oregon was kept out, or kept at such a figure as to allow us here to compete against it, then you would find the architect, in due deference to his employer, put in the timber that was best suited to his employer.

14. We have had a statement made in various parts of the Dominion that the builder cannot get lengths sufficient for his requirements—is that the difficulty in this district?—I have never in this district refused an order for any length, but I admit there is a difficulty in obtaining the lengths that are procurable in Oregon pine; but we have never refused lengths in commercial use in the markets.

15. You have been connected with sawmilling, and you have a sawmill at the present time. How long have you had that connection?—I have had connection with sawmilling for six years, but I might say now that my interests in sawmilling at the present time are practically nil. I have a small amount of capital invested in sawmilling-work.

16. What is your opinion in regard to the supply of timber—the extent of the timber areas and how long it will last?—I should say there will be sawmilling done in Taihape in ten years' time, but not to a very great extent.

17. You are not taking the outside at all?—No, round about this district—this side of Waiouru.

18. In reference to the cutting of timber, what is the experience you have gained in regard to whether the timber has iess sap in it in winter-time or in summer-time?—I can only speak on that point from evidence that has been given me by those who do know, and I am afraid my evidence will not be of much use. Builders will tell you certain things as to timber, but I believe personally it would be better if the timber were cut in the winter. It is not a factor that comes into ordinary business transactions. No man who comes along and wants to purchase timber makes any reference to that whatsoever, and so long as that does not come in it is not an important thing.

19. Of course, it is an important point so far as the cost of timber is concerned in regard to seasoning?—Yes, very.

20. Well, if some artificial process has been discovered, such as we heard of yesterday, and it is proved to be a success, would not that lessen the cost of the timber so far as the timber-merchant is concerned, instead of it being necessary to stack the timber for a long period of time and having to pay heavy taxes and rates?—I am afraid the cost of putting the timber through the process would be more than the cost of stacking it out to dry.

21. So far as rates and taxes are concerned?—Yes, and interest on capital. That is a matter that depends entirely on the cost of seasoning the timber through the process.

22. Then, the solution of the whole trouble is, in your opinion, to increase the duty on Oregon pine?—If it were possible to dictate that wages and all those other charges that are being imposed on the sawmiller be reduced by one-half—I am not one who advocates that—but failing that we must expect direct competition from outside timber.

23. If the Parliament of the country decided to give further extensions so far as railway rates and royalties are concerned, what effect would that have?—A direct reduction in the selling-price of it.

24. And if that were brought about, would you as a sawmiller and your association agree that the price of timber should not go beyond a certain price?—The ordinary law of supply and demand would control that. It would be impossible to keep up the agitation which has been made in regard to the timber industry, and it is because the thing is pinching to such an extent that this amount of information is now available to the Commission.

25. Would you be inclined as an individual sawmiller to agree to some such terms as those laid down in connection with the question of harvesting machinery? You will remember that

Parliament set up a special Board to deal with the price of machinery coming from America as compared with the local article?—Some system of arbitration of that kind would be satisfactory.

26. *Mr. Field.*] You spoke with regard to Mr. Wilson's figures on the question of railway freights: have you seen those totals?—Yes.

27. Are they substantially correct and on the safe side?—Yes, they are on the safe side.

28. As a matter of fact, do the trucks that carry the timber into the markets come back containing goods to any extent?—They mostly do. We send our timber down and bring our goods back.

29. They pay freight both ways?—Yes, undoubtedly.

30. Did you say that Oregon pine came into competition mainly with O.B. rimu?—Yes.

31. Does it not come into competition with any other timber to any extent?—Yes, to a small extent.

32. What timbers?—Heart. Some people will try and put Oregon pine up against our heart rimu, but I do not know that it affects anything else except perhaps O.B. totara.

33. But, after all, the competition of Oregon pine is restricted only to a fraction of our timber?—Yes, that is so.

34. In the building of Hannah's at Wellington, what timber would have been used if Oregon pine had not been?—O.B. rimu.

35. Now, when you sawmillers made the offer to the Government to mill at Government prices, was your idea one of bluff, knowing the Government could not possibly do it?—Hardly that; we were in earnest, and we are still.

36. And you would be willing to do that or do as Mr. Jennings suggested—namely, leave the matter to a Board to settle as it is settled concerning agricultural implements?—Yes.

37. And you are aware that in an Act last year we provided that potatoes and flour and wheat should be in this position: that if they rose to what was considered an unreasonable price—and £7 a ton is the limit price fixed for potatoes—the Court of Arbitration is empowered to make a recommendation to the Governor to remove the duty?—Yes, that is a very good system, provided the powers who have to do with the fixing of the price know something about their business. So long as evidence is taken it is all right, and would be satisfactory; but, mind you, I am generally opposed to a socialistic step of that kind.

38. When you said that some Oregon pine was necessary to us here, you meant Oregon pine in large pieces?—Yes, the long lengths.

39. And therefore to that extent Oregon pine can be produced at the present moment in long lengths cheaper than ordinary rimu?—Yes, that is so.

40. And to that extent it cheapens building?—Yes.

41. That is only in the case of large buildings?—Yes.

42. Would you say that the price of Oregon pine is cheapening the cost of small buildings in the colony at the present time?—It may be, because of the dumping; but the introduction of Oregon pine at such a low price did tend to cheapen buildings while the price was low. I understand it was only on account of the depression that it came in so low, but it certainly did New Zealand a lot of harm.

43. With regard to the relief sought by the millers, is it not necessary that the relief should come quickly—that they cannot wait for a year or more?—I have submitted a statement showing the number of mills already closed down, and the number of mills at the present moment—looking at it from a financial point of view—just on the balance. If things are going to revive they will be able to survive, but if the position remains the same for any length of time then they must go under.

44. It is a question of weeks or months with them, not a year?—That is so.

45. *Mr. Leyland.*] You stated that if it could be proved that Oregon pine could be landed in Wellington cheaper than we can land O.B. rimu, then an extra duty would be justified?—Yes.

46. If it can be proved that to go and purchase Oregon pine to-day from America—that it could not be landed here cheaper, would that modify your opinion?—It would modify it to the extent of turning my attention to one point, and that is to provide against a further fall in the future.

47. You know the position is owing to a combination of very exception circumstances which it is almost impossible to occur again?—I should not like to lean too heavily on that.

48. You also stated that in connection with our local industry—the rimu—that it was entirely self-supporting?—Yes, except the machinery in the mills.

49. There are the saws and oils?—Yes, but all that is a small portion of it.

50. And I suppose our planing-machines are American?—In most mills.

51. And when it is required we are justified in bringing it in?—Yes; anything that we cannot manufacture ourselves.

52. You told us that the proportion of heart rimu was only 11 per cent.?—Yes.

53. In connection with the Auckland association we have made exhaustive tests and inquiries, and we find that we only get 6 per cent. of heart?—Those figures I gave have been extracted over a period of twelve months.

54. That is just the trouble: our architects rightly or wrongly insist on having heart timber for certain purposes. In the past they could fall back on kauri, but that is now getting very scarce, and they want Oregon pine. You will first have to convince them that the O.B. timber is equal to heart of Oregon pine, and that is the trouble we are up against at the present moment?—But is there such a thing as heart Oregon?

55. Yes, it is as clearly defined as the heart in kauri. Merchants have stipulated that the timber is to be all heart, and it is also stipulated in all timber we buy that it is to be accompanied by a certificate from the Bureau of Inspectors, which certificates are accepted all over the world.

With the exception of a little corner here and there, such as you see in first-class kauri, it is all pure heart, and that is why there is a demand for it?—Yes. That refers, I suppose, principally to the big sizes.

56. No; all sizes. If you sent the sap timber through the tropics it turns black, and that is sent to China and Japan and used locally for domestic purposes, and is a lower-grade timber? —Of course, that applies to your port Auckland; there may be that necessity for heart of Oregon pine there.

57. Then, it is further distributed again to Gisborne and the coastal ports. With reference to the cause, I am strongly of opinion that you blame Oregon pine more than you should. There is a big falling-off in the amount of our exports, and that must be one reason for the depression? —No one would say that the cause of the depression in the country has been entirely due to the importation of Oregon.

58. Because it is only such a small percentage of our output?—The depression is not entirely due to that.

59. You also said that five or six years ago you, in common with others, rushed into the timber business thinking you were going to make your pile, and do you not think that led to overproduction?—Yes, it does; but we were able to dispose of the whole of our output. It was the demand that first led us into the timber business.

60. Speaking of the Wellington Province, the Lands Department Report for 1907, page 3, C.-4, says, "From these details it will be seen that the Wellington District now contains eighty-three miles, with an estimated annual output of 70,138,000 ft., as against seventy-three miles, with an output of 55,860,106 ft., two years ago. The increase is chiefly in the country traversed by the North Island Main Trunk Railway, between Mangaweka and Raurimu, and there is a likelihood of further development now that the line is nearing completion." Do you not think that is a very large factor that is telling against you now, people going in for building a mill without any connection?—But you will also admit that for some years after that time the whole of the output and more was called upon by the demand—we were not able to supply the demand.

61. We had a period of considerable prosperity?—Whatever the cause was, it took it up.

62. When the reaction comes it will no doubt readjust things, but if there had not been any Oregon in the country this depression would still have been felt?—Yes, that is so; I am quite prepared to admit it.

63. With reference to keeping the money in the country, you know it is a poor argument that does not cut both ways?—That is so.

64. The produce of our factories, such as fungus, kauri-gum, sawn timber, and dressed timber exported for the last year amounted to £904,846, and of that the timber imported was only £270,470, so the difference in favour of the exports was £634,376?—We should have been that much better off if we had been wise. That amount of money we have sent out for timber should not have gone out.

65. What about the exports?—That is what we are here for, to export as much as we can.

66. And so are the other people?—Let them fight their own battles.

67. Do you not see how one-sided it is?—I think you will accept it as the policy for us to produce what we can and sell it abroad and buy as little as we can from abroad. We bought too much when we bought that timber, and we must send as much as ever we can away.

68. With reference to the loss of money, we buy Oregon pine at 8s., and it takes the place of kauri for purposes for which it would be almost criminal to use kauri, and it enables us to sell our kauri for 19s. a hundred net on the wharf in Auckland. Do you not see that it means a profit of 11s. a hundred to the Dominion?—Now you go on to something else. The question of exporting kauri is a subject that requires special attention, and personally I do not mind telling you that, looking at it from a broad point of view, I should be against exporting anything that could be used in the country, and I think we can do with every bit of kauri in New Zealand. In any case, what you are referring to is long lengths, and I am quite willing to let Oregon come in for that purpose.

69. Would you advocate using it for beams: would it not be criminal to do so?—Why not let O.B. rimu take the place of kauri.

70. Architects say it will not stand the test of time?—Architects have only begun to specify Oregon pine since the price went down.

71. I have an order to buy it here from Australia at a price equal to kauri?—Then, I am surprised that you do not buy rimu. That is because you were able to land the Oregon pine at a price that suited the architect's employer.

72. We got the kauri price in that case, because we had to pay the merchant's profit and the duty. We got the kauri price for it, and we could not supply it, and had the option of supplying the kauri. We had to pay the freight on it, bring the Oregon pine from Australia, and pay the merchants on the other side as well. Is not that penalising the people of this country?—It matters not to me where it comes from.

73. If you give 8s. for a hundred feet of Oregon pine, have you not the hundred feet of timber?—Yes, but what have we lost?

74. We have not lost anything; we have an article worth more than 8s., because we can get 19s. for the stuff it replaces?—But it does not altogether replace it. In our district it is burned up in that 500 acres that you saw yesterday. So long as you let Oregon pine come in to replace our timber in the proper markets in Wellington, so much more will be the chance of our timber going up in smoke.

75. I think you are making a mistake?—I sincerely hope you are right.

76. If an extra duty is put on Oregon pine it will put money in my pocket, and I admit that while trade is bad the price will not go up?—That is the position with us.

77. *Mr. Clarke.*] In regard to the sawmilling industry, you said it was a dying industry. What are the sawmillers doing to prevent its rapid death and burial?—The sawmillers are doing absolutely nothing.

78. Does it not look a little bit selfish on their part to ask the rest of the population to pay a little more when they are doing nothing?—But it is some of the people that are affected like the thousands of employees we have got.

79. There are only seven thousand?—They have families, and the industry has prospered generally by their work, and it is not right that they should be struck down with one stroke of the pen.

80. In regard to the conditions in which they have been working, I think you said the Government measures have raised the cost of production, and I presume that is by the operations of the arbitration laws and the increase in wages. Did you refer to the higher wages paid?—Generally the cost of producing it, so far as the wages are concerned, has gone up. That aspect can be divided in two ways: First of all, the depreciation in the value of coin—that is to say, the value of 10s. is a good bit less than the value of that amount ten years ago. That is one aspect of it—the purchasing-power; and in the second place, the value of labour itself has gone down—the men's labour has deteriorated in value.

81. Do you attribute that to the laws that have been placed on the statute-book?—I do. It is the general nursing of the ordinary working-man. With the authority given to the working-man he begins to take the reins in his own hands. He knows the value of his labour, and rightly so—I do not dispute that for a moment—but the only question is that it is realised more than it was years ago, and he says, "To produce wealth you cannot do without labour, and labour must be respected," and he has got to know it, and that has deteriorated the working-man.

82. That is perhaps because you have had to pay more according to the Arbitration Court awards?—That is a matter which has been adjusted by certain individuals. It is a question whether they are capable of adjusting those things. The Arbitration Court award is given at any period, and unless it is kept in close touch at any other period it is impossible to say whether that is the value of that man's labour at any time.

83. I think you said, if Oregon pine were not here, heart rimu would be lessened in price—how do you account for that?—You take the output of your mill, and if you are able to dispose of your O.B. timber as you get it from the mill, you would not want to add so much on to your heart timber to make up the total at the end of the year.

84. Would it not be better to say it "might" be instead of "would" be?—I am quite willing to put that word in instead.

85. You say that clean heart was raised 3s. and ordinary heart nothing: that does not show an indication of it coming down?—It shows an indication of the distinction. We have got a bit finer in our methods, and we have taken to making a distinction between heart in the low test and clean heart. In fact, we have further distinctions, such as ordinary heart, clean heart, building-heart, and scantling-heart—we are getting so perfect at it.

86. With regard to the architects specifying certain timber, do I understand you to maintain that the public should be compelled to use O.B. rimu, and that the other should be put up to a prohibitive price?—Compelled indirectly, yes. If such an arrangement was made that the cost of Oregon pine was increased, the cheaper article would gradually be brought into use.

87. In Auckland, for example, do you see any objection to an architect specifying Oregon pine when it is sold at a dearer rate than your timber—is there any objection to that?—If Oregon pine is being sold at a dearer rate than O.B. rimu and you are able to sell your O.B. rimu at a profit, then by all means let them specify Oregon pine. I want to bring about those conditions—that is all I want.

88. Do you not think it would be wise for this Commission to advise the Wellington builders and timber-merchants to do as they are doing in Auckland, and to level them up for themselves?—It is impossible to ask the builder to do things directly against the benefit of his pocket.

89. *Mr. Morris.*] Do you think that the builder or the architect was studying the interests of the public when the merchant was buying Oregon at 9s. 6d. and retailing it at 17s. 6d.?—The architect, or, for that part, the builder, has nothing to consider. They are only trading concerns. It is merely a matter of their capital, and it is immaterial to them. There is a certain amount of capital invested in the business, and it is invested so as to return the best profit. That is all they care about.

90. You admit that the public are not deriving any benefit from that?—Of course they are not deriving any benefit.

91. As a matter of fact Oregon pine is easy to work, and so it is preferred to rimu?—That is a factor. I understand it is easier to work than rimu, and I believe that that is one reason why the builders are looking for Oregon pine.

92. You, as a shrewd, level-headed business man, admit that we ought to sell as much as we can to the foreigner and buy as little as we can from him. Get all the money we can into the country and use it for developing the resources of the country?—Generally.

93. *Mr. Barber.*] You said you could not produce timber under 9s. per hundred?—That is the cost of producing it here, and refers to the whole of the timber, or the average price.

94. It costs 13s. to get to the merchant?—It costs another 3s. 6d. to land it in Wellington.

95. You said that there has been very little increase in the price of timber?—Yes.

96. How do you account for the merchant being able to sell ordinary O.B. timber ten years ago at 8s. 6d.?—That was a period when we claim we were able to produce and sell timber at 4s. 6d.

97. There has been a rise in timber?—Yes. From the sawmillers' point of view this is the only rise that has been made. I am not responsible for what the merchant charges. I say that if the consumer wants his timber in certain sizes, and wants it dry, and wants all the convenience that a merchant can give to the consumer, he has to pay for it.

98. I agree with you. From the evidence of previous witnesses it seemed as if the merchant was getting an exorbitant price. One gentleman told us that there had only been 6d. rise?—My figures are true and correct.

99. They do show a considerable rise?—They show the rise I claimed. You can call it considerable. There has been a general rise in everything else.

100. They rise from 4s.?—Yes, that is the highest. I said that ten years ago timber was being produced in the Hawke's Bay district at 4s. 6d.

101. Now it costs 9s. per hundred to produce timber?—Yes, here.

102. There has been a very considerable increase. In making your statement just now you said that a shilling rise in the price of timber makes very little difference in the cost of a house?—In the cost of an ordinary building.

103. It is a rise of many shillings. It was 6s. in the Wellington District, then 8s. 6d., and now it is 14s. 6d.?—Yes—that is, timber that is being bought from the merchant in Wellington. The consumer in Wellington can come here and buy his timber from the miller if he desires. It is bad policy for a man to buy more than he needs.

104. You are aware that the "Elsa" brought a large cargo of Oregon recently. Have you any idea what it would cost to maintain that boat in New Zealand?—A comparatively small figure.

105. To providore that boat, maintain the crew, and pay harbour dues?—The harbour dues would come in and probably the amount of purchases in other respects by the sailors. A fair estimate could only be made if we knew how long she would be in New Zealand waters.

106. To maintain a vessel of that class means much money?—Yes.

107. You realise, I suppose, that, although there is a depression in the timber industry, other trades and industries are also in a similar position and have experienced serious depression during the past eighteen months?—Yes, I do.

108. You said the output in 1908 was 3,000,000 per month, which is equal to 36,000,000 per year?—Yes.

109. And your market is confined to Wellington?—Mostly.

110. Do you think it is possible for Wellington to take that amount of timber from you?—If they only go back to the conditions prevailing a few years ago there is no reason why they should not take more than that.

111. Three years ago there was a boom in the building trade—that is, there was a good deal of speculative building which has now absolutely ceased?—I understand that.

112. That proves that it is not due altogether to Oregon pine, because if Oregon pine had been taking the place of red-pine the carpenters would be employed?—I do not suggest that for one moment.

113. The building you referred to was a brick building?—Yes.

114. A very large brick building with very heavy floors?—Yes.

115. Where was this Oregon used?—In the lining.

116. What about the joists?—All Oregon pine.

117. What were the sizes of these joists?—They would be about 16-by-2's.

118. You could not supply this in heart rimu?—I do not say that we could not. We did not get the chance.

119. I thought there was not the percentage of heart for you to do that?—The trouble that we have is that the market for O.B. has been very much curtailed.

120. Has kauri not been used for that class of work in the past?—I say that Oregon pine of those sizes should be allowed to come in at the present duty. We are all prepared to give up our joists-market to foreign timber.

121. A building of that description demands heavy joists?—I referred to the lining. We were lined in all the way up with Oregon.

122. Not the working-rooms?—No, not the working-rooms.

123. So that the other part was really not lined at all?—That is so.

124. What was the flooring like?—As far as I can remember, it was all Oregon pine.

125. With regard to the high price you have charged locally, I understand it is higher than you charge the merchant?—Yes.

126. Is that not evidence that owing to the want of outside competition you charge a higher price for it?—No. There is a keener competition locally than anywhere else.

127. You are confined to the association here?—No.

128. How many are outside?—There are not many millers outside the association. There is very keen competition owing to the want of orders. That is the reason why there is a difference in the price, and it is mainly due to the causes which I narrated a little while ago. A man who buys locally is a man who wants a special specification and it takes a lot of handling.

129. You said you would supply any one, even though he were not a member. How long has that been in existence?—For all time, to the best of my knowledge. I have never refused an order from an outsider. He has, of course, when supplied, to pay the difference between the merchant and the ordinary consumer.

130. There was a conference in Wellington last session of millers and merchants combined, and one of the remits sent to that conference suggested the matter of merchants purchasing from the associated millers?—Yes.

131. What does that mean?—The answer is this. It is a perfectly businesslike proposal. The merchant goes to the associated sawmiller and he says, "I want a certain number of feet of timber per month." It is a big wholesale order, and he wants to know the lowest it can be done for. A price is fixed for that merchant, and the terms and conditions are arranged. He agrees to purchase not less than a certain quantity, and the miller agrees to supply. Then they settle

the matter of discount and other conditions. Surely that is a legitimate agreement. I have, however, had instances where these same merchants have made use of that concession, and only bought a little of their timber from the association, and yet they claimed the full discount.

132. You say there was an understanding that they should take a certain amount from you?—Yes, a certain amount. A merchant has got to keep a certain amount of stock to prove that he is a merchant.

133. Is it not understood that if they buy from you you are not to supply outsiders?—Outsiders do not get the discount that merchants get, and consequently they do not come to us.

134. You do not supply the outsider?—We supply the outsider if he comes with his cash.

135. Is there not an understanding with the timber-merchants in Wellington that a miller is not to supply a contractor?—We supply several contractors and several builders.

136. Has that been your rule for two years?—Yes.

137. Can you put in a copy of the rules of the association?—There are no rules. I can give you the articles of association.

138. Some of them have printed rules?—We have no rules—that is, to the best of my knowledge. The only rules are in the minutes.

139. *Mr. Hanan.*] Did I understand you to say in your statement that sawmillers have been selling timber at a price that is too low?—Yes, but that refers to the O.B. only.

140. Then, the price they are obtaining now for O.B. is not a profitable one?—It is not a profitable one.

141. What increase would you suggest as being payable for O.B.?—Well, take the cost of producing the article here at 9s., and then add the freight to Wellington 3s. 6d., which makes 12s. 6d., to which add 1s. for the sawmiller, and then it would pay. If, however, that happy condition of things were brought about it would be almost compulsory for the heart timbers to be reduced in price; otherwise the millers would make too great a profit. If Oregon were kept out there would be a reduction in the cost of timber, because we could sell our O.B.

142. When the North Island Main Trunk line was completed it was considered it would tap a splendid forest country, and tend to increase the supply and thereby cheapen the timber supplied to Wellington. Can you give us any information on that point as to these anticipations being realised? What has been the effect of opening up this railway on the Wellington market in the supply of timber? Has it had the effect of cheapening timber or otherwise?—The position I take in respect to the matter is that if the Main Trunk line had not been opened up the cost of timber now in Wellington would have been ever so much higher than it is at present.

143. Do you think that Oregon pine has had the deleterious effect that you speak of, notwithstanding that more timber is being poured into Wellington than formerly?—No. The general cost of producing the timber throughout the Island has so increased that Oregon pine has been able to squeeze in. It is chiefly owing to freight. When sawmilling was carried on in the Wairarapa the freight on the timber was not so great, but now we have got back a long way, and the freight is much greater.

144. Then the opening of the railway has kept the price down?—Yes, that is so.

145. You do not believe in afforestation?—I do not think New Zealand can afford the ground. I am in favour, however, of the attempts that have been made to plant trees on the barren areas of the Dominion. If anything like that can be done let it be done by all means; but on land that will grow grass by all means let us have grass.

146. Looking at it from the standpoint of the future, is it prudent for New Zealand to depend on other countries for a supply of timber in order to grow grass?—I think so. There is a general tendency to build our future buildings in brick, and it is difficult to say what might be the value of any timber that we might now reserve in years to come. You must also look at the world generally and find out what timber is there available for our supplies. If it were shown there would be no timber in ten or fifteen years' time, then we should be compelled to make such reservations as would protect us in the future.

147. You are aware that other countries are devoting attention to afforestation?—They have got the land, and they can afford it.

148. Do you not think we have got large quantities of land that is useless for grazing and cropping purposes?—Where you can find it reserve it by all means for tree-planting.

149. Then, in respect to climatic and other things, such as waterfalls, drainage, &c., you do not believe in forest-conservation?—Yes, near towns for catchment-areas, &c.

150. Have you considered this question of imposing a duty on Oregon pine from the standpoint of the Dominion as a whole, or rather have you simply viewed it from the standpoint as it affects this district?—From the Dominion as a whole, although, of course, it is impossible to ignore the local position.

151. You know the West Coast has supplied the Wellington market?—They supply some of it.

152. They compete with your people?—They do compete.

153. Can you compete with them?—We have done so.

154. Are you able to sell lower?—It evidently costs them a little more to land timber in the Wellington market than we can deliver it for.

155. You simply look at the question of a timber-supply from the standpoint of the present day and not with regard to the future?—Absolutely for the present day.

156. You make no provision with regard to the needs of the future?—If you can find any land that is growing good timber where such land is not good for grass, then reserve that timber for future uses.

157. In saying that the sawmilling industry employs the largest number of hands of any industry in New Zealand whom do you include?—The sawmill employees, numbering nine thousand.

158. You do not include in that carpenters, joiners, cabinetmakers, &c.?—No, not in those I am referring to.

159. You have spoken of conserving our wealth; do you not consider our forests wealth?—No, not if you place them too far ahead, and bush you find occupying land that should be in grass. That should be given away in order to put the settler there; but any land where the soil is not good, then reserve that.

160. Are you aware that our timber is being rapidly cut out?—Yes, it is.

161. Does not that point to the fact that the price of timber will increase if you have to go further back to bring it in?—No. From information that has come to my knowledge I should think that in twenty or thirty years' time we shall be able to land Oregon pine at practically the same price as we are landing it now.

162. Do you believe in an export duty being placed on our New Zealand timber?—I do believe in protecting the kauri, because we have only a limited supply of that.

163. And have not only a limited supply of heart rimu?—Yes, we have only sufficient rimu for our own use.

164. And an export duty should be put on that?—Yes.

165. And totara?—I do not suppose there is much fear of totara going out.

166. What woods would you allow to come in here free?—Such timbers as would not compete with our local timbers.

167. But what timbers?—Ironbark and a certain quantity of Australian gums. I think jarrah is very questionable. There is a certain demand for jarrah which totara cannot replace, and I think consideration should be given to that class of timber.

168. Then for certain purposes you would allow Oregon pine to come in?—Yes.

169. Without increasing the duty?—For certain purposes, yes.

170. *Mr. Arnold.*] With regard to your views on the importation of Oregon pine, and labour, I want to make this matter clear. I understand that you think New Zealand is placed at a disadvantage inasmuch as in foreign markets they can work their hands longer hours and pay lower wages and are not restricted by the labour laws as we are. They have an advantage to that extent?—I did not, of course, bring that evidence out. I purposely refrained from introducing the conditions of labour where Oregon pine is produced, and I said I would be satisfied to take the landed cost of that article, no matter how produced, at the Wellington wharf; but if you ask that question I do know those conditions.

171. You think we are handicapped to that extent?—Yes, and that is the principal cause of our handicap. If we were allowed to drive niggers as they do over there we should probably be able to produce our timber as cheap on the railway, but then we have the Government to contend with in taking our timber from the source to the open market.

172. And all you ask is that a duty shall be put on Oregon pine sufficient to place it upon the same footing as though they had the same conditions as yourself?—That is all I ask for.

173. Not that you ask for any alteration in the conditions of labour in this Dominion?—By no means.

174. *Mr. Mander.*] You said that the local man here had to pay a little higher for his timber than the merchant whom you sent the timber to in Wellington?—That is so.

175. You did not mean by that that you charged the railage on to the local man?—Oh, no!

176. That is the f.o.b. price?—Yes, we charged more to the small consumer than to the merchant.

177. When you deal with the local man here you look upon it as retail trade?—Yes.

178. And therefore you are entitled to the retailer's profit?—Yes, not only to the retailer's profit, but to the retailer's method of doing business, which carries with it a certain amount of extra labour and a certain amount of retail risk.

179. Now, you said something in regard to the machinery imported for the milling of timber in this country, but is it not a fact that the machinery cannot be manufactured in this country?—It cannot be manufactured. What we cannot produce in this country has to be imported. As a young country we have to do those things, and I maintain that if we follow out the policy of protecting anything we can produce in the country we are encouraging the man who is going to produce log-haulers and plants for ourselves in the future.

180. Do you think the ordinary architect in Auckland would be able to discern the difference between sap Oregon and heart Oregon?—I am unable to say. Oregon as far as I know is just Oregon, and I am thankful to Mr. Leyland for telling me there is a big distinction between heart and sap. All I know is that where Oregon pine has been specified it has been Oregon plain and simple, just as in the case of our white-pine.

181. Is it not a fact that years ago sap kauri was always used for building houses, without any complaint whatever, for studding and rafters, and the architects as that time never specified heart timber for those purposes?—That is so.

182. Does it not seem strange now that they have come to the conclusion that heart only should be used?—That is a point that requires a great deal of explanation on their part.

183. Are you aware that the men on the s.s. "Elsa," who are supposed to spend so much money in the ports they go to, are nearly all Chinese, who spend very little money?—In reference to that I have myself been at the ships where they have been unloading this Oregon pine, and they are foreign men, and they are a class of people who cannot spend the money to be of any use. If they do go ashore it is a very limited amount they spend, and only in a limited way and in certain channels.

184. In regard to exhausting our supplies of timber in this country, do you think the timber will be used any faster than required for the legitimate uses of the community?—No. Even if the price of the timber were brought down, it does not necessarily follow that there would be an immediate increase in building.

185. People will not build houses for the sake of building?—There is always an uncertain demand for those things, and the demand creates the supply.

JOHN ADOLPH ANDERSON sworn and examined. (No. 94.)

1. *Hon. the Chairman.*] What are you?—A sawmiller, and I live at Taihape.

2. Have you a statement you desire to make?—Yes. I have had twenty-eight years' experience in bush-work, and during that time have handled various classes of timber, and worked in different districts in New Zealand. The most of that time was spent in the Hawke's Bay District. My experience goes to show that the quality of timber now available is much inferior to what was obtainable ten years ago, when the supplies came principally from Hawke's Bay and the Manawatu. The percentage of the hearts is also lesser. The cost of producing timber now is twice as great as it was six to ten years ago, and I do not think that timber can be put on trucks in this district under 9s. per hundred feet now. I consider that there has been a depreciation in the quality of timber to the extent of 30 per cent. Labour also is of much less value than was the case. I myself have been a labourer all these years, though I am now interested in the proprietary of a local mill. I consider that if this country wants to keep its sawmilling industry alive it must come to its rescue at once. The trade is now quite paralysed, and this is due to two causes. The first is through the general depression, and the second cause is through the competition of Oregon pine at a time when we could least fight it. I think that a further duty of, say, 2s. per hundred should be imposed in order to enable the sawmiller to pay the high wages ruling in this country, and also to enable the industry to pay the heavy charges imposed upon it under existing circumstances. Fifty per cent. of the money that comes to the miller finds its way back to the Government in the way of railway freights and royalties and other charges, and the balance mostly goes in wages and maintenance.

3. Did you pay for the siding first?—Yes, it cost us £800, and, in addition to that, we are paying 2½d. to 3d. per hundred feet to get the timber hauled from the siding to the nearest station.

4. How far do they haul the timber?—Two and a half miles. In the first place, we had to pay £800 before they put the siding in at all, and we have to pay £3 every time the engine comes up to take the timber out, which amounts to about 3d. per hundred feet.

5. How much do you put on your trucks when you get the engine to take it out?—That is according to what the output is—sometimes we put on 15,000 ft., and sometimes 25,000 ft.

6. You could not expect any company to run a direct line off their line to your siding for nothing?—Certainly not.

7. Or else you would have to carry it on your own trucks, as many do to their sidings?—But after paying that amount for a siding one would not expect to have to pay those extra charges on top of it.

8. You do not estimate the thing in the way a business man estimates it. You would have to fetch it on a tram to the siding if they did not give you that concession?—We are still running to the siding, and the siding is just running off the railway-line.

9. What distance off the railway-line?—It is right on the railway-line.

10. It is only a loop you have got?—Yes, a loop off the main railway-line.

11. And do they charge you more for running timber from your mill than for running timber on the main line?—Yes, they do.

12. *Mr. Stallworthy.*] How far does the engine haul your timber from here?—Two and a half miles. They bring our timber out from the mill where you were yesterday. They go up on the main line and bring the timber out for us.

13. *Mr. Mander.*] If they took the timber from the main line just opposite your mill, what would be the price there: they would charge 2½d.?—No, they would not. The charge would be about ½d. extra on a continuous freight.

14. Did you never ask for an explanation?—We have asked for it, but they reckon they cannot stop trains there to shunt, but that they have to run special trips for it.

15. *Mr. Jennings.*] In regard to the siding, did you find this difficulty in Hawke's Bay and Palmerston as you do here?—No.

16. In this respect that you had to pay for the siding there?—Yes.

17. But did you have a similar case to this where it was only a short distance?—No, the siding we had there we only worked off the ordinary trains.

18. Are you an employer or an employee in the sawmilling business?—An employer.

19. And what are the relationships between the men and the sawmillers: are they of a friendly nature?—Yes.

20. No disputes?—No.

21. Have the wages been considered satisfactory?—They have been considered satisfactory so far as the men are concerned, but not so far as the sawmillers are concerned.

22. You are an employer now?—Yes, an employer.

WILLIAM TORRANCE IRVINE sworn and examined. (No. 95.)

1. *Hon. the Chairman.*] What are you?—A sawmiller as Turangarere.

2. You have heard the evidence given by the previous witnesses?—Yes.

3. And do you agree with what they have said?—Yes; but I think one point has been overlooked, and that is the question of the difference in the cost of felling and grassing an acre of land, and the wages expended by the sawmillers in felling that acre of bush and converting it into timber. In one case, roughly, in felling and grassing an acre of land, I suppose you could do that for £2 10s. to £3 per acre, whereas if that acre of land is converted into timber, supposing it carries 20,000 ft. to the acre, I put it at 10s. per hundred feet, the full expenditure on wages, cost of production, and railage, and that would amount to an expenditure of £100.

4. *Mr. Field.*] That £100 would include the cost of production, wages, and railage in putting it on to the market?—Yes, the whole expenditure in putting it on to the market.

5. And it would be £100 as compared with £2 10s. to £3 in the other case?—Yes.

6. *Mr. Clarke.*] Are you aware that according to a return laid on the table of the House it costs £15 an acre to convert standing bush into sawn timber. Do you think that has been done?—I do not, and I do not think any mill has.

7. *Mr. Barber.*] I do not quite understand you?—Twenty thousand feet, and you put that at 10s., cost of production, railage, royalty, and everything included.

8. That is the capital value?—No, it is the market value.

9. *Mr. Mander.*] I suppose you are in perfect accord with other millers who have given their evidence here to-day?—Generally, yes.

HENRY BROWN, Sawmiller and Timber-merchant, Inglewood, sworn and examined. (No. 96.)

1. *Hon. the Chairman.*] Can you give the Commission any information with regard to these questions that they are asked to inquire into?—I did not come prepared to give evidence; I have not brought any notes or anything of that sort; but I can give the Commission a general idea of the state of the business in Taranaki. I may state at once that the sawmilling bush in Taranaki is practically cut out. There is very little to cut beyond a few isolated patches.

2. Are you not better off now than you were before, as you have grass in place of bush?—No. During the last few years we have made very little.

3. But you have been making some profit out of dairying?—I have nothing to do with the dairy industry.

4. Will you just tell the Commission in your own way what you know about the timber industry, and what the present trouble in connection with it is likely to lead to?—At present, as far as Taranaki is concerned, the importation of Oregon has made little or no difference. Very little Oregon has come up to the Taranaki District; and, though the sawmilling industry is very much depressed, we attribute it principally to the financial stringency throughout the country.

5. Can you give us any view of what you think would relieve that stringency?—As far as Taranaki is concerned, the only thing that would relieve it, I think, would be the bringing of more capital into the country. At present there appears to be very little money available for building purposes, and the consequence is that the building trade is very depressed.

6. Speculative building is not going ahead?—There is no speculative building whatever going on at present. Nobody seems inclined to build at all, unless absolutely compelled to.

7. *Mr. Jennings.*] How long have you been sawmilling in Taranaki?—Since 1866—forty-three years.

8. How long has it taken to exhaust the supply of timber for milling purposes in Taranaki?—It has taken from that time till now. Before 1866 there was very little sawmilling carried on in Taranaki, and for many years after that it was only just for local trade, whatever that happened to be.

9. When you say that the supply of timber is practically exhausted, do you refer to the whole of Taranaki?—To all parts of Taranaki near the railway-line—within ten miles of the railway-line.

10. You do not refer to northern Taranaki, do you?—No.

11. Of course, you are aware that there are good supplies still there?—Yes, north of Tangarakau, and there is some still in the Mokau; but from what I have seen of that district it will cost far too much to get the timber out.

12. Quite so, but still there is a supply there?—Yes.

13. You say that Oregon has not entered into the question very seriously in Taranaki?—That is so, excepting that Oregon having displaced New Zealand timber in Wellington, timber from the Main Trunk line is being dumped into Taranaki.

14. Has there been any Oregon imported there at all?—Only very small quantities—only a few thousand feet for special purposes, as far as I am aware.

15. With reference to the transmission of timber from this district to Taranaki, can you give the Commission any idea as to what the railway freights are: whether they are a very great factor in determining the cost of timber sent from here?—Yes. The railway freight on timber from Taihape to New Plymouth is 3s. 11d. a hundred feet; from Bennett's siding to New Plymouth it is 4s.

16. Do you hear of any complaints from the public in Taranaki as to the price of timber?—Yes, there has been a good deal of grumbling as to the price of timber, not so much by the contractors as by the public generally. They have an idea that the price of timber has been raised unreasonably.

17. Have not building operations as far as Taranaki is concerned been considerably lessened in the past year or two owing to the stringency in the money-market?—Yes, owing to the stringency in the money-market. The restriction of building operations for the last eighteen months I attribute principally to the stringency in the money-market. Before that I think it was only a relapse after the boom we had about five years ago. At that time there was a great deal of speculative building going on.

18. Have you any interest in a sawmill or in sawmills in this district?—Yes.

19. If the importation of Oregon assumed very much greater proportions than at present, or the importation of other foreign timbers—Manchurian, for instance—became very much greater, would that affect your opinion as to what should be done in regard to the importation?—As far as this district is concerned, it would. I do not think it would make a very great difference to Taranaki, because there is very little local timber available, except in north Taranaki, which at present is quite cut off from the southern portion.

20. Do the same prices rule in Taranaki for timber as exist here and in other parts of the North Island, we will say?—Practically the same prices—about the same.

21. Is there a united price-list for the sawmillers of practically the North Island, in your opinion?—No. Each district can fix its own prices.

22. Do you belong to the Sawmillers' Association?—Yes.

23. Has that association ever discriminated in regard to selling timber to any person who has the necessary money to pay for it?—No. Any one can buy from any sawmiller or timber-merchant.

24. You are a timber-merchant as well as a sawmiller, are you not?—Yes.

25. Does that same principle apply so far as the timber-merchant part of your business is concerned—that any one can get timber if he has the cash?—Any one can get timber if he has the money to pay for it.

26. With all your experience regarding the seasoning of timber, what is your opinion as to what is the best time to cut the tree so as to have the least sap?—I cannot say from practical experience, but from what I have read and heard I suppose that timber cut during the winter season will probably be more durable than that cut in the summer. But as I say, I have had no actual experience and have never tested it.

27. Are the difficulties of getting the timber out greater in this district than in Taranaki?—They are about the same, I think.

28. With regard to the payment of the workers, do the same rates obtain here as in Taranaki? Is there a ruling rate all through?—No, there is no absolutely ruling rate, but as far as bush-work is concerned the rates here are about the same as in Taranaki. The mill hands get rather less in Taranaki than here.

29. *Mr Leyland.*] Did I understand you to say that the sawmilling business is in a very depressed state in Taranaki just now?—Yes.

30. That that is entirely due to the wave of depression that is passing over the Dominion?—That is my opinion.

31. And that Oregon has nothing to do with it as far as Taranaki is concerned?—As far as Taranaki is concerned, I do not think Oregon has had any effect.

32. *Mr. Morris.*] About this winter felling: do you think it is practicable to do it at all? No, you cannot fell the timber in any one season. You must bring it down as the mill wants it.

33. *Mr. Barber.*] What are you selling timber at in Tarânaki?—The retail price to the public is 14s. a hundred for O.B., delivered at any railway-station.

34. *Mr. Ell.*] At what price do you sell your dressing lines—timber fit for inside work in a house and cabinetmaking?—For flooring and lining we sell it at 3s. advance—17s.; at least, lining at 16s. 6d. and flooring at 17s. if it is run green. If we season it before we run it we charge 2s. a hundred more—18s. 6d. and 19s.

35. Assuming that you supply, say, joinery-works and cabinetmaking-works, what do you charge for that timber?—One pound.

36. The mills that you have working in Taranaki—do they send their timber from the district?—No.

37. It is all consumed locally?—Yes.

38. How long will it be before they are cut out?—All the mills near the railway-line will be cut out within twelve months, except two small mills.

39. Have you any forests there to draw upon for future supplies for the district?—No, none at all.

40. Then you will be dependent upon timber imported from outside the district?—Yes, unless the Stratford-Ongarue Railway is completed. That will open up timber land in North Taranaki—about Tangarakau and the Main Trunk line.

41. But that is at present inaccessible, on acount of there being no railway communication?—That is so. There is no road, in fact.

42. So the carriage of timber is a matter of considerable importance to a great number of people in Taranaki?—Yes.

43. Do you anticipate any advance in the price of timber in the future?—Not at present.

44. Do you have any difficulty in obtaining supplies to meet the needs of the people up there?—No. In fact, we have been cutting more than we can supply. We have increased our stocks very much during the last twelve months.

45. Have you had to draw much on outside sources?—No, not so far, except with respect to kauri and totara for special purposes.

46. You have to get the whole of your kauri and totara supplies from outside?—Yes.

47. Is there still plenty of firewood and fencing-material for the people there?—It is getting scarce anywhere near the railway-line. Some miles away from the railway-line there is plenty of material for fencing.

48. Is there any planting being done in Taranaki?—Not that I am aware of.

49. No provision is being made for the future needs of the settlers at all?—No, nothing beyond what the settlers plant. Some of the settlers have made plantations round their homesteads.

50. But there is no State plantation in the district?—No.

51. So that if the plantations are outside of Taranaki it will mean that the price of that timber will be loaded with the cost of transit?—Yes.

52. I want to ask you, as a very old settler, whether you do not think it would be a desirable thing for the Government to make plantations in the Taranaki Provincial District, in order to supply the future needs of the people there when the present supplies are exhausted?—That is rather a difficult question to answer. I think there is some land there comparatively poor which it would be a good thing to plant.

53. I do not suggest taking rich land for the purpose, but utilising any poor land which you have?—The greater part of Taranaki is very good grazing-land, but there are some patches which would probably be more profitably employed in growing timber.

54. You have some areas of sand-dunes, have you not?—Yes, near the coast.

55. It would be a good thing to endeavour to plant that and make it produce something, would it not?—I do not think it would produce sawable timber.

56. You may possibly be aware of the fact that in France they have planted trees very largely upon their coast and upon sand, which plantations are now producing timber?—I know they have planted such lands, but I do not know whether the latter are producing sawable timber or not. From what I have seen of timber grown near the sea it is not fit for sawing purposes; it is too twisted, and knotted, and stunted.

57. *Mr. Stallworthy.*] Can you give us any idea of the extent of the falling-off in your sales?—It is quite 50 per cent. below what the sales were about five years ago.

58. Can you give us any idea as to the quantity of timber that means?—I could not offhand. I suppose it would mean about 200,000 ft. to 250,000 ft. a month.

59. What number of buildings would that mean?—The timber is not all used for building purposes. If you take an average building at 20,000 ft., it would mean ten or twelve buildings a month.

60. What do you estimate to be the average number of buildings erected in New Plymouth per month?—I could not say.

61. You have no idea?—No.

62. *Mr. Mander.*] Where is your mill?—At Inglewood.

63. Has much timber been destroyed by fire in the Taranaki Provincial District?—Yes.

64. Nearly as much as has been cut by the millers, I suppose?—Yes, I think so.

65. *Mr. Ell.*] Has it mostly been destroyed by settlers' fires—is that what you mean?—Yes, mostly by settlers' fires. As soon as the dairy industry developed the settlers found it more profitable to clear their land. They burnt it, and in doing so the fire very often travelled through a lot of bush.

66. *Mr. Mander.*] Is it not a fact that one year the whole side of the country there was devastated by fire?—Yes.

67. How many years ago would that be?—On several occasions fires have gone over large areas of the country. The last big fire we had on the railway-line would be about sixteen years ago.

68. Do you find it very difficult to conserve timber where settlement is going on?—Yes.

69. I suppose you consider the land in Taranaki too valuable to hold in timber areas?—Yes.

70. It would not be profitable to hold timber land for a very long period?—No.

* AFFIDAVIT.

I, Henry Brown, of Inglewood, sawmiller, make oath and say,—

1st. That I have been informed that a member of the Royal Commission now sitting to investigate the timber industry has stated that in my evidence given before the Timber Commission at Taihape I had stated that "the importation of Oregon timber had not affected the timber trade in Taranaki in *any way*."

2nd. That the impression I intended to convey in my evidence was that no Oregon timber had been imported to Taranaki direct, and that a very small quantity of that timber had reached Taranaki; consequently the trade had not been directly affected by the importation of Oregon timber.

3rd. I now wish to state that indirectly the timber trade in Taranaki has been seriously affected, as, owing to the importation of Oregon timber to Wellington, mills which formerly sold the greater part of their output there are now sending large quantities of timber to Taranaki, which is being sold in some cases below cost price.

HY. BROWN.

Sworn before me at Inglewood, this 15th day of May, 1909—Harold Trimble, J.P.

GEORGE WRIGHTSON, Chairman of the Builders' Association, Taihape, sworn and examined. (No. 97.)

1. *Hon. the Chairman.*] How many builders are there in your association?—Eight.

2. And that comprises——?—The builders of the district around.

3. Are there any builders outside the association?—Only one.

4. Will you in your own way tell the Commission your experience with regard to the timber industry?—I have written out a statement which I will read to you. It is as follows: I am a builder and contractor, and am carrying on business in Taihape. I am chairman of the Taihape Builders' Association. I have had twenty-three years' experience as a builder, and most of that time was spent in the Hawke's Bay and Rangitikei districts. My trade has been almost paralysed during the recent depression, but I think the principal cause of this is the absence of money from the district. From my knowledge of the local timber and the country off which it is being taken I consider that the cost of producing the timber here would be about 45 per cent. more than in Hawke's Bay as it was some few years ago, and this would partly account for the difference in the price of timber. Since the break-up in the timber business here there have been a lot of working-men put out of employment, and there is now no building to be done for the working-classes. The quality of the timber used some years ago when the Hawke's Bay District was in full swing was

* This affidavit was handed in on the 20th May, 1909, and ordered to be printed after Mr. Brown's evidence.

quite 40 per cent. better than the timber now offering from this district, and this remark applies to the timber now being produced from the famous Waimarino Forest. In fact, there has been quite a complete change in the quality of timber. The builders in this district get a lesser concession in the way of discounts from sawmillers, both in and out of the association, than builders in other parts of the Dominion. In my opinion the cost of producing timber rose in only the same proportion as all other builders' materials, including the value of a workman's labour. The nursing that the labourer has been getting from recent legislation has had a very deteriorating effect on labour, and this is very noticeable in the ordinary carpenter's work. I cannot but declare that if Oregon pine is allowed to come into the Dominion at as low a rate as it can be brought in at present the sawmilling industry will never flourish as it ought to flourish. Owing to the distance of the ports from this district the cost of building here cannot be lowered by the introduction of Oregon under present conditions. Since the fall in this industry Taihape and all its businesses have had a much greater set-back than would have been caused by the general tightness of money. I cannot agree with those who say that our large forests should be locked up for future use, and think that if we have got to import timber at all it would be better to do it in the years to come than at present, thus allowing larger and perhaps poorer countries to carry the timbers for future use.

5. You stated that the sawmillers do not give the same discount to the builders here, in your opinion, as they give in other places?—They do not.

6. How much discount do they give?—Our discounts here are 6d. on O.B. and 9d. on heart, and I think that in almost every other district in New Zealand the discounts are 9d. and 1s.—that is, to builders.

7. Those are the discounts from those sawmillers who send the timber further away?—From any millers that you deal with you are supposed to get the same discount.

8. But do the millers about Taihape give a greater discount when they send the timber further away than when they sell it locally?—They charge us more for our timber here. They probably give us a greater discount, but we pay more.

9. But you are not sure as to what discount the builders get in Wellington, for instance, or Taranaki?—No; I could not tell you positively.

10. At any rate you think you should get more than the 6d.?—Yes. That is probably about 5 per cent. on O.B., but not more than 4 per cent. on heart.

11. When you get timber do you specify exactly what you want?—Occasionally, but not always.

12. Does it make any difference in the discount when you do not specify?—None whatever.

13. We had evidence that they always give the timber on better terms to those who take the whole log?—They do to merchants who take timber in very large quantities.

14. But on enough timber for a house or two they charge ——?—They do not make any difference. They charge us extra for any special lengths that we have in boarding.

15. *Mr. Jennings.*] Is your Builders' Association connected with other builders' associations throughout the Dominion?—No.

16. Can you get timber from any of the sawmills if you want it for practical purposes?—Yes.

17. Is there much building going on now locally?—Not at the present time. It has fallen off greatly.

18. To what do you attribute the falling-off?—Partly, I suppose, to the tightness of money, and to a lot of people leaving the district through the depression.

19. Would the completion of the Main Trunk Railway not be one of the factors?—No, I do not think that would affect it. I think that what is affecting this part of the district more than anything is the quantity of sawmilling that has been knocked on the head.

20. Did I understand you to say that you do not agree with the reservation of the bush lands?—I do not agree with reservation to a large extent.

21. What would be the effect if that were carried out to any large extent, so far as the prosperity of this district and the Dominion generally is concerned, in your opinion?—I think that if the timber anywhere around this district were left standing it would not be may years before it was all burnt down, for the simple reason that there is settlement all round the bush now.

22. Is there not another factor that comes in with regard to the destruction of our bush, besides fire, whether caused accidentally or by the settlers clearing the land. I mean gales uprooting trees, blight, and so forth?—Not sufficient to do any large amount of damage, I should think.

23. I have seen in this district some of the biggest totara trees uprooted extending over a distance of half a mile?—That would probably be just on the edge of a clearing.

24. It was right in the centre?—I have not noticed it to any large extent.

25. *Mr. Field.*] Do I understand that you complain of the price charged you by the millers?—No, not as it is now.

26. You do not think they are charging too much?—No, not to leave them a reasonable profit.

27. *Mr. Clarke.*] What is the selling-price here at the present time?—O.B. is 10s.

28. And heart?—Heart matai, I think, is 14s.

29. What about heart rimu?—Building-rimu, heart, is 12s.

30. And you get 6d. and 9d. a hundred discount?—Yes.

31. Are there any sawmillers outside the Sawmillers' Association whom you could go to if you wished, and try to make better terms?—Yes, there are millers outside the association, but you cannot get any better terms from them.

32. With regard to the stopping of the sawmilling industry, has that not been the result of the working-out of the bush to a great extent?—No, I do not think so. There is plenty of bush here.

33. Plenty round here to last for a good long time?—A good many years to come yet.

34. *Mr. Barber.*] You said that there is practically no building going on in this district?—Practically none.

35. And you attribute that to hard times?—Yes.

36. There is no Oregon coming into this district?—None whatever.

37. Do you know that the cessation of building is prevalent throughout New Zealand?—Yes, I do.

38. You know that the carpenters and builders generally are largely unemployed?—Yes.

39. While you attribute this depression to the slackness of the mills, that would not apply to other centres, where the carpenters are slack also?—Well, no, hardly.

40. What is the length of the timber with which you are supplied at the rates you gave us? Up to what length is it for 10s. a hundred?—Up to 20 ft.

41. And beyond 20 ft., how do the prices increase?—I could not tell you exactly; but I think it is 3d. up to 25 ft., and 6d. a foot afterwards up to 30 ft., and to 35 ft. I think it is 9d. It rises 3d. every 5 ft., if I remember aright.

42. That is, for every foot in length it is 9d. a hundred more?—Over 30 ft., yes.

43. That is owing to the difficulty in getting long lengths?—Yes.

44. *Mr. Ell.*] With regard to those districts that do not grow their own timber. Take the Province of Canterbury, they have no mills of their own at all. The population about the City of Christchurch is some seventy or eighty thousand, and there are large factories and works being carried on. What would you say would be the right thing to do in view of these facts, that the timber for their furniture-making, if imported, costs them, say, £4 or £5 a hundred, whereas they can get rimu landed in Christchurch at 13s. 6d. a hundred? Would you say, in the face of that, that it would not be a desirable thing to make certain reservations to supply such an industry?—Most decidedly I think it would, in places suitable. What I meant by my reference to not conserving the bush to any great extent was this: in places where there is population round about it I do not think it would stand; it would be burnt out, and would be lost to the country.

45. You admit the necessity of making some reserves for the future supplies of our people?—Yes, in suitable places.

46. Of course, you see that if we had to depend upon imported timber at the price that imported timber costs, it would increase the cost of furniture considerably to the people of New Zealand?—Yes

47. You say you think this country ought to draw from other countries for its supply?—I do not think there is any necessity for it at the present time.

48. The American people are telling us now that they are beginning to feel anxious about the supplies for their own country?—We shall have to do in this country, I suppose, the same as they are doing there—that is, afforest again.

49. We are drawing at present from natural forests, and the timber we are getting from other parts of the world comes from natural, not planted, forests?—Yes.

50. Is it not obvious that the natural forests are being rapidly depleted by the enormous demand that is made upon them from all parts of the world?—There is no doubt that they are.

51. Would it not be a wise thing, in view of that, for this country to go on with more vigorous planting?—Yes, in suitable country. I do not think it would be wise to plant country that is suitable for agricultural or pastoral purposes.

52. I do not suggest that?—All waste lands, I think, should be reafforested.

53. Do you of your own knowledge know of parts of this country where timber is growing on poor land?—I know where there is a good deal of timber growing on land that is not too good.

54. Producing about the best crop that it will ever produce?—Yes, I think so.

55. Do you think it would be wise to mill that timber and gradually reafforest the land on which it is growing?—Yes, I do.

56. *Mr. Stallworthy.*] You told us that nursing legislation is destroying the efficiency of labour. To what legislation do you specially refer?—Mostly to the Arbitration Court awards.

57. The legislation that places the employee on an equal footing with the employer—you refer to that?—To a large extent, yes.

58. *Mr. Mander.*] With regard to oak and other timbers imported into New Zealand for furniture-making purposes at about £5 a hundred feet, do you not suppose that there are people in this country who would get that timber if it cost £10 a hundred?—I am sure there are.

59. Do you think it is imported at £5 a hundred for any other purpose than to provide the richer people with luxuries—well, to gratify their tastes?—No, because the poor man could not afford to pay it.

60. Therefore that phase of the question does not affect the poorer man at all?—No.

AUCKLAND, FRIDAY, 7TH MAY, 1909.

EDWARD PHELAN sworn and examined. (No. 98.)

1. *Hon. the Chairman.*] What are you, Mr. Phelan?—General secretary of the Auckland Timber-workers' Union.

2. You know what the Commission is here for—to inquire into these matters set out in the order of reference, and any other matter pertaining to the welfare of the timber-workers or timber-millers generally?—Just so.

3. Would you like to make a general statement, or would you prefer to be questioned?—I should prefer to be questioned. I may make a statement afterwards.

4. It might save time if you made a statement, because you may be asked questions which you would have explained if you had made a statement?—Very well, Mr. Chairman. I represent some eighteen hundred members of the Timber-workers' Union.

5. Do you not think it would be well that one or two of the workers themselves should be called?—If the Commission think it necessary I am quite willing to call some of them later on.

6. Very well?—The number of mills in the Auckland Provincial District is 63. The average output per annum is 212,196,700 superficial feet. The number of men employed is 2,655.

7. *Mr. Leyland.*] That does not include bushmen, does it?—No.

8. *Hon. the Chairman.*] Are the bushmen not in the union?—No. We do not include them. These figures include only those engaged in producing sawn timber. In addition to the mills I have given, there are three mills in the Taranaki District, just over the border, which are really competing with our local mills. They are at Mangapehi, Ongarue, and Matire. At the first-mentioned they employ 85 men, and their output is about 4,000,000 ft. per annum. The Ongarue mill employs 12 men, and the output is 250,000 ft. per annum. At Matire 6 men are employed, and the output is 250,000 ft. So that mills in the Taranaki District competing with those in Auckland produce 5,500,000 ft. annually. Then, in the Wellington District we have the Mananui mill, which employs 80 men and produces 7,000,000 ft. per annum; the Piriaka mill, which employs 25 men and produces 1,200,000 ft., but I have since noticed from the paper that this mill is evidently in difficulties; and the Kakahi mill—the State mill—which employs 50 men and has an output of 2,860,000 ft. annually. In the Auckland Provincial District other than Auckland City we have 53 mills—that is, outside the City of Auckland—producing 167,346,700 ft. and employing 1,944 men producing sawn timber. In our Auckland City we have 9 mills producing sawn timber. I am not including the factories. These 9 mills produce 44,850,000 ft., and are employing 711 men. The next is the Kaipara district, which, I think, is the greatest exporter of timber in New Zealand. In the Kaipara district within reasonable distance of the water there are 10 mills, producing 47,750,000 ft. and employing 428 men. In the year 1906–7—which is the last year for which I could get the return—the timber exported from the Kaipara was 40,737,954 ft., valued at £161,383. The timber exported from Auckland City and other ports, including Hokianga and Herekino, was 27,540,764 ft., valued at £115,028. The total amount exported from the Auckland District was thus 68,278,718 ft., of a value of £276,411. During the same year 75 sailing-ships and 17 steamers left the Kaipara, their total tonnage being 49,925 tons. I have looked up the latest returns it was possible to get, and tried to find out the approximate quantity of milling-timber on private and Native lands in the Auckland District——

9. The timber that is standing now?—Yes; but as this return was made for the year 1907 I have had to deduct the year's cutting and come at a conclusion in that way. Shall I give you the figures?

10. Yes?—The approximate quantity of milling-timber on private and Native lands in the Auckland District is as follows: Kauri, 375,000,000 ft.—I am leaving out the odd figures; rimu, 993,000,000 ft.; kahikatea, 642,000,000 ft.; totara, 100,000,000 ft.; matai, 810,000,000 ft.; and miscellaneous, 131,000,000 ft. Thus there would be at the end of the year 1907 a total quantity of 5,030,000,000 ft. of timber in the Auckland District. Now, the output for the year 1908 we will say is 212,000,000 ft. If we deduct this amount, the standing timber remaining would be 4,481,000,000 ft. Our output has been increasing, I should say, at the rate of 50,000,000 ft. per annum. So if we divide the remaining timber we find that it should last about nineteen years.

11. *Mr. Leyland.*] Have you provided for an annual increase of fifty millions in the output?—No. It would not last that long if we allowed for fifty millions annual increase.

12. But do you not think it is the right thing to do?—I do not know. At the present rate of cutting the timber will last twenty-three years, but I have reduced it to nineteen years to allow for a certain amount of increase.

13. Have you allowed for any inaccessible timber?—No. Then I might mention that the number of mills in New Zealand at the end of 1907 was 411. Since then we have had several mills erected. The output per annum for the Dominion is 432,000,000 ft. In my figures for the output of the Auckland Provincial District I did not include several mills that are being erected at the present time. For instance, one at the Barrier will, I think, be capable of producing from twelve to fifteen million feet per annum. That is not included in this statement at all.

14. *Hon. the Chairman.*] But there are several shut up at the present time, according to the evidence we have had?—Yes. Well, that will make up for the difference. Now, with regard to the question of Oregon pine, I think we should have some protection against the timber coming in here indiscriminately, and I have a suggestion which I would make to the Commission. I would suggest that the import duty on Oregon pine be as follows:—Logs, round; half-logs; logs, squared; and flitches, 12 by 12, or an equivalent, 2s. per hundred, as at present. All other Oregon I would suggest that you put an import duty of 4s. a hundred on. Everything under 12 by 12 should be charged a duty. By allowing the Oregon to come in, our workmen derive a certain amount of benefit from cutting the timber up, and it will inflict no hardship on any person. It will encourage the Americans to send forward timber in larger flitches. As a matter of fact, some of this Oregon coming in in balks like this was the means of keeping some of our men employed during last year when logs were scarce. I noticed that the Leyland-O'Brien Company, for instance, was recutting this timber. That is all I wish to say.

15. Are the timber-workers in the Auckland District working under an award?—Yes.

16. Do you know if they are not, many of them, paid more than the award?—Yes, the majority of them are paid more than the award rates at the present time.

17. As a body they have not any grievance, I suppose?—The usual grievances. When I say that, I am only alluding to the mills away out in the backblocks. The town mills and the Wairoa mills we never have any trouble with. We have always had a good feeling existing.

18. *Mr. Mander.*] Are you aware what position the timber trade is in at the present time?—Yes, I have an idea that there is a slump in the timber trade.

19. Is the kauri affected by the slump to any extent?—Not to a very great extent.

20. What do you attribute the slump to?—To the money-market in America. We all know that there was a tightness in the money-market, and they had to realise on their timber. So they forwarded it out to the colonies at less than cost-price, I believe.

21. Do you think that Oregon has had any effect upon the slump in the trade in New Zealand at all?—With regard to kahikatea I believe it has.

22. And rimu, I suppose?—Yes.

23. You are aware that Oregon has been coming into competition with kauri for many years on the other side?—Yes, in Australian ports.

24. Are you aware whether it has reduced the value of first-class kauri on the Australian market at all?—No, I cannot say that it has reduced the price of first-class kauri.

25. But you think it comes into competition with the inferior qualities—rough heart—and rimu and ordinary building-timbers?—Yes, rough heart especially, and kahikatea.

26. Have you any idea how Oregon compares with our ordinary building-timbers—rimu, and totara, and matai, and other timbers?—I think the Oregon will compare more than favourably with our rough heart of kauri or totara, for instance, for certain works.

27. What do you think of it with respect to durability?—As to durability I am not capable of expressing an opinion.

28. Do you not think that totara would last very much longer?—I know totara, and I know it to be a first-class timber.

29. As a general principle do you not think we should protect those commodities that we can produce in the country ourselves?—Yes.

30. We should lighten the duties on those commodities that we cannot produce in the country and need for our own special purposes?—Yes.

31. From what you know of kauri timber, do you believe in the theory of conservation?—No; I do not think it possible to conserve the kauri.

32. Have you known of any very large fires taking place throughout the country?—Yes, I have known of thousands and thousands of feet of timber being lost through fires.

33. Do you think there is greater danger with regard to kauri forests than rimu or kahikatea forests?—Yes, I think the kauri is more susceptible to fire.

34. Have you known of any patches of timber that the Government have set apart for reserves?—I know the kauri park at Kaihu. That is the only one I know of.

35. Have you known of any large areas that have been set apart and that fire has gone through and destroyed completely?—Yes.

36. Do you know about the Puhipuhi Forest?—Yes, fire destroyed thousands of feet of timber there.

37. Considering the value of kauri or other timbers at the present time, do you think it a business proposition that private individuals or the Government should hold areas for forty or fifty years for the benefit of future generations?—Well, no. That is partly my reason for recommending that Oregon should be allowed to come in in junks; I thought that it might have a tendency to preserve the kauri for future use—that is, the kauri might last a few years longer than it otherwise would—because there is no doubt that there are lots of uses which we put kauri to that we could make use of Oregon equally well for.

38. Do you not think that at its present price timber held for fifty years would be too expensive for building purposes? Do you not think it possible that a cheaper material might be introduced by that time?—I hardly think so.

39. I suppose you are aware that timber at 3s. a hundred would, if held for fifty years, be very expensive at the end of that time?—In fifty years we may have some composition that will take the place of timber, but I do not think we need have any fear of timber increasing very much in price.

40. But do you not think that the fact of holding it for that time would necessitate an increased price?—Certainly it will increase.

41. The interest on the money represented and the loss by fire—would not those two factors compel the price to go up?—But we will admit the foreign timbers, which will have a tendency, I hope, to keep the price down.

42. What has been your experience up to the present? Do you think the introduction of Oregon has kept the price down in the local market?—Locally I do not think it has. I think the timber has been held by the sawmillers; the local sawmillers have controlled the market in order to protect themselves.

43. Do you know what Oregon pine is delivered in Auckland for at the present time?—No, I could not say.

44. Do you not think it would be a fair proposition to reduce the duty on long lengths and sizes that are necessary for big buildings, &c.?—No, because in America they can send away two or three million feet without any very great inconvenience—I mean in lengths of, say, 50 ft. If we did that, of course, they could send it all in in long lengths and avoid the duty.

45. But then there would be the recutting. Do you not think it a waste to use kauri for beams for big buildings? Do you not think it could be used for better purposes?—If you used a certain class of kauri—rough heart and so on—it would not be a waste; but I think there are uses that we put kauri to which we should not use it for.

46. If we allowed long lengths to come in, I thought that perhaps kauri would not be wasted for those purposes, and we should get the Oregon much cheaper?—Yes.

47. Do you think it would be unwise to allow ordinary building-timbers to come in and compete with our kahikatea, and rimu, and other timber?—Yes.

48. Therefore you think an extra duty should be put on those short lengths. Now, what is your opinion of an export duty on kauri?—I should strongly object to that. The figures I have just quoted will show you the importance of the industry, and if you are going to put an export duty on it will practically kill, not so much the city, but the country mills, which rely upon the exportation of their timber.

49. Do you not think that if such a duty were imposed the market would be glutted with kauri, and all the other timbers would be stopped from coming into the market for a number of years?—Certainly. You would have no sale for the other timbers.

50. You think it would not pay the millers to hold it?—I am sure of it.

51. I have referred to other building-material. Are you aware that houses are now being built in New Zealand of asbestos?—I have seen it on the roofs of houses, but I did not know that the whole structure was built of it.

52. At the present time they are building houses with asbestos, and it seems to me to be a commodity that will very likely be used for building in the future?—Of course, they have to use a certain quantity of timber with the asbestos.

53. Do you not think, seeing that the Government protect labour in this country, that they should also protect those commodities that are produced by labour?—Most decidedly.

54. Do you not think that royalties, freights, &c., should be on the same basis throughout the whole colony—in the North Island as in the South?—Certainly they should.

55. Seeing that there is complaint that timber is too high in price in this country, do you not think that the Government should help to meet the public by reducing the royalties and the railage freights somewhat?—Yes, I certainly think, if it is within their power to do so, that they should.

56. You are aware that the railage on kauri is now up to as high an amount as 3s. and 3s. 6d. a hundred?—Yes.

57. Do you think it is possible for millers to cut the prices down in view of the heavy freights they have to pay?—I really believe that the royalties and the heavy freights have a tendency to increase the value of timber.

58. I suppose you are aware that about ten or twelve years ago you could buy timber at 1s., and it is now up as high as 3s. and 3s. 6d.?—Yes.

59. *Mr. Stallworthy.*] You were asked whether the Government protect labour. Do not the Government also protect the employer?—Certainly; perhaps more so in some cases.

60. You have given us a very good idea of the amount of timber put out from the mills of the Auckland Province. Can you make any distinction as between the north of Auckland and the south of Auckland? Is there any difference in the kind of timber produced? What timber is milled north of Auckland?—Kahikatea, kauri, and a little rimu and totara, but it is principally kauri and kahikatea.

61. And south of Auckland what is it?—Rimu, matai, and totara, and sundry other sorts in small quantity.

62. Is the north or the south more affected by the Oregon?—Both, I think. We are affected more in the kahikatea line. For instance, our offcuts in kahikatea we have no market for. The Oregon going into Australia is our greatest enemy, I maintain. It is doing us more harm than the Oregon coming into the colony. We can cut the 12 by 1 first-class kahikatea, but we have no market for the other. Every reasonable man knows that a miller cannot make any profit if he cannot get a market for the offcuts in the kahikatea line.

63. How long since did the depression in the timber trade begin?—I think we have felt it now for about eighteen months.

64. Has it been felt most north of Auckland or south of Auckland?—I think those in the south of Auckland have felt it more than we have, because we have the kauri.

65. Can you give us any information as to the extent to which the slump has been felt by the workers, in the way of men being thrown out of employment?—Of course, there have been a great number of men who have lost their particular jobs, but I think the majority of them have found other work. There are not a great many timber-workers at the present time out of work—I mean men who can do an ordinary day's work. We have a lot of casual labour, but I think that is mainly caused through the immigrants coming into the country.

66. We were told at Taihape that there were three or four hundred men out of work around Taumarunui?—I have no knowledge of that.

67. There was also a statement made that eighteen months ago 280 men were employed in the mills around Taumarunui and that now there are only 115?—I have no knowledge of that.

68. Is it a practice to send employees around from one mill to another?—Yes.

69. At whose request?—From the employers mainly.

70. You keep a record of those out of work?—Yes.

71. Have you a large list at the present time, or is it a small one?—I have none. There were about three out of work when I left, but I got them work at other than mill-work.

72. You approve of the export duty on kauri logs?—Yes, certainly. On the logs there is 5s. per hundred.

73. Would you object to an increase of that duty?—I would object to an increase of the export duty on kauri logs. I think that 5s. is sufficient to keep kauri in our own market.

74. What is the size of a flitch to which the 5s. duty does not apply?—30 by 9.

75. Do you think that it should be fixed at a lower size?—I think it should be 12 by 12. Five shillings on logs, round, squared, or half-logs. There is 3s. on 30 by 9.

76. Do you think that the 5s. duty should be applied to the 30 by 9?—Yes, 30 by 9 is practically a log.

77. How much lower than 30 by 9 would you come?—I would come to 12 by 12. I do not mean to put an export duty on small timber. I would charge all above 12 by 12 5s.

78. Are there any mills owned by foreign firms in this district?—Of course, the Kauri Timber Company, which is a good firm, may be a foreign firm. I know of another mill in this district which is owned practically by Australians.

79. There are some mills owned by Australians almost wholly?—Yes.

80. If an export duty was put upon the exported timber of such mills, what would be the effect upon their trade, suppose a prohibitory duty was put on?—They could not export their timber, and they would have to enter into competition with the local people here.

81. Are there many mills idle?—Yes, there are mills working short-handed.

82. Have you any idea of the number of mills actually closed?—I do not know of any. They are working short-handed.

83. Are the majority of mills working short-handed?—No, I do not think so. They are working away.

84. Do mills very often work night shifts?—Very often.

85. Do you think that is a good practice?—No. I never like to see a mill working night and day; it has a tendency to use up too much of our valuable timber, and it is only casual work for a lot of people.

86. You told us you would place a duty on Oregon. What do you say in reference to jarrah?—I think we should have a small duty on that. I do not think they can compete with our local timbers. Jarrah cannot be bought under £1 a hundred feet.

87. Did you see jarrah in small sizes yesterday?—Yes.

88. Do you know that yard at all?—There are about three or four men employed there. Of course, they employ casual workers, and that is not much good to the worker.

89. And do you think that the small sizes down to 4 by 2 should be allowed to come in free of duty?—No, I do not think so.

90. It has been stated on several occasions to this Commission that men do not now give as much work as formerly?—More work is being done now by the men than in former years. The machinery is more up to date, and men must work quicker in consequence. The outputs of the mills are steadily increasing. We have, too, to contend with bad timbers at times.

91. You have been a practical sawmiller?—Yes. I have figured it out for the last ten years. The minimum wage has increased 6 per cent. There were many millers in those days paying far above the minimum.

92. Do awards have any effect upon the industry?—I think they have a tendency to assist the industry.

93. Any lessening of employment?—No, I do not think so.

94. What about the price of timber as affected by the awards?—The awards could not affect the price of timber. The increase in wages would not affect the price. Wages are practically the same now as they have been for years, although the minimum has gone up. Employers have always paid above the minimum.

95. Can you give us any idea regarding the rise in wages as compared with the rise in timber—that is, if wages go up 1s. all round, what rise in the price of timber will cover it?—Take a mill producing 40,000 ft. of timber a day, such a mill as the Te Kopuru mill, which the Commission has visited. If that mill employed forty men it would mean 40s. more as wages per day, and that works out at a fraction over 1d. per hundred feet on the timber produced.

96. What have been the rises in timber since the awards have been made?—It has gone up 25 to 35 per cent.

97. As a worker, do you know of any reason for that rise?—The timber itself has increased in price in the forest. Insurance has gone up. In the early days I believe they were paying as much as they are now for taking the timber out.

98. Is there any other reason for the rise of timber?—No other reason.

99. It was stated at Taumarunui that notice of a reduction in wages was given at one mill. It was also stated that if the wages were reduced the men would be satisfied?—They would not be satisfied.

100. You do not think the men are getting too much at present?—No.

101. *Mr. Jennings.*] Does your sawmillers' union embrace the whole of the Dominion, or is it merely local?—Auckland Province.

102. With reference to one portion of the Auckland Province you stated in reply to Mr. Stallworthy that there had been no lessening of the output from the mills. Do you apply that statement to the other Auckland millers generally?—Yes—that is, so far as the millers are concerned. I mentioned that they were working short-handed in many cases.

103. You know that the Pungapunga Company's mill has been closed for a long time?—That is out of my district.

104. I refer to the number of men that are out of work through a combination of circumstances. That mill has been closed for the past seven or eight months. The mill is at Manunui, in the Waimarino?—The company is in difficulties.

105. Can you give the Commission any idea why those mills have been closed up?—No, I have no idea. They are out of my district.

106. Still, you have members of your union in that district?—Yes, I have a few.

107. Have you heard from any of them that trade has fallen off considerably?—No, I have not received any applications for work.

108. Would you be in favour of a Committee or Board being set up by the Government to regulate the price of timber, supposing it went too high, in the same way as they do with flour, machinery, &c.?—Yes, I think it would be a good idea. I would be in favour of that.

109. Do you know of any bush containing kauri or kahikatea in the Kaipara district that is being held merely for speculative purposes?—No; we have a considerable amount of bush in the Kaipara district which is held by the Government, which, in my opinion, is a speculative business, because you never know when a fire will come and wipe it out. We are now losing thousands of feet of it. Something should be done to get that timber out before we lose it.

110. Do you know the amount of timber that was destroyed in the Puhipuhi fire some years ago?—I know there were thousands of pounds' worth of valuable timber destroyed.

111. You are speaking of the workers' union, but we must not forget the general public. Building operations have been retarded owing to the high price of timber. Can you tell the Commission what the price of timber was ten years ago as compared with to-day?—It has increased about 35 per cent.

112. Can you give the Commission any information as to what wages were ten years ago as compared with to-day?—Yes, I have the different wages here, and I will leave the schedule with the Commission.

113. Does that give a comparison?—There are three distinct awards ranging back from nine years to the present time.

114. You are not associated with the sawmillers' union in other parts of the Dominion?—No.

115. Your statement tallies exactly with the statement of Mr. Burns in Invercargill, who said there was an increase of 1s. per thousand feet owing to the advance in wages?—That is so.

116. Is your agreement with the employers a voluntary agreement?—Voluntary.

117. Were you ever before the Arbitration Court?—Only once.

118. It has worked satisfactorily?—Yes, I think so on both sides.

119. *Mr. Hanan.*] I take it that your views would be a recommendation to the Parliament of New Zealand to pass legislation in the direction you have indicated for the whole of the Dominion?—Yes.

120. Do you know anything of the conditions of the sawmilling industry in the South Island?—No, very little.

121. In Dunedin or Christchurch?—No.

122. Do you not think that you ought to make yourself acquainted with the conditions prevailing everywhere before you make general recommendations?—We are all much on a par. I think our interests are identical.

123. I take it that you are not acquainted with the conditions prevailing in other parts of the Dominion so far as the sawmilling industry is concerned?—In the South Island, no.

124. Do you not think you ought to consider that question before making a recommendation to the Commission?—Our interests are practically identical.

125. Do you know what the supply of rimu is in Southland?—No.

126. Do you know anything about the difficulties the Dunedin people have in obtaining their supply of rimu?—I am not conversant with the timber industry in the South Island.

127. If your interests are identical do you not think that you ought to know how it would affect the workers in Dunedin and other places?—I think I know that.

128. Do you know that they have considerable difficulty in getting good heart of rimu in Dunedin and Christchurch?—We have the same difficulties in the North.

129. Can you say in what respect the millers in the Auckland District have an advantage over the millers in the South Island, if any?—I do not think they have any advantage. The northern millers have expended more money.

130. Have you not better bush in the North Island?—So far as rimu is concerned I am not going to express an opinion. I am not conversant with the timber in the South.

131. You are not in a position to give this Commission any information as to the position, so far as the bush is concerned, its quality and nature, comparing the North Island with the South Island?—No.

132. If you speak in the interest of the workers, and say your interests are identical, do you not think you should know something about the price of timber in the South Island?—As I have explained, in that particular question our interests are identical. They can no more afford to pay big prices for timber than they can in the North.

133. You think they are in the same position as regards the quality of the bush, cost of production, &c.?—I believe the cost of production is more in the South than in the North simply because they have got plants that are out of date.

134. Do you send timber to Wellington?—Yes.

135. How does it compete with timber from the West Coast?—I do not know.

136. Do you know anything about the timber that is received in Wellington compared, say, during the last eighteen months with the amount of Oregon that has been imported?—No, I do not know.

137. Do you know if the cost of building to the workers has gone up in Wellington?—Yes; the cost of timber has increased.

138. Do you consider that the importation of Oregon to some extent conserves our rimu timber?—Yes, it certainly will.

139. Do you think it is desirable, having regard to what you said about the inadequate supply of rimu, that it should be conserved?—I think we should try and effect the sale of it and give work to people.

140. If there is very little good heart rimu obtainable in Dunedin or Christchurch what do you think should be done in the way of conserving rimu under such conditions? Do you think Oregon should be allowed to come in?—I think our own local timber should have the preference,

141. Notwithstanding the fact that it is becoming scarcer and scarcer every year?—I look to the future, and I maintain that the land cleared of the timber is of more value to the country.

142. You do not believe in forest-conservation?—There are some timbers that will grow in twenty years, but it is useless to grow kauri.

143. Do you know anything regarding the condition of the timber-market in Dunedin so far as kauri is concerned?—No.

144. The timber-merchants down there consider the prices for kauri delivered there almost prohibitive?—I should not be surprised to hear that.

145. You do not favour an export duty on kauri?—No.

146. Can you compare the prices paid in Christchurch and Dunedin for kauri with what obtain for kauri in Australia?—No, I cannot.

147. If they are paying a higher price for kauri in Dunedin than in Australia what would you suggest as a remedy for that?—A Committee should be appointed to regulate the price of timber.

148. You think it is possible to regulate the price of timber?—I think so.

149. You think that would give satisfaction?—No, I do not think it would give satisfaction, but I believe it would be more satisfactory than the present condition of things.

150. You think the State should regulate the prices?—I think so.

151. There would be no difficulty in doing that?—There is always a certain amount of difficulty in all these things.

152. Have you heard anything of a regulation made by the Government granting timber according to the haulage capacity of the mill?—Yes.

153. Do you approve of that?—I think that a certain amount of timber should be allowed to each mill according to the power of their machinery. If you do not do that the man with money could buy the bush.

154. Would that regulation play into the hands of the capitalist?—I think so.

155. Do you not think that giving encouragement to the establishment of a large mill with improved machinery would tend to lessen the price of timber?—No, I do not think so. We want to encourage competition, and competition has a tendency to reduce the price of timber as in other things.

156. Do you believe in a State sawmill?—Yes, I do.

157. What are your reasons for that?—If there are any profits the people can get them.

158. Do you think it would pay?—I feel sure it would pay.

159. Even under present conditions?—It would pay.

160. I understand you to hold that the milling industry is not being ruined or going to the wall?—I do not think so.

161. Do you consider that the introduction of Oregon, as alleged by some people, is the major factor in contributing to the slump in the timber industry in this country?—No, I think the slump in the money-market in America has been the great cause of the trouble.

162. I understood you to say that you would keep out certain timbers?—No, not certain timbers.

163. Would you keep out jarrah?—I would admit it in junk and cut it in the country. That would give employment to the workers. Similarly with Oregon.

164. You favour admitting all raw material or timber that cannot be produced in the Dominion for certain purposes free?—Provided it gives employment to some of our artisans. I am in favour of Oregon and jarrah coming in free in the log.

165. Has the price of buildings gone up here to the workers?—Yes.

166. Do you think the price of timber too high?—That is a very difficult question to answer. The price is certainly too high for a poor man to try and build a house.

167. Would you say that the sawmillers are making too much profit?—I would not say that.

168. Have you any suggestions to make with a view of reducing the cost of workmen's cottages?—I think the royalties on timber should be reduced.

169. Do you think the consumer would get the benefit?—No, possibly not; but if we had a Committee to inquire into that we might get some benefit.

170. What is your opinion as regards the miller supplying direct to the consumer as compared with having timber-merchants?—Well, I do not know, but I think I would far sooner see the miller supplying direct to the consumer than the merchant.

171. Why?—Because there is the middleman, and he has to have a profit.

172. I understand you are acquainted with the milling industry. How long have you had experience of it?—About twenty-five years.

173. Am I correct in assuming that the timber-merchant gives more satisfaction to the builder by reason of the fact that he has seasoned timber, and that he can also supply to order?—Well, the sawmiller can produce the seasoned timber just the same as the timber-merchant. I say it would be far more satisfactory for the consumer to buy direct from the miller than from the merchant. I am sure he has a greater variety of timbers to choose from than from the merchant.

174. Then, you think the timber-merchant is unnecessary?—I think so.

175. Would not proper seasoning increase the price of timber?—Of course, the timber is more valuable seasoned than it would be unseasoned.

176. Generally speaking, how many miles are the mills within a distance of Auckland?—I should say within a radius of over a hundred miles.

177. A hundred miles?—More than that. I should say considerably over a hundred miles.

178. Well, generally speaking, the mills in the Auckland District are situated a hundred miles from the City of Auckland?—Somewhere thereabouts.

179. The cost of production is going up as the bush is going further back and good timber is becoming scarcer?—That is so. We find that the bushmen are certainly getting good prices now, but I know of cases where they were getting equally good prices for sweeping the river-banks.

180. In your opinion, do the conditions point to an increase in the cost of production?—No, I do not think so.

181. Well, would you say a reduction in the cost?—No.

182. Then, there is no probability, in your opinion, of the price of timber being increased for the next five years, say?—No, I do not think there is any likelihood of it.

183. *Mr. Field.*] Where do you live?—In the Kaipara district.

184. And are you cognisant of all matters respecting the timber industry in the Kaipara district, and also here and in the district south of Auckland?—Yes, fairly conversant—more so of those in the city.

185. And those in Taumarunui?—Yes, I visit there sometimes.

186. Is there a sawmill-workers' union down as far as Taumarunui?—Yes, we include Taumarunui. We joined them all as parties to our award.

187. The workers there have an opportunity of joining your union?—Yes, every opportunity.

188. There is no actual headquarters?—No. A difficulty has arisen. We have joined them as parties, and three mills are in the Wellington District and three in Taranaki. They have signed it and agreed to abide by the terms, but they are not quibbling and getting out of it on the understanding that they are in the Wellington Provincial District.

189. When a sawmill-worker told us there was no union in Taumarunui he was speaking somewhat the truth?—We have members there. They are working under our award, or should be.

190. Of course, you are aware that the timber industry employs a large number of men outside those employed in the mills?—Yes.

191. And any disaster to the timber industry would materially affect a large number of men outside?—Yes, a considerable number.

192. You spoke about the Kopuru mill, which you said turned out 40,000 ft. a day?—Yes, and if you raised the wages 1s. per man per day, and they employ forty men, that would mean that the cost of production would go up 1s. per thousand feet. It would be a fraction over 1d. per hundred.

193. How many men are employed in that mill?—I have not got the exact figures, but I have quoted the number at forty. When I said "forty" I included the small mills there.

194. And in the forty you do not include bush hands?—No.

195. And the river hands?—There are hundreds of people engaged in the work.

196. What hours do they work in that mill?—Forty-seven hours a week.

197. And those are regarded as fairly short hours?—Yes, the hours are satisfactory to the men.

198. Shortening the hours is equivalent to raising the wages?—Yes, in some cases.

199. Now, I listened with interest to your suggestion about the increase of the duty on Oregon pine. Are you aware of the history of the duty imposed in New Zealand, and that 1s. duty was imposed on Oregon in 1886?—That was before my time.

200. And it was raised to 2s. in 1891?—Yes.

201. That is to say, the present duty of 2s. has been in existence since 1871, except for a few months when it was taken off in 1878, and was reimposed again in 1879 almost immediately?—Yes.

202. Do you not think that, if the cost of production has so increased in later years, there is a further reason why it is fair to impose the duty?—Well, I only suggest that the duties be imposed as mentioned and leave it at 2s., but I would not object to an additional 1s. being put on.

203. Is it not a further reason than that you suggest?—No, I think we have to take into consideration the conditions and surroundings.

204. You do not know much about the question of the quality of this Oregon pine?—No.

205. Are you aware that dwellinghouses have been built in the City of Auckland entirely of Oregon pine?—No, I was not aware of it. I should not think it would be a success.

206. Are you aware that a church is being built inside and out entirely of Oregon pine?—No, I am not aware of that.

207. Can you speak as to the inflammability of Oregon pine, containing, as it is said to do, a large proportion of turpentine?—Yes, I think it would be a dangerous wood.

208. Would you be surprised if the suggestion has been made that Oregon pine should not be used for dwellinghouses for that reason?—I should not be surprised at all.

209. I suppose you are aware that Oregon pine is a much softer timber than the average timber?—Yes.

210. And much lighter?—No, I should not say it is much lighter than some of our local timbers. It is a more dangerous timber to work on account of the splinters in it.

211. That would be the cross grain?—Yes.

212. You spoke about the inevitable destruction of the kauri bushes?—Yes.

213. Do you not think it would be possible to preserve a little of our kauri in odd places?—Yes, I should certainly think we could afford to put by 5 acres of kauri for conserving purposes.

214. Do you not think it would be possible to have a whole valley?—I do not think it is possible; it is too dangerous.

215. You would be in favour of replanting?—Yes, for ornamental purposes.

216. I do not suppose we could think of planting for milling purposes—the trees would take too long to grow?—Yes.

217. Are you aware that in the lower part of the Auckland District and the upper part of the Wellington District if the timber cannot be milled profitably it will be burned; that settlers will burn it to put in grass?—Yes, I believe they have a tendency to do that. As I mentioned before, I think the land on which the timber stands to-day would be more valuable to the country than the timber itself.

218. Still, you agree that it would be a great pity to burn it?—It is a great waste.

219. Have you any idea of the difference in the cost of clearing and milling an acre of timber of, say, 20,000 ft. and the cost of putting it in grass—that is, felling it and burning it?—No.

220. Would you be surprised to learn that such bush could be felled, burnt, and grassed at £3 per acre?—Yes.

221. Whereas in milling it, paying royalty, wages, repairs, horse-feed, plant, purchase of horses and bullocks, and so forth, over £100 has to be paid away, including the cost of the freight in putting that timber on the market—a difference of £3 and £100?—I should hardly think it would cost so much as that.

222. If it is anything like that, is not that a further reason why we should endeavour to mill our own timber?—I should certainly say we should mill all available timber.

223. The difference is a very large one in regard to putting it in grass and milling it?—Yes. It would certainly pay to mill it.

224. In regard to the timber-merchant, you thought he was sometimes unnecessary?—Yes.

225. But I suppose you will agree he is a convenience to some extent?—Yes, in small places.

226. Supposing you were building a house here, it would be a convenience to you, instead of going down to select your own mouldings and ordering from the mill at Kaipara. As an engine of distribution he is of some use?—There is nothing to stop a miller having a timber-yard here or in any other place.

227. But he could not supply it at the same price as he supplies to the timber-merchant?—I think it would reduce the cost.

228. Do you think the profits the timber-merchants are making now are excessive?—No. They seem to me to be rather high, but I am not prepared to say they are excessive.

229. Do you think they might be lessened to some extent?—Yes.

230. Have you any idea what profit the timber-merchant makes on Oregon pine as compared with the profit he is making on the sale of our own timber?—I think he is making more on the Oregon pine than on the other timber.

231. And therefore he will deal in Oregon pine?—Yes, certainly.

232. Are you aware that the Oregon pine that comes to Auckland here is also being sent down to the Thames and Tauranga and exported by boat?—Yes.

233. And is therefore working its way into other places outside Auckland?—Yes, that is so.

234. Are you aware that Oregon pine is being used by the Government for putting sides on the railway-trucks?—I am not aware of that.

235. Do you think it is necessary?—No, I do not think it is necessary. I think we have other timbers that will do the work quite well.

236. Now, from your experience can you tell the Commission whether Oregon pine has had the effect of lessening the cost of building, or is it likely to?—No, I do not think it has had the tendency to lessen the cost of that so far.

237. Is it not charged more for in Auckland than our timber?—Yes.

238. And for that reason is it possible to say it has reduced the cost of building?—If you have to pay more for timber I do not think it has a tendency to reduce the cost.

239. In regard to long lengths, we have had evidence that it is desirable to have Oregon pine here for large beams?—Yes.

240. Do you know enough of the industry to say whether any sawmiller has ever refused an order for large pieces? Has it ever been said that he cannot fill the order?—What do you mean by "large pieces"?

241. Long lengths for ordinary big building purposes?—Sometimes we cannot get timber, especially in long lengths.

242. What lengths can you get?—You will notice by the sawmillers' price-list that they charge nothing extra up to 24 ft., but longer is charged an additional price.

243. Will they supply it?—What length would you say?

244. Well, 40 ft.?—It would be very hard to supply.

245. Well, say, 30 ft.?—I think they can supply that, but you would have to pay an additional price. Of course, they can supply 40 ft., 48 ft., and 50 ft. in beams, but not in big quantities.

246. You are aware that the millers have made an offer to mill at Government prices—to mill at prices fixed by the Government?—No, I was not aware of that.

247. Well, I suppose you would agree that it is a pretty fair offer to make?—Yes, that is reasonable.

248. Have you any indication that the millers are prepared to be reasonable or unreasonable? Are they reasonable-minded men as a rule?—Those millers we come in contact with are reasonably-minded men.

249. You are aware that the timber associations at present fix the price of timber?—Yes, we have a Sawmillers' Association.

250. Do you see any reason why a Board of Commissioners set up by the Government should not do it just as well as they do?—I think they could do it just as well if you get practical men.

251. And that is another reason which would keep the price down to the consumer?—I think so.

252. Are you aware that we passed an Act last year which seeks to have the effect of keeping down the price of wheat, flour, and potatoes within reasonable limits?—Yes.

253. In regard to potatoes, you know the duty comes off immediately they rise above £7 a ton, and when flour and wheat increase above what is considered a reasonable level the matter can go before the Arbitration Court?—Yes.

254. Do you not think we should treat timber in the same way in order to conserve the interests of the public?—The sawmiller could keep the price to a certain limit. I should think that you should suggest reducing the railage or freight.

255. Do you not think the interests of the public may be conserved in case the millers wanted to put the price of timber too high? Do you not think timber should be treated in the same way as flour, wheat, and potatoes?—Yes, I think that would be a very good idea.

256. You are aware, of course, that this Oregon pine comes into competition with our second-class timber—not the first-class?—Yes.

257. If the Oregon pine continues to come in and damage the industry so far as second-class timber is concerned, will not the inevitable result be that first-class timber must go up in price?—Well, I do not know. I really believe that we use our first-class timber for certain purposes that second-class would do for. Second-class in kauri is practically impossible to get—it is practically unknown now.

258. If a miller is only just living now and not making a very good thing out of it by selling both his first and second class, and if the sale of the second-class is stopped and he has to rely on the first-class, he would probably have to increase the price of it?—I am not certain it is going to stop the sale of his second-class. If it does I should certainly say it would.

259. We were talking about the subject of the large miller, and you said you thought it was desirable that we should have some smaller millers as well?—Yes.

260. Do you not think that during trouble such as we have at present in the timber trade, when mills are closing down and working short-handed, the man with the small capital is likely to go under first?—Yes.

261. And if that is so you think there is a likelihood of his mill being mopped up by the man with more capital?—Yes.

262. And therefore the present depression would tend towards a monopoly?—Yes, he is the man who would feel the depression first.

263. *Mr. Leyland.*] You said that the relations generally between the employees and employers in your district were very pleasant?—Yes.

264. You have been able to fix up mutually two industrial agreements?—Yes.

265. And now you are working under one of them which does not expire till next October?—October, 1910.

266. In regard to Oregon pine, you suggested that the duty should remain the same on logs, hewn, with half-logs, as obtains at present?—Yes.

267. Are you aware there is no duty on half-logs?—I am of opinion there is a duty of 2s. a hundred.

268. You said it should remain as at present—it should be 2s.?—I said in my statement the duty was 2s.

269. As a matter of fact there is no duty on logs at present, and yet the importers of Oregon pine are not bringing any logs here?—It is a scandalous shame if there is no duty on Oregon logs.

270. Do you want to put a duty on Oregon logs? Do you want to stop the workers from getting work?—Two shillings would not prohibit them.

271. We do not get logs now?—We get junk.

272. If we imported the other Oregon we do so because we get all heart timber, and if we imported the log we should have to buy sap, and the sap coming through the tropics is very much deteriorated; and another thing is that the freight on logs would make it almost prohibitive?—That being so you would not import them.

273. We do not import them?—Well, there is nothing to stop the duty being placed on them.

274. Are you aware that the price of Oregon is steadily rising?—Yes. I do not anticipate any difficulty from the Oregon pine.

275. And if the price was raised still higher, would not that modify your opinion?—We are not anxious to have Oregon in the district.

276. Seeing that we have not a large supply of timber, do you not think it wise to protect our supplies by bringing in other timber?—No, I do not think we should.

277. What is to become of your workers or the union in nine years' time?—After the land is cleared of the timber it is going to be of more value than with the timber standing on it.

278. But we should still require timber?—Yes, and have Oregon pine in twenty years' time.

279. But should we not be at the mercy of the merchant?—Yes, that is right.

280. Would not that be a reason for encouraging it?—I think it is too early yet to encourage Oregon pine.

281. You said that Oregon pine competed with white-pine, but you did not refer to New Zealand, but to Australia?—The Australian markets.

282. And when referring to totara as against Oregon pine you referred to heart totara?—Yes.

283. Well, there is trouble about the supply. Those who sell heart totara are unable to-day to fill orders?—I think, then, the second-class totara is equal to Oregon pine. The only thing is that we cannot get the lengths.

284. You do not think that sap totara is equal to Oregon pine?—Yes.

285. Should there be an export duty on kauri?—Yes—logs.

286. From Invercargill to Auckland we have had evidence favouring the imposition of an export duty on kauri, and, seeing that Oregon pine largely takes the place of kauri for beams and joists, and that in your opinion it is a shame that the beautiful kauri should be used for

those purposes, do you not think it is wise to let Oregon come in? Do you not see that if you shut out Oregon we shall have to use kauri?—I am not in favour of Oregon coming in; it should have a duty on it.

287. It has a duty?—But you said it had not.

288. I said there was no duty on the logs?—I want the logs if they come in here to be cut in the towns into which they come.

289. So they would be if they came in. You want another 2s. per hundred on. America is a high-tariff country, yet it only puts a duty of $2 a thousand feet on Douglas fir—that is, the Oregon that comes from British Columbia—and we put a duty of $5 on, and you ask us to make it $10. Do you think that a fair proportion?—I think that with 2s. duty Oregon would come in and compete.

290. But it already has 2s. duty?—I do not quite understand you. When I mentioned 2s. duty you said there was not any.

291. You said the duty should remain on logs as at present—2s. I wanted to tell you that there is no duty on logs?—Just so. It is admitted free, and there is a duty on the sawn stuff.

292. If we put a prohibitive duty on Oregon we shall have to put an export duty on kauri. The evidence down South was all in favour of a duty on kauri. How are we to refuse their request if we shut out Oregon: can you tell me that?—Admitting Oregon will, I believe, tend to preserve our kauri. There are lots of uses you can put Oregon to, but you can put totara and rimu to the same uses, practically, as Oregon.

293. That is for the experts to say?—That is where the trouble is, I think.

294. You spoke about royalties. Do you know that at present the rimu-millers pay royalty on the standing timber and on the log-measurement, and pay in advance?—Yes.

295. If you found that in another part of the colony—say, on the West Coast—the millers get the timber under quite different conditions, such as paying only on the sawn output, and that probably six months after, would you think that unfair?—Yes.

296. If you also found that the Auckland miller paid 2s. 2d. for the carriage of his rimu fifty miles, and that the Westland sawmiller paid only 1s. 4d., and had wharfage thrown in, would you not think that an unfair condition?—Yes.

297. An anomaly that should be adjusted?—It should be.

298. With reference to the cost of kauri, do you know that kauri is now getting further and further back and more and more inaccessible?—Yes.

299. The royalties having been increased 300 per cent., the interest on that money is very much larger, is it not?—Yes.

300. If the logs lie in the creeks for three or four times as long as they used to lie, the interest accrues for three or four times as long a period?—Yes.

301. And the depreciation is very much greater, is it not?—Yes.

302. And it is depreciation on a very much more valuable article?—Yes.

303. So that it is a great surprise to many millers to find out what the logs really do cost them?—Yes.

304. Do you not think those items are a very considerable factor in accounting for the rise in the price of kauri?—Yes. Of course, I do not think you have the timber lying in the creeks now to such a great extent as you did many years ago.

305. We have it lying sometimes for six, seven, eight, nine, and ten years?—The majority of millers now want a fresh, and clean the creek out.

306. But we have to put the logs in the creek first?—At one time they would lie there for years and years.

307. Speaking about the Kopuru mill, it is not quite fair to say that the employees there are only forty?—I did not say that. I said I would assume they were, just for argument's sake.

308. Take the men in the yard. Before an Arbitration Court award was made, were not the wages for labourers 7s. and less?—Yes.

309. Seven shillings is the minimum to-day?—Yes.

310. Is not that 16 per cent. and not 6 per cent.?—Yes, but what about the wages of the other men?

311. Six per cent. is a low estimate?—I have worked it out from the first award to the last, and I make it 6 per cent.

312. But take the wages that were paid prior to the first award?—If you take them I will admit that you are correct. I took the wages that were paid when the first award came into force.

313. Accident insurance is a new factor, and the royalties have gone up very much?—Yes.

314. Coming back to Oregon and its effect on the slump, we had evidence in Southland that very little Oregon came there, and that it did not really affect the millers, and yet we found that the milling industry in Southland was more depressed than anywhere we have visited. We also had evidence in Taihape from Mr. Brown, one of the leading sawmillers in Taranaki, and formerly a member of Parliament, to the effect that the depression was very acute in Taranaki. He said his own business had fallen off more than 50 per cent., but that there had been no Oregon taken into Taranaki. So that Oregon had absolutely nothing to do with the slump there, had it?—No. Of course, I do not say now that Oregon had anything to do with it.

315. The secretary of the Sawmillers' Union in Southland advocated that a duty be put on white-pine: do you agree with that?—No.

316. The workers in Australia and the millers petitioned the Government there to put a duty on our white-pine and New Zealand timber. Would you like to see those workers successful in that endeavour?—No. Of course, we are all inclined to be selfish.

317. Would that same selfishness have something to do with asking for a duty on Oregon pine?—No. We can do without the Oregon pine.

318. With reference to timber-merchants, when a miller stacks and seasons timber and carries out the functions of a timber-merchant, he practically becomes a timber-merchant as well as a sawmiller?—Yes.

319. As to exorbitant profits on Oregon, there is no monopoly in Oregon, is there? Anybody can import Oregon?—Yes, if he has the capital.

320. Any merchant who wishes to handle Oregon can do so. There is a difficulty about kauri, because it is scarce; but anybody can import Oregon. Do you not think that competition will regulate that matter?—I do not quite agree with you when you say that anybody can import the timber. Any one with capital can. The consumer cannot.

321. It takes capital to handle any timber, does it not?—Yes.

322. *Mr. Clarke.*] With reference to the figures you produced regarding the number of mills, are they based on Government statistics or are they merely calculations of your own?—Partly Government statistics and partly my own calculations.

323. Do the latter agree with the Government statistics as to the number of sawmills?—The number I gave is underestimated, I think. I thought I would be on the safe side.

324. So we have the authority of the Government Department as well as yourself for the statements as to the number of men employed and the number of mills?—Yes.

325. With reference to the time-limit of the kauri, I think you said you had not allowed for an increase in the rate of output. Is that so?—That is so.

326. Is it not a well-known fact that the consumption of kauri has increased during the past ten years?—Yes. Well, I did allow a little for that. I calculated that it would last nineteen years, whereas it really worked out at twenty-three years. I think the output is increasing at the rate of about fifty million feet per annum.

327. That means that it will be worked out considerably sooner than you have reckoned, in reality?—Yes.

328. If the timber-consumption increases as rapidly within the next fifteen years as it has done during the past, that nineteen years will most certainly be diminished?—There is no likelihood of its increasing at the same rate as it has in the past.

329. Why?—Because there is not the timber to warrant it.

330. Then, it is because the supply is rapidly vanishing?—That is so.

331. I think you said that you have been about twenty years in the timber-milling industry?—Yes.

332. According to your own showing there must be plenty of men employed in the business now who will see the extinction of the kauri-milling trade?—Yes.

333. Do you think, in view of that, that it is a fair proposition to say that we should work it all out and not do anything in the way of conservation or in facilitating the importation of foreign timber?—I do not object to the conserving of the timber at all, but, as I said before, I think the land is more valuable than the timber.

334. Would you be surprised to know that we have seen large areas during the progress of this Commission which have been denuded, and nothing has been done to utilise the land for as long a time as thirty years and more?—That is the fault of those in authority. The land should be opened up as soon as the timber is off it.

335. Does that not prove that the common idea of clearing off the timber to make better use of the land may be a fallacy?—Not necessarily so. As soon as these lands are cleared of timber I think they should be farmed or some use made of them.

336. Can you suggest in what way the Government can improve on their action in this matter?—Open up the land at once.

337. Where it is already open for selection and nothing has been done, what would happen? That has come under our notice?—That is a matter to be gone into. Sometimes, of course, the price might not warrant a man going on to it. The land should be opened up and roads made.

338. With regard to the duty on foreign timber, you know, of course, that this is timber in such a condition that it still requires a large amount of labour bestowing upon it? By shutting it out you would be shutting out a material that would employ a large amount of labour, would you not?—I am not satisfied that by shutting in kauri we are going to save it for the future. The millers have put in elaborate plants, and if you are going to stop the exportation of kauri you will kill them. There is 260,000 pounds' worth of timber exported from Auckland District alone. That is foreign trade. And then you have the fire consideration, which is the greater evil of the two.

339. Assuming that we make such a large amount from foreign trade, is it not a fair proposition that we should turn money over by inward trade?—I am not objecting to your bringing timber in, but I want you to put an import duty on that timber as it comes in. Encourage it to come in in logs so that our workers can find work in cutting it up.

340. Seeing that the greater part of it comes in in large sizes, and of necessity must employ a lot of labour, are we not doing that now?—There is not a great amount coming in.

341. You are aware that, beside the duty of 2s. a hundred, foreign timbers are taxed in the way of railway freights, when the timber is used inland, by the addition of half-rates?—Yes.

342. So that in a general way we pay rather heavily for the privilege of using foreign timbers?—That is so.

343. Mention has been made of a decrease in the royalties. Is it not a fact that millers themselves are to blame for the royalties paid, by bidding more than the upset price?—I think it has a tendency in that direction.

344. In that case they are really imposing the extra cost on the public?—Just so. It necessarily follows that the consumer has to pay for it.

345. Turning to another subject, do you know that in the Government report issued by the Department it is stated that the average cost of converting standing bush into sawn timber is

£15 an acre? Have you read that in these returns?—No, I have not. I understood that the average cost per acre, after, say, an ordinary kauri forest was worked out, would be about £1 to make it fit for use. I do not, of course, mean levelling it off like a billiard-table, but taking the stumps out and laying the land down in grass.

346. *Mr. Morris.*] You said that you do not anticipate any trouble from Oregon. I should like to know what you mean by that?—Now that the money-market is somewhat easier in America I do not think we shall be troubled with it. That is my own opinion. I think the Yankees have been shipping the timber here at a loss, and that in future they will find plenty to do with it in America and other parts.

347. Do you not know that the timber we are getting in this colony is third- or fourth-class stuff generally.?—Yes.

348. And they have a great deal more of that class of stuff than they care to use locally?—I was not aware that they had a great deal more of that class than they cared to use.

349. They are practically making a dumping-ground of New Zealand for their third- and fourth-class timber. You do not approve of that, do you?—No. I do not anticipate any difficulty in future.

350. Until late years rimu has been a very much neglected timber in this district, has it not?—Yes.

351. You told us that you estimate that there are 993,000,000 ft. to draw upon for future requirements?—That is so.

352. As to heart rimu, I suppose you consider that this is practically a luxury: it is not a necessity in building requirements, is it?—It is a better timber than the second-class stuff certainly. Each class has its own particular use.

353. The heart rimu that is referred to, I take it, is the figured rimu used for decorative purposes. That is the timber we hear so much about. It is not obtainable?—Of course, that is getting very scarce.

354. Then, you made some mention about better-class plants in this district. Do you think the community derives any advantage from these better plants that you have up here in the North?—Yes, I do.

355. Do the people get cheaper timber in consequence?—No, but the workers at the mills are able to get their own little bit of land and make homes for themselves for some years to come, whereas with a small plant in a few years a man has to shift again.

356. Is it fair to blame the miller? He can only get a sufficient area to operate upon?—No; he should have a sufficient area to warrant his putting up a good plant.

357. Up in this district, owing to the configuration of the country and the splendid system of water carriage that you have, you are able to bring your supplies from a far distance?—That is so in places, especially in the Wairoa district. We have a river there. It is of great assistance to the millers.

358. And I notice that most of the Auckland millers bring their logs by sea?—Experience proves that it is cheaper than by rail. It ought to be as cheap by rail as by boat.

359. Have you an opinion at all about the Government buying their sleepers in large quantities from foreign countries?—I think that that should be put a stop to. We have our own local timbers, and they could be creosoted. Puriri, for instance, is acknowledged to be one of the best timbers in the world for sleepers, but I do not think we have a sufficient quantity of that. I think we could make use of totara and other timbers. We should experiment.

360. Could we get puriri to use for the curves and that sort of thing?—Yes. On curves we should make a practice of using puriri instead of importing ironbark for the purpose.

361. You think that as a general policy this practice should be put a stop to, and that we should keep the money in our own country and employ our own people?—Yes.

362. Do you know anything about this question of long lengths? Do you know whether long lengths are obtainable or not in this quarter?—It all depends on what you would call a "long length."

363. Anything, say, 40 ft. or 50 ft. long: that would be a fairly long length, would it not?—I do not think that you could depend in the North Island on getting a supply of those lengths. You might get them in odd quantities, but you could not depend on getting a cargo.

364. There is not very much timber required in long lengths, is there?—I do not see that it is required.

365. Would you think that 1 per cent. of the total timber used in this district would be required in long lengths?—I should not like to say what percentage. There are certain portions of a building that do require long lengths, which at the present time I believe we are using Oregon for.

366. You told us that mills up in this district were still fairly busy. Is it not a fact that the Naumai mill, for instance, was shut down for three months?—Yes.

367. Through want of orders?—They were effecting repairs and alterations, and the slump possibly had something to do with it.

368. Did they keep all their employees on for that three months?—No. A lot of them shifted to other places.

369. You consider that the importation of Oregon pine into Australia is doing a considerable amount of harm to us?—Yes, because it lessens the demand for New Zealand timber.

370. That is a matter that we cannot interfere with?—That is so.

371. *Mr. Barber.*] With regard to this new mill that has been opened at the Barrier Island, is there a very large supply there?—It is a large mill, I believe. I am only just guessing now, but I should say it would cut over twelve million feet per annum.

372. How long will the supply of timber last?—I am not conversant with the supply on the Barrier Island. There must be a good quantity or they would not go to the expense of putting up an expensive plant.

373. With regard to railway sleepers, if it is proved by the railway engineers that the dogs will not hold in New Zealand timbers except the one you mentioned, of which it is impossible to get a supply, do you think it wise that the Department should utilise these timbers, although they have continually to renew them?—No, I do not think so.

374. Looking at it from a colonial point of view it would be a very great wrong?—I am not aware that a dog will not hold in totara.

375. That is the evidence given by the railway experts?—Why not get a substitute for the dog?

376. That has not been discovered yet. With regard to another question, he said that the profit derived from an acre of bush timber was £100?—Who said that?

377. Mr. Field said it. Now, if £50 of that was expended on wages and £50 on the land, what would be the produce of that acre of land?—I have no idea.

378. It would be likely to produce a great deal more than £50?—Yes, about £100.

379. Even then the country would lose all the fallen bush?—Certainly.

380. I want to come to this question regarding Oregon from the standpoint of the workers throughout the Dominion. You admit that the present price of timber prohibits the worker from erecting his own house?—Yes, certainly.

381. The retail price of timber has gone up in Wellington District 6s. in eight years?—Yes.

382. So you realise that that is considerable when added to the cost of a dwelling?—Yes, most decidedly.

383. You realise that increased cost in the erection of a dwelling increases the rent to the worker?—Yes, of course. The increase of 2s. per hundred in timber does not make such a vast difference to the cost of a house when you come to work it out. It would not be more than £10 to £20, depending on the size of the house.

384. You realise that this is the reason of the high rents that prevail in some towns?—Yes, I believe it is.

385. Now, with regard to the absolute inability of some millers to supply kauri to the southern workers owing to the proprietors being unable to get the quantity of timber that they require for their trade, what remedy would you suggest to meet such a serious difficulty?—I understand you to say that they cannot get the quantity of kauri they require down South?

386. That is so. Not without considerable delay?—I was not aware of that.

387. In the face of that, if we can import a material which would relieve the consumption of kauri in one direction and admit of kauri being used in a more profitable direction, do you not think that that would be a wise procedure?—I believe that we are using our valuable kauri for things for which some other substitute could be used with equally as much success.

388. You are anxious that the duty should be increased?—I think the country should derive some benefit from this Oregon timber coming here.

389. Why do you want to put the duty on those people who want the material?—It is not a hardship to put 2s. on Oregon.

390. It is 33 per cent. of the cost of the article?—I was not aware of that.

391. You want to put on another 2s., which is equal in all to 66 per cent. Is there any other industry which has that protection?—I do not know.

392. Is it a fair proposal that the furniture of the workman should be taxed to that extent?—The furniture?

393. It means furniture, because this Oregon is used in some places instead of kauri?—Even if they put 2s. duty on Oregon pine they would then be able to compete favourably in our open markets.

394. You want to increase the price of furniture and building-material throughout the Dominion?—No, I am not doing that.

395. That is the effect. If you are going to put an additional 33 per cent. on the raw material, is that not likely to increase the price of that material?—No. It will be used for special purposes, such as long beams, &c.

396. They have built churches with it?—They must experiment.

397. Is it fair to the general community throughout the colony that our own timbers should be allowed to depart from New Zealand and be used in Australia and other lands, and timber which we want to take the place of this exported timber has to pay a duty of 66 per cent.?—No; it would not be fair if such was the case.

398. You also suggested that Oregon should only be allowed to be imported free in the log?—In the log, if at all.

399. Cannot you see that there would be a very great advantage to the American by paying him for the log instead of paying him for the sawn timber—that is, we should in that case have to pay a high freight, and we should have to pay for what is a waste product. The whole log would be sawn up, and out of it there would be a certain amount of waste, and in some cases a very large percentage of waste?—You would not give the same price for the log that you would for the sawn timber. The Americans will watch that we do not get too many logs out of their country.

400. You have got to pay an export duty?—Yes.

401. You would still further add to the cost of workers' dwellings?—I do not anticipate any further rise in timber.

402. The prices have gone up 6s. in nine years?—I think that is bogey.

403. It would not be a financial transaction to pay to America for the whole product of the log and also to pay an export duty to America?—I certainly say that we should not encourage the importation of the timber. I say charge them a duty.

404. *Mr. Arnold.*] You say you have been twenty-five years in the timber industry?—About that.

405. How long have you been connected with the union?—Pretty well ten years in one capacity and another.

406. How many secretaries and presidents have you had during that time?—Three.

407. Can you tell me how many members you have in your union?—It all depends on what you call members. We submit annually the names of members. Those who are twelve months financial qualify as members. Our return for those financial members at the present time was 830. I think we have some 1,800 or 2,000 men on our books.

408. You find that in consequence of the requirements of employment necessarily the men have to move from place to place, and that sometimes they become unfinancial and subsequently pay up?—Yes, more especially in the timber industries. Sometimes we discover men who are £2 or £3 in arrears; many of them write and tell us.

409. Admitting that that is so, and that your membership is very much larger than this, can you give us about the percentage of non-unionists that you have?—Fully one-half, if not more, engaged in the industry are not members of the union.

410. You told us that the awards have been drawn up by mutual consent?—Yes.

411. Has your experience been that arbitration awards have caused a bad feeling between the men and the employers?—Well, I should not be prepared to say that they had, but I believe the time has arrived when the workers and the employers both realise that a friendly conference is of more value than an Arbitration Court award.

412. But you do not find that the meeting-together of the two parties causes a strained feeling?—No; on the contrary, they come together and discuss things. If I can convince an employer he will remedy the difficulty, and on the other hand, if he can convince me that I am wrong or under a misapprehension, I do my best to meet him. The award has been continually broken in certain places.

413. The men have not been victimised?—No; every facility has been given in every direction.

414. If evidence was given in other places that a bad feeling was caused, you would think that it was in consequence of a lack of experience?—Of course, it is possible. We have had a fairly good lot of employers in this district. I cannot speak of other districts that I know nothing of.

415. In the first place, I presume you consider it is fair that employers should all pay the same wages?—As near as possible they should pay the same rate of wages, because it makes fair competition, and does not place one in a better position than the other. That is the trouble we experience in some mills through their evading the award, and they are thereby competing unfairly with those mills who stand by the award.

416. What are you doing with regard to those six mills in the Wellington District?—We are at a standstill, and we propose to cite a case before the Court.

417. So that you are taking action in that matter?—Yes.

418. You are not federated with the unions in Southland?—No. We propose having a conference in June next.

419. Do you know whether anything is being done either by yourselves or by the Southland people with regard to organizing the Coast or the Greymouth district?—No, I am not aware of anything being done in that direction. There is a conference to be held in Wellington in June, at which the timber unions will be represented, and no doubt the matter will come up then.

420. You think that is fair to all parties?—Yes, I think it should be done.

421. Although you have an award, you say the men are getting more than the minimum wage?—In many cases, yes.

422. Can you give me the general wage for a bench-sawyer who works two saws?—A breast-bench I take to be a circular saw.

423. I wish, if I can, to get a comparison between here and Southland, and also to find the amount that you think is being paid above your award. I am quoting in the meantime from the Southland award?—I take it that by "breast-benchmen" you mean circular men. Our minimum is 9s. per day, but they are receiving an average of 10s. There are cases where they are paying the bare minimum.

424. With regard to a stump-benchman with one saw, what does he receive?—The same as the other.

425. They do not discriminate between one and two saws?—No.

426. What about your first-class machinist? Take a man who makes his own knives?—They get 9s. 6d. per day; the other machinemen get 7s. 6d.—that is, those who set up the machine.

427. How much do these nine-and-sixpenny men really get?—Sometimes they get the minimum, and sometimes they get 10s., and up as far as 12s. 6d.

428. Would 10s. be a fair average?—I think so.

429. Now, if he does not make his own knives?—That is a man who sets up his own machine; he gets 7s. 6d. per day.

430. What do you pay your engine-driver?—An engine-driver requires to hold a first-class certificate, and he gets 9s. a day, and on an average 10s.

431. What about the hauling-engine driver?—We have nothing to do with him, as he comes in as a bush hand.

432. Your union also covers bush?—No, that is the trouble. There are no unions in the bush. It is very hard to get them there. Moreover, you could not regulate them, but they could have a union all right.

433. You have nothing to do with the control of the men connected with the tramways, &c.?—You have different names for these; we do not control them.

434. Have you made any attempt to get your bushmen into the union?—No. They control the situation. They are employed in small crowds, and can regulate their own pay practically. They are paid well.

435. You said you thought it was only fair that there should only be one system of royalty throughout the whole of the Dominion?—I think so; yes.

436. You understand the various systems that are in vogue?—Yes, I have an idea.

437. What would you suggest as the better system?—I would charge the same royalty.

438. Would you say upon the output per acre?—On the output of the sawn timber. It is not fair to charge a man with a tree in the bush, and when he comes to fell it he finds it is only half a tree. I know of a firm that bought a certain amount of timber, and when they came to cut it they found it did not contain half the amount anticipated and paid for.

439. So you think payment on the output is fair to everybody?—I think so; yes.

440. Have you had experience in any other part of the Dominion?—Only in the Auckland Province.

441. I suppose it is recognised here that you clear up the timber as you go and leave things pretty clean?—I think that is a point that might be remedied. They leave the logs standing, which is a menace to other timbers, but I do not know the exact limit. I think they should be made to take the whole of the standing timber out.

442. You think that timber is now too valuable to be left on the land to rot?—I know of mills that are going over old workings.

443. Do you not think that paying royalty on the output would encourage millers to leave the timber on the land?—They would do so if you did not compel them to take the timber off up to a certain size.

444. You would recommend that an inspector should be appointed to see that the work is properly carried out, and the land cleared?—Yes.

445. Have you any beech in this district?—No.

446. Mr. Barber placed the position of the increase in the cost of timber before you, and I do not intend to follow that up. Have you any knowledge of the increase of rent that is now paid by workmen in comparison with ten years ago?—No. I could not quote exact figures, but I know that it has increased to an enormous extent. Apart from the new houses recently built, all other and older houses have increased in rent.

447. You would admit that the increased cost of building is passed on to either the tenant or the consumer?—Certainly, the consumer, which means the tenant.

448. In the case of shops, of course, the customer?—Yes.

449. If it could be shown that an increased duty on Oregon was likely to bring about a rise in timber all round, which would thereby place an extra tax on the workers of the Dominion as a whole, you would not ask that they should all be taxed for the sake of one industry?—No, if it could be proved so.

450. You told us a little while ago that you considered the land when cleared was more valuable than with the bush standing on it?—Yes.

451. Have you had knowledge of the whole of the Auckland District?—I cannot say that I have much knowledge, but I have been fairly well all over the district.

452. Do you know if there is a large area of land that is not suitable either for agricultural or grazing purposes?—Yes, I think the land around Rotorua is not suitable for agricultural purposes, and it is an ideal spot for afforestation.

453. And you think that, in view of the time speedily approaching when our timber will be exhausted, the Government should adopt some such policy?—Yes, I think so; if timber can be produced within a reasonable time it should be gone on with and encouraged.

454. Only, of course, upon the poor land?—Certainly.

455. Do you know if there are any New Zealand trees suitable for such purposes?—Blue-gum, for instance, I think would be a very useful timber, and it is a timber that is very easily grown, and it would grow on this poor land, and I think we should encourage the growth of that timber. It would pay the ordinary farmer to cultivate it.

456. With regard to New Zealand timbers?—I cannot say that there is a New Zealand timber that would pay to grow. I do not know the use of birch.

457. *Hon. the Chairman.*] The question has been brought up several times with regard to the royalty on price paid for the timber by millers to the Government. Do you know the terms contained in the agreement between the Government and the miller?—I am not thoroughly conversant with it.

458. I have noticed that several members of the Commission have endeavoured to show that they are unfavourably situated in that way as against other parts of the colony, and I do not think that they are right in that, because formerly, especially the kauri timber, the forest areas were put up to auction in blocks. I believe I was the man that altered the auction system in the matter of the sale of timber, and it is now let by tender only, so that they are not run up in any way; the tenderer can coolly sit down and calculate what he thinks the timber is worth before he applies for it. There is no competition unless somebody requires it more than he does. Therefore you have not the excitement of a timber-sale to make them pay too much?—Yes, that is so.

459. *Mr. Mander.*] Now, supposing you were a sawmiller and you had to buy your timber standing in the bush at so-much per hundred feet, and you had to run the risk of fire, risk of loss in getting it down the rivers, the interest on your money, and all those kinds of things, do you not think you would be very much handicapped as against the man who paid royalty on the output of the mill and who had no risks of any kind to run?—Of course, previous to putting in your price you take all those things into consideration, but I believe you are unfairly handicapped to a certain degree.

460. Seeing that you have your mills in operation and a large amount of capital invested, does it not force you into the position that you must almost get the timber at any price in order to keep going?—Yes; but I do not know whether it is wise to go and buy timber.

461. But you are apt to cut things very fine?—Yes.

462. And is it not a fact that the Government put their high upset prices on their timber, and you have to take it at their upset price or let it go?—Yes. It's death, is the upset price.

463. Now, seeing that Oregon pine is only coming into competition with our inferior timbers in this country, does that not prove that to some extent Oregon pine is an inferior timber?—One would naturally think so.

464. You said you would prefer the timber to be supplied by the miller to the consumer?—Yes.

465. Do you think it would reduce the price of the timber?—I think it would have that effect.

466. Is it not a fact that the Kauri Timber Company and Leyland and O'Brien are dealing with the producers?—Yes.

467. And do you not think that the wholesale miller who has to classify his timber, sort it, and pay interest and put up with losses, and cut it in certain lengths according to orders, would naturally put all those charges on to the price of the timber just as the retailer does?—What I meant was that there was nothing to stop Leyland and O'Brien having their own local market, but you would save the profit of the middleman.

468. How? They would have to charge all the charges of the middleman?—Yes, but the middleman wants to make a profit out of them, and they make a profit out of the consumer.

469. The man who handles the timber, classes it, and has to charge interest on the money, will have to put all those charges on and also have to put on a profit?—That is so.

470. Now, you said that most people in business were prompted by selfish motives?—Yes.

471. Do you not think that the people who are operating in regard to the introduction of Oregon pine into this country are also prompted by those motives?—I think so.

472. *Mr. Ell.*] You are aware, of course, that a large quantity of timber is required to maintain the number of woodworking industries in this country?—Yes.

473. And the woodworking industries are established industries in the country?—One of the greatest industries in the country.

474. If the industry which manufactures furniture for furnishing thousands of homes in this country is dependent on imported timber at a higher price than what they can get the locally grown timber for, that would injuriously affect the working-people?—I think so.

475. Well, in view of that fact, do you think it is wise to make some special effort to preserve some of our timber for the needs of those industries till some of our timbers have grown sufficiently to be milled? I might explain that up to the present we have planted only 9,400 acres with different kinds of timber for various industries?—It would be a good long time, but I do not think it would do any harm. How it is going to be done I could not say. If it is possible I say it would be a wise proceeding.

476. You have seen the uses to which kauri and totara have been put?—Yes.

477. For high-class joinery-work?—Yes.

478. In view of the fact that kauri is specially adapted for that work, do you think it wise that kauri should be put into stringers and beams in houses?—No, not if we had other timbers suitable for that particular purpose, and that is where a great mistake is being made. We are using kauri where we have other timbers that could be used.

479. With regard to heart of totara, you are aware that the Telegraph Department puts in huge totara poles to carry their wires?—Yes.

480. And a large proportion of those poles could be used for other purposes which employ our labour?—Yes.

481. Do you think that is a wise policy when we can get other timbers better adapted?—I am not satisfied we can get better timber or more adapted for telegraph-poles. Totara is a splendid timber.

482. You are aware that the Telegraph Department uses a lot of hardwood?—If you could get any local timber which would do equally as well I should say so.

483. You were asked a question in regard to asbestos. You are aware you would require more timber for a house with the walls built of asbestos?—Yes. I know a house which was put up with the best asbestos, and it had to have iron put on top of it, and it has only been there for eight years.

AUCKLAND, FRIDAY, 7TH MAY, 1909.

THEOPHILUS DE SCHRYVER sworn and examined. (No. 99.)

1. *Hon. the Chairman.*] What are you?—Representative of the Canadian Manufacturers' Association and New Zealand managing director of the Imperial Export Company of Canada (Limited).

2. Have you any statement which you desire to make before the Commission?—I am in rather a difficult position: I am practically the culprit who sells the Oregon pine. Do you want to know anything about the price of the timber, the rates of wages, and the importation of Oregon pine?

3. Yes, and we want specially to know whether, in your opinion, the Oregon pine that is coming here has been a paying concern to the men who milled it in Canada?—They certainly do not make a loss on it. They must have made some profit. The lowest price which Oregon pine

was offered at was 70s., and then the freight was 25s., and consequently the cost at the mill was 45s. a thousand feet. Now, 45s. pays very badly, but still it pays. They are naturally not satisfied with that, and consequently the price at the present time is up to about $13, which amounts to about 54s. or 55s. The freight is now 35s. instead of 25s., and consequently that brings it up to 90s.

4. In your opinion, will the export to this country increase even at that price?—I do not think so. I am sorry to say I think that puts a big check on it.

5. We should like to know under what conditions of labour the timber is produced there?—The comparative table of wages as paid to British Columbia lumbermen is shown in the *Canadian Official Labour Gazette* of December last as follows: Loggers, 16s. 8d. per day; bankers, 13s. 7d. per day; hook fenders, £1 0s. 10d. per day; swampers, 12s. 6d. per day; labourers, 10s. 5d. per day; donkey-engineers, $75 per month; teamsters, $90 per month. Sawmill hands—Sawyers, £1 0s. 10d. per day; planers, 10s. 5d. per day; ordinary hands, 7s. 4d. per day. These wages show a decrease of from 20 to 30 per cent. under those paid in 1907. The present outlook indicates higher wages this year. Then there is the alien labour where they cannot get white men, and those fellows get 7s. 4d.

6. Are they not a very large proportion of the whole?—No. I should say all the more intelligent men are white men, who do the work which wants more expert knowledge. The decrease in the wages mentioned was in consequence of the panic or slump, and that information I have given quite tallies with the information I got from Vancouver.

7. That would go to show that Oregon pine will cost more in future than it has done up to now?—There is no doubt about it. You see, I have sold Oregon pine even at £5 5s. for certain purposes, and it will always have to be imported for long lengths. Over 60 per cent. of the timber we have sold in this country has been over 12 by 2's according to my books. To give you an idea, I have taken out of a quantity of 5,000,000 ft. all dimensions over 12 by 2. The total is 2,963,000 ft. I sold about 13,000,000 ft. for all through the colony, but 1,000,000 ft. is drifting in the ocean, and about 1,300,000 ft. are still to arrive.

8. That would be an extra million if it arrives?—I have counted that in.

		Ft.			Ft.
20 x 20	70 ft. long	20,000	12 x 10	70 ft. long	68,000
18 x 18	,,	40,000	12 x 8	,,	113,000
18 x 6	,,	20,000	12 x 6	,,	156,000
18 x 3	,,	10,000	12 x 5	,,	1,000
18 x 2	,,	100,000	12 x 4	,,	166,000
16 x 16	,,	40,000	12 x 3	,,	56,000
16 x 14	,,	30,000	12 x 2½	,,	80,000
16 x 10	,,	40,000	12 x 2	,,	597,000
16 x 6	,,	20,000	10 x 10	,,	23,000
16 x 3	,,	10,000	10 x 8	,,	3,000
16 x 2	,,	105,000	10 x 4	,,	12,000
14 x 14	,,	45,000	10 x 3	,,	43,000
14 x 10	,,	43,000	10 x 2	,,	31,000
14 x 6	,,	23,000	9 x 9	,,	16,000
14 x 8	,,	3,000	9 x 6	,,	6,000
14 x 4	,,	10,000	9 x 3	,,	33,000
14 x 3	,,	88,000	9 x 2	,,	47,000
14 x 2	,,	175,000	8 x 8	,,	16,000
12 x 18	,,	40,000	8 x 3	,,	20,000
12 x 16	,,	3,000	8 x 2	,,	20,000
12 x 14	,,	53,000	7 x 7	,,	4,000
12 x 12	,,	149,000	6 x 10	,,	3,000

That makes up 2,963,000 ft. out of a total of 5,000,000 ft.

9. Have you any other returns which you wish to place before the Commission?—Do you desire to know something about the durability of Oregon pine?

10. Yes?—Well, I will read an extract from the Canadian Handbook entitled "Canada, its History, Production, and Natural Resources," prepared under the direction of the Hon. Sidney Fisher, Minister of Agriculture, Canada. It states, "The average cut of Douglas fir in British Columbia is over 50,000 ft. per acre, though in some instances more than 500,000 ft. have been cut on a single acre, no trees of less than 2 ft. or more than 5 ft. in diameter being used. Douglas fir is chiefly valuable for structural purposes, being largely employed in shipbuilding, bridge-work, and the construction of wharves. It is exported as dimension timber, lumber, spars, masts, and piles. Locally it is used for construction-work of all kinds, fencing, and railway-ties, and in the manufacture of furniture. Its durability, when excluded from the air, adds greatly to its value for pile-work in the construction of bridges and wharves. The bark of the Douglas fir is largely employed in tanning." One member of the Commission made a remark about the quality of the timber imported, and I can say this, that the timber we imported into this colony was all, without exception, heart. No sap timber has been shipped, and Mr. Leyland can bear that out.

11. *Hon. the Chairman.*] Have you any further statement to make, or are you prepared to answer questions now?—I am prepared to answer questions.

12. *Mr. Mander.*] You are agent for a Canadian company, are you not?—Yes.

13. Do you act for any other part of America besides Canada?—No. Of course, if the Canadian mills cannot fill orders, then the American mills fill them.

14. You are naturally here to push the Oregon business?—Yes.

15. And will, of course, do your best in that direction?—Yes. I have done so, so far.

16. You will persuade the architects to use your timber as much as possible?—I do not deal with the architects. My customers are the timber-merchants and timber-millers.

17. But the more the architects recommend your timber, the more you will be able to sell to the merchants?—I shall be only too pleased to see them do it.

18. I suppose you are aware that the carpenters favour your timber somewhat, in consequence of its being easy to work?—Yes.

19. Under what conditions do the millowners on the other side purchase their timber—do they buy it by royalty or by large areas?—By royalty and large areas.

20. They buy the land and all, I presume?—As a rule not, but sometimes when the lands are in private hands.

21. Do you know how much per acre they pay as a rule?—The terms are vastly different in the various provinces in Canada.

22. I presume they get it very cheaply, buying it in that way?—I will supply you later with this information.

23. Do you think it would run them into anything like 3d. a hundred in royalty?—In some instances considerably more.

24. Is there very great risk of fire over there?—Yes, there is. You will have noticed only a short time ago there was a tremendous bush-fire, which destroyed millions of feet. As a matter of fact, I think the danger there is greater than it is here, particularly in summer. In your bush it is never so dry as in the Canadian bushes in summer time.

25. What means do they take of protecting their bushes from fire in America?—There is hardly any precaution to be taken. Naturally there are strict rules for lumbermen with regard to fire, and so on; but then the country is so sparsely populated that the same cause of bush-fires here would not operate there.

26. They have no gum-diggers parading through their bushes?—No.

27. In consequence, I suppose, of the large areas the millowners there have, they can afford to put in up-to-date plants?—Yes.

28. They can cut their timber very cheaply?—You see, in British Columbia there are not such a large number of mills—not anything to compare with the number of mills here—only 160 all told; but most of the plants there are very large and have the most up-to-date appliances. As a matter of fact, I dare say that every mill in about five years has to be totally re-formed and rebuilt.

29. The timber being very soft, they naturally can put it through very rapidly?—Very quickly.

30. Is it not a fact that when the timber is supplied by contract or purchased from private individuals the log-measurement is by callipers at the end—by small-end measurement?—That, again, is a question I could not answer offhand. I can, however, give you all this information later on.

Hon. the Chairman: We shall be glad to receive it.

31. *Mr. Mander.*] Is it not a fact also that the millowners expect to get an increase of 10 per cent. on the log-measurement?—Yes, there is always a liberal allowance made.

32. Are you aware that in New Zealand pretty well the best result we can get is a 25-per-cent. loss as between the log-measurement and the output of the mill?—No, I do not know that.

33. That being the case, you can understand that we are pretty well handicapped in regard to matters of that kind?—Yes, if the allowance in Canada is only 10 per cent.

34. What is the freight on your timber from America to New Zealand?—The freight rate was 25s. for the North and 30s. for the South. At present the rate for the North will be from 30s. to 35s., and for the South from 35s. to 40s.

35. That is, per thousand feet?—Yes. Since the Alley Line has dropped out, however, there will be no opportunity of shipping timber from the Pacific Coast, unless in full cargoes. The Alley Line would take smaller shipments—say, 200,000 ft. or 500,000 ft.—and deliver some here and some down South; but now the Alley Line has dropped out this opportunity has gone. Consequently only very large importers can now import Pacific timber.

36. Then it will not be possible for builders to send orders to America and get the timber supplied?—No.

37. The timber will have to come through large importers?—Yes.

38. Are you aware that it costs more than your freight from America to get our timber down from the country to Auckland by rail?—I only know about the coastal rates. I am still agent for the Alley Line, consequently I know what I am talking about. We have landed timber in Auckland here and had to tranship it to Dunedin, and the coastal freight was higher than the freight from Vancouver to here. The freight, which is actually 25s. on the timber to Auckland, figures out at 12s. 6d. because we get no return freight. In the case I referred to the local freight was 30s. for the same timber.

39. It is in consequence of the large quantities you send here in one bottom that you can get the freight so low?—Yes.

40. You could not do it by small vessels at that price?—No.

41. You gave us a list of the wages over there, but you did not state what hours the men work?—Ten hours.

42. Of course, you are aware that our men work eight hours a day?—Yes.

43. So that is another handicap?—Yes; but then you see the wages are ever so much more over there.

44. I have heard it stated, and I suppose you know whether it is a fact, that the men are all worn out in America by the time they are sixty years of age, in consequence of the great speed they go at?—I have not yet seen a man killed by hard work. I have worked very hard all my life, and I feel all right.

45. America is a very highly protected country, is it not?—So it is.

46. They will not allow us to trade along their coasts without paying pretty dearly for the privilege?—I am fully with you there.

47. They look upon us as aliens when we go over there—they are pretty particular?—I do not know that they would treat you like that, at least not in Canada. It will perhaps astonish you to hear that Canada lets your timber in free.

48. I am aware Canada is not too hard; I suppose it is because they want it for some very special purpose which their own timber will not suit?—I think your timber-merchants are slow. Why do they not send a live man over and sell kauri and rimu over there? Canada is a large manufacturing country in furniture, and any timber of that kind is readily sought after. But you people do not push your business over there.

49. We have good markets now for all we can supply; in fact, we cannot supply the markets we have at the present time?—Then why do you complain that business is slack?

50. I am speaking of kauri, not other timbers?—But you can find a market for rimu over there.

51. Your timbers never come into competition with first-class kauri?—I dare say not.

52. Do you not think it a fair thing for us to protect ourselves in a reasonable way against the importation of foreign timbers—to protect our own workmen and millers, who have invested large capital in the industry?—Quite right, but you just turn the affair the other way. What would you say if the Australians, who buy your white-pine, put on a prohibitive duty?

53. We are taking timber from them—their hardwood timbers?—Your exports to Australia are far in excess of your imports from Australia. You export 70,000,000 ft. of timber to Australia, and how many feet do you take from them?

54. They want our timber; they are anxious to get our timber, and I suppose we want some of theirs or else we should not take it?—You are not a Queensland miller, or you would say quite a different thing.

55. We take their hardwood timber because we cannot do without it for sleepers and bridges, but we have got timber to take the place of the Oregon timber that is coming in?—Any protection you put on cuts both ways.

56. Why does not America consider that?—Well, you will find that in America very shortly there will be a different feeling about that.

57. It will be time for us to meet them when they are prepared to meet us?—In this particular case I am only claiming for Canada; I have nothing to do with America.

58. *Mr. Stallworthy.*] How long have you been in business in this colony?—About ten years.

59. You came on timber business?—No. Timber is simply a by-affair; we take any business.

60. How long have you been in the timber business?—My first cargo of timber I offered to a Wellington firm. That is about three years ago, and the price was then just as low as a little while ago. These people waited until it went up to 105s. and then they bought.

61. What is the quality of the Oregon pine imported into this colony?—It is No. 1 merchantable—the best average Oregon that can be imported. There are some qualities that are called "select" or "extra merchantable," but they cannot be obtained in large quantities; as a matter of fact, I have instructions not to take more than about 5 per cent. of the total quantity in those qualities. The second-grade Oregon is never shipped to New Zealand. It is either burnt or sent to China or some other place, where they do not want quality. What we sell here is all heart—nothing else.

62. You said that the price of Oregon is 95s. a thousand, I think?—Yes, at the present moment. I am expecting a cable now. I cabled yesterday so as to be able to give you the latest quotation, but I have received no reply yet.

63. Is that 95s. the price to everybody, irrespective of provinces?—Probably 95s. to Dunedin and Lyttelton and 85s. to Auckland and Wellington. That is for lots not under 500,000 ft.

64. The price is always the same?—Yes.

65. Are there any discounts?—None whatever. This price is c.i.f.; but, mind you, it is a base price. If you ask for exceptionally long lengths you pay a little more—not very much.

66. Up to what length do those base prices apply?—The base price runs from 16 ft. to 32 ft. We cannot include in an order more than 5 per cent. of less than 16 ft. lengths. They will not supply it. The base price is also ruled by the dimensions of the timber, width, and thickness.

67. Has all the Oregon which you have brought into the country been on order?—Yes.

68. None on speculation?—No; I have not the money to speculate with, and as far as I am aware of none of my customers have bought for speculative business.

69. What would be the effect of an increased duty upon Oregon pine—the small sizes? What would be the effect if we, say, doubled the duty?—That is naturally difficult for me to say. We are quite willing to send only big pieces—not logs, because there is an export duty on them.

70. What is the export duty on logs?—If I am not mistaken it is $5 a thousand.

71. Do you not stipulate when persons order the Oregon that they must take some of the small sizes?—No.

72. They get just exactly what they order?—There is no restriction, but naturally you cannot give an order and say, "I will have that cut into 20 ft. or 30 ft. lengths." You have to take random lengths between 16 ft. and 32 ft., and longer if so desired. Specified lengths have to be paid for extra.

73. What is the quantity, approximately, of the small sizes, say, under 12 by 12, imported into New Zealand?—60 per cent. is of the larger sizes—I do not mean lengths.

74. Do you stock Oregon pine yourself?—No, I am not interested.

75. *Mr. Field.*] Your business is that of an exporter's agent?—I represent the Canadian Manufacturers' Association, and I am a director of the Imperial Export Company of Canada.

We import into this country, as indentors, any line that is made in Canada. Any Canadian firm that is not directly represented is represented by me if a member of the association, and it is my duty to look after their interests.

76. What do you mainly deal in?—For example, all your newspapers are printed on Canadian paper—practically all.

77. Wood-pulp, I suppose?—Yes. Then we supply you with the bulk of your wire nails.

78. And timber—you say timber is one of your smallest lines?—Well, you see, timber practically came into existence for us only about twelve months ago. It certainly is not one of my smallest lines.

79. And in that twelve months you have imported, how much did you say?—I am speaking now of my total sales. I could not give you the exact quantity for the year, but 13,000,000 ft. altogether. That includes a small quantity of cedar, redwood, and pine.

80. It is mostly Oregon, is it not?—Yes.

81. That would form a large part of your business for that particular period, would it not?—Yes.

82. The largest item, I should think?—No.

83. Do you mind saying how you get paid—by salary or commission?—We are paid by commission.

84. The sellers in Canada pay you so much commission on the sales you effect?—Yes. Some pay 2½ per cent.; sometimes more, sometimes less. When no commission is allowed we charge customers 2½ per cent. buying-commission.

85. You have been in Canada, of course?—Oh, yes!

86. Do you know anything as to their treatment of the trees over there, whether they extract the turpentine or not?—There is no turpentine manufactured in Canada. It all comes from South American States.

87. As far as you know, the turpentine is not extracted?—No.

88. It comes here in the timber?—I do not think Oregon pine would yield any turpentine, at least, I never heard of it.

89. Do you know anything of the inflammability of Oregon pine?—Well, I do not think it is more inflammable than any other timber of the pine family.

90. It has been suggested that Oregon should not be used for dwellinghouses, because it is so liable to catch fire. You would say there is no justification for that?—Well, the whole of Western Canada ought to be in danger at that rate, but you do not hear so very much of fires there.

91. Of the 13,000,000 ft. you have imported, have you any idea how much has been actually put into use?—I fear that a good deal of that timber is still in stock; I dare say probably one-third of it. I think that Wellington particularly is afflicted in that way.

92. Are the people here still continuing to buy it?—I have not taken an order for a very long time—since this Commission was set up or even talked about. People got so frightened that there was no further business done.

93. Would that not be an inducement to them to buy?—But you see your report might come down within a month, and the duty be clapped on. As a rule if it is decided to put a duty on it is operative at once.

94. You think this Commission has frightened them off?—Certainly.

95. Do you know anything about our white-pine?—I do not know very much about your timbers.

96. You would not be able to compare that with Oregon?—No. I do not know that there is any timber that could be compared with your timbers.

97. In what way?—Your timbers have a closer grain and are heavier in weight; the specific weight is ever so much heavier. Your timbers are more brittle, too, than Oregon.

98. More easily broken?—More easily broken than Oregon. I dare say that the bearing-strength of Oregon will compare very favourably with the bearing-strain of kauri.

99. You have not any knowledge as to the relative bearing-strengths of Oregon and rimu?—No.

100. You are aware that our white-pine is generally regarded as one of our inferior timbers—in fact, I heard a witness say, "It is an excellent timber for rotting." Do you know why it is that in Sydney Oregon in the price-lists there is 2s. 6d. lower in price than our white-pine?—Well, I could not say in comparison with your white-pine, but the price in Sydney for Oregon can be 2s. 6d. cheaper than it is here for the simple reason that Australia imports in larger quantities. A man there will receive 3,000,000 ft. in one lot, whereas here 3,000,000 ft. would have to be distributed over the country. Consequently there is more handling here, and the freight is in consequence higher.

101. Would that account, do you think, for the timber company there selling it in small lots at 2s. 6d. less than our white-pine?—I could not say what is the relative value of white-pine and Oregon.

102. About the grades of Oregon: you know something of that, of course?—Certainly.

103. Do you know whether any change has been made in the system of grading during the last year or two?—As far as I am aware there has not been any. It is Government grading. With every shipment an Inspector's certificate goes, and the timber must be up to the certificate.

104. When you say that all the Oregon that has arrived here has been heart, you refer to what has been imported by you?—Yes.

105. You know nothing of what has been imported by others?—No, I do not speak about my competitors; but I trust they have imported heart too, because they could not get anything else, I think. I do not think you could at the present moment make a full shipment of 3,000,000 ft. from Vancouver in second-grade.

106. Could you have done so three months ago?—I do not think so.

107. Why?—Most of the mills burn up part of their second-grade timber—the common timber—and it is also very largely used for making packing-cases. Again, it is sent to China or some place where they do not mind what class of timber they get.

108. What price do they charge there for the second-grade?—It will be about 10s. a thousand less.

109. Surely they would be able to send that over here if they could get 1s. a hundred less, would they not?—No; they are not anxious about that. As a matter of fact, it has never been offered by me nor to me.

110. I suppose that if I sent over for a shipment of it I could get it?—I do not think so, unless you would wait for a long time. The second-class timber is all arranged for. You see they are not in want of a means of getting rid of it, because they have a market at hand. Take all these boxes which are used for canned fruit, salmon, and a thousand other purposes; there is a big demand for this low-grade timber, and it does not come here. I have never seen it.

111. Is it not true that when this slump occurred in America they were dumping their surplus timber here?—There was no dumping; the price went down, and in order to realise stocks they had to reduce prices to such an extent to find a market.

112. You do not call that dumping?—No.

113. Did you ever know our Chief Forester, Mr. Matthews?—No, I have not had the pleasure.

114. He died only a fortnight ago, and he was understood to be an expert man at his business. In the 1906 New Zealand Handbook and Immigrants' Guide, page 359, speaking on the subject of tapping trees, particularly kauri—that is, bleeding them—he says, "The only instance of which I have personal experience is as follows: The rafters supporting the First Church in Dunedin were of Oregon pine. Some fifteen years after the building was erected these rafters exhibited signs of decay. An examination was made, and the result showed that the timber had completely perished. The architect who supervised the work was at a loss to understand why such reputed valuable timber had become worthless in such a short time. He therefore instituted inquiries, and traced the timber to the port of shipment in America, from whence he ascertained the fact that the trees from which these rafters (as well as the whole cargo) were cut had been bled for turpentine, as was usually the custom with timber for export." How do you reconcile that with your own statement that it is not customary to tap the trees?—As a matter of fact I have never heard of it. I could not however gainsay it. I have a handbook from Canada that will give us some information on that particular question. I know that Canada imports large quantities of turpentine from South America. And they would not do that if they could produce it in their own country. In California there are trees that give turpentine, and these may have been mistaken for Oregon. I am speaking of Douglas pine. As a matter of fact, out here everything is generalised; apparently everything that comes from the Pacific Slope is designated as "Oregon," but, as I said, I speak of the Douglas pine only.

115. We are told that the Oregon pine we get here is not the true Oregon?—The true Oregon is a Douglas pine.

116. I think Baltic pine here is sometimes taken for Oregon pine?—It is very similar. The first shipment came out from the State of Oregon, and ever since all these pines have been called "Oregon" here, but it is not called "Oregon" over there.

117. Would you use Oregon for outside purposes?—I certainly would. In British Columbia you would not find any bridges built of anything else but Oregon. You see, that there is no turpentine produced in Canada is really proved by the fact that turpentine is free of duty there.

118. With regard to the durability of Oregon in outside places, we have it on evidence, and I think we have it reported from expert people, that it will not last where it is exposed to the weather. How do you account for a statement of that kind?—As far as I know, in western Canada—particularly British Columbia—all the houses are built of Douglas pine, with the exception of those built of brick, and it is used for constructional work of every kind.

119. When it is used here in outside work in houses we are not to be astonished at it?—I have seen a house built here, and it is all Oregon both outside and inside; and I have heard of a house built forty years ago at Northcote, Birkenhead, still in splendid preservation. I have seen them in British Columbia forty or fifty years old, and they did not look decayed. If I could have known that this question would have arisen in New Zealand I would have acquired specific information regarding them when I was there.

120. We are told by experts that Oregon pine will not stand the weather, particularly changes from wet to dry?—If you take into consideration that Oregon has to stand in Canada from 40° below zero to 105° above, I think you will admit that that is a complete reply to your question. It is surely a fairly good test. You must not forget that in certain districts in Canada there is snow for a long period each year, and there is nothing that wets timber so thoroughly as when it is covered with snow.

121. This goes to show that there is Oregon and Oregon?—There is no doubt about it. What these gentlemen are talking about may be quite a different timber from Douglas pine. As I said before, as a rule, anything that comes from the Pacific to New Zealand is called "Oregon," irrespective of what it may be.

122. Coming to these grades of Oregon, you say that what you have imported here is all heart?—All heart.

123. Is there no sap whatever?—Not that I am aware of.

124. Do they not allow sap in the merchantable qualities?—There is a certain percentage allowed. You will find it in the E list there.

125. You say that practically no sap has come in?—Otherwise I should have had complaints.

126. Referring to the E list, under the heading "Common (No. 2)," "This grade shall consist of lumber having knots, sap, and other defects which exclude it from grading as 'merchantable,' but of a quality suitable for rough kinds of work"?—We get here only No. 1 merchantable, and some extra merchantable and selects.

127. Has some merchantable come?—No. 1 is the bulk; it may allow some sap according to conditions of sale, but it does not necessarily contain sap. As a matter of fact, I have not seen any sap. Mr. Leyland has got about four or five million feet, and he can better demonstrate this than I can.

128. I have heard Mr. Leyland on the matter, but I see that certain knots are allowed?—Oh, yes!

129. That indicates that this timber can be cut pretty near the tops of the trees?—Yes.

130. I think you said that Oregon could be produced there at £2 5s. a thousand?—Yes.

131. At that time with the high wages?—They were from 20 to 30 per cent. lower than the previous year, 1907. They are already up again to the original standard, hence the rise in price.

132. What is the proportion of Chinese and Japanese employed there?—I am not well informed on that point. I know that no employer there would prefer an alien if he could get a white man, for the simple reason that he has to pay a Japanese 7s. 6d., and it is cheaper to have a European for 12s. 6d. because he does more work.

133. It is not a bad sort of a country to live in?—I think not.

134. Why do not people go there?—You may say the same thing of New Zealand. You have been here developing this country, and still there are tremendous big tracts of land, big in comparison, waiting development notwithstanding high wages.

135. You would think that if a man gets 12s. or 13s. per day people would go there, unless the living is high?—I do not consider the living is higher than it is here.

136. How do you account for them not being able to get white labour?—A good many people do not want to go into the wilderness.

137. I have here before me a statutory declaration sworn before a notary public in and for the State of Washington, and residing at Bellingham, in Washington, in which he declares as follows: "Further, that on the 10th day of November, 1908, I went to British Columbia from Bellingham, Washington, for the purpose of investigating the labour-conditions in the milling districts of New Westminster and Vancouver, British Columbia. I visited in the City of New Westminster, British Columbia, four sawmills and three shingle-mills, which are a representative type of the mills in that city. I visited in the City of Vancouver three sawmills and five shingle-mills, which are representative of all the mills in the latter city. I find that there is a great preponderance of Oriental labour over white labour, the result of my investigation being as follows:—Royal City Mills, New Westminster, British Columbia: Capacity, from 80,000 ft. to 100,000 ft. of lumber a day of ten hours. This mill has probably 200 men in its employ. I actually counted 54 men in the mill-yard, of whom 5 were white men, 9 were Japanese, 5 were Hindoos, and 35 were Chinese. The wages paid at this mill for the Oriental labour is from $1·20 to $1·50 a day for Japanese, 80 cents to $1 for Hindoos, and 80 cents to $1·10 a day for Chinese." There you have particulars of one mill out of many described. Do you think that is a fair statement of the case?—I go by the Canadian Government statistics. As soon as they pay lower wages than mentioned here, they have to keep them. There are large boarding-houses erected for the purpose particularly for the alien labourers.

138. Do you say this includes keep?—The rate of wages given by me does not include keep.

139. These other wages you mention do include keep?—If a lower wage is paid, as mentioned, the men get board and lodging, which comes to the same thing. This seems to have been overlooked in the affidavits.

140. Well, we will take a second mill, that of Small and Bucklin, New Westminster, British Columbia. The notary states as follows: "Capacity, 70,000 ft. a day of ten hours; number of men employed, from 125 to 130, of whom 10 were white and 115 were Japanese and Hindoos. The wages paid for Hindoos are from 80 cents to $1·25 a day; Chinese labour gets from 80 cents to $1 per day; and Japanese labour gets as high as $2·50 per day. I actually counted 28 men on the floor of the mill, of whom 5 were whites, 18 Japanese, and 5 Chinese. On the outside of the mill, taking the lumber away, were 10 Japanese, 1 white man, and 3 Hindoos." Is that an account of the state of things that prevails there?—I have not been in Vancouver for the last four years. Mr. Leyland has been there about two years ago, and I believe he will be able to give you better information about that than I can.

141. This declaration was made in November, 1908—that is, only a few months ago?—What I am speaking about is four years ago, and at that time I saw not anything like the proportion of white to coloured labour as stated in the affidavit.

142. *Mr. Leyland.*] With reference to this declaration that Mr. Field has read, he omitted to inform you that these were *ex parte* statements made by interested persons. For example, this Commission has had sworn evidence before it in one part of the Dominion, and in the next part we have been told that such evidence should be discounted. In the same way in the absence of further proof is it not possible that the declaration read by Mr. Field should not also be discounted. Is it not possible that these American millers, in order to make a case, are painting things as black as possible?—I think they are always at it. There is no love lost between the two countries.

143. Now, coming to the matter of turpentine, it will be admitted that the articles appearing in the "Encyclopædia Britannica" are written by scientific men. In the article on turpentine it says, "Turpentine is chiefly procured from the terebinth-tree, a native of the islands and shores of the Mediterranean and eastward to central Asia. Turpentine in America is got from trees found in North and South Carolina, Georgia, and Alabama, chiefly from the swamp-pine and loblolly pine-trees; in Canada from the Canadian balsam (*Abies balsamea*)." So it is absolutely untrue to say that turpentine is taken from the Oregon tree?—That is so.

144. Mr. Field may have been mistaken in classifying this timber?—I think he has made a mistake.

145. You say you have been here ten years. Oregon came in as a side line with you?—Yes.

146. You consider it your duty to push it?—Naturally.

147. Do you ever interview any architects with the view of persuading them to use Oregon?—I have never seen an architect. I have sample-rooms in Fort Street. I am here to push the interests of the Canadian manufacturer and producer.

148. You are also in touch with the trade in Oregon pine?—Yes.

149. I think you have already told us that there are practically no orders coming forward?—No; business is dead.

150. As a matter of fact, the slump that affected our local timber has also affected Oregon?—Yes.

151. Shipments that are arriving or due to arrive—are they not filling orders that were sent months ago?—I have at this moment only about a million on the road, and that was ordered eight months ago, and 1,300,000 ft. to come.

152. Has not the rise in price—the actual rise in price—affected the sending of orders?—I think that most people who have taken an interest in the price of Oregon know that too much is held at the present time. It is lying in Wellington, and they are selling it, I am informed, at the present moment below cost-price to get rid of it. Acting as agent, 160,000 ft. of timber were thrown on my hands in Wellington, and I tried very hard to get rid of this timber, but I could not by any possibility. I was fortunate enough to sell this timber in Auckland, and so brought it up here at very heavy expense, and the consequence was that my principal lost £290 over the transaction. That is the state of affairs, and naturally I had to justify my action in the matter. So I wrote to the Bank of New South Wales, holders of the draft, stating the position and asking if they approved of my action, and they wrote me a letter to the effect that, considering the bad state of the market in Wellington, they thought I did the best thing I could do.

153. So that the present prices are not a fair criterion?—That is so.

154. The cry against Oregon is a mistake then?—I cannot see, for one thing, where you have an output of 431,000,000 ft., how it is possible for the importation of 20,000,000 ft. of Oregon, of which practically only one-half is sold, to disturb and upset the equilibrium of your market. If the Oregon did so, your market must have been badly balanced indeed. My opinion is that financial stringency has prevented the expansion of the amount of building which they anticipated, and consequently the whole of the lumber-market became congested.

155. You told us that the price now is 95s., which is 2s. per hundred feet more than it was bought for?—My letter on this point was dated 17th November, 1898, from which I quote the following extract: "We have about 2,100 M ft. booked for shipment in December/January/February, expecting to clear the whole of it in January to make literal compliance with all the contracts, and we can supply 500 M to 1,500 M ft. more, according to the size of the steamer that we charter; thus far we are offered steamers of only 3,200 M ft. capacity, 10 per cent., more or less, but shall no doubt be able to charter one of about the size we want before we are ready to ship the lumber. The market is very strong; a larger exporter to Australia located in San Francisco informed us the other day that $12 basis had been offered for December shipment and refused, after a transaction for the early part of the next year had been made at that price. The Puget Sound mills are intimating the same figure for the early part of next year, but won't commit themselves beyond that time, and the B.C. mills are firm at $12 for limited quantities, the freight from Vancouver to Lyttelton being 32s. 6d., and to Napier and Dunedin 35s., with no disengaged room in any other steamers than those of the Alley Line. We figure the minimum price to *those ports* to be 8s. 6d. basis."

156. You are now quoting 95s., which is equal to 2s. more than Oregon now coming to hand is bought for?—Yes.

157. With the ordinary specification what would be the extra charge for 95s. to buy on the basis of the list?—That would be about 10 per cent. in any case.

158. That is another shilling?—Yes, if not more.

159. I worked it out at 15 per cent., but we will say 10 per cent., to be sure?—It will be at least 10 per cent.

160. When I was on the West Coast I offered them an order on a certain specification that we were prepared to purchase on. This is a copy of the order that I offered, and would you believe I was told that it was a ridiculous and preposterous specification?—May I have a look at it. I will read it for the information of the Commission: "No. 1 merchantable, all heart, free from shakes: 2 in. x 6 in., 9 in., 12 in., and 14 in., 200,000 ft.; 3 in. x 6 in., 9 in., 12 in., and 14 in., 200,000 ft.; 4 in. x 6 in., 9 in., 12 in., and 14 in., 200,000 ft.; 6 in. x 6 in., 9 in., 12 in., and 14 in., 200,000 ft.; 12 x 12, 14 x 14, 16 x 16, 20 x 20, 30 to 40 average 35 long, 100,000; also 100,000 ft. 40 to 60 average 50 ft.: total, 1,000,000 ft.

161. So that is not a preposterous specification?—No, it was all right.

162. Then, with regard to merchantable, what does it mean when it says "it may contain a corner of sap"?—That is so; just a little bit on the corners. I have not seen any so far as I can judge.

163. The coastal trade of Canada is not the same as that of America; a British ship may trade along the coast of Canada at any time?—I am not sure on this matter.

164. What do you consider dumping? Do you not consider that sending timber on consignment is not the same as dumping?—Dumping I should say is this: If you have a surplus which you cannot get rid of and you send it at your own risk and sell it in the open market here at any price, that is dumping.

165. Has that been done with Oregon pine?—No. No timber has been sent on consignment.

166. But it has been done in Australia with white-pine—if we did that that would be dumping?—I have done about two-thirds of the whole of the Oregon pine trade in this country, and the conditions on which we sold it was cash on arrival of ship, and we never varied our condition. As a matter of fact, we did sell a good part on letter of credit payable in Vancouver.

167. While we are accusing others of dumping that have not been guilty of it, we on the other hand have been dumping ourselves?—I am not aware of that.

168. *Mr. Clarke.*] What proportion of the amount imported through your agency has been from British territory, and what from the merchants?—That is a matter I could not really give you any definite information about, because these ships load along the coast, and the final port as a rule is Vancouver, and consequently we do not know.

169. You do not know how much is Canadian?—No. I should suppose it is in the proportion of two to one.

170. Seeing that such a large proportion of it, at any rate, comes from under the same flag, and that it is timber that we are very much in need of in many respects for building purposes, do you not think it would be very unfair to deprive the particular users of this Dominion of the advantage of such good timber?—Well, I look upon it in this way, that the whole of the import of Oregon pine, considering the large quantities unsold, is so very unimportant that really I am astonished that it makes such a stir.

171. With regard to the question which has been mentioned about Oregon pine being a timber that was not safe to be used, did you notice that in following up that sample which was supposed to have been a failure in the rafters in a church in Dunedin, in Mr. Matthews' report it would appear that the following-up was not done by Mr. Matthews, but by an architect? Might not that have been improperly done, and in all probability Mr. Matthews in that respect was making use of information which was not official in any way?—I cannot say anything on that point. You see it is very difficult without seeing the timber actually. I dare say a good many timbermen even to-day do not know the difference between the various kinds of pines that are grown on the Pacific Slope.

172. You were told we have had it on expert evidence that it will not last. Now, would you not consider that the evidence of architects and builders in this Dominion is more to be relied upon than the evidence of a man who is a bushman or a timber-seller?—I certainly would go with the architect.

173. If you were told that the balance of evidence on that side was decidedly in favour of Oregon you would not be surprised?—No, not at all.

174. With regard to the question of Oriental labour in the Canadian mills, is it not largely considered that they employ at least two Orientals where they otherwise would employ one man if they could get a white man?—The concensus of opinion is that they would rather pay a white man 50 per cent. more than take on a Japanese or Chinese. They do not put the same quantity of work out.

175. With regard to the gain or loss to the Dominion, seeing that we send our kauri out and sell it in Australia at 19s. a hundred, and we buy a corresponding hundred feet of Oregon timber and land it here at about half the amount, do we not gain to that extent?—I should think so.

176. *Mr. Morris.*] You told us that only about 5 per cent. of the Oregon pine that comes into this country is first grade?—That is, "select."

177. Would you not take orders for more than that?—I would take orders for select and No. 1 merchantable, but not for No. 2 or for sap. You see there are two qualities below what is imported here.

178. You say you could only take orders for 5 per cent. of first-grade material?—I could only take 5 per cent. if I wanted to have select.

179. How much of the Oregon pine is the inferior grade?—Ninety-five per cent. is certainly not select.

180. That is a high percentage?—Yes, it is. That may be as with kauri. If Mr. Leyland had to pick out timber equal to that in kauri it may take him years to find it.

181. I understand there is a market in Canada for more of this select timber than you can get?—Well, even the buyers in Canada cannot get more than 5 per cent., for the simple reason that it is not there.

182. You have a very large percentage of inferior stuff you want to get rid of, and you ship it away at any price to clear it?—No, heart of any timber cannot be said to be inferior; it is the best in that class of timber that can be had. The select is simply something that is extraordinary, like you may have figured timber, and get particularly nice pieces out of it.

183. The best of our timber tradesmen will not work it, because it is too hard and they prefer the Oregon?—I wish they would—we should do more business here.

184. Do you consider that the withdrawal of the Alley Line of ships from the New Zealand business will have a tendency to hamper trade between Vancouver and here?—It is bound to do.

185. We need not anticipate that any more small lots will come along?—No, there is no fear of that. My orders at the present moment are to sell not less than full cargoes—that is, 3,000,000 ft.—and as there is no business I do not see any chance of getting a ship here.

186. Did you sell last year in Wellington any lower-grade stuff than merchantable?—No, and never did.

187. What stuff do you call that with knots in it very nearly as big as my head, for instance?—I have not seen any. It would be rather a big knot.

188. I saw a large quantity alongside the Royal Oak Hotel, with knots all through the pieces averaging 5 in. in diameter?—I should have objected to that. If I had found knots like your head in it I should have refused to accept it.

189. Perhaps you had nothing to do with it?—Wellington has been my worst market. The prices at that date were too low for me. My principal business has been done in Auckland, Napier, Lyttelton, and Dunedin. As a matter of fact, during the whole of 1908 I do not think I booked over a million feet in Wellington. With regard to the quality of the timber we sent regularly, I appeal to Mr. Leyland, who will tell you all about it.

190. You only sold to the Wellington merchants a million feet during the last twelve months?—Yes, that is all.

191. And they have imported over seven million feet during that time?—I do not know.

192. So that they must have obtained their supplies from some other source?—Yes, they have. I have received some very complimentary letters in regard to the timber I have delivered, and I have not had a complaint.

193. The people of Canada and the United States are very careful in trying to protect their own industries?—I do not think so, in timber. In Canada it is free, but in the United States it is not.

194. They try to protect their labour?—Probably a draw between them. On any United States article which Canada can produce she puts a protective duty on.

195. You do not consider we are doing anything unfair here in trying to protect our industries?—I do not see there is any unfairness in it; but in this case I say that you are hurting yourselves.

196. You can leave us to look after ourselves—we can manage that part of it?—I do not know. If you looked after yourselves and sent your men out and sold us your timber you would get a higher price than you will get anywhere; we take it in free, and you ought to take the duty off Douglas fir to get even. I heard it said this morning that we are all selfish, and I agree with that.

197. I see here there is loblolly pine, long-leaf pine, and short-leaf pine: what is that?—I do not know.

198. I suppose if we get that here it is Oregon pine?—What we sell you is Douglas pine.

199. I have here a book on the process of treating sleepers, or railway-ties as they are called, and they are called loblolly, short-leaf pine, and sap-leap pine?—You will find in the handbook I mentioned all the information about Canadian timbers you require. It gives you every particular about the various timbers, and for what purposes they are used. I have not heard of any of those names you mentioned. They must be of United States origin.

200. *Mr. Barber.*] You said the whole of the timber exported from Canada was produced under Government certificate?—Yes.

201. And examined by Government experts?—Yes.

202. That is the same system adopted in New Zealand with regard to butter and flax?—Yes.

203. And the certificate is of as much value?—Yes, if you have belief in the respective Governments, you take it for granted.

204. I want to know whether the Canadian worker extends a friendly feeling towards the alien labourer working with him?—No, not at all.

205. So as far as possible that friction would be avoided if it were possible?—Yes, there is no question about it.

206. *Mr. Arnold.*] You quoted the wages paid to white labour, which are fairly high. Is it not a fact that with the labour there is a great amount of lost time—perhaps a third of the year these men cannot work?—I do not think so, for the simple reason that if they could not employ the men continuously they could not keep them. It is difficult to get men at all.

207. Is not that the reason that they pay them such high wages—to tempt them to remain there a little while?—Certainly they do. It is just the same as here—people do not want to go to the bush unless they are hard-pressed, and to make it agreeable to them to go into the bush and live a hard life they pay them higher wages.

208. Have you any idea what the average wages would be per annum?—No. I have no idea as to that, but I could give you the information within a few days.

209. And can you also let us know what proportion of the year they lose—whether two, three, or four months?—Well, I do not think there is very much lost time, because in winter-time when things would be quiet at the coast they are very busy in the bush, particularly in getting logs down. You see, everything is frozen up, and that makes the ground hard and gives them a fine natural slide.

210. So that when they cannot work at felling they are really employed at sliding?—Yes, but the felling is also done in winter.

211. *Mr. Jennings.*] Do you know if any reservations are put upon the timber-millers in regard to the area of timber lands that are sold?—I do not think there is any reservation, except those mentioned before.

212. No restrictions whatever?—No.

213. You are aware that in New Zealand there are restrictions placed upon them?—I heard so this morning.

214. *Mr. Stallworthy.*] Can you give us any idea as to the extent of the Oregon pine?—It is computed that in British Columbia there is sufficient Douglas pine and other timber to last the whole world for about a hundred years.

215. *Mr. Ell.*] What is the authority for such a statement?—I can give you all the information upon that point. We have in Canada about two million square miles of timber land untouched. A good story is told in this connection. There was in the House at Ottawa some discussion on the reckless way in which the bush was treated, and one member stated that if that was going on any longer in twenty years there would be no timber left. Then, Sir Wilfrid Laurier stood up, and in answer to the honourable member he said, "I want to show you a diagram."

He showed an octavo sheet of paper to represent the timber area they had when the Dominion was established, and then indicating a small corner about an inch square, he said that was the amount they had been cutting since that date. He further told the honourable member he could be quite easy in his mind—they would have no timber-famine for the next thousand years. I do not vouch for this story.

216. How long does it take this Oregon pine to grow into marketable timber?—From twenty-five to forty years.

217. Fit for milling in twenty-five years?—They are cutting out the marketable trees, and the young trees shoot up again, and in twenty-five to forty years they are ready for milling again.

218. *Mr. Field.*] Then, it is no good our hanging on to our timber till the American supply runs out?—No.

219. *Hon. the Chairman.*] We have heard of the enormous quantity there is of Douglas pine, and it has been stated there is 200,000 ft. to the acre?—Yes, and a good bit more in some places.

220. Can you tell us what is about the average per acre for Canadian fir?—British Columbia alone has about 182,000,000 acres of forest. Assuming the very low average of 50,000 ft. per acre this gives a total of ten trillions. Taking the growth of marketable timber at forty years, this would bring for one hundred years the total up to at the least twenty-five trillions. Fifty thousand feet is a very low average, for as much as 500,000 ft. has been taken from an acre in some parts. In British Columbia trees under 2 ft. diameter are seldom cut, and the average height of the Douglas pine is about 125 ft. Trees of 300 ft. and over are not rare.

WILLIAM CORNELIUS JOHNS sworn and examined. (No. 100.)

1. *Hon. the Chairman.*] What are you?—A builder.

2. Will you tell the Commission what your experience is as a builder with regard to the timbers you use and the quality and prices?—Well, with reference to rimu, I put the hospital up at Rawini just a little while ago, and also a milk-factory. I wish to show you that the rimu could be sold a lot cheaper than what it is. There is a ring in New Zealand that keeps the price of the timber up, and I believe the rimu has to be kept up to suit the kauri. I got a quotation from Hokianga of 7s. 6d.—I am speaking of O.B.; 7s. 3d. for 3 by 2, 4 by 2, 4 by 3, &c.; 6 by 2, 8s. 6d.; and boards, 9s. That was at Hokianga, and you could deliver it in Auckland for 2s. 6d. per hundred, and at the mills where we get the rimu up the line the price is nearly twice that.

3. *Hon. the Chairman.*] What are the prices?—O.B. is 14s. 6d., I believe. I only knew a couple of minutes ago that I had to come here, or else I could have got you everything in figures. Every one of the timber-merchants gets the rimu price from the Main Trunk line, and they are all in a band up that way, and they have to raise the price to suit the kauri.

4. Are they banded with the kauri people?—They are banded that far that they have to keep it within 1s. of what the price of the kauri is. Ordinary scantling is 14s. 6d., boards 15s. 6d.; second-class 11s. 6d., boards 12s.; rough heart 13s., and boards 13s. In Hokianga I got the scantling for 7s. 6d. That means that I can land it at Onehunga for 10s. Ten per cent. off that would make it 9s.

5. *Hon. the Chairman.*] Are there any timbermen who sell the Hokianga timber here?—Any number of merchants in Auckland get the timber from Hokianga. It comes to Onehunga.

6. And what price does the merchant sell it at?—Scantlings, 14s. 6d. They are all under the ring here, and they have to sell it at that figure. I do not suppose there is one that sells it cheaper. I say it is the grandest thing in the world that we have got Oregon into this country. There is far more strength in Oregon than in any piece of New Zealand timber. You cannot bend kauri or rimu—you can bend nothing that grows here; but you can put your jacks on and bend Oregon. There are grades in it. Get flitches 14 by 4 in good Oregon, and you can put 6 in. in 40 ft., and you can bolt them up, and they will stand with a truss in them. There is no other timber here that you can do that with. Another reason why we should use Oregon is this: I am using thousands of feet now up at Clarke's buildings in Wellesley Street—thousands of feet. Two men can take hold of a piece thirty or forty feet long, 9 by 6, and carry it and put it up for shoring. I do not believe that we have a bit of wood in the country to come up to Oregon. I am over sixty, and have worked Oregon nearly all my life, and I say, Give me Oregon before any other timber. If we want more money, send the kauri away and get £1 for it and import the Oregon at 10s. We shall gain by it. The kauri will only last ten years in any case. It is all very well for the timber-merchants up the line to say, "We must be compensated because Oregon pine is coming into the country." Why, the men get more money in America for cutting the timber than they do here. It is the masters that get the money here, not the men. I do not say that the railway tariff is not too high: we should get the timber brought down for 1s. a hundred instead of 3s. Let the Government move first and lower the railway freights on timber.

7. Do you think the millers would sell it to you at the same price then?—I believe that if the railway took 2s. a hundred off the freight, that would help the price to come down; but the millers would still have to keep the price up to suit the kauri.

8. In your opinion, the sooner the kauri is done the better?—Yes. It will not last long. You cannot get it now. I gave an order for kauri last week, and it will be eight months before I can get it.

9. Could you not form a company and start in the business yourself?—The timber is not here to start on.

10. There is a block or two left yet?—Is there? Well, I have given you my ideas with regard to timber. I say that if the Hokianga people can sell for that much less than they sell at up this

way it will pay them. It is the ring that keeps up the price of timber, and it is the ring that is stopping one-third of the buildings from being erected that would be going up in Auckland at the present time. A man with, say, £350 thinks he would like to get a house. He goes to an architect and tells him what he wants, and the architect draws the plans and calls for tenders, but the man finds that the house that should be built for £350 will cost him £425. He could build at £350, but £425 is too much for him. It is time that we got in some cheaper timber.

11. *Mr. Field.*] Have you got the cheaper timber?—Oregon is cheaper.

12. *Hon. the Chairman.*] What is the selling-price of ordinary building Oregon?—There are different prices in Oregon.

13. Will you give us the prices?—You can get good Oregon for 17s.

14. And what can you get bad Oregon for?—There is no bad.

15. Is there any medium?—No, I never saw any medium in Oregon. There is some with more knots in it than the other. It is far cheaper than first-class kauri. There is medium kauri and first-class kauri, but give me first-class Oregon. It is lighter. And talk about its giving out in fifty years! I do not think it will give out in a hundred. Why, I have seen oak full of dry rot in fifty years. It depends on where the stuff is put in. With Oregon there is a lot in the time of the year at which the tree is cut. If you cut the Oregon when the sap is down, the timber will last twice as long as if you cut it when the sap is up.

16. *Mr. Jennings.*] Does that not apply to all timbers?—No, not to evergreens in New Zealand.

17. I think it does?—Only to kauri, and that would be because they are cutting it all the year round.

18. *Hon. the Chairman.*] But we have not the severe winters in New Zealand that they have where the Oregon grows?—No.

19. That will stop the sap going up?—Yes. There are four or five months when the sap is right down. The timber that is cut then is good timber. There is no New Zealand timber that you can put the strain on which you can put on Oregon. I should be very sorry to see an extra duty put on Oregon, because it will be only robbing the public for the benefit of the few. The mills have not stopped because of the paltry handful of Oregon that has come in, but because of the want of money, and there is no demand for timber. Look at Auckland at the present time; I suppose that, if there are a hundred houses going up now, there were three hundred eighteen months ago.

20. *Mr. Clarke.*] Can you tell the Commission about how much the price of timber has risen within the last ten years?—Ten years ago you could buy timber for what you liked, because the ring was not here.

21. But what were the prices then, roughly speaking?—I bought the rimu then for what I pay for it now—7s. 6d.—only that was in town instead of at Hokianga.

22. That would be a difference of about 7s.?—Yes; and the men got the same wages then that they are getting now.

23. The advance in the price of kauri would not be so much as that, would it?—Yes, it would.

24. About the same?—Fully that. Medium kauri could be got ten years ago, I believe, for 10s. 6d. Second-class kauri ten years ago was obtained for about 8s. Those figures are from memory. Now medium kauri is 17s. or 17s. 6d. It has gone up just as much as rimu.

25. On a house with about 15,000 ft. of timber in it a rise of 1s. would mean an additional £7 10s.; so that if the price of timber has risen 7s. the increased cost in timber would be seven times that amount, would it not?—Yes.

26. Then you estimate that the increased cost of the timber in a house of that class would be, roughly, over £50?—Yes, but that did not altogether do the harm. The rise in timber made everything else rise—one thing carried another. It has made building cost one-third more than it should. I really believe that Englishmen were better off when they got 10d. a day than they are now. Things were low in price.

27. With regard to the increases in price, is it not a fact that besides the phenomenal rises in the standard sizes, there have been proportionate rises in tongued and grooved stuff and long lengths and extra widths? The prices for these have been increased a good deal, have they not?—I got an account the other day from Leyland, O'Brien and Co. for some finished O.B. rimu 9 by $\frac{3}{4}$, and it was at the rate of 18s. 6d. a hundred. I got the same thing in Hokianga for 9s. I say that we are tied up by a ring in Auckland and on this side of the Island that has got to be smashed up somehow.

28. With regard to the class of timber that is used in the better class of buildings, such as, for instance, the one you are doing now, that is mainly heart of kauri, is it not?—All heart of kauri.

29. That would be an expensive kind of timber?—No doubt it is.

30. In that case any proportionate rise would, on a building like that, add a very great sum, would it not?—It would not now in this case, because I have given the order.

31. Do you think the rate of wages paid to the workmen has increased in the same proportion as the cost of timber?—No, because wages have been 10s. a day for carpenters here for the last ten years. They have only gone up 8d. in that time. It is the millers that have made the money—not the men.

32. You are in a general way decidedly opposed to limiting the importation of foreign timber, and you consider that we should have freedom of choice in that respect, and that architects should be allowed to specify what they require without penalising their customers in the matter of price?—I think the architect should be allowed to specify what they like. I should like to see the kauri last a hundred years. To make it last we should have to get in a lot of other timbers, because it is going fast.

33. *Hon. the Chairman.*] Is there not more exported than is being used here?—They are sending it all away in order to get more money for it so as to buy Oregon. They are landing the Oregon for less than 10s., I believe.

34. *Mr. Stallworthy.*] You have discovered what we are looking for—that is, the ring?—Yes.

35. Can you give us any evidence as to the existence of this ring?—I only know that every timber-yard in Auckland belongs to it, and all but one mill, I believe, between here and Wellington. I got a lot of rimu from Smith, I think it was. He was not in the ring, and we got it for about 3s. a hundred less.

36. Has this ring, to your knowledge, done anything detrimental to your industry besides keeping up the price of timber? Do you know of any regulations by which they will not supply any person?—I think they will supply any one who will supply the cash.

37. Do you think you will get your supplies all right after what you have said to-day?—Yes, I do.

38. Have you secured any other timber than that one lot at Hokianga for 7s.?—I have an offer of as much as I like. That is still open.

39. Can that same firm supply you with kauri?—I do not know. I do not want any kauri just now.

40. You have not tried them for kauri?—My son was there, and he did not get much kauri.

41. What trade discount do the builders get here?—Ten per cent.

42. In some places they are getting 12½ per cent.: do you think that too high?—Ten per cent. is the proper discount. I believe that a builder should get more discount than any one going in to buy a hundred feet of timber.

43. Is there plenty of competition in the building trade in this city?—Any amount.

44. There is no builders' ring?—No; they cut one another's throats. They watch one another like two bull-dogs at a bone.

45. Could not the builders themselves establish a yard in this city?—Yes, they could.

46. Why do they not do it?—It is just the thing that should be done.

47. There is nothing to prevent it?—Yes, a lot—the men themselves.

48. We have been told in some places that the builders prefer Oregon to rimu because it is easier to drive nails into than rimu?—No. If you have got any muscle you can drive a nail into rimu the same as anything else. A 3 in. nail will go into rimu as well as Oregon.

49. There is nothing in the contention, then?—Nothing. Rimu is heavier, because it has the water in it—you have to carry the buckets of water as well as the timber.

50. *Mr. Jennings.*] Would you apply the principles of allowing foreign timbers to come in duty-free to all other outside products?—I would allow Oregon to come in free because it would assist the people of New Zealand to get a house over their heads.

51. Would not that same argument apply to other products?—Well, we are not talking about potatoes or cabbages. We can grow them.

52. I will put a plain question to you. You are building a clothing-factory for Archibald Clarke and Sons, are you not?—Yes.

53. If the clothing that is manufactured in America and other parts of the world at sweating rates were allowed to come in here free, would it not have an effect on such a great industry as Clarke's have built up?—I dare say you are talking of something you know nothing about. I have been in America and have seen a man make a coat the same as the one you have got on your back for 10d. We are not told that about the timber; they get more money in America for cutting the timber than they get in New Zealand.

54. Will you answer my question, please?—I say that the coat is made for less money. In America they are sweating.

55. And is not the timber cut for less money?—No.

56. It is, unquestionably, from the evidence we have had?—Not the European labour. The Chinese not only get a dollar and a half a day, but they are kept as well. And I can tell you another thing: they are kept half the time on opium, and are allowed to smoke as much as they like.

57. Have you been refused by any sawmiller or timber-merchant in the town to be supplied with timber?—No, far from it.

58. Do you know of any timber-merchant or sawmiller that has refused a builder?—No.

59. This ring that you speak of—do you say that it exists from Auckland to Wellington?—I really believe it exists.

60. Have you any strong evidence of that?—Every timber company or timber-mill in the Waikato is under it, and every one in Auckland and every one in New Plymouth. I cannot speak of further than that, but I believe it is right through to Wellington.

61. Are you aware that the sawmillers in the Waimarino are now disposing of their timber to any one at prices that are probably less than the prices of twelve months ago, and that there is no association there?—If they sent it to Auckland they would sell the timber.

62. *Mr. Field.*] You say you can buy timber at Hokianga at 7s.?—At 7s. 6d., 8s. 6d., and 9s. 6d.

63. What would it cost to put it into a yard in addition to that?—By scow it would cost 2s. 6d. a hundred to put it into Onehunga, and I believe there are wharfage dues of 3d. or 6d., or something like that.

64. Another 3s. on to it?—Yes.

65. You have got to get it from there into the city?—Yes.

66. You are a builder in the city?—Yes.

67. What does it cost you in the city?—I have not taken any into the city. You can buy in Onehunga as cheap as you can buy in Auckland.

68. What is the price in Auckland City for the same timber?—Fourteen shillings and sixpence, I think it is. The scantling in Hokianga cost 7s. 6d., whilst the price here is 14s. 6d.

69. It costs them 10s. 6d., therefore, and they sell it for 14s. 6d.?—I do not know what they give for it.

70. You think that is too big a profit to make?—I am only telling you that it is stopping the building trade because the price is too high. Rimu should be lower. They should not have raised it because the kauri was getting scarce. If they had not increased the price I do not suppose there would have been a foot of Oregon in the country.

71. Is there much of this timber at Hokianga?—Any amount of it.

72. Why do you not all buy from there?—I cannot say.

73. It is rather silly to buy for 14s. 6d. when you can get it for 10s. 6d.?—Yes.

74. Is it as good as the Main Trunk timber?—It is better.

75. You say you pay 17s. 6d. for Oregon?—Seventeen shillings.

76. You get your rimu for 10s. 6d.?—If a man says Oregon or kauri you cannot put in rimu.

77. Are you not using Oregon for ordinary purposes?—Not unless the architect wants it.

78. I thought you said Oregon was going to cheapen the house for the worker?—That is what I am telling you. If the rimu had stopped at the price it should have stopped at the Oregon would not have come to the country at all except in big flitches.

79. Do you belong to the masters' association?—I do.

80. You have a ring?—It is not a ring.

81. I do not suggest that exactly, but is is an association?—It does not protect you in any shape or form.

82. Do you not organize for the purpose of fighting the wages question?—Fighting the wages question, with the Government you have behind you; they tell you you have got to give the labour what it asks for, and you must do so.

83. What do you associate for?—God knows, I do not know. We are in a country where the Government is in charge.

84. *Mr. Leyland.*] Would you mind producing the invoices?—I tell you we paid the money to you. When I settled up at Hokianga everything was paid for, and the list was destroyed.

85. I suggested you might put in your receipts?—I can only put in a receipt for about £261. I can give you the receipt in the morning. My son can tell you better than I can myself.

86. You told us you gave 7s. 6d. for 3 in. by 2 in.?—Yes; 8s. 6d. for 6 by 2 or larger, and over 9s. or 9s. 6d. for boards. You can say 9s., and you are not far wrong.

87. That is 8s. 6d., and you paid 2s. 6d freight?—Yes.

88. Then you paid wharfage and cartage?—One shilling per hundred feet.

89. Then the timber-merchant stacks it in his yard?—I stack it on the job.

90. What do you allow for stacking and handling?—You could not do it for less than 1s. per hundred feet.

91. You would have to pay in advance as soon as you got it?—I do not know about that.

92. Would a penny be a fair thing to put down for interest? Would you allow 6d. for measuring out and split ends? It takes quite 5 per cent. with these losses. We will add that up, and it comes to 12s. 11d. Then the timber-merchant has to pay rates, rents, and taxes, together with accident and fire insurance. What would be a fair allowance for all that?—I am only saying that if the builders like to import the timber themselves that is what it would cost them.

93. We brought it to 12s. 11d., and yet we sell it to you for 12s. 6d. and 14s. 6d., and we give you 10 per cent. discount, which reduces it to 13s. 6d., so you allow us the magnificent sum of 7d. to pay rates, taxes, insurance, &c. Now, do you think the builder is charged too much?—Well, I am only here to tell you what I can buy the timber at.

94. We have all got to live?—That is so.

95. About this ring: Are Mitchelson and Co. in the ring? We have an association which you call a ring, whilst as a matter of fact it is an industrial union of employers under the Conciliation and Arbitration Act. It is a proper legalised association according to the law to give us a standing under that Act. There are certain timber-merchants or millers who are not in the association, and there is nothing to prevent you from buying from them?—I have not bought from them.

96. If you came to us we would not upbraid you for it?—No, I do not suppose you would. Mr. Mitchelson's firm is in the millers' association.

97. No, they are not?—A lot of them have got yards in town, and they have agents in town. I told you I ordered 400,000 ft., last week, but I have not told you who I bought it from.

98. There are quite a number of firms who do not belong to the association?—Not many.

99. I have a list of five, and there is Mr. Mander's, who is not in it. You can buy from him. They do not control the prices as is alleged with these other people in the association?—You do control them.

100. How?—Because you fixed the figure. The figures are fixed by you, and the outside mills are guided by you.

101. Would you be surprised that I have paid Mr. Mander as much for timber as I got for it?—He must have seen you coming.

102. No, we wanted to keep going. You thought we landed Oregon for 10s.?—I said it was landed in Auckland for 10s. It was less than 9s.

103. We could not do it in our yard at that price at the cheapest period, and now it would cost us 12s. 8d. in the yard?—The first did not cost you 10s.

104. Do you think Leyland and O'Brien such bad people?—I dealt largely with them in the past, and I dare say will again in the future. I suppose I have paid them as much as £4,000 a year. I find them as good a firm as I wish to meet. You all treat me well, as long as I pay you.

105. *Mr. Mander.*] You say that the price at the present time is prohibitive?—It is.

106. Are there no other factors beside the price of timber that makes the workmen's cottages so high?—Yes, I told you that everything went up. Because when one thing goes up other things follow it.

107. Why should the price of timber force up the price of plumbing, painting, and the work of other men in connection with the building?—Everything works together. You cannot get a man to work for less than another man, other things being equal. Carpenters are only 8d. per day more now than they were three years ago.

108. What about the wages of mill hands, the wages of the bushman, and the wages of the plumber, painter, and paperhanger?—I do not suppose the bushman gets any more now than he did ten years ago.

109. He was only getting £1 15s. then, and now he is getting £2 10s.?—The Government must have helped him.

110. Ten years ago you could get good bushmen from £1 10s. to £1 15s., and now they want £2 10s. to £3?—He was not paid properly at £1 10s.

111. Do you not think that all these things put up the price of the workers' cottages?—It made timber dearer.

112. Are you not aware that about ten years ago—and this is a fact—timber was sold for 1s. royalty which if it were now in the same position would fetch 3s. or 3s. 6d. in the way of royalty?—That is the Government again. I will tell you we are hemmed in by the Government.

113. The Government are responsible then?—Yes, if they have increased the royalty. I know they have in the railway fares on timber. It should be done for one-third of what it is.

114. Workmen's cottages now are very much more expensive in the way of extra fittings and expenditure?—A lot of the architects like to show their skill on them.

115. Do not the workmen want a more fancy building?—I have a man building cottages just the same as he did ten years ago; but I can assure you the only real difference lies in the price of the timber. If you like to build a mansion for a working-man, he will accept it; but if you build him a comfortable house he will live in it.

116. Will he be satisfied with that?—Yes, he only wants a good solid cottage.

117. Now, with regard to the extra cost of timber?—The extra cost of timber has put everything up. It is not the extra cost of timber altogether, because things have gone up with it. Boots, shoes, and everything has increased.

118. *Mr. Morris.*] Do you mean to tell us that the price of timber has increased the price of iron?—No, I can buy iron cheaper to-day than ten years ago. I am buying 7 tons of girders for £7 5s. which three years ago would have cost £14, so it is no good talking about iron. Iron is down, and that helps you to build.

119. Do you think the rise in timber is responsible for the fall in iron?—No.

120. You told us that Oregon was much superior to anything else you could use?—Yes.

121. Do you mean to tell me you could not get the lengths in question in rimu or kauri to bend?—No, because they will burst off.

122. Do you mean to tell me that a 40 ft. stick will not camber that much without breaking?—With regard to New Zealand timber, you will get, say, two or three bent, and you will find them bursting here and there; but the Oregon does not burst. If you put it in its place it will remain there.

123. I have seen any amount of them put together, and I have never seen one break yet?—That is not my experience.

124. I have cut them and used them, and seen the work done with the best results, and can only conclude that you must have had a bad lot of stuff here?—I do not speak of about here. I put them together thirty-odd years ago. I worked 42 ft. rimu in the synagogue in Dunedin, but I could not get a camber in it.

125. I saw rimu last year 20 ft. long and 12 by 2 tested. There were several architects present, and it was tested at a foundry in Wellington. The Oregon broke with 4 in. of camber in it, whist the rimu sprang to 7 in. and did not break at all?—They must have got it for the purpose. We know that Oregon will bend better than any wood we have in New Zealand.

126. I suppose you will admit anyhow that perhaps a tradesman can work more Oregon than rimu?—That is so.

127. Is that not one of your reasons for bringing it in?—I wish to bring it in to keep the price of our present timber at a reasonable rate. If you do not get the Oregon it will go up higher. I say kauri will go up higher without your getting Oregon. If kauri goes us, rimu is sure to rise.

128. We have vast quantities of rimu here yet, which will last longer than most of us?—It may.

129. I think you will admit that one of the chief reasons why builders are so anxious to encourage Oregon is because it is much easier to work?—No, sir; the object is to keep the New Zealand timbers from rising any higher. Our timbers are high enough at present. Why, they are telling me every week it will go up. A little while ago we used to get a circular every month that is was up another shilling. I am speaking of kauri.

130. You can put buildings up of other things than kauri?—The architect is master.

131. *Mr. Barber.*] You say that owing to the price of timber the price of a worker's cottage has gone up about £60?—Yes, that is so; it has gone up one-third. It has gone from 11s. 6d. to 17s. 6d.—that is, kauri.

132. But red-pine is used for building purposes?—Yes, but red-pine has gone up from about 9s. to 14s. All timber is up one-third during the last ten years.

133. Do you know of any building that has been erected of Oregon pine in Auckland that has stood for a number of years?—I have used a lot of Oregon pine lately. There are no old buildings that I know of.

134. With regard to what you call the ring, what discount are you allowed by the timber-merchants?—10 per cent.

135. Under what conditions is that given? Do you merely apply for it or have you to be registered as a builder?—You merely pay your money and hand your bill over the counter.

136. In Wellington the timber-merchants sent out a circular, which the builder is asked to sign, confining himself to the association. Are you asked to do that?—That is an evil thing. They would not ask us.

137. You are better off than the Wellington builders?—They must be a poor crowd.

138. *Mr. Ell.*] You are working under an award for carpenters and bricklayers?—Yes, they are all under an award.

139. The Arbitration Court fixes the award?—Yes, after the different trades have been together and put what they want on, they then apply for it to the Court, and if the Court thinks it fair they get it.

140. With regard to the wages you pay your carpenters, bricklayers, plumbers, and painters, which are fixed, is it not a fact that these wages are fixed by the Arbitration Court?—Yes.

141. And the employers have representatives upon that Court?—Yes.

142. There is an independent Judge, and the workers have a representative like the employers?—Yes.

143. Then, that is not fixed by the Government—that is, the rate of wages?—Certainly it is the Government.

144. There is no good arguing about it, because it is an independent Court in which all are represented. With regard to the uses to which kauri is specially adapted, what kind of timber would you use, say, for stairbuilding?—Well, I have got ten sets of stairs to build out of jarrah.

145. What I want to find out is what you require for the trade?—Every one of those stairs will be of jarrah.

146. For what purpose do you put kauri in a building? What timber do you select for finishing and joinery-work?—I would select rimu. I have been using rimu for forty years.

147. For inside finishing-work?—Yes, for inside work.

148. Do you think that Oregon is as suitable as rimu for that work?—Not for finishing. It is more for rough work, such as framing, lining, T. and G. lining, and flooring.

149. From your experience, do you think that rimu and kauri are used very largely in making furniture for the homes of the people of this country?—Yes.

150. I suppose you have some knowledge of the cost of imported timber?—Not much.

151. Do you think it would be better for the industries of this country if we endeavoured to preserve some of our native-grown timber to supply our own industries, and not be dependent upon the importation of timber so much as we shall be in the future?—They are not doing that, and they are sending three times as much kauri away as they are using. I certainly think we should preserve our timbers. I would not allow kauri to be exported from New Zealand at all unless there was an export duty of £1. That would do no harm to the millers, because if dark kauri is wanted it will be paid for.

152. Now, with regard to the future needs of this country so far as the various woodworking industries are concerned, would you consider that in planting 9,400 acres of land the Government were making provision for anything like the future needs of this country?—No, it would not last long—not for the needs of the country alone.

153. Do you think the Forestry Department should be more vigorous and do more than they are doing now seeing that we have increased our population?—I do not know enough about it, but I should say that if you do not export any kauri, even at the rate we are using kauri in New Zealand, it would not last more than sixty years, but at the rate they are exporting it I hardly believe they will get it at all then—it would be all gone.

154. *Mr. Arnold.*] In speaking of the cost of timber causing a rise in the price of bread and other commodities, if timber goes up in price the worker is likely to have to pay more for his rent, is he not? And, further, he passes it on to the customer. Was that your meaning?—I put it in this way: If the building trade in general is brisk in Auckland then every trade is brisk. You see, it is not only one: the bootmaker, clothier, and everything, no matter what it is, they are all brisk if the building trade is in full swing. You slacken down the builder, and you slacken down everything.

155. But prices do not always go up when trade is slack?—The prices stay where they are till things get a bit better, and then they go up again.

156. But it is a fact, however, that the business man must pass on his rent to the consumer?—Yes.

157. And therefore if building material is high his rent is high in proportion—the rental must pass on to the tenant?—Every one has to pay.

GEORGE STEVENSON sworn and examined. (No. 101.)

1. *Hon. the Chairman.*] What are you?—A staircase-builder.

2. Do you wish to make a statement before the Commission?—Yes. I came to Auckland twelve years ago, and the price of first-class kauri was then 14s. a hundred, and the price of the same timber now is £1. In the occupation of stairbuilding, in which I am engaged, only the very best timber is used, chiefly kauri. I suppose 90 per cent. is kauri, and I might say that before Oregon pine was imported into this country I very frequently had a difficulty in securing timber for

joinery-work. I had a great difficulty in getting a sufficient supply of first-class kauri. The reason was that the mills were always full of orders for joists and beams for warehouses. I have frequently seen, before Oregon pine came into Auckland, hundreds of thousands of feet of timber suitable for joinery used in joists and beams—kauri that I think it was a shame should be used for such a purpose. In Australia the architects mostly specify kauri for stairs; it is particularly suitable for it. It is a pity that kauri should be used for joists and beams, as it is a purpose for which kauri is not suitable. A few years ago there was a building erected in Auckland—the freezing company's building—the floor being built of kauri 12 in. by 3 in. spaced 18 in. centre to centre, and when the goods were stacked on it the whole thing collapsed one night. I think that shows that kauri is unsuitable for rough work such as joists, where it has to carry great strains, because it is very brittle. Before Oregon pine came to Auckland I frequently saw joinery supplied on buildings that had not been sufficiently seasoned—sashes that would stick as soon as the sun got on them, with the result that there would be trouble with them ever afterwards. This state of things has improved considerably since Oregon pine came here, because that timber is now being used for joists, and that relieves our kauri considerably. There is jarrah on the market, and if we could get a little more it would still further conserve our timber which might be suitable for joinery. I have frequently seen them putting kauri fencing-posts 9 in. by 9 in. and 12 in. by 12 in. suitable for staircase-work in the wet ground, where it will not last. I might say that, speaking of 5 per cent. of the timber being select, I use a good deal of rimu in staircases, and I might say there is not more than 5 per cent. of the rimu that is cut that is suitable for my purpose, and I doubt whether there is that. It requires timber of a special nature without much gum in it and quite free from shakes, and consequently it is advisable, seeing so much timber is wanted for purposes of finishing-work, that wherever rough timber could be used, such as Oregon pine, Australian hardwoods, or some such timbers, they should be substituted. I should be very sorry if we had to go back to the time when we used to place an order with the mills for 9 by 2 and 12 by 12 and never heard any more about it. I have gone down to the mills after an order has been given, and heard that they never intended supplying it. They could not supply it because the timber was being used for joists. They could not supply it for the finer branches of the work, and consequently the work suffered. We had to push the work on till the finish almost, and then get the timber green. Things are changed now, and we do not have such trouble to get it for the purposes that I think it should be conserved for. I think the time will come in New Zealand when we shall be very sorry we kept a stick of the imported timber out. Kauri will not last long, and it is very hard to get a substitute for it such as for table-tops and doors. With regard to conserving the timber industry for New Zealand exclusively, I have heard it proposed that we should keep New Zealand timber for New-Zealanders and exclude everything else. The price of timber has gone up from 14s. to £1 in twelve years, and as the mills go further back into the bush the price of timber goes up; and when you cut timber off steep ground, the next winter that follows you have landslips below. You can see that from the top of Mount Eden now—hills that were once covered with timber are now covered with landslips. By keeping the foreign timbers out we shall be driving the mills further back, and the water will wash the soil away, and there will be no timber at all in New Zealand in time to come, and at the same time our climate will be destroyed. We have only a small country, and if we get all the timber we want from our own forests we shall have to cut it off where it should be left, and we shall never have it grow again, as the soil will be washed away. For those reasons I think the importation of Oregon pine is very desirable. I might say that I am a native of Australia, and have had considerable experience in the working of timber in New Zealand, and in my opinion there is no timber in New Zealand equal to Oregon pine for making sashes. Those who are in the habit of living in houses where there are kauri sashes know the trouble there is in getting them open and shut, but that never happens with Oregon pine, and I think considerable advantage may accrue to this country by using imported Oregon pine for sashes. With regard to the importation of hardwoods, I see no reason why we should not let hardwoods in free. We have no hardwoods here to compete with them. They take a lot of our softwoods, and we can afford to take some of their hardwoods. We sell them a lot of white-pine, and we take some of their timber.

3. With regard to conserving kauri, we are told by those who work about kauri bushes and live in the vicinity that there is so much risk with regard to fire that in their opinion it would be a mistake to conserve it at all?—Well, with regard to that, I do not think we can go on cutting kauri forests at the breakneck pace we have been doing during the last ten or twelve years. I think we should conserve it a little, and if we cannot do that we should send out 200 ft. of kauri and get back 400 ft. of other timbers.

4. *Mr. Clarke.*] With regard to the durability of Oregon pine, it has been repeatedly urged before this Commission that it is not a durable timber. What do you think of the timber for both outside and inside work?—In Australia they do not use much Oregon pine for outside work. There are other woods that are cheaper, and all the architects in Sydney and Melbourne, I think, exclusively specify Oregon pine for the best class of buildings. There is one objection to it in Australia, and that is because it takes the white ant; but here we have none. I think it would be as durable, if not more durable, than kauri in the conditions in New Zealand.

5. Do you think that timber that cannot stand wet weather is good for sashes?—The sashes do not get very wet. The advantage about Oregon pine is that it will not twist to any extent. If it is dried to a reasonable extent it will not move, and that is a thing you cannot say of many of our woods. For some work kauri is rather peculiar. I have seen doors made by the very best firms in Auckland condemned by architects on account of them curling after they were made, and some of the imported timbers will not do that.

6. With regard to your idea of conserving a certain amount of our kauri, in the course of reading on this matter, have you observed that the strongest opponents to conservation of forests

in America were the sawmillers?—I have noticed that. It did not strike me very much, because the Americans are very much that way. If they have a decided interest they generally advocate it very strongly, but I have not the slightest doubt that kauri should be conserved to a certain extent. None of the mills here keep any large stocks of first-class kauri. I have seen the time when you could not get a hundred feet of 6 by 1. They keep practically no stocks. We should conserve it to such an extent that there would be a reasonable supply, and not use it for joists and so forth.

7. Has it come under your notice that since the establishment of the Department of Forestry in the United States the official reports prove that they have been able to preserve and conserve their forests against fire, a matter which was strongly disputed by interested people before that?—I have noticed that they do, because I am interested in that particular phase of American life.

8. *Mr. Stallworthy.*] Do you believe in protecting local industries?—Yes, I believe in protection, but not in the sense of a tariff. In my particular trade I may be protected by a tariff in manufacturing what I produce, and it would not be fair for you to take the duty off the goods I produce and take it off nothing else, but if you ask me to take it off one trade I am willing that you should take it off all trades. I can produce and buy all my other things at a lower price and be in the same position. Protection by tariff is similar to the law of the Arbitration Court—it puts one thing up, and another, and consequently everything goes up, and it does no one good except that you have a lot of Government officials to look after it. You must have a certain number of industries. If they send Oregon pine here they must take something in exchange. If we import nothing we should export nothing.

9. What-sized timber do you use in your manufactures?—From 14 in. to 12 in., and 9 in. in width, and 1 in. to 2 in. in thickness.

10. We heard just now there were some jarrah staircases made: would that be the same size?—Yes, I have built jarrah staircases myself.

11. We saw a good deal of 4 by 2 and 4 by 3 jarrah: do you think we should allow them in free?—Yes, certainly. When I built a fence in front of my house I used 6 by 4 kauri posts and 4 by 4 kauri rails; but if I were building again I should use jarrah, because it would save me using up the kauri.

12. Could we not import jarrah in the large sizes, and so give our men work in cutting it?—I should not have any objection to importing it in the large sizes, except that it may be more economical to cut it; but I think it ought to be available for people who want it, as it will stand the dampness. I do not think we have any timber here to equal it for that purpose.

13. *Mr. Jennings.*] Have you followed any other occupation except that of a staircase-builder?—I was a carpenter and a builder's foreman.

14. With reference to the destruction of kauri, are the trees in America as inflammable as kauri is said to be?—Some may be more, and some may be less. I know in regard to Australian woods they will burn, but it is much harder to get them to catch.

15. Have you been long in Auckland?—Between twelve and thirteen years.

16. Are you aware there has been very great destruction of some very valuable kauri bushes in the Auckland district by burning?—Yes, and I think there is a reason for it.

17. It is generally conceded that the danger of conserving kauri is that it is so inflammable?—Yes, I know it is a danger, but that may be obviated. You might say the danger of fire would prevent people building wooden houses; but it would not.

18. The kauri is inflammable on account of the gum that exudes from it?—Wooden walls are generally lined with paper, and that is generally the most inflammable thing you can get.

19. I mean the outside?—But I do not think there is any great complaint against kauri forests if reasonable precautions are taken. If we knew the value of kauri for special purposes, such as carpentering and joinery, they would see that those forests are worth conserving.

20. Admitted that it is a valuable timber, have you any idea what quantity is still available in the North of Auckland?—Yes, I have read a report supplied by the Government on the milling industry; but it strikes me that unless we put on the brake a bit we shall be getting short of timber, and common observation proves it. If I go to the timber-merchants for an order for kauri they cannot supply me, and they say they have not the logs.

21. Have you any knowledge of the other timbers in the Dominion?—Yes, I have.

22. With regard to totara?—Totara is a timber that is all right if you get it dry, but it takes two years to dry a 2 in. board. It is useless until it is dry, because it shrinks enormously.

23. Would it be suitable for the occupation you follow—staircase-building?—Only selected quantities of it, and then it would have to be stacked for two years; and kauri would dry in two or three months.

24. And then it is necessary that you should have it properly seasoned?—Yes.

25. Are you aware of any artificial means of seasoning?—I believe there are, but nothing compares with the old means of stacking it one board free from the other on some beams. A kauri board will dry in about three months.

26. *Mr. Field.*] Am I to understand that you would put an export duty on kauri?—Yes, I think it is a fairly reasonable proposal; but if you have an export duty it is an absurd thing to have an import duty on other timbers. If you put an export duty on kauri it presumes that you want to conserve the kauri forests, whereas if you put an import duty on other timbers it presumes the exact opposite. You cannot harmonize the two. Of the two, I think the export duty on kauri is certainly the more reasonable.

27. Have you any idea what effect it would have on the sawmilling industry in the Kaipara district if an export duty were put on kauri?—I have never advocated an export duty on kauri. I believe that the Governor has power now to levy that duty. As I say, I have never advocated it, but of the two I think it the more reasonable.

28. You favour the idea of forest-conservation?—To a reasonable extent. I do not think that all the bushes should be shut up, but the natural way is the best way in conservation. We should use timber other than kauri for rough purposes, and there should not be any duty on such timber to prevent people from getting it.

29. But with regard to conservation, how are you going to protect the bush against fire?—In America they have rangers employed in the forests to see that nobody does anything to destroy the bush.

30. Supposing you have a large extent of dry logs in the vicinity, and fire gets hold of these and goes along at a rapid rate, as fire will, how would you provide against that?—From what I know of kauri forests there is never an accumulation of logs in one place. A little foresight would remove them if there were an accumulation.

31. You think it could be done at a reasonable cost?—Yes; that is, where it is wanted to be done. But I would urge that the natural order be allowed to take its course. Where people can use imported timber let them do so, and not use kauri. If there were no duty we should get Oregon for 15s. That would be much cheaper than medium kauri, and we should use it in many cases where we are not using it now.

32. You would do that irrespective of the effect it would have on our own industries?—I do not think it would have any serious effect. The millers, on the whole, I think, would not mind if there were less kauri sold and more Oregon. They are always full of orders for kauri, and can export whenever there is no local demand. Rimu, too, could be exported in larger quantities.

33. For what purpose could it be exported in larger quantities?—There is no timber in the world, in my opinion, equal to rimu for cabinetmaking.

34. Where would you suggest its being sent to?—It goes to Australia now. It might go to England and Germany.

35. Do you think that cabinetmaking could absorb the supply of our timber?—I do not think it would affect the industry much. It would be a sort of safety-valve. If the millers saw that Oregon could be bought at a lower price they would bring down the prices of the other timbers.

36. Have you been among the mills in the South and seen the effect there?—I have been among the mills from here to Rotorua, and know something of the conditions prevailing.

37. Do you not think that if the duty were taken off Oregon the country would be swamped with it?—I am pretty certain that that would not happen at all. A friend of mine who started sawmilling offered to supply me with rimu at 13s., the same as I pay £1 for in Auckland. He was not in the association. It is my opinion that the sawmillers could, on the whole, afford to reduce the price of timber a bit, if Oregon threatened them.

38. Have you considered the question of the cost of production by the millers?—Yes, I had a brother a sawmiller.

39. What do you think the sawmillers are making at the present time on ordinary building-timber?—I know that sawmillers sell timber to some of the city merchants, and get as much as 7s. and 8s. a hundred, cut up. One man is selling at that price to distributors and retailers in Auckland.

40. Delivered here?—Free on board, in amongst the tidal rivers up the North.

41. It is bought at the mills?—Yes, at 7s. and 8s. a hundred.

42. That is cheap enough, is it not?—Yes; but these merchants take the whole output of these small mills. The cost of production therefore cannot be very great, when these people can make a living out of 7s. and 8s. a hundred.

43. If you put the cost of production at 7s. and 8s., and you add to that the other charges, how much are the millers down the Main Trunk line making out of it?—I could not say exactly.

44. You said they could reduce the price?—Yes, I think they can. Some of these sawmillers complain that they cannot make a living. The fact is that timber has been going up and up, and the sawmillers have been going further back and further back into the bush. As the timber went up in price it paid to carry the sawmills further and further away. Now that the Oregon is coming in and there is a bit of a slump, those furthest back are the first to feel it. It is certainly hard on them; but the bulk of the sawmills that are near could, I believe, afford to reduce their prices. The sawmilling industry would go a little bit slower, and this would naturally conserve some of the bush.

45. With regard to conservation, what would you do in the case of timber growing on land fit for farming?—I would not pass any regulation with regard to that. I think it is a pity to keep timber at such a high price that everybody with a bit of bush on his land rushes to cut it down.

46. You said it would be a good thing to export 100 ft. of kauri and get back 200 ft. of Oregon. Would it not be better to export 100 ft. of kauri and also produce 200 ft. of rimu in our own country?—But what would you get back for the kauri?

47. It is a good thing to have our exports going up, is it not?—For the reason that with a lot of exports we can buy a lot of imports.

48. Is it not better to buy other things than timber when we can produce timber fit for our purposes in our own country?—If people want Oregon let them have it.

49. If you saw a large extent of our beautiful timber being burnt for the purpose of laying down the land in grass, would you then say what you have said?—I think the burning is due to another cause altogether. It is because the settlers are driven away back into the backblocks, instead of spreading gradually over the ground. A lot of the land that is nearer the cities is held by speculators, and the farmers have to go away into the backblocks. They cannot sell the bush on their land, so they have to burn it.

50. It is a pity to see timber burnt, is it not?—Yes; but I would much rather see a little bit of timber burnt than see everybody in the colony having to pay higher prices for their houses in order to keep going a sawmilling monopoly.

51. Do you say there is a sawmilling monopoly?—There is an association. I have no complaint against the association, because the simple remedy is to take the duty off the imported timber, and then the association could not do us any harm.

52. Has it been a harmful association up to the present time?—The association itself is harmless. It is the lack of the safety-valve that is the harm. If you were to give me a monopoly, as the Government give the sawmillers, I, too, would put up the price.

53. Have you any serious complaint to make about the price of timber?—Only this, that kauri is being used for purposes that it is not suitable for, and consequently there is a scarcity of it. If we could have some of the imported timbers in its place there would be more kauri available for the purposes that it is suitable for.

54. Is rimu being charged too much for?—Rimu rose in sympathy with kauri, I know; but I honestly believe that if the duty were taken off these imported timbers rimu would come down in price.

55. Can you prove to us that it could come down in price?—Yes. I know of sawmillers who deliver it at a much lower price than the association charge.

56. You say it is impossible to get kauri?—I find it very difficult to get good kauri, and I have had to season it myself before I use it. I have sometimes had great difficulty in keeping the stock up, but not so much lately since the Oregon has been coming in.

57. I could not reconcile your two statements—firstly, that you could not get a sufficient supply of kauri, and, secondly, that it was being cut with breakneck speed?—So it is. I could not get the kauri when I wanted it—I was told that I must take it in my turn as it came to hand. The best kauri was being cut for all sorts of purposes for which it was not suitable, such as fencing, consequently those who wanted it for purposes for which it was suitable could not get it.

58. Do you tell us seriously that a large quantity of kauri has been used for fencing in this town?—Yes.

59. It will not last, will it?—No.

60. How is it they come to use it for fencing, then?—Because they cannot get anything else.

61. How about Australian woods?—There is a duty on them. The duty prevented the Australian timber-merchants from having agencies here for many a year, but for the last four or five years the Jarrah Company have had a place here. I believe we are now using far more jarrah for fencing purposes than previously, and I believe we shall use more and more, although jarrah is dear.

62. It seems ridiculous to use kauri for fencing purposes?—That is what I am trying to point out—that people use kauri for purposes that it is not suitable for.

63. *Mr. Mander.*] Have you had any experience at all about kauri forests? Have you lived in the country much?—No, I have not lived amongst them.

64. Are you aware that the Government have in times past conserved various kauri forests throughout the country?—Yes, I believe they have tried, and in some cases been unsuccessful. I have never advocated any special action on the part of the Government in setting aside great reserves, or that kind of thing. I was only pointing out that we are cutting kauri in a way that will lead to bankruptcy in time, as far as the milling industry is concerned.

65. You seem to speak as if there were very little difficulty in conserving kauri?—I am speaking with respect to its comparative value.

66. Would you be surprised to be told that more timber has been destroyed by fire in New Zealand during the last fifty years than has been cut up by the sawmillers?—I have heard that as much, anyhow, has been destroyed; but it is due to another cause that is outside the scope of the Commission's inquiry altogether.

67. It is due to fires?—But the fires are due to other causes.

68. Are you aware that there are gum-diggers going over the country digging for gum, and they are responsible for many of the fires that take place, through burning the ground?—Yes.

69. Then, too, the fern grows up very readily round the kauri-trees, and kauri itself is very easily burnt from sparks?—Yes.

70. Therefore, however desirous we may be of conserving kauri, it is a very difficult thing to do?—Yes, but I would point out that the Kauri Timber Company can conserve forests, and if they can do it the Government can. What remains is of far greater value now than it was before. About eighteen months ago there were bad fires everywhere, but the Kauri Timber Company did not lose very much.

71. Do you not think that to some extent the laws of the country are to blame for the rapid destruction of the kauri timber?—Yes, I do, and amongst them I place the law which imposes a duty on imported timber.

72. Would you put a land-tax on standing timber?—No, I would not say that.

73. Supposing the timber is valued as land, and a tree is taxed every year as long as it stands, would that not be an inducement to cut it down?—I think it ought to be cut down if it is in a place where it is of special value.

74. But supposing the tax were put on all standing timber?—I am not in favour of that.

75. Are you not aware that the Government limit you to a certain time to cut the timber off certain areas?—I do not know what object the Government had in doing that.

76. Do you not think that would have a tendency to hasten the cutting of the timber?—If they decide that a certain forest has to be cut and there is a demand for the timber, I do not see that it makes much difference when you cut it.

77. Do you not think it would be a fair thing to allow the long lengths of Oregon in at a lower rate, and protect us against the smaller sizes which come into competition with the timber produced in this country?—I believe in letting the long lengths come in and the short lengths, too.

78. Have we not a lot of workmen in this country who are looking for work and want protecting?—If you are going to protect the sawmillers at the expense of the carpenters and builders,

I am not with you. If you are going to protect the sawmiller by putting a duty on timber, for every one you will cause employment for in the sawmilling, you will find two unemployed in the building line.

79. Do you not think that if you used totara for the plates, and rimu for other portions, you would have quite as good a building as if it were constructed of kauri?—No. There is a worm that gets into rimu, I believe, and rimu is a timber that nearly always contains a lot of sap.

80. Do you think the worm gets into the sap of rimu faster than the sap of kauri?—I cannot say that. I can say, however, that Oregon is better than ordinary building-rimu. The latter has sap, and Oregon has not.

81. If ordinary judgment were used and the sap used for framing and kept out of the wet, do you not think that rimu would stand as well as Oregon?—No, because heart of timber, if kept dry, will stand longer than sap.

82. Do you not think that sap will stand as long in the inside of a building as heart will outside?—Yes, but not so long as heart will inside under the same conditions. The position is this: I have the choice of heart Oregon and sap of rimu at the same price, and I have no hesitation in taking the heart Oregon. It is as good as kauri, which you pay 2s. 6d. more for.

83. Do you not find it coarse in the grain?—It is a little bit open in the grain.

84. Is it not a fact that all fast-growing timbers are less durable than slow-growing timbers?—I do not know that that applies in all cases. I only know that Oregon is used in Sydney and Melbourne for framing in the very best class of house.

85. You have not known of Oregon in buildings long enough to say how long the life of it will be?—The only Oregon that I ever knew to go bad was Oregon that got the white ant in it. That was in Australia. We do not have the white ant here. I think Oregon would last as long as first-class kauri.

86. Would it last where it got damp at all?—Of course, you would have to use discretion as to where you put it. Kauri would not last there.

87. Do you not think that totara is a much more durable timber for posts and building purposes generally than Oregon?—I do not know. I believe that it lasts better in the ground; but totara has this drawback: if you order a couple of hundred feet promiscuously you will get a lot of it that has had the worm in. Well, you could not put that into a fence of planed pickets and posts. Totara is unsuitable for that purpose on that account. To get it without the worm one must pay dearly for it.

88. The majority of the millowners in the King-country are at present in very low water. Many of the mills are closing down and others are for sale, and trade is in a very bad state with them?—Yes, I was just saying I believe that is true, and I gave the reason for it.

89. These mills are alongside the main line?—Yes, but the main line is a long one: they may be away from the market all the same.

90. But you do not think that this timber should be brought into our markets and utilised?—Yes, I have no objection to that.

91. How can it be brought in if you take the duty off Oregon and Oregon drives it out of the market?—If timber can be produced at a reasonable price it can compete with Oregon. If it cannot, let it stand in the bush.

92. And be burnt?—It would not necessarily be burnt.

93. *Mr. Morris.*] Your business is stairmaking, you told us. Do you employ many hands?—From four to six generally. I have five just now.

94. What sort of a price do you get for that class of work?—It all depends on the class of work.

95. Say, for a good class of stairs?—Anything from £15 to £50 or £100. There is no standard at all; it is something like asking the value of a house.

96. Have you had any experience at all in sawmilling?—No, but I had a brother a sawmiller in Taranaki for several years; he is now working with me.

97. You told us that there is only about 5 per cent. of rimu that is fit for stairmaking?—That is true.

98. How do you arrive at that if you have had no experience of sawmilling?—I go down to the mills to get the stuff. I have timber on order now which I cannot get straight away. I was down at Leyland-O'Brien's mill at the Bay the other day, and I asked the man if he had any 12 by 1½ rimu heart suitable for my purposes, and he said, "No." I asked whether he could get it for me, and he said, "No; we might get a hundred logs before we should get one to suit you."

99. Have you ever tried to get it outside of Auckland?—Yes, I have got it down from Rotorua.

100. Did they have any difficulty in supplying you with 12 by 1½?—They seemed to have less difficulty there than here.

101. How many stairs do you make a month, as a rule?—About eight or ten, generally.

102. Do you not think that one sawmiller could supply your requirements every week easily?—I only use rimu occasionally. I do not use more than 20 per cent. of rimu.

103. But you have been telling us that you want Oregon admitted into the country free so that you can have other classes of timber for stairmaking?—That is right. Stairmaking is only one branch of joinery.

104. I have employed men at stairmaking, and I never had any trouble in getting rimu?—I have, frequently. I will give you an order straight away if you will supply me.

105. You told us just now that you have been about thirteen years in New Zealand?—I have been fifteen years in New Zealand.

106. In your experience, have you seen sap rimu used in buildings rot very much during that time?—Not in the inside framing. I have seen rotten weatherboards off a wall—rotten where they lap.

107. Probably in some place where they got no sun?—In all weatherboards there is a strip where is does not get any sun because they lap.

108. I have seen sap rimu in use for forty years?—That may be true—that is, inside work, where it is continuously dry.

109. What would you do with the nine thousand men employed in this country in the timber industry?—I would let them go on cutting timber.

110. What would they do with it?—Sell it. It is about two years since the price of kauri jumped up 2s. suddenly, but the cost of production did not jump up in that degree.

111. I understand that, except for the rough heart of kauri, Oregon scarcely comes into competition with it at all?—Oregon does certainly come into competition with kauri, because if you want a 12 by 2 in long lengths you can get it in either kauri or Oregon, but you cannot get it in rimu. I know of a job where for 22 ft. lengths the man had to pay 2s. 6d. extra. You can get kauri in almost any length and any size.

112. Surely there is no difficulty in getting 22 ft. in rimu?—Yes, there is very great difficulty. If you have got time to send an order up to the mill it is a different thing. The kauri logs are in the town, and you could easily get what you want.

113. Take all these large buildings in which there are large quantities of joists, they have mainly got this timber from the various country mills?—Just so; I dare say you could get a fair quantity up to 40 ft. long. The Oregon, however, is very handy, and it is suitable for the purpose. Rimu would be suitable for something else. It is good enough for cabinetmaking. Rimu is a timber with shakes and gum, and you cannot put timber of that description into joists.

114. It is a question of employing our own people I think that we have to consider?—If we are going to import Oregon we have got to send them something back.

115. You have to send them cash?—Cash means gold. There is the gold-mining industry as well as the timber industry.

116. Are we bound to import Oregon?—Yes. Why should the Government stop a man from bringing in his timber. If I believe that Oregon is the best thing for me, why should I not use it? The Government have not got such a terrible quantity of timber that they should compel me to use local woods.

117. We have got enough to last us a hundred years?—You have not got enough kauri to last a hundred years—nothing like it.

118. The question we are concerned about is not kauri?—I have shown you that we are concerned about kauri. Long lengths and big sizes can be cut from kauri; but for these you can substitute Oregon, thus keeping your kauri for something better.

AUCKLAND, SATURDAY, 8TH MAY, 1909.

JOHN MAGILL sworn and examined. (No. 102.)

1. *Hon. the Chairman.*] What is your occupation?—I am a bush contractor, living and working at Mercury Bay. I contract to supply logs from the bush to the mills.

2. Will you please give the Commission any information in your possession in regard to this particular branch of the industry?—I am engaged in getting timber out for Messrs. Leyland, O'Brien, and Co. It costs about 7s. to get the logs out of the bush to the booms. It do not include royalties in this sum.

3. Does the firm pay you 7s.?—Yes; but I am paying a subcontractor now 5s. to put the logs into the creeks.

4. Do you attend to the dams?—Yes. The subcontractor only puts the logs into the creeks. I drive them out.

5. In other words, they have 5s. for putting the logs into the creeks, and you have 2s. for taking them to the booms?—Yes. The country is very rough where I am working—I think, the roughest in the Dominion. I build the dams, trim the logs, blast the creek, and drive the logs out.

6. If you lose any of the logs in driving them to the booms you are responsible: have you to make good any loss in that respect?—No; the company has to stand that. A lot of timber is lost sometimes. It will go over the booms in a big fresh.

7. But that is not your loss?—No.

8. Is not the firm depending wholly upon your management, though you have no responsibility?—Yes, I have to manage as best as I can.

9. Supposing you lost a lot?—I cannot help it. I should say that they had gone, and that would be all there was about it.

10. *Mr. Mander.*] You are a very old bush contractor?—Yes, I have been contracting for over thirty years—small and big. I have had a lot of experience.

11. Can you give the Commission any idea of the difference in the cost of getting out timber now and, say, ten or twelve years ago?—It just costs about as much again now as it did then. I am referring now to the timber we are working—to the small companies. Of course, the wages are about as much more.

12. What were bushmen's wages, say, ten or twelve years ago?—About £1 10s.

13. And what is a good bushman worth now?—From £2 12s. 6d. to £2 15s. to an odd man. I should say £2 10s. was about the lowest, or perhaps £2 5s., but very rarely the latter amount.

14. Then, the timber is so much further back than it used to be?—Oh, yes!

15. Consequently there is a greater risk of loss of sap now?—Yes.

16. What is your experience of the risk of fire in kauri bushes?—Of course, there is a big risk of fire at all times, because the gum-diggers will come in and dig gum in spite of you, and will fire in spite of all you can do. I was in an awful state last summer on account of that. It was a dry summer, and we had to keep men in the creek night and day.

17. You have known of serious losses through fire?—Yes; but there was none with us.

18. Have you known of other bushes being lost?—Yes, the Government bushes and the Kauri Timber Company's bushes.

19. After you put your timber in the creeks, if there is a loss of sap by worms or rot, do you get measured for that when the timber goes to the mill?—Yes, I get full measurement.

20. Consequently that adds so-much to the cost of the timber to the miller, does it not?—Very much; I should say about 15 per cent. for the sap.

21. Do you not think it would be more than that?—With the breakages I should put it down at 25 or 30 per cent.

22. Then, timber that would cost 7s. at the booms would cost about 9s. 4d. when delivered at the mill?—No doubt it will cost that.

23. And towage has to be added to that?—Yes.

24. Consequently the cost of timber to-day is very much higher than it was ten or twelve years ago?—Yes, altogether.

25. Then, you are not surprised there is an increased price on timber to-day?—Not a bit; I wonder how it pays at all.

26. And the royalties have gone up?—Yes, certainly; you pay from 1s. to 2s.

27. And in some cases is it not very much higher?—Yes, if there is a handy clump of timber it will be higher.

28. What is your idea in regard to putting an export duty on kauri?—I am sure I cannot say; I have not studied that.

29. What do you think of an import duty on Oregon?—I do not know; Oregon is not touching us at all, and never has. We think nothing at all about it.

30. Of course, you are aware that Oregon does not come into competition at all with first-class kauri?—Oh, no!

31. But if you were in the rimu trade, and Oregon was competing against ordinary building-rimu, what would you have to say then?—I think I should use a lot of rimu and a lot of Oregon pine besides, but I would sooner take Oregon pine than rimu.

32. But do you not think our own workmen and millers require some protection?—I do not know. There seems to be plenty of work in the bush our way.

33. Do you know that a lot of rimu mills in the King-country are being shut down on account of the importation of Oregon pine?—I have heard that.

34. Now, under these circumstances, do you think it is fair to allow Oregon to flood the market to the exclusion of our own timber?—I do not think so.

35. You think it is quite right to allow Oregon to come in for special purposes for which rimu or kauri are not suitable?—Yes, and for any other purpose.

36. *Mr. Stallworthy.*] Where were you ten years ago?—At Mercury Bay.

37. Contracting for what company?—The Leyland-O'Brien Company. I had a short job with the Kauri Timber Company before that.

38. What were you getting for similar work from the Kauri Timber Company?—I got 2s. 6d. per hundred, delivering at the booms. It did not pay. I gave it best.

39. Have you been contracting anywhere else?—Yes, at Tairua and Wairoa.

40. Are you getting higher prices now for similar work than you did ten years ago?—Yes.

41. Have you been contracting all the time with kauri timber?—Yes. I worked in a kahikatea bush once.

42. Have you any idea of the length of time a log is in the creek before it reaches the booms?—Some of mine have been ten years at Mercury Bay.

43. Many logs?—A good many.

44. Will you ever get them out?—I hope so, if we get an old-man fresh some day. We are waiting for it.

45. That is an exceptional lot?—In all creeks it is the same. Logs have been waiting in the creeks for twenty and twenty-five years at Tairua.

46. Can you give us an idea of the shortest time a log has been in its passage from the bush to the booms?—Sometimes, with good luck, we get them out in a month.

47. Do a good many logs get down in a month?—Yes, if we get the rain and we have them in the creek ready to go.

48. Is there much loss of time amongst bushmen?—Yes, in the winter-time I dare say we lose a day and a half per week for about two or three months.

49. *Mr. Mander.*] But they are paid, wet or dry?—Oh, yes!

50. *Mr. Stallworthy.*] Are they paid all the year round?—Yes.

51. Are they kept in constant employment?—Yes, if we have work for them.

52. Have you work for them as a rule all the year round?—Yes. I have had some men with me for years.

53. Does the bush-work continue all the year round?—Yes, where I am.

54. You gave the wages as from £1 10s. to £2 10s.: does that include their keep?—Yes; but we are not paying men £1 10s. now.

55. The wages are £2 10s., and found?—Yes.

56. Has the work fallen off at all?—Not a bit in our place.

57. You are as busy as ever you were?—Yes.

58. How long do you expect to be as busy as you are at the present time?—For three or four months.

59. What about your supplies of timber?—We shall be just about done, but we hope to get a bit more bush when the Government put it up somewhere else.

60. Is there plenty of Government timber down there?—Not at Mercury Bay.

61. *Mr. Leyland.*] With reference to fires, do you not use every effort to prevent them?—We use every means, of course.

62. What is your custom at Christmas time, when everybody knocks off?—We keep a certain number of men back as a fire brigade.

63. You stated that Oregon does not interfere with the sale of first-class kauri?—Yes.

64. You do think Oregon is the cause of these mills in certain places being stopped?—Not in our place. Of course, I do not know about other places.

65. Do you read the papers?—Certainly.

66. You know our export of kauri timber has fallen off?—Yes.

67. And you know there has been a financial stringency?—Yes.

68. And an increase in the cost of production?—Yes.

69. Do you not think that all these factors have caused a slump in the rimu-mills?—Yes.

70. You were speaking about logs in the creeks: how many do you think arrive at the booms green, so that we can use the sap?—I do not think that anything like one-third in that bush of mine.

71. I have not seen more than one or two in a thousand at the mills?—That is so.

72. That means we lose the sap altogether?—Yes.

73. With reference to bushmen's wages: do they lose any time owing to loss of time?—No.

74. So it is the employer who loses the time?—Yes, they are paid all the same. Of course, they attend to the dams and so forth.

75. Who asked you to give evidence before this Commission?—Mr. Mander.

76. When you went to work at Mercury Bay as a contractor you thought you were going to get the timber out at the then current rates?—Yes.

77. What happened?—Wages rose, and what with one thing and another I could not do it for the money. I went back several thousands.

78. And our firm stepped in and took the whole thing over?—Yes.

79. We send you the stores?—Yes.

80. And we charge the wholesale prices for them?—That is so.

81. So that any amount we have against you for stores represents actual cash?—That is right.

82. As a result the timber is going to cost us 7s. at the booms?—Yes.

83. That is making no allowance whatever for loss of sap?—No.

84. What allowance do you make for breakages?—Sixpence per hundred.

85. And when the logs are measured there has been no deduction against you for breakages?—No.

86. *Mr. Barber.*] Where are the booms to which you deliver these logs?—Down below Gumtown.

87. You do not refer to the booms at Auckland?—Oh, no!

88. You pay 5s. to the subcontractors?—Yes.

89. If you lose that log you do not lose the money you paid the men to get it out?—No, Leyland and O'Brien lose it. The loss on every log lost in transit falls on them.

CHARLES COWAN sworn and examined. (No. 103.)

1. *Hon. the Chairman.*] What is your occupation?—I represent the bush-workers of the Mangapeehi sawmill. I represent fifty workmen.

2. What are their wages?—They run from 7s. to 12s.

3. Can you tell us how many would be at 7s. a day?—The men who are tailing out at the planing-machines, and the yardmen.

4. How many would that make up?—About seven or eight, probably.

5. Then the next lot?—The next lot are men employed at the slip trucks and carriers. They get 8s. and 7s. 6d. respectively.

6. Then the next lot?—The men at the saw-benches get 9s. The head benchers get 10s. and 12s. Then there is the tallyman, who gets 10s. He loses in very wet weather. They all lose in wet weather.

7. Have you any idea what the average of wet weather is?—In winter-time from one and a half to two days in the week. In summer-time not so much.

8. Is there any union amongst the men?—No.

9. Who is the owner of the mill that you are working for?—Messrs. Ellis and Burnand.

10. Are they in what they call the Sawmillers' Union?—I cannot tell you, but I presume they are.

11. *Mr. Mander.*] Are the workmen as a whole satisfied with the wages they receive?—Very much so indeed.

12. No friction?—None whatever.

13. You have heard this question of Oregon timber discussed?—Yes.

14. Will it affect the rimu trade?—It is affecting us now.

15. In what way is it affecting rimu?—In this way: Our scantling stacks of rimu are becoming tremendous in size. A year ago we could not get sufficient for the demand. Now we have to fillet them to prevent sweating.

16. Is it not a fact that scantling sizes have a tendency to accumulate at the mill?—Not hitherto. We have always been short of them.

17. Is it not a fact that the smaller sizes in the mill are more easily got than the larger sizes?—Yes, certainly.

18. We have the Oregon timber coming into competition with these sizes in this country. Do you not think it would be an injury to the miller and the workmen if this is allowed to continue?—Most decidedly.

19. If those sizes were knocked out of the market would not the miller have to put up the price of the better class of rimu in order to keep going?—Well, I do not know about that. I think if they had the present prices free from the competition of Oregon they would be satisfied.

20. Supposing they could not get a market for the scantling sizes, could they keep going at the present prices?—No, they could not keep going.

21. Consequently you think that if Oregon comes into competition in that way it would not reduce the price of building-material to the workmen?—I do not think it would.

22. Because the better class of rimu would have to be sold at a much higher price?—Yes.

23. I suppose you think it would be a fair thing for Oregon to be admitted into this country in long lengths and sizes for which rimu is not suitable?—Yes, for joists, &c.

24. It would be unwise to let the smaller sizes come in?—Certainly it would. A high protective duty is wanted.

25. *Mr. Stallworthy.*] You say you represent fifty workers?—I do.

26. How were you appointed?—At a public meeting.

27. What is your occupation?—I am a tallyman and timber-classer.

28. How long have you been working for your present firm?—Nearly five years.

29. Who asked you to give evidence here?—The timber-workers.

30. Are you working under an award?—No.

31. Have you been?—No.

32. Were you not included in the Auckland award?—I do not know for a fact about that. I know we have no union there.

33. Do you not know that wages have been regulated by the award?—The wages have not been regulated by any award.

34. What timber are you cutting?—Rimu, totara, kahikatea, and matai.

35. What is your output?—Twenty-three thousand feet a day.

36. You say there are fifty men employed?—Yes.

37. Does that include clerks, &c.?—The whole of the staff.

38. Where is your market?—All over the place—Hamilton, Auckland, and all along the line.

39. In Wellington?—No.

40. In Sydney?—Yes, Sydney.

41. Shipped at Auckland for Sydney?—Yes.

42. *Mr. Jennings.*] Mangapeehi is in the Taranaki District?—Yes.

43. That is the reason why the Auckland award does not apply?—Yes.

44. This question of Oregon pine was also brought up at a full meeting that I held there in November last?—Yes.

45. It was unanimously carried that the local timber industry should be protected?—Yes.

46. In reference to the mill at Taroa, is that still going?—It is closed down.

47. The bush hands are still there?—They are still there.

48. They also are of opinion that the local industry should be protected?—Yes. It is to the advantage of us all.

49. In regard to the mill at Manunui, that is, of course, in the Wellington District, but under the same firm?—The men there are satisfied with their wages.

50. I am not asking about the wages?—They are of the same opinion regarding Oregon pine.

51. Can you give the Commission any information as to the durability and strength of totara for various building purposes?—Yes; I do not think second-class totara, which they use for buildings, is half as good as our rimu, nor is it as strong.

52. It is said that long lengths in local timbers cannot be obtained?—I do not believe that.

53. Can you cut up to any length that would be required?—We can cut up to 35 ft. and 40 ft.

54. In reference to another aspect of the question, do you know of any destruction of the bush through fire during the five years you have been in the district?—No.

55. *Mr. Hanan.*] Do you believe in an export duty on kauri?—No, I do not.

56. What are your reasons for that?—Because I think we ought to get a market wherever we can find one.

57. Supposing a great difficulty has arisen in obtaining kauri in Dunedin, Christchurch, and the southern markets generally?—I was about fourteen years salesman for a large firm in Wellington, and we found no difficulty in getting supplies of kauri. I have no knowledge of Christchurch and Dunedin.

58. If there are difficulties in the way of obtaining supplies of kauri, would that influence your opinion?—I should not think so.

59. Would that not lead you to consider the expediency of an export duty?—No.

60. Do you know the prices paid for kauri in Australia?—No, I do not; I have no knowledge of that.

61. Nor in the southern markets?—At one time I had, but not now.

62. You have not looked at the question of a kauri-supply from the standard of the Dominion as a whole?—I am not interested in the kauri question.

63. You have not given much study to the pros and cons in favour of an export duty on kauri?—Not on that particular timber.

64. What protection do you suggest that New Zealand timbers should have?—I think the small sizes of Oregon pine should be charged 4s. per hundred feet to bring it more in a line with the price of rimu.

65. Would you place a duty on any other imported timbers, or would you allow them to come in free?—I am only talking of what I have a knowledge of. I do not know much about your question.

66. Do you believe in afforestation?—I think it is a good thing.

67. Would you like to see more attention given to the subject in the hands of the Government?—I should.

68. Recently a regulation has been made with reference to timber areas. Have you seen that?—Yes.

69. Do you approve of that?—No, I think they are too small.

70. What would you suggest?—For a man to put down a mill of any size he wants an area from a thousand to a couple of thousand acres at least to put down a proper plant.

71. Would that not play into the hands of the capitalists, if I may use that expression?—I do not think so.

72. You think a small man could compete against a man with a big mill?—Well, he would be handicapped a little.

73. Would a man having a big mill like that be able to produce timber cheaper?—Yes.

74. Is it desirable to increase the timber areas granted to sawmillers?—Yes.

75. Up to what extent?—Well, I think that if a miller puts up a plant of any size he ought to get an area of 2,000 acres at the least.

76. What plant would you say?—A plant capable of cutting 15,000 ft. to 20,000 ft. a day.

77. As to cutting down and removal, there is a great deal of good timber wasted now?—I would give the mill its own time to cut it out, provided they took everything in front of them.

78. Do you not see a difficulty there is in the way of a man being able to hold a timber area indefinitely, and thereby retard settlement?—No, because I think the timber-mills ought to go through a bush before it is settled at all.

79. We have had complaints down South to the effect that timber areas have been taken up with no term prescribed for the removal of the timber. Or, in other words, the miller occupies the land, does not take the timber away, and thereby prevents the land being taken up for settlement purposes. Does that fact influence you in still holding to the opinion that there should be any term mentioned in the contract for the removal of milling-timber?—A practical man will take the timber off the land as quickly as he can, in order to make anything out of it.

80. Do you not think that there ought to be a limit of time for the removal of timber?—Yes, it might be better to have a certain limit.

81. Do you know anything of sawmilling plants in the North Island compared with the South Island?—Yes, they are much larger up here.

82. Better and more improved methods?—Yes.

83. Now, as to the bush, is the rimu in the South Island equal to that of the North Island?—The North Island produces the best rimu.

84. In quality and quantity?—In both.

85. The difficulties of obtaining rimu in the South Island are considerable—in Christchurch, Dunedin, and Invercargill—what would you suggest to take its place?—Are there difficulties?

86. There is a difficulty in getting good heart of rimu?—When I was in Southland there was any amount of rimu to be had there, from the Seaward Bush. It is about twenty-five years now since I have been there.

87. We have complaints in Dunedin and Invercargill about getting good heart of rimu?—They cannot get it.

87A. Would that influence your opinion that Oregon should be allowed to come in?—It does not affect the North Island.

88. So far as Southland is concerned?—I have no knowledge of the South Island.

89. Do you anticipate an increase in the price of timber during the next eighteen months?—I do not think so.

90. Do you attribute the incoming of Oregon as an item of serious importance affecting the future of the milling industry?—I think it is going to affect the labour interests immensely. It has done so already.

91. Do you not think the tightness of the money-market has had something to do with the general depression in trade?—It has a little.

92. Has it not more to do with this question than the importation of Oregon?—Well, now, I should not like to say that. But I know it has a little to do with it, and so also with the slackness in the building trade.

93. I suppose you know the total quantity of Oregon imported?—Yes.

94. You also know the quantity of timber produced annually in the colony?—Yes; but you do not put it in fair figures when you tell us the sum total. You should tell us the totals that Oregon is interfering with. There are great quantities of timber that Oregon does not come into competition with at all.

95. To what per cent. does it affect the timbers of this country?—I have seen it stated at 6 per cent., and if I deducted certain timbers it would be nearly 18 per cent.

96. Have you gone into the question extensively at all?—I have read all the reports from Invercargill to here.

97. You regard the importation of Oregon as of serious importance to the country?—I regard it as a serious thing for the timber-workers.

98. How many men are employed?—I only know the local number.

99. *Mr. Field.*] You represent the workers in your particular district?—I do.
100. They have discussed these matters fairly fully down there?—Yes.
101. Are they all of one mind?—Yes.
102. You say there is harmony existing between the men and the sawmillers, and the men are quite satisfied with their lot?—Perfectly.
103. What opinion have you as to the closing of mills and shortening of hands in your district?—Our stocks are accumulating to such an extent that we cannot keep on.
104. Have any mills shortened hands?—Yes, down the Main Trunk line there are several.
105. What stocks are accumulating?—Rimu scantlings.
106. Ordinary building and rough heart?—Yes.
107. Mostly the class of timber that Oregon is coming into competition with?—Yes. Small sizes of Oregon.
108. Take an ordinary mill producing, say, 8,000 ft. a day and working all the year round, how much of that class of building-material would it turn out—that is, the ordinary building-timber and the rough heart, the class of timber that Oregon is competing with — how much, roughly?—I should say it would be fully one-third of the total output.
109. Assuming a mill was turning out one and a half million a year, it would probably turn out half a million of O.B. and rough heart?—Yes.
110. That means to say that, assuming the Oregon that comes in here is all used in competition with that class of timber, 20,000,000 ft. a year of Oregon is equal to the output of forty mills of that class of timber, or, in other words, half a million feet a mill?—I have no knowledge of that.
111. It is not the ordinary building-rimu only that it competes with, but it also competes with kauri?—I should not think it competes with kauri at all, because the price of kauri is much higher than the price of Oregon.
112. Coming to this question of export duty on kauri, would the effect not be, if an export duty were put on, to throw a lot of the kauri that is now exported on to the local market instead of sending it out of the country?—Yes.
113. Would it not be then brought into competition with the other millers?—Nobody would use kauri for building purposes if he could get rimu, because rimu is a good timber. Moreover, kauri would not compete with rimu, because the price is prohibitive.
114. Have you ever heard of anybody in your district advocating a duty on kauri?—No, I have not.
115. Would it be in their interests to do so, do you think?—I think kauri is far better kept in the Dominion.
116. Would it be in the interests of the millers of your district in any way to advocate an export duty on kauri? Would they not prefer to see the kauri-millers selling their timber wherever they can?—It would mean more work for them.
117. From your knowledge, is the position of some of the mills down there very serious?—It is going to be so. It is no use locking the stable-door after the horse is stolen.
118. A remedy must be found quickly in order to save some of them?—Exactly.
119. Would you say that the millers are making large profits?—I should not like to be a sawmiller.
120. Have you ever tried it?—I have.
121. With what result?—With the result that you see me working now, at the age of sixty-five years.
122. Where were you milling?—In Southland.
123. Can you say what is to become of those timbers that are now being stacked up in consequence of the want of a market?—It has got to be filleted to prevent it from perishing until they can get a market for it, and that is always extra expense.
124. If the market does not come?—It will have to stand there.
125. Are our timbers here good enough for all our ordinary purposes?—Yes, what I have seen of them.
126. I suppose something may be said in favour of importing long lengths?—Yes, I have no objection to these coming in.
127. What about hardwood from Australia?—Yes, they should be allowed to come in.
128. With the exceptions that I have mentioned it is not necessary to have foreign timbers?—Certainly not.
129. Of course, if the fact of the importing of foreign timbers was to lessen the cost of building, then there would be something to be said?—Yes.
130. Would you say the importation of Oregon would lessen the cost of building?—It would not lessen it.
131. Oregon is dearer than our timbers?—From the accounts I have seen about it it appeared to me to be much less. That is the cause of the trouble. They can undersell with Oregon in the small sizes.
132. Oregon does not come into competition in parts of the Dominion away from the larger centres?—No.
133. Except so far as it may have affected millers in these places by throwing them into competition with millers who are competing with Oregon?—That is right.
134. You are aware that the millers have made an offer to the Government that they will mill at a price fixed by the Government?—Yes, I have read it.
135. Do you think it is a practicable scheme?—Well, I do not approve of the Government running everything in the country; I think it is a mistake.
136. Do you know anything of the method of keeping down flour and potatoes to a reasonable price in this country?—Nothing further than I have read in the papers.

137. It has been done by Act of Parliament. Is there any reason why it should not be done with timber?—Flour and potatoes are necessities of life, and timber is not.

138. *Mr. Leyland.*] You say you followed the newspaper reports?—Yes.

139. Of course, necessarily the newspapers cannot afford space to report the evidence fully?—That is quite so.

140. Did you gather from the newspaper reports that in Southland, through the depression, many mills were closed down?—I think I did. Yes.

141. Did you gather from the evidence of the sawmillers in Southland and the merchants there that Oregon has not materially affected them?—Yes, from the newspaper reports.

142. Then Oregon is not the cause of the depression in Southland, is it?—No, as far as I can judge from the newspapers. I only know our local conditions.

143. Then, at Taihape we had the evidence of Mr. Brown, who stated that the sawmilling business in Taranaki was in a very depressed state, his own sales having fallen off over 50 per cent.; but he stated that this had nothing whatever to do with Oregon, because no Oregon has yet gone into Taranaki. So it is evident that Oregon has not caused the depression in Taranaki; consequently we must look for other reasons?—Yes.

144. If our exports have fallen off nine millions in two years, and our people have £9 per head less to spend, do you not think that must have an influence?—Most decidedly.

145. And you do not think that the financial stringency in other parts of the world, which has reacted on New Zealand, has also had an effect here?—Perhaps so.

146. And if our output of timber in ten years has more than doubled, do you not think that overproduction has had something to do with it?—It may have had.

147. Do you not know that some of the mills in your own district were in financial difficulties before the depression?—Some of them closed down.

148. What is your weekly cutting at Mangapeehi?—139,000 ft. is about the average.

149. Then you cut over five million feet annually?—I suppose so.

150. You say your stocks are accumulating. What stocks have you got at Mangapeehi?—I am not in a position to tell you that.

151. Do you think there is half a million feet in stock at Mangapeehi?—There is more than half a million feet of white-pine alone.

152. But you do not mean to say that Oregon is interfering with white-pine?—No.

153. I am speaking of rimu. So there is really nothing in that argument that the stocks are accumulating through Oregon coming in?—The workers think there is.

154. You think that Oregon here is taking the place of rimu and not first-class kauri?—There are several big buildings going up next to me, and Oregon is being put in instead of kauri. They might have taken rimu.

155. It has never been the custom here to put joists in of rimu. There is a building now going up in Fort Street, and there are 1,650 14 by 2 joists required, 12 ft. 6 in. and 13 ft. Do you suggest that rimu could possibly have been used?—Of course, we could have cut it.

156. Yes, but would the proprietor or the architect have accepted it?—I do not know about that.

157. Do you know that some of the specifications read, "Either first-class kauri or Oregon pine may be supplied"?—There is no doubt of it.

158. Do you know that it is never stated that rimu may be supplied in brick buildings?—In Wellington it is all rimu.

159. You do not send much timber to Wellington, do you?—I could not tell you that. I have nothing to do with the office work.

160. In those joists there are 50,000 ft., and if they had not been supplied in Oregon they would have been supplied in kauri; so that Oregon is replacing kauri more than rimu?—Yes.

161. Do you think that 90 per cent. of it is replacing kauri in the Auckland District, and not rimu?—I should not think so.

162. You say you were a sawmiller once?—I was.

163. And you had to give it up?—I gave it up. I did not have to.

164. Had Oregon anything to do with your giving up sawmilling?—No. It was in 1868 when I was sawmilling.

165. So you cannot blame Oregon for everything?—I am giving you the workers' ideas.

166. Do you not think you are straining a point in giving it?—I do not. I consider that every hundred feet of Oregon that comes in here in building-sizes is replacing a hundred feet of rimu.

167. Is not that straining a point, when we know that 90 per cent. of it is replacing kauri and that we are still short of kauri?—I do not think so. If you can use rimu, which is quite as good a timber for building purposes, in my opinion, why should you not do so?

168. Would you not be prepared to accept the evidence of experts as to their relative values, instead of your own opinion or mine?—Perhaps I am an expert myself.

169. I mean the scientific expert—the architect and the engineer: should not their opinion count?—Certainly.

170. You said that Oregon should carry a duty, like flour?—Yes.

171. The duty on flour is slightly under 10 per cent.?—Yes.

172. And already the duty on Oregon is about 25 per cent.?—Yes.

173. Do you not think that is enough, seeing that Oregon is wanted?—On what sizes is it 25 per cent.?

174. On all sizes?—Do not long balks of Oregon come in free?

175. If you care to send for logs they come in free, but we do not import them. Sawn Oregon carries a duty at present of 25 per cent. Do you not think that a very high duty?—It appears to be.

176. *Mr. Clarke.*] I think you said that you thought a mill having a big plant would be able to produce timber cheaper than those smaller mills that are in existence now?—I think so. They ought to.

177. Is there any evidence to show that they would sell the timber any cheaper in consequence? Have owners of big plants sold any cheaper?—I am not prepared to say that.

178. So that if they did produce at cheaper rates, which I think no one will deny they could do, there is still no evidence to prove that the public would get the benefit of that?—Apparently not.

179. With regard to rimu, do you agree with statements that have been made before the Commission that in a general way heart of rimu, absolutely free from defect, is only about 6 to 10 per cent. of the total rimu output?—That depends altogether on the nature of the bush. Timber grown on hills is much freer from defect that that grown on the flats.

180. In a general way, would you agree that that statement would be somewhere near the truth?—Yes, heart of rimu free from shakes is difficult to get.

181. Is it a fact, as stated this morning, that the greater proportion of kauri milled is all heart, from the fact that it has lain in the creeks so long that the sap has gone?—Yes.

182. Can you say that the timber which is 90 per cent. sap is equal to the one that is all heart?—No.

183. Then that rather discounts your statement that rimu is quite as good as kauri?—I said that certain classes of rimu were quite as good as kauri for certain purposes.

184. As to taxation, you would treat timber differently from foodstuffs, as not being a necessity. Is it not a fact that timber in civilised life is an absolute necessity?—Shelter is necessary, certainly.

185. So that it may be regarded as a necessity of civilised life?—I suppose it must.

186. *Mr. Morris.*] You do not wish to convey to the Commission that there is only 10 per cent. of heart in the rimu in your district, do you?—No, I do not, because there is much more.

187. I think the question that was put to you just now was intended to convey that impression?—Well, it is wrong, as far as we are concerned.

188. I think the 10 per cent. first-class heart referred to is timber fit for cabinetmakers' work, and that class of stuff?—Yes.

189. There is probably nearly 25 per cent. of heart of rimu fit for general building purposes?—I should say 20 per cent.

190. Under these circumstances, do you not think it is about time that the architects and citizens of Auckland were educated up to the usefulness of the rimu of this country as a building-timber?—It is coming to this:. that they will have to use it.

191. The reason why they have not used it hitherto has been that they have had a superior timber in the kauri?—Exactly.

192. And the architects have been in the custom, and cannot get out of it, of specifying kauri?—They get a bigger commission on a more expensive timber.

193. *Mr. Barber.*] How long ago is it that you were working in the timber line in Wellington?—It was when Halley and Ewing were there. I was there fourteen years.

194. How long ago was that?—I left their employ in 1891.

195. What was the price of kauri then?—We were selling it at 18s. a hundred in the yard.

196. And there was no difficulty in getting it?—Not the slightest. It was splendid kauri, too.

197. You stated just now that architects would have to use red-pine, because kauri is getting short?—Yes. If the people knew that they could get good red-pine for building instead of kauri they would take it.

198. Even in the open market kauri is difficult to get?—Yes.

199. You object to the importation of Oregon altogether?—In building-sizes.

200. You believe in New Zealand timbers for New-Zealanders?—Of course.

201. Why do you object to an export duty on kauri?—I read from the papers that the kauri-supply is getting depleted, and, such being the case, why not keep the kauri in the country for our own use?

202. Then you ought to be in favour of an export duty?—I have said all along that I want the kauri kept in the country.

203. I understood you to say that you objected to an export duty—that you thought the merchants ought to have a bigger market?—I misunderstood. I want the kauri kept in the country.

204. Then you are in favour of an export duty on kauri?—Yes.

205. You say there is a general depression in the milling business?—Yes.

206. Have there been many bankruptcies in the milling business?—There have been one or two up our way.

207. Can you name the one or two?—The Puketapu Sawmilling Company, I think, are in trouble.

208. How long ago was that?—Eighteen months or two years.

209. Before Oregon pine came in?—Yes.

210. Is that the only firm you can name?—The only one I have personal knowledge of.

211. Do you think that is a very high percentage? Are there not bankruptcies in every line of business in the colony?—Yes.

212. It is natural in all trades that some should go to the wall, whether there is depression or not?—Yes.

213. Do you think the depression in the timber business is any greater than that prevailing in the woollen or clothing trades?—No, I suppose they are all affected.

214. Well, Oregon pine does not affect the clothing trade?—No.

215. *Mr. Arnold.*] You were appointed to come here by a meeting, Mr. Cowan?—Yes.
216. Who called that meeting?—The accountant at Mangapeehi.
217. How many were present?—The whole lot of them, as far as I could see.
218. How many would that be?—About fifty.
219. How many millers were there?—None.
220. The whole of them were employees?—And managers.
221. What resolutions were passed?—The resolution was that I should come down and try and get your recommendation in favour of a protective duty on the importation of small sizes of Oregon, which are interfering with the timber trade in Mangapeehi.
222. So that you were practically instructed to give evidence on those lines?—Yes.
223. Was there any other resolution?—No. That is the sole grievance.
224. What sizes of Oregon do you mean? Can you state a specific size?—Sizes for building cottages—4 by 2, 5 by 2, 6 by 2, 6 by 3, or planks that would rip up to these sizes.
225. What do you mean by that last?—Such sizes as 12 by 2 or 9 by 2—anything that can be split up to, say, 4 by 2. And anything up to 25 ft. in length.
226. Would you let everything in larger sizes than 9 by 2 and 12 by 2 come in free?—Yes, I do not think they would affect us very much.
227. What do you mean by a long length?—Twenty-five feet and over.
228. What hours do the men work?—Forty-eight a week.
229. What pay do they receive for overtime?—Ordinary wage-rates.
230. What pay do they receive for such holidays as Easter and Christmas and King's Birthday?—They get no pay; we are closed down.
231. But if you do work?—The same wages.
232. When asked whether the men were satisfied, you said they were so indeed. What did you mean?—That they were satisfied with the pay they were getting for the work they were doing.
233. Do you know that they are working one hour a week more than the sawmill hands in the Auckland District?—They may be, but they are getting better money than those in the Auckland District.
234. They are working one hour per week more, and are not receiving pay for overtime or extra for holidays, whereas the others receive time and a quarter for overtime and extra pay on holidays. Do you know that?—Yes, I am aware of that.
235. Do you think that is fair to the millers in the northern district that your millers should have that advantage?—I do not think it is much of an advantage. We are quite satisfied with our position.
236. Do you think it right that you should have that advantage—the employers at your mill and the employees?—I think so.
237. So it is not likely that your workers will take any action by which they may be placed upon the same footing as their fellow-workers in the North?—They have not expressed to me any wish to do so
238. Would you place an export duty on white-pine?—No, I would not.
239. Why?—Because it is a very common timber—a timber that does not keep any length of time; and the quicker we get rid of it the better for the sawmillers.
240. Are your millers working it?—Yes.
241. If you had evidence from the dairymen that they cannot get white-pine, and that it is being exported in very large quantities, what would you say?—I have no knowledge of it. As far as we are concerned, I should not believe it, because in our district we can supply any amount of white-pine.
242. What becomes of your white-pine?—Some goes to Sydney and some to Hamilton for butter-boxes.
243. You say that the butter-factories can get all they require?—From our firm, yes. I have no doubt that we should be very pleased to get an order for a million feet to-morrow for the butter-factories.
244. You would not like to see the dairy industry crippled in any way?—Certainly not.
245. You would not place an export duty on white-pine, but you would on kauri?—Yes. You must get rid of the small sizes of white-pine. If you cannot cut it into butter-boxes and get rid of it, it will not keep.
246. Do you know anything about birch?—Yes, I have cut red-birch.
247. Is there very much in your district?—I am referring to the South Island. It was the finest timber I have ever handled in New Zealand.
248. It is not used very much in New Zealand?—No.
249. Do you know that it was exported to a large extent until recently?—No.
250. Do you know that the Australian Commonwealth has put a duty on it?—I have not heard that.
251. If it can be shown that large quantities of red-birch were exported until recently, and that in consequence of that duty the trade has fallen off, would that not show a certain cause for the slackness in certain mills?—I suppose it would.
252. That would go in addition to the other causes you have already shown?—Yes.
253. *Mr. Mander.*] In regard to this export duty on kauri, considering the great risk of fire in kauri bushes, and the high prices for kauri and the cost involved in keeping it for an indefinite period, do you think it would be a wise proposal on the part of the Government to enforce an export duty?—I think it would. Kauri will keep for years. The longer you keep it the better it is.
254. That is, if a fire does not get through it?—Yes.
255. You are aware there is a very great risk of fire?—Yes.
256. And you are aware that the present holders of kauri bought it with the open market in front of them?—Yes.

257. Do you not think it would be unfair to close their open market in the face of the risks I have mentioned?—If I was a bush-holder I should think it was unfair.

258. Are you not aware that there are large quantities of small sizes in kauri that cannot be sold here, but yet find a ready market in the Australian Colonies?—Yes, I am aware of that.

259. And you are aware, of course, that the royalties paid in recent years are very much higher?—I have heard so.

260. And you know that the value of money accumulates very rapidly in a short time, and that if this timber is held it would become very costly in the future?—Yes.

261. Do you not think now that if a prohibitive export duty were put on kauri the present bush-holders would have to get rid of their timber, and that they would glut the present market with it and shut out other timbers until that supply was exhausted?—It would be a question for the millowners.

262. Is there not a strong probability that they would glut the market with kauri and spoil the sale for all the other timbers until kauri was exhausted?—Yes.

263. Under these circumstances, do you think it would be wise to put an export duty on kauri?—I have already said it would be wise, and I am not going to make a totally different answer.

264. Do you not think it would be wiser to let our kauri go out at a big price and allow Oregon to come in to replace the sizes that cannot be provided in rimu and other timbers?—I should consider the big price of building-kauri as well as Oregon.

265. If we can get in Oregon cheaper in the long sizes, would it not be advisable to make the exchange if Oregon is as good or better than kauri?—I have no experience of that.

266. Do you not think it would be a waste to use kauri for long beams and other purposes if Oregon can take its place?—I suppose so.

267. *Hon. the Chairman.*] Do you know the royalty paid on kauri in the North?—I do not.

268. Mr. Mander put a question to you about the excess of royalties paid in the North on kauri, and now you say you do not know them?—I do not.

269. Supposing that the royalties were 3s. a hundred on kauri and 2s. on rimu, and maybe 1s. on white-pine, do you not think that kauri could stand 3s. better than white-pine could stand 1s.?—Of course it could. It is just three or four times the price of it.

270. So in your opinion the royalties are not any too high on kauri?—Not as the prices go.

271. *Mr. Jennings.*] You say you are in favour of kauri being retained in the Dominion, and that you would put an export duty on it?—Yes.

272. Are you not aware that these people who purchased kauri bushes paid a high price to the Government; and therefore if further restrictions be imposed upon them in pursuing their industry it would be unjust?—It seems hard. I was not aware of that.

273. *Mr. Barber.*] You say it would be hard on the man who has purchased the bush if he is prevented from exporting: is it not equally hard on those living in other parts of the Dominion who, as you have admitted, have been prevented from getting kauri owing to its scarcity?—There is other timber in the colony as good as kauri.

274. But supposing it is specified by architects. Kauri is scarce even in Auckland, and it is practically impossible to obtain any in the South Island or in Wellington in the required lengths; then do you not think it is hard that people who require it should be prevented from getting a substitute in the shape of Oregon?—It looks so, but I am not going to say it is so.

GEORGE ALLEN PEARCE sworn and examined. (No. 104.)

1. *Hon. the Chairman.*] What is your occupation?—I am chairman of the South Auckland Sawmillers' Association, and manager of the Mountain Rimu Timber Company. I am personally interested in the rimu trade as getting my living out of that branch of the industry. I have prepared a statement bearing on the subject-matter of your inquiry, which I will read. I am sorry to say that some of my statements are in the shape of complaints, but I feel it necessary to bring them forward, in the hope that some redress may be obtained for the industries at large in this province.

The treatment received from the Lands Department appears highly unfair and inconsiderate, the Department treating us not as business men, wishing to do business in a businesslike manner, but as probable sharpers, to be duly warded off and watched with the greatest suspicion. Why this should be we do not see. To illustrate this: Some years since my company purchased rimu for 6d. per hundred feet. Seeing this averages about £2 5s. 6d. per acre, or twice the cost of the land when cleared of milling-timber, it seems reasonable. Two years and a half ago we needed timber adjoining a private section nearing completion purchased for 6d. net, and duly applied to the Crown Lands Department for authority to work this (a section which had been sold previously and forfeited). After waiting and writing several times, during two years, it was measured and put up to tender with an upset price of 1s. per hundred. As this was about three miles from our mill we, of course, could not pay so high a price profitably, so had to take up our tram and depart elsewhere.

In addition to this extremely excessive charge which the Auckland Land Board imposes (in comparison with the royalties charged in the South, where timber is much thicker than usually grows in this Island)—namely, 1s. per hundred—I understand that in recent sales they have inflicted a further penalty by compelling the sawmiller to pay a royalty of 6d. on tawa, a timber which is practically unsaleable at any price, and a timber which my company have repeatedly endeavoured to introduce, but absolutely without success; which fact, while much to be regretted, as our district carries very heavy tawa bush, is still prohibitive to us as sawmillers from profitably using this bush for either rimu or tawa. We can buy private rimu for 4d.

Another instance not to be understood: In January, 1908, the fire swept through seven adjoining sections, 3, 4, 5, 6, 7, 8, and 9, Block XVII, Rotorua Survey District. We bought the timber, now dead and rapidly spoiling by worms, which attack dead timber inside one year, from the owner of Sections 8 and 9, and had the offer of the rimu on Sections 3 and 4 from its respective owners. I applied to the Auckland Land Office to be allowed to purchase the rimu on Sections 5, 6, and 7, explaining its rapidly perishing condition; but without useful result, being told that the timber must be dealt with in the usual way—that is, measured and put up to public tender. We presume that any business person having timber killed by bush-fire and rapidly deteriorating would be alive to sell while there was any value left. Not so the Department. They apparently do not want the £200 (about), and, what is worse, actually prevent the owner of Sections 3 and 4 from selling his timber, as it obviously will not pay my company to lay trams through three Government sections, producing no timber, to secure damaged timber on those further away.

I respectfully submit that, instead of harassing delays, sawmillers should receive encouragement and facilities to expeditiously carry out their often very difficult work, and suggest that one or more Commissioners be appointed to supervise the timber industry—practical intelligent men who can temper red-tape with common-sense, and be an assistance to an industry—men who can be approached by the sawmiller, and who will understand the difficulties and impossibilities so often occurring in the trade, and who can be relied on to assist in all genuine requirements, and who know enough to detect those not genuine.

We are glad to read the regulation gazetted last month, and think the area should have been extended further in direct proportion to allow firms of substance to put up efficient plant to deal with our mixed and varied timbers, and to speedily clear those lands which are well adapted for grazing and agricultural purposes, and so turn into money what must inevitably be destroyed either by the profitable saw or the axes of the bushfaller and the burning-off fire, as has been the case with so many millions of fine rimu in Taranaki, Manawatu, Hawke's Bay, and Pahiatua districts. The settler will not be denied access to the good lands, and, in my opinion, the policy of the country should do all it can to assist him in getting the good lands cleared not by the fire, but by the bush sawmiller and his crew of hardy pioneers.

We hear something of forest-conservation, and no one welcomes this more than the sawmiller, who probably understands what it means better than most who talk of it; and I venture to say that but few millers would think of conserving forest on good lands, except for shelter purposes, while there are such vast areas of broken hilly country of but comparatively little agricultural value already bushed, and more ready to receive plantations. As witness the success of the Forestry Department about Rotorua.

There seems an unfair feature in the allowance of the same area of land carrying 20,000 ft. as when only carrying six or eight thousand feet per acre.

Railway Matters.

In my opinion the sawmilling industry has ground of complaint against the Railway Department on account of the high rates charged for freight on timber as compared with other common produce which mostly constitutes the loads on our goods-trains. I respectfully offer to your notice the following comparisons: An L truck carrying 6 tons, travelling 100 miles, returns by freights on—Flax or chaff, Class F, 36s.; bricks, stone, or ore, Class Q, 47s. 6d.; dressed flax, Class E, 58s.; coal and bark, Class P, 61s.; timber, 2,400 ft., Class K, 76s. All the above are exclusive of special local rates which sometimes occur.

I think the sawmilling trade is treated in a decidedly unsympathetic manner by the Railway Department in other and smaller directions, but while these matters are admittedly small, they are nevertheless irritating because of their unfairness. The principle obtaining here seems to be that the Department can do no wrong and the consignors can do no right in any case where an accident occurs or an argument arises. I quote an instance illustrative of my meaning: The Northern Timber Company, Taupiri, ordered 14,000 posts from the South Auckland Sawmillers' Association. On a portion being forwarded, my company received advice stating that as these posts were being used as tram-sleepers we must consign them as sleepers or be charged double the difference in rates. We wrote remonstrating; meanwhile another truck had been forwarded, on which we received peremptory advice that we had been charged double rates for both trucks. This order was for common 7 ft. 6 by 4 rough-heart posts, price delivered at Taupiri, 1s. 2d. each, and used by the purchasing company because they were the cheapest possible material to construct a bush-tram with. I think the general spirit shown to our business is illustrated in the incident quoted. While any industry, large or small, should receive kindly treatment, an industry paying the Department, as it does, about £200,000 per annum in freights, exclusive of goods returning to the 24,000 mill, bush, and yard employees, should at least be met in a fair spirit instead of the hostile one now so generally displayed. The quibble above named cost the association £44 5s.

Timber-production and Price.

It has been stated in places high and low that there has been undue increases in the price charged for timber during the past five years: I am glad to be in a position to prove that, as far at least as the Mountain Rimu Company is concerned, that is untrue.

I have before me a bill of quantities of a house built five years ago. I am now building the same design and size of house again, and using the same order, the difference in price being £6 14s. 6d. The smallness of the difference is accounted for in the very much better grading of rimu timber than formerly. In all cases builders and proprietors in our district are now using seconds for all scantling instead of O.B. This is as it should be, as the faults are so slight as not to impair the strength of the timber; and, as there is not the excessive demand for the heart of rimu, the classing is much more liberal in rimu than in other timbers.

The rimu in our district—Mamaku—is much larger than is usual in the lower altitudes. And while this enhances the value of the timber in some ways, it is also detrimental in others, because of the large extent of gum-shakes contained. These sometimes twist and so spoil a large proportion of the best of our timber. The portions suitable are taken from this and cut into mining-timbers, slabs, and fencing-posts. This we realise about 4s. to 5s. for on trucks, but the quantity is so large as to reduce our general returns considerably.

We find our cost per hundred feet is 7s. 8½d., and the return for the rough timber sold is 5s. 11½d. per hundred feet net. We realise this after having taken out the timber used for our dressing and mouldings, consisting of about one-third of our output. Royalty is collected on good and bad alike. Our costs in detail are as follows:—

	s.	d.
Royalty	0	5¼
Falling and logging to landings	1	2½
Trucking to mill	0	4½
Tramlayers, repairing	0	5½
Horse loss and feed	0	3¾
Interest and insurance	0	1½
Fire risk	0	1½
Mill,—		
Sawing wages	1	0¾
Stores, repairs, and maintenance	0	2
Interest and insurance Fire risk	0	1½
Yarding and forwarding,—		
Wages	1	1
Repairs and maintenance, planing	0	5
Horses and feed	0	1½
Loss by waste and splits	0	2½
Interest and insurance Fire risk	0	1½
General expenses,—		
Depreciation	0	2¼
Salaries	0	4
Travelling-expenses	0	0½
Stamps, wires, &c.	0	0½
Exchange and commission	0	5
Bad debts	0	2½
Rates and taxes	0	1½
Total	7	8½

I have prepared a return extending over the past five years which will conclusively prove that relative costs in the various departments have increased in exact ratio to the returns:—

Year.	Wages.	Railage.	Discount and Commission.	Royalty and General.	Gross Sales.
1905	£7,443	£2,790	£2,319	£2,582	£16,899
	44·0	16·0	13·7	15·3	
1906	£7,067	£2,279	£2,243	£3,075	£16,431
	43·0	14·0	13·6	18·7	
1907	£8,157	£3,200	£2,860	£3,331	£19,112
	42·15	16·7	15·0	17·4	
1908	£9,876	£3,481	£3,274	£4,029	£22,354
	44·18	15·5	14·6	18·0	
1909	£10,628	£3,482	£3,310	£4,511	£24,383
	41·9	14·2	13·0	18·0	

We can produce any reasonable lengths up to 40 ft. or 50 ft., and do so frequently, but have to charge more than for ordinary lengths, as they take more time to handle, and generally require runners on the railway, which puts up the freight very much.

The Mountain Rimu Timber Company are prepared to produce and prepare as required 8,000,000 ft. of rimu annually if orders are forthcoming for that amount. The produce of our rimu classes approximately—Select heart, 5 per cent.; building heart, 10 per cent.; rough heart, 15 per cent.; ordinary building, 20 per cent. second-class, 25 per cent.; mining and posts, 20 per cent.; waste by splits, bad ends, &c., 5 per cent.

Our sales have fallen off during the last six months about 33 per cent.—partly attributable to the extensive use of imported timber in Auckland and some east-coast towns, and partly to the tighter money-market.

Personally I think, while we have such unlimited extent of good bush available, and the land whereon it stands is urgently clamoured for for agricultural purposes, New Zealand can ill afford to send her gold to other countries for a commodity she is burning at home—to countries who are careful not to allow overplus manufactures or raw material to be dumped on their markets.

I do not think the sawmill industry wants more protection than other trades, but it is too large an industry to be allowed to languish because of the importation of foreign inferior material, when the very class of stuff imported is the kind most difficult for local millers to sell. I think the New Zealand industry should be protected by a much-increased duty on imported logs, round or square, and all sizes under 12 by 6. If logs are imported it robs the bush-worker of employment and the settler of land, but leaves the city miller and worker the trade of cutting them up; while if smaller than 12 by 6 is imported it robs country settlers, workers, and millers alike.

Return showing Comparative Cost of Rimu Building-timber between Prices Current 1905–6 and 1908–9.

—	Feet.	1905–6. Price.	1905–6. Total Price.	1908–9. Price.	1908–9. Total Price.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.
Totara blocks	120	0 0 6	3 0 0	0 0 6	3 0 0
Rough-heart sleepers and ground-plates	414	0 11 6	2 7 7	0 12 6	2 11 9
Seconds: Vermin-plates, studs, top plates, ceiling-joists, floor-joists, rafters, purlins, ridge, hip rafters, braces, collar-ties, trimmers	3,207	0 12 6	20 0 10	0 11 6	18 8 10
O.B. weatherboards	1,800	0 12 6	11 5 0	0 14 0	12 12 0
Rough-heart plinth	300	0 11 6	1 14 6	0 12 6	1 17 6
Rough lining	3,000	0 8 0	12 0 0	0 9 0	13 10 0
O.B. dressed lining	1,250	0 14 6	9 1 3	0 16 0	10 0 0
,, barge-boards, soffit, fascia, ceiling-boards	1,093	0 14 6	7 18 5	0 16 0	8 14 10
,, dressed lining, T. and G.	200	0 14 6	1 9 0	0 16 6	1 13 0
,, ,, margins	97	0 14 6	0 14 0	0 14 0	0 13 7
,, ,, door-jambs	85	0 14 6	0 12 4	0 16 0	0 13 7
,, angle-stops	74	0 12 6	0 9 3	0 14 0	0 10 4
,, dressed verandah-posts	75	0 14 6	0 10 10	0 15 6	0 11 8
,, covering-boards	276	0 14 6	2 0 0	0 16 0	2 4 1
,, flooring, T. and G.	1,510	0 14 6	10 18 11	0 16 6	12 9 1
,, dressed mullion-facings	13	0 14 6	0 1 9	0 16 0	0 2 0
,, ,, door-sills	22	0 14 6	0 3 2	0 16 0	0 3 6
,, ,, door-steps	80	0 14 6	0 11 7	0 16 0	0 12 10
,, dining-room shelves	34	0 18 6	0 6 3	1 0 0	0 6 10
,, dressed shelving 18 in.	13	0 17 0	0 2 2	0 19 0	0 2 6
,, ,, 9 in.	30	0 14 6	0 4 3	0 16 0	0 4 10
Rough-heart posts for steps	2	0 2 6	0 5 0	0 2 6	0 5 0
No. 166	116	0 13 3	0 15 7	0 14 3	0 16 6
,, 251	753	0 12 0	4 10 4	0 13 0	4 17 10
,, 202	276	0 19 6	2 13 10	1 1 0	2 17 11
,, 295	152	0 12 6	0 19 0	0 13 6	1 0 6
,, 264	142	0 15 3	1 1 8	0 16 6	1 3 5
,, 330	138	0 12 0	0 15 11	0 13 0	0 17 11
,, 322	16	1 17 3	0 5 10	2 0 0	0 6 5
,, 215	581	0 18 6	5 7 5	1 0 0	5 16 2
,, 209	60	0 13 9	0 8 3	0 14 9	0 8 10
,, 340	42	0 5 3	0 2 2	0 5 9	0 2 5
Total	15,971	..	102 16 1	..	109 15 8
Less 10 per cent. discount on mouldings	..	..	1 14 0	..	1 16 5
,, 2½ per cent. trade discount	..	..	2 11 4	..	2 14 0
			4 5 4		4 10 5
Net cost	..	..	98 10 9	..	105 5 3
					98 10 9
Difference	..	..	..	..	6 14 6

Return to an Order of the House of Representatives dated the 31st July, 1908.

Return showing (1) the quantity of timber cut at Kakahi Government Sawmill; (2) the Number of Hands employed; (3) the Cost of Cutting; (4) the Amount sold; (5) the Price charged; and (6) the Profits, if any, realised.

1. The quantity of timber cut at Kakahi Government Sawmill to 18th June, 1908 ... ... 9,300,000 sup. ft.
2. The number of hands employed ... ... Average number, 45.
3. The cost of cutting £35,440
4. The amount sold ... ... £41,873.*
5. The price charged ... ... From 4s. 6d. to 16s. per 100 sup. ft.
6. The profits realised... ... ... £6,433.†

* Includes value of timber cut for use on railway construction charged at current rates.
† Inclusive of stock of timber on hand, valued at £2,500.

[Had royalty been charged at the rate of 1s. per hundred, profit would have shown £1,923. There appears no charge for interest, depreciation, fire risk, rates, or rents. Railage in this case is not charged. Average return at mill appears to be 9s. for totara.]

2. *Hon. the Chairman.*] You put this in as evidence to be reported?—Yes.

3. With regard to this first item you say there is trouble with the Government. How many years ago since the property was bought?—Before I joined the company. It would be about eight or nine years ago. Thirty-three per cent. of the timber was waste. We bought it for 6d., and 33 per cent. brought it down to 4d.

4. You complained about this, and consequently you applied to have the price reduced?—Yes, sir.

5. You applied for certain forfeited sections. What was the reply?—We had a reply saying it would be attended to, but it took two years before we got any practical reply to it.

6. What length was your tramway?—About two miles and a half, a mile and a half of which was absolutely useless to us.

7. Then you said that it was put up at 1s. per hundred?—Yes.

8. You said this was about three miles from your mill, and you say your tramway is only two miles and a half long?—We branched about half the distance to that line which is a Y.

9. We shall have to inquire into this matter, and I want to see how it stands. You call this charge of 1s. per hundred excessive?—Certainly I do.

10. The sawmillers will not run after them if they are wrong?—You may depend we should not do that.

11. You go on by making comparison with the royalties charged in the South, where timber is much thicker. Do you maintain that it is much thicker and more timber on the land in the South than you have here?—Our average is about 8,000 ft. to the acre, and I should imagine that some of the Waimarino land would run anything from 20,000 ft. to 45,000 ft. to the acre. Forty-five thousand feet to the acre is exceptional, but I think that country would average 20,000 ft. to the acre. I do not mean to say that the southern men are getting their timber too cheaply, because they are probably paying more than they can afford. We are worse treated than they are there.

12. You call the Waimarino "South," then. I was thinking it was the South Island you referred to?—I was referring also to the South Island. Their rates of royalties and railage in the South Island are better than ours.

13. Will you tell us on what points they are better treated in the South?—My knowledge is gained from the evidence I have read of this Commission.

14. This is a grievance, you see, you have against the Government, and I want to inquire into it when I go to Wellington. Where is your mill that you are working just now?—At Mamaku, thirteen miles on this side of Rotorua.

15. Are you near the railway?—Our bush is on both sides of the railway.

16. Is the mill on the line?—About a mile from the railway-station.

17. How much do you cut at the mill?—Our average cut is very close on four million a year. We work only one shift. We should do eight million if we worked two shifts.

18. Can you get rid of the stuff you cut?—We are packing it into fillets at present.

19. What class of timber are you cutting generally?—We are cutting for the local trade.

20. Is it rimu?—All rimu—practically all. We might have one in a thousand white-pine.

21. Does the importation of Oregon interfere with your sales do you think?—Only in respect of city sales. It has affected us mostly in Gisborne and in the east coast towns.

22. Do you send any to Auckland?—We do very little Auckland business; we do more local Waikato business.

23. *Mr. Mander.*] Do you not think that it would be a fair thing to treat the timber-millers on both Islands on the same terms?—I think so. It would be a very unfair thing to increase their prices to ours, because we contend we should be reduced.

24. Are you aware that in the South Island the millers pay there on the output of their mill?—Yes, fortunately for them they have not to pay for the waste we have here.

25. Of course, they have not to run any risk of fire if they only pay for what they cut and put through their mill. Further, under that system they do not require the same capital?—That is so.

26. You know that applies to the South Island?—Yes.

27. Are you aware that in the South Island the railage for fifty miles is 1s. 4d.?—I have no knowledge of the South Island. I have not studied their conditions at all.

28. Do you not think that the railage should be the same in the South Island as in the North?—I think so.

29. People getting these conditions in the South Island would naturally have a better position?—We wish to be reduced to their position.

30. You think it is fair that we in the North should be in the same position?—I should think so.

31. Do you not think it would be fairer for the Government to assess the quantity of timber rather than the area for a mill?—Most certainly. That touches one of the faults of the system. It is a glaring fault.

32. What do you think is enough?—A man would not be wise to build a mill unless he saw fifteen years' cutting ahead of him.

33. Do you think the allowance of 2½ per cent. for depreciation by the Government is a fair depreciation allowance on the mill plant?—I have not considered their position, but should say not, unless with very large timber-supplies behind them.

34. Supposing the life of a mill to be five, six, or ten years, do you think 2½ per cent. enough?—I hope I should write off at least 10 per cent. reduction every year.

35. What is your opinion of the position of rimu timber at the present time?—It is a very serious one.

36. Millowners, then, are very hard-run at the present time?—They have to be very, very careful what they are doing.

37. Is it not a fact that many of them have a very great difficulty to keep going?—I do not see how I can keep going myself. We shall probably have to either reduce hands or close down.

38. Do you think that the importation of Oregon has anything to do with that position?—To a minor extent, of course.

39. In what way does Oregon compete with rimu?—I cannot speak so much from my own experience as from the experience of those who were doing a big Auckland business. I am right in saying that most of the Mamaku and King-country mills have no orders from Auckland now.

40. What class of timber does Oregon come into competition with?—O.B. timber.

41. Are you aware that any quantity of timber has been put on the market in competition with Oregon in O.B. sizes?—I could not tell you to what extent it has been done. I think that every foot of Oregon that is sold in New Zealand replaces a similar number of feet of our New Zealand timber.

42. I suppose you consider it a fair principle to protect the commodities that we can produce ourselves?—I think so.

43. And to let in easily those commodities that we cannot produce?—Certainly.

44. What are your ideas about the conservation of timber in New Zealand?—I think it would be very beneficial to the country if all useless land was planted with fast-growing trees.

45. I mean, conservation of the standing timber?—There is plenty of timber that never will and never can be touched, because it is unapproachable.

46. What about fire in your country?—In a dry season it is dangerous in the borders. The rimu is a delicate timber. A very small singeing kills it, and twelve months afterwards the worms are in it. The trees are not large enough to remain standing and take out later on when sap has rotted, because of the small amount of heart in them.

47. Do you think it would be a business proposition to hold timber on land that was fit for settlement for an indefinite period for future generations?—I say that future generations will not allow it to be so held. They want the land, they will have the land, and whatever we may say will not affect them.

48. Now, do you consider it possible at all for the millers to reduce the selling-price of their timber at the present time, considering the royalties and railway freights they have to pay?—They could not do it for any length of time. They may do it spasmodically to get rid of stocks. They could not do it to live.

49. What is the cost of production in your district compared with ten years ago?—I can only speak of my own experience. I was sawmilling in Taranaki sixteen years ago. You would be astonished if I told you that there is practically no difference at all. The cost of production was almost identical with the results obtaining here with regard to wages, &c. The lower grades of labour only we got for 1s. and 1s. 6d. cheaper than at the present time.

50. What were the royalties in those days?—Threepence a hundred feet.

51. Then you must have been able to produce a little cheaper?—I got in those days 6s. 7d. net on the railway trucks at the station, as against about 7s. 6d. now. We had fires pretty often then, and nearly got burnt out two or three times. Ultimately the fires ruined me.

52. In view of the fact that there are very large areas of timber in Canada—it is said that there is timber there for the next hundred years, and it can be reproduced in twenty-five years—do you not think it would be better for us to utilise our timbers for necessary works?—Yes, certainly, and plant in the meantime.

53. Have you any idea as to the quality and class of timber that should be planted by the Government Department?—My occupation is more in the direction of the destruction than of the planting of timber. My opinion, therefore, would be of no value.

54. Have you any idea of the quantity of timber available in New Zealand?—I should say the figures you heard given yesterday were somewhere about correct. I have not made any study of it at all.

55. You do not think there should be any reduction in the duty on Oregon coming into this country?—Certainly not.

56. Do you think there should be an increase?—I do.

57. On what sizes?—Until you can keep it out altogether.

58. Do you not think it would be wise to allow long lengths to come in that we cannot easily get in our own timber. Do you not think it is waste to use kauri for heavy beams when Oregon would do just as well?—Perhaps I might govern my last statement. I would put such a duty on that, if any faddist wanted any particular line of Oregon timber and he thought it was good, he would have to pay for it. I consider a good deal of the craze for Oregon is merely a fad.

59. Do you think that rimu could be used for long beams to replace kauri?—I supplied joists and beams for warehouses in this city here within the last few years. They were large warehouses, and we had no difficulty in getting them. Some of them were 42 ft. long. We want a little notice to get them.

60. If you knew there was very great difficulty down South in getting kauri for long beams, and that rimu was not hearty enough for the purpose, would you consider it a fair thing to allow long lengths of Oregon in to supply that want down there?—I do not know. I am satisfied, however, that you can get long lengths here with little notice.

61. You think that long lengths could be supplied in Auckland of heart of rimu?—I do not know how long you can supply in Oregon, but you can supply up to 40 ft. or 50 ft. in rimu.

62. Then, there is no difficulty in supplying the Auckland market with long lengths up to 50 ft.?—I should imagine the kauri-mills would be able to supply what was required.

63. Now, seeing that there is a complaint about the high price of timber by certain classes of people, do you not think it is a fair thing for Government to help to reduce the price of timber somewhat—viz., by reducing their freights and royalties to meet the case?—I do, sir. I think it is absolutely necessary that royalties and freights should be reduced.

64. Could you suggest any other way of reducing the price of timber to the consumer?—Not any way that this Commission could deal with.

65. Is it not a fact that up to a year or two ago rimu was practically unknown in the Auckland market?—I believe that is a fact, with the exception of the use made of it for furniture.

66. Is it not a fact that they would not look at it to-day if kauri had not gone up to a prohibitive price?—Custom is a hard thing to shift.

67. If proper judgment is used in handling rimu timber for building purposes, a house built of rimu, I understand, will last quite as long as if it were built of kauri?—I have several of them myself, and they stand well. I always use rough heart for ground-work and joists.

68. Have you any knowledge of the durability of Oregon pine?—No knowledge.

69. Do you think that the architects in general have any practical knowledge of the use of it at all?—I do not. I think it is because it is easier to procure in towns, and easier for the builders to work and handle.

70. Lighter to handle and easier to drive nails in?—That is so.

71. *Mr. Stallworthy.*] When was the cottage built you refer to?—Five years ago.

72. What was it built of?—Rimu.

73. Where was it built?—Devonport.

74. What was the size of it?—It was a six-roomed cottage.

75. What was the quantity of timber used?—16,000-odd feet.

76. What was the cost of the timber?—£105 15s. 3d. £80 is the contract for labour; I supplied the material myself.

77. Can you give us any information about that South of Auckland Sawmillers' Association. Have you the rules?—The secretary will give evidence here.

78. What dividend has your company paid?—I believe that they pay 1s. a share every half-year.

79. What percentage does that come to?—I cannot say exactly.

80. Mr. Leyland says 10 per cent.?—About that.

81. Have you put anything to the reserve fund?—That is a matter for the secretary to deal with. I am bush and mill manager, and I have nothing to do with our business in the city.

82. *Mr. Jennings.*] Will your company supply any person without any reservation?—Yes, provided his credit is good.

83. With reference to the land you have fallen bush on, speaking generally, is it suitable for farming?—It is very rich land. It has a soil that is very, very good. It is almost equal to the average of Taranaki soil.

84. What part of Taranaki were you in?—Midhirst.

85. Is the soil somewhat pumice-like in character?—Yes.

86. Have you visited those plantations at Waiotapu?—Yes.

87. What is your opinion?—I think they should be a success. I think they are a success.

88. Are the trees that are being planted suitable?—I am not an expert, sir.

89. *Mr. Field.*] This is a diagram showing, you will see, 41 per cent. as labour and 10 per cent. as railage?—Indeed.

90. Do you think it possible for you to supply such a diagram, showing the position as far as the millers in your district are concerned?—Yes. It is practically like ours here. They have charges that we have not, such as shipping, but our railway freights and wages are higher than theirs. The two about balance.

91. They talked of supplying us with a magnifying-glass to see their profit: If we were milling under the same conditions—if we had to take our bush up to-day from the Government—it would not require a magnifying-glass to see the losses we should make. My company bought the bush from private people principally, which makes the royalty less than 5d. If we had to pay the 1s. 9d., allowing for waste and tawa, demanded by the Lands Department, we should have no profit.

92. Taking the last five years, have you made a loss or a profit?—Our company have made a profit, because our advantages are great. We are near the railway-line, and have had freehold bush.

93. You have made some profit?—Practically 10 per cent., I suppose.

94. Do you know anything about orders?—Only from hearsay, and I am sorry I cannot look more cheerful when speaking of them.

95. You speak about the royalty on tawa. It is a fairly good timber, I suppose?—It is a timber that requires infinite care to handle. It perishes very quickly, and if it is allowed to get wet it becomes discoloured, and is therefore of no use. It is too hard to be used for the purposes that white-pine is put to, and too perishable for ordinary building-timber.

96. Is there any market for it now?—I have 60,000 ft. cut which I hope to place on the market. We induced Mr. Leyland to take a couple of trucks to try it, and I offered him the rest at a very low figure, but he did not want it.

97. You think you ought not to be charged royalty on it, because there is no market for it?—I have done my very best to introduce it, conscientiously, but I cannot recommend the timber when I know it will not stand the weather. If it is put inside a building it is all right, but it must be kept quite dry from the saw to the building; if not, it becomes discoloured. I have recommended it subject to those conditions, and more than that I could not conscientiously do.

98. Have you heard anybody recommend that a duty should be placed on kauri?—I do not know anything about the kauri industry at all.

99. With regard to mouldings and dressings forming a third of your output, I understood you to say that you sold some of your rough ordinary building-timber very cheaply indeed. Do you make that up to some extent on your mouldings?—We have to. We have to produce the rough timber, because it is in the log, and we get the mining companies to take that from us in the shape of slabs. We sell it at 3s. or 4s. less than cost-price, and we have to make up for it on dressed timber.

100. Do you have to season the timber for a long time for mouldings?—Yes, till about half-dry; if thoroughly dry it splinters.

101. Is there any loss after that from twisting and warping?—Every time you handle timber you lose something.

102. What profit do you think you ought fairly to make in the milling industry?—If people cannot set aside 10 per cent. for depreciation, and pay a 10-per-cent. dividend on their transactions, they had better be out of business and work for somebody else. I would mill myself if I saw a profit in it, but I prefer to take a salary.

103. Do you think a clear shilling a hundred would satisfy the millers here?—If they could get a shilling it would be all right, but they cannot get it.

104. Do you know of any mills that have refused orders for big lengths in rimu?—I cannot think of any instance in which long lengths have been refused.

105. As a matter of fact, have big lengths been asked for very much until recently?—They are asked for occasionally, and whenever asked for have been supplied, as far as I am aware.

106. It has been said—I understand in this district—that 90 per cent. of the Oregon that comes here displaces kauri. Do you think that is a correct statement?—I certainly do not.

107. Do you not think it more accurate to say that the larger proportion of it has been used in displacement of rimu?—I should think so myself.

108. Now, we have had, roughly, twenty million feet of Oregon within twelve months. Taking an average small mill turning out a million and a half feet a year, how many mills would it take to turn out twenty million feet of ordinary rimu—the class of timber that the Oregon displaces?—It would take about twelve mills to do that.

109. They do not turn out all ordinary building-rimu. What is the proportion of ordinary building-rimu turned out by a mill that is milling mixed timber?—I should say not more than 30 per cent. at the best of them.

110. Then a million-and-a-half mill would turn out, roughly, half a million feet of O.B.?—Yes.

111. Then the twenty million feet means the rimu output of forty such mills, does it not?—I suppose it would.

112. Therefore, if Oregon is competing with that class of timber only, the twenty million feet imported would be supplanting the output of forty mills, would it not?—Without checking the figures I could not say definitely, but probably it would.

113. It has been stated that this is a mere bagatelle—that twenty million feet is only 5 per cent. of our total output?—That twenty million feet displaces twenty million feet of our New Zealand timber. It seems to me that that is the simpler way of putting it.

114. Would you say that a tree twenty-five years old when sawn could be expected to produce durable timber?—I really know nothing of it. Some of the fast-growing English trees here, such as oak, are very poor timber—quite soft stuff. It is very unlike the English oak.

115. Is the Oregon that is working into the trade down the east-coast ports carried by steamer?—Yes. We ship nothing to the east-coast ports now.

116. Oregon has cut you out?—Cut us out entirely. At Waihi, too, it is cutting us out to a great extent, and also on the Ohinemuri goldfields.

117. Can you tell me why it is that Oregon in Sydney is quoted in the price-lists at 2s. 6d. less than our white-pine?—I can give you no opinion. I know nothing of it there.

118. You know that our white-pine is not a very durable timber?—It is packing-case timber.

119. *Mr. Leyland.*] With reference to tawa, did my firm not test the market?—Yes.

120. And we subsequently ordered some more to try to push it?—Yes.

121. You quite agree that we have done our very best to put tawa on the Auckland market?—No doubt you have.

122. So that, if tawa is not selling, it is not through any want of effort?—I do not suggest that.

123. You are president of the South Auckland Sawmillers' Association?—Yes.

124. You have told us that you do not discriminate against buyers?—Certainly we do not.

125. Do you pool orders?—No.

126. Do you think that would be a wise thing to do?—I do not.

127. Are all the mills in the Waikato in your association?—Well, in chatting the thing over the other day in our office we named twenty-one mills in the south Auckland district that are not in the association, as against, I think it was, thirteen who are associated. But I must explain that the twenty-one are small mills.

128. Are you a close corporation in any sense?—No, absolutely.

129. A builder, if he wants timber, is not confined to your association?—Not in any way.

130. As to the percentage of heart, are you short of orders for first-class timber?—We are never short of orders for first-class heart.

131. Then Oregon has not interfered with the orders for first-class heart timber?—No.

132. You are not prepared to take an order for a large quantity of first-class heart?—No.

133. You told us that the output of your mill had increased from £1,600. At what date was that?—Our sales about six months ago were £2,600: last month they were £1,400.

134. What year was it that your output was £16,000?—Five years ago.

135. And you told us that in 1908 it was £22,000?—Yes.

136. That was the year when Oregon first came in—we imported it direct in 1908?—Yes; we did not hear much of it till 1908.

137. Your financial year closed on the 28th February, 1909, and your sales were £24,000?—Yes.

138. Then Oregon did not interfere much with your sales, did it?—Our sales have been falling gradually for the last six months.

139. Your last year was a very good one?—The first eight months were very good months.

140. The directors were so pleased that they gave you a very substantial bonus?—Yes.

141. Oregon cannot have injured your business, when the best year you have had has been the year when Oregon has been coming in?—But I am afraid of what it is going to do in future.

142. The fact remains that it is the best year you have had?—Due to the business in the first portion of the year.

143. Did your firm not get a sawmilling area from the Government?—Yes, we got 600 acres.

144. And you worked out 200 acres?—Four hundred acres.

145. And the result of the first two——?—The first two were worked out before my period of management. I think, speaking from memory, that the loss was £60 or £80—that is, the difference between the price paid for the bush and what was produced from it.

146. You want your timber pushed in the Auckland District, do you not?—Yes.

147. And to a timber-merchant you allow a difference of 10 per cent. as against a contractor?—Yes.

148. The timber-merchant in Auckland has to cart his timber to his yard, has he not?—Yes.

149. That is worth 5 per cent., is it not?—Yes, if he does cart it. The Auckland merchants do not bother much about a direct trade. They could make a bigger profit if they could forward the orders direct to the mill and have the timber delivered direct.

150. Then, again, when the merchant measures that timber out, that costs 5 per cent.?—It costs something.

151. Then the 10 per cent. is gone, is it not?—I do not know. Of course, those are two large items.

152. Do you realise that the terms we get for the sale of timber are not liberal enough?—From your point of view they are perhaps not very liberal, but the sawmiller's point of view is that he cannot afford to give you any better.

153. You say you are not very familiar with the kauri trade?—I am not. I would rather say nothing about it.

154. Then you are not really in a position to speak as to what Oregon is used in place of?—I can only speak very broadly.

155. If the architects and builders tell us that 90 per cent. of it is used in place of kauri and not in place of rimu, are we to believe them?—I have only a supposition on that point, too.

156. With reference to the durability of Oregon, if we showed you a warehouse in Durham Street belonging to Phillips and Co. that was built with Oregon pine forty-five years ago, and that timber is as sound to-day as the day it went in, would you say it is not a durable timber?—No, but I could show you one of rimu that is just as sound—probably sounder.

157. Built of rimu sap?—Yes, ordinary building-rimu.

158. I should like to see it?—I think the *Herald* report will give you an instance where a house was pulled down in New Plymouth a few months ago. I could not say anything about Oregon.

159. Then your evidence as to Oregon we are not to take very much notice of?—I have not given any in connection with Oregon.

160. *Mr. Clarke.*] Do I understand you to say that the timber in the South Island is much thicker than in your district—that is, that there is more per acre?—I am given to understand so, from the evidence given before the Commission. Personally I know nothing of it.

161. In Southland, for instance, evidence was given that it was as low as 5,000 ft. per acre, and that about 10,000 ft. was a good average. Would you not have more than that?—I have always been given to understand that it is very much more than 10,000 ft. in Westland at least.

162. You referred to our having such an unlimited extent of bush to work upon. Are you familiar with this report on the timber industry prepared by Mr. Kensington and dated 1906-7?—I have not read it.

163. Do you not think that before making a statement about an unlimited quantity it would have been wise to have looked that up? The report gives the areas and amounts, and says, "From the foregoing review it will be seen that the timber-supplies in New Zealand are rapidly diminishing, both in quantity and in quality." Would you not accept that as largely discounting any statement about inexhaustible supplies?—I do not quite follow you.

164. You say that supplies are inexhaustible. The official report is to the contrary?—When I say "inexhaustible" I mean comparatively so.

165. You referred to taking timber down for the purpose of settlement. Are you aware that very large areas of ground have been denuded of timber, and settlement has not followed? It does not follow that because the timber is taken down the land must immediately be taken up for settlement?—I should not think anybody would be fool enough to fell bush land without settling on it or using it for grazing.

166. Would you be surprised to know that we have seen large areas where the timber was taken off many years ago and the land still remains unsettled?—I do not know of any such areas myself. Of course, people must have good land to settle on. Settlement must come if the land is good enough to warrant it.

167. On the question of Oregon as against local timber, you used the expression "if faddists want Oregon." Would you class our leading architects as faddists on the question of timber?—Some of them.

168. Do you not think that you, who have admitted that you are not an expert, are going a little too far in saying that an architect or an engineer is a faddist because he wants Oregon?—I think, from my own personal experience, that if a man wants to build a good, substantial, sound house he can build it of New Zealand timber; and in a young country like this I think he is a faddist if he wants something brought ten thousand miles.

169. Then you referred to architects making "a little closer study of our timbers." Have you any evidence to offer to the Commission that architects do not study the local timbers?—I do not think they give that study to the subject that they might.

170. Can you tell us why you think they do not know the nature of our timbers?—My opinions are the result of general experience in the last thirty years, in and out of this country.

171. And your thirty years' experience goes to prove that architects do not study the nature of New Zealand timbers: is that so?—I dare say that architects are like most of the rest of us: they study those things nearest to them, and have not time to study abstract questions. This may not be so much so in their case, but they might study such matters a little more than they do, with advantage to themselves and the trade and the public.

172. Would you consider the first principles of the materials of a man's business an abstract study?—I should not consider the principles of a man's business an abstract study, unless making money, perhaps, is his first business.

173. Is it not a matter of common knowledge that before a man can advertise himself as an architect and as a Fellow of the Institute of Architects, for instance, he must of necessity have made some study of the nature of the materials?—In many instances. When I say "architects" I am not speaking of the general body, you know. There are some very clever men among them, and there are some very great quacks.

174. Then it is only the quacks that you referred to?—Yes.

175. *Mr. Clarke.*] You said that the supplies of Oregon coming here were displacing rimu to a very large extent. It has been admitted, I think, that a very good market could be found for kauri in Australia?—I do not know anything about that. I have never been in the business in kauri.

176. But assuming we can sell kauri in Australia at 19s. a hundred, and can replace that with Oregon in Auckland, say, at 10s. 6d. a hundred, are we not the gainers?—I have not studied the question, and I much prefer people who understand the kauri trade to give evidence, which may be of value on that point as against mine, which is absolutely of none.

177. *Mr. Morris.*] You are an old sawmiller, and as a practical pioneer colonist you recognise that it is the duty of the State to protect our colonial industries?—Yes.

178. You consider that the cities cannot very well get on without the settler, who is the backbone of the Dominion?—They would soon find out if they tried.

179. And you recognise that if these foreign timbers are brought into the country they are going to displace a large number of our men who are engaged in our industries?—Logically, that must be.

180. That cannot be disputed?—Certainly not.

181. You have been asked several questions about architects which I recognise do not concern you at all, but do you know that the Wellington architects (and I suppose they are equal to the Auckland ones in intelligence and capacity) repudiated with a great deal of warmth the statement that they had insisted on Oregon being used in their buildings last year?—I do not know.

182. You never heard the statement made?—I do not remember.

183. *Mr. Barber.*] With regard to your estimate of the increased cost of the erection of this cottage, you said there were 1,600 ft. in the cottage, and that the advance in price during that time has been 9d. per hundred?—About that. I explained also that second-class timber is used for scantling and framing in these days, whereas O.B. timber was used. The classing of timber is much better now than it was five years ago.

184. In a district where the increase in price has been 6s. instead of 9d., the increased cost of the cottage would be £48 instead of £6?—Yes, but that rise is not borne out by experience in this district.

185. You could not have a better authority than the Government Architect, who, in reporting on the quality of the timber used in the erection of workers' dwellings, says, "But I do not doubt that, if some of the timbers could be relied on as being good, they would last nearly as long as some of the old oak buildings in England. All depends on the quality, and there appears to be very little of that quality on the market at the present time," so that in a city like Wellington not only have we to contend with the price, but we have to contend with the quality, which is infinitely inferior to what it was a few years ago?—No, it is not so.

186. Here is the authority of the Government Architect in Wellington?—The trees are the same trees as they were thirty years ago, and the method of working is the same.

187. That may be in your district, but the Government Architect says, "The sawmillers are now cutting what has been left by the larger millers after they had cut out the largest and best"?—I think the Government Architect evidently has not studied the question.

188. Are you aware that a concrete house can be built in Wellington at almost the same cost as a wooden house?—I know it cannot.

189. Do you know that the Government Architect says this in regard to the workers' dwellings erected in Coromandel Street, Wellington: "The same houses, if built with solid 9 in. or reinforced 6 in. concrete outside walls instead of wood at the present prices of timber (viz., list issued on the 1st October, 1908), I am confident would only cost about £6 extra for a four-roomed house, and, considering the extra life of the house, the greatly reduced cost for maintenance, and also the greatly reduced insurance premium, together with the comfort of a more even temperature, it must be admitted to be preferable to wood, and especially as timber now is so unreliable in quality"?—It is not more unreliable than the Architect's estimate there.

190. That is your opinion, and this is a practical opinion as a result of the houses which have been erected?—If you read that correctly it is an estimate. His estimate is £6 less for wood, and I would estimate it at £30 or £35 less.

191. You suggest that Oregon should be taxed until it is kept out of the Dominion altogether?—Yes.

192. Would you agree that kauri should be taxed until it is kept in the Dominion altogether?—I should like kauri-men who are experts to answer these questions. I have never studied the kauri question. I am only looking at this question from the point of view of my own trade.

193. What is the output of your mill?—We can put out about four million feet a year, working ordinary time.

194. What percentage of that is red-pine?—Practically all.

195. And yet, when Mr. Field asked you or tried to get you to state that the importation of twenty million feet of Oregon was equal to the output of forty mills, you did not answer that?—I did not.

196. Why did you not answer it?—I should have to make a calculation. I was not going to make a statement I did not know was right.

197. You say you are in a position to supply beams up to 50 ft. long?—Yes.

198. Heart of red-pine?—Not absolutely. We can supply beams for inside purposes.

199. If an architect says he will not accept sap, as you know they will not, what is to take the place of rimu?—Sap, if it is in a building preserved from the weather, in rimu will last as long as heart. It will last an indefinite time.

200. But suppose an architect will not accept sap, what is to be done?—Charge a little more. Take in Oregon and pay the extra duty, or change the architect.

201. Then you think it is fair the individual should be taxed to that extent?—Why not? If a man plans in that direction, let him pay for it.

202. You supply 50 ft. lengths, at what price?—Up to 25 ft., ordinary rates; up to 30 ft., a shilling extra; and above that by arrangement. For a 50 ft. length we charge 1s. a foot extra for every foot above 25 ft., but I may say we do not get an order for 50 ft. lengths once in five years. We do not get an order for 40 ft. lengths more than once in a year perhaps.

203. But you admit that 50 ft. lengths would be £1 5s. a hundred more than ordinary building-timber?—Yes.

204. And if it was heart instead of ordinary building-timber, it would be another £1 5s. extra?—I would not take an order for heart for that length.

205. *Mr. Ell.*] With regard to the price of this cottage and the difference of £6, I have price lists here which show that in 1900–1 ordinary building-timber was 11s., whereas it is now 14s. 6d. There is an increase of 3s. 6d. a hundred?—Probably the classing has likewise increased, and the people have had to pay the increased price.

206. But this is ordinary building-timber?—But it is very different from what it was five years ago. Classing is much more carefully selected. Second-class timber five years ago was very inferior rubbish; now it is good building-timber.

207. But the fact remains that, instead of a difference of 9d. per hundred, this list shows a difference of 3s. 6d.?—I say it is greatly compensated for by this better classing.

208. But it is obvious that the cost of framing has gone up 3s. 6d.?—No. Framing five years ago was O.B. timber, and framing to-day is second-class timber, and is sold at a cheaper rate than it was five years ago.

209. There is nothing in this list less than 14s. 6d.?—If you come to Auckland it is just as well to take current prices, and then you can compare them. I know nothing about Christchurch prices.

210. It shows your evidence cannot have a general application?—I conclude you require evidence so far as south Auckland is concerned. That is what I am talking about at the present time.

211. What kind of timbers are in the bush you are cutting?—Practically all rimu.

212. Any white-pine?—There may be one tree to a thousand.

213. Any totara?—One tree to five thousand. Practically none.

214. What size do you cut trees down to?—To about 12 in. at the base.

215. With regard to shutting Oregon out absolutely: In Wellington the price of long lengths is quoted at 19s. 6d. for Oregon and £1 12s. for rimu of the same length. In the face of that do you consider it would be reasonable to ask that there should be a prohibitive import duty on Oregon which is necessary for certain building purposes?—Seeing that only occasionally is a long length demanded or required, I think the duty would practically make very little difference to the consumer.

216. Then, so far as these long lengths are concerned, you have no objection to them coming in?—Yes, there is such a thing as a crosscut saw which can make them short very soon.

217. What about putting a duty on the smaller stuff?—I think it is a proper thing to put a reasonable duty on, so that Oregon could be imported for any absolute necessities which may possibly occur. The people who want them should surely pay a little more for them.

218. What guarantee have the public, if a prohibitive duty is put on Oregon, that you people will not put up the price of timber?—I was one of a deputation that waited upon the Premier, and we there invited him—nay, begged him—to let the Government fix the price of timber. We have no objection to the Government controlling the price, so long as there is first a proper inquiry such as I have suggested in my evidence.

219. Do you sell to the merchants in this town?—Anywhere.

220. Do you get rid of the total output from your logs?—If it were not for the mines in our district we should have an accumulation of millions of feet for which we should have no market at all.

221. With regard to the shorter lengths, how do the railway freights operate?—They operate in the most drastic way possible. If the timber is split we can send it out for fencing rails and posts at fencing rates, but we dare not send it out as sawn timber, for we may have a letter back from the Department saying that so-and-so used some of it for some other purpose than fencing, and that we must pay a fine equal to double rates on these trucks. We are harassed by the Department to such an extent that we are afraid to do anything in a reasonable way to get rid of this timber.

222. Can the short lengths go out as droppers?—We are allowed to send them at reduced rates.

223. But if the timber goes out a little longer in boards?—If it is used for anything else besides fencing the sawmiller is held responsible, and is fined double rates.

224. *Mr. Arnold.*] What duty do you suggest should be put on Oregon?—I leave that to wiser heads than mine; so long as they protect our local industries it is for them to say what the duty should be—so long as it is a good stiff one.

225. I suppose the duty should be put on all sizes?—Yes.

226. You must have some idea of the duty to be levied: would you say 25 or 40 per cent.?—I think it is necessary to put on an increased duty—not altogether a prohibitive one, but one that would prohibit the timber being used for common purposes.

227. Suppose you double the present duty of 2s., would that do?—I should think it would. I certainly think a four-shilling duty should be put on all descriptions of Oregon imported.

HENRY VALDER sworn and examined. (No. 105.)

Hon. the Chairman: What is your occupation?—I am managing director for Ellis and Burnand, sawmillers. I have here a statement of my views.

At this stage, the hour of 1 o'clock having arrived, the Chairman intimated that the Commission did not intend to sit this afternoon, and that therefore the statement of Mr. Valder would be taken on Tuesday next.

AUCKLAND, MONDAY, 10TH MAY, 1909.

HERMANN BENNETT COUPE, Manager of the Taupo Totara Sawmilling Company, and nominated by the Auckland Sawmillers' Association, sworn and examined. (No. 106.)

Witness: I am manager of the Taupo Totara Sawmilling Company, and I have been connected with sawmilling for twenty-three years continuously. With regard to the matters which the Commission has to consider, I have got a statement showing the cost of production, which is 9s. 6d., free on board at Putaruru, which is our loading-station. With your permission I should like to supply the Commission with the cost of production of 7,865,789 ft. sawn, after which I will make a statement dealing generally with the subject. I may say, however, before I make my statement, and in reply to evidence given, that I do not think it would be any good to put an export duty on white-pine. My reasons for making this statement can be ascertained in cross-examination.

Production of 7,865,789 Feet sawn, for Twelve Months ending 31st March, 1909.

	£	s.	d.	s.	d.
Bush,—					
Wages, felling, crosscutting, and delivering ...	6,326	3	7 =	1	7·30
,, branch-tram construction and repairs ...	2,222	12	11 =	0	6·78
,, truck-repairs	190	13	6 =	0	0·58
,, hauler-repairs and general repairs	561	10	4 =	0	1·71
Expenses, horse-feed, purchases, &c.	668	9	10 =	0	2·04
Accident insurance	224	11	8 =	0	0·68
Depreciation, locomotives and trucks	74	15	10 =	0	0·23
,, main bush trams	87	13	0 =	0	0·26
,, haulers	228	18	4 =	0	0·69
Royalty, depreciation of lease and freehold... ...	6,554	16	5 =	1	8
Mill,—					
Wages, sawing	4,841	9	3 =	1	2·77
,, plant and buildings, repairs and renewals ...	521	15	11 =	0	1·59
,, yarding	3,099	10	10 =	0	9·47
,, loading	605	3	0 =	0	1·84
Purchases, oils, stores, &c.	831	1	1 =	0	2·53
Accident insurance	235	15	0 =	0	0·72
Depreciation, plant, buildings, &c.	1,960	15	8 =	0	5·98
Railway,—					
Wages, running and permanent-way maintenance ...	3,212	0	6 =	0	9·80
,, repairs to rolling-stock, &c.	701	10	9 =	0	2·14
Purchases, coal, oil, stores, &c.	830	11	1 =	0	2·53
Accident insurance	70	0	0 =	0	0·21
Depreciation, plant, buildings, &c.	77	19	4 =	0	0·24
,, rolling-stock	463	7	0 =	0	1·41

	£	s.	d.	s.	d.
General,—					
Shipping expenses	131	10	2	= 0	0·40
General expenses, stationery, &c.	746	0	0	= 0	2·27
Salaries and fees	1,895	18	10	= 0	5·78
Travelling	130	7	2	= 0	0·39
Law-costs	246	5	3	= 0	0·75
	£37,741	6	3	= 9	7·15

Total wages, £24,175.

I will endeavour to show the keen competition to which New Zealand sawmillers are at present being subjected by imported timbers, and to give some reasons which in my opinion make it necessary that an extra duty should be imposed. First, as to the magnitude and value of the industry: In the New Zealand Official Year-book, 1908 (the last available), under the heading of "Manufactories and Works," details are given of the principal industries of the Dominion, from which it will be seen that, ranged in the order of number of hands employed, sawmillers and sash and door factories stand 122 per cent. above the next industry, which is lumped together as clothing and boot and shoe factories. The great industries which deal with the product of the land may be shown as follows, with the hands employed by each, the total amount of wages paid out by each industry, and the average rate of wages per hand:—

	Hands employed.	Total Wages. £	Average per Head. £
Sawmillers and sash and door factories ...	9,111	834,927	92
Flax-mills	4,076	227,460	56
Butter and cheese factories	1,484	131,123	68
Meat freezing and preserving	3,190	278,592	87

The total number of hands employed in all industries (1906) is 56,359, and the wages paid £4,457,619, from which it may be calculated that sawmills employ 16 per cent. of the total hands and pay 19 per cent. of the total wages. The approximate value of machinery, buildings, and land used in the industry is given at £1,204,843. The quantity of timber carried by New Zealand railways for the year ending 31st March, 1908, is given at 616,892 tons. The foregoing figures will show that anything affecting the industry is entitled to most careful and serious consideration.

The matter of protecting their interests has been exercising the minds of sawmillers for some years back, and serious alarm from the importation of Oregon pine became evident in 1904, when a large deputation from the trade met the late Premier on the 20th October of that year seeking to have the duty increased. The late Mr. Seddon gave the deputation a sympathetic hearing, but he was of opinion that the sawmillers had not then shown that the industry was so seriously threatened as to call for further duty. He said, however, "But if it could be seriously shown in future that the timber was being sent here with a view of making New Zealand a dumping-ground like England had become, then it was time to be up and doing. . . . If the American millers, having tasted blood, moved further, then it would be time to resolutely face the matter" (*New Zealand Times*, 21st October, 1904). What was then anticipated by the sawmillers has become an accomplished fact. They now seek to have a further duty imposed on imported timber.

A certain portion of the community object to any increase of import duties on timber, and give as their reasons,—

(*a*.) Any extra duty would make timber dearer and increase house-rents.
(*b*.) It is better to use imported timber and to conserve our own.
(*c*.) Imported timbers are better than our own.

With regard to objection (*a*), it does not necessarily follow that an increased duty would mean a rise in price of timber. Competition amongst local mills may be relied upon to keep prices down. The objectors under this heading are mostly concerned with house-rents, and they are all under the impression that timber forms the greatest part of the cost of a cottage. Now, the price of timber is not a specially large factor in the capital cost of a cottage. The value of unmanufactured timber in a cottage is not more than 25 to 30 per cent. of the whole, the other portions being made up with carpenters' work and the work of bricklayers, painters, and plumbers, and the materials used by the three latter, together with the cost of land and architects' fees. Take a well-finished workers' cottage of five rooms costing with the section it stands upon, say, £420. The value of the rough timber therein would not be more than £100, and a rise of 1s. per hundred feet would not increase the cost more than £8, representing, say, a difference of 3d. per week in rent, which would not affect the housewife nearly so much as a rise of ½d. per pound in butchers' meat, butter, or bread. Those people who argue that no further duty should be imposed on timber for the reason that it would increase rents might with greater reason ask that an export duty should be imposed on butter, wheat, and mutton, as any curtailing of these exports would undoubtedly lower the local price of them and make living cheaper. In taking out the value of timber in a building for the purpose of estimating the additional cost which would result from an increase in price, it is important to remember that this must be based on the sawn value only, for the reason that the extra value resulting from dressing or resawing is not affected by the prime cost. The cost of dressing and resawing, for instance, would be practically the same on rimu and Oregon; if anything, the latter is more expensive to dress than the former. To illustrate the proportional cost of timber in a building we have purposely chosen a cottage, as this class of structure shows timber in a greater proportion than superior dwellings, offices, &c.

Conservation of Forests.—It is frequently stated by persons not well acquainted with the interior of New Zealand that it would be sound policy to import foreign timbers and conserve our own bush. The idea is based on the assumption that our own bush will stand indefinitely, even where settlement is going on. Now, it has been conclusively proved by experience that bush cannot be conserved when settlement is going on. Settlers who are on the land cannot afford to let their bush stand. They must have it down and burnt to make way for grass, and in the process the greater part of the adjacent forest goes up in smoke. A striking example of this was the country known as the Forty-mile and the Seventy-mile Bush, in the Wellington and Hawke's Bay Districts, where probably twenty trees were burned either designedly or by accident to each one milled.

(*c.*) With regard to the relative values of native and imported timber: As far as Oregon pine goes, which is the timber against which we have chief complaint, the writer is of opinion that it is not the equal of our kauri, totara, matai, or rimu.

The reasons why the sawmilling industry should be protected are manifest—*i.e.*, the large amount of employment it gives to the worker and the railway, and the benefit the State derives from the sale of bush lands. It may be taken for granted that the bulk of Oregon pine imported into the Dominion will not get past the port of discharge, so the railway can expect very little revenue from the carriage of these timbers. On the contrary, if the seaports draw their supplies of timber from the country mills, the railway will earn a large and valuable revenue. This revenue will increase enormously in the near future, providing New Zealand continues to draw its timber-supplies from its own forests. The New Zealand Year-book, 1908, states that 163,592,619 ft. of timber was produced in the Auckland Province in 1905 (the last year given), the greater portion of which would be kauri, which is mostly conveyed to market by sea. The kauri forests are being rapidly cut out, and Auckland must in the future look to the Rotorua and Waimarino districts to make up the shortage. The process will be gradual, and it will not dislocate the building trade in any way. As the kauri mills cut out, their hands will naturally gravitate south, where fresh sawmills will be established to keep up the supply of timber. The Hawke's Bay, Wairarapa, and Manawatu bushes are gradually being worked out, and the markets which formerly absorbed the product of these forests will have to depend in the future on the Waimarino. We estimate the average distance that timber milled in the Rotorua and Waimarino districts will require to be railed to supply Auckland, Wellington, Napier, Wanganui, and New Plymouth will be about 215 miles. The classified rate on timber carried on the New Zealand railways for that distance is 4s. 2d. per hundred feet, or 18s. 9d. per ton. Incidentally it may be mentioned that a ton of coal carried the same distance would cost 11s. 8d. (average), a ton of grain 14s. 6d., and a ton of bricks 13s. 9d., from which it will be seen that, of all goods carried in bulk, timber returns by far the most revenue.

The interests of sawmillers, settlers, railways, and the Crown Lands Department in the Waimarino district are all interlocked with the timber industry. Settlers have taken up bush lands in the expectation that sawmillers will come along and cut their bushes on royalty, with the proceeds of which they rely on developing their holdings. The Crown Lands Department is interested for the same reason. The value of lands is determined in a large measure by the quantity and quality of the bush upon them. If sawmillers find that the bushes in the Waimarino cannot be profitably worked owing to competition abroad, then the value of land will decrease by the amount of bush royalty which might otherwise be expected, which will retard settlement along the line, and result in loss of revenue to the railways.

It is argued that, if foreign timber is admitted into the Dominion in large sizes to be recut in the sawmills at the ports, the extra labour so employed will be a set-off against the loss sustained by the country mills. Such is not the case. It may be stated that the average bare cost of landing timber at the ports from country mills is 9s. 6d. per hundred feet, made up of royalty, logging, sawing, yarding, and railage, of which 1s. 9d. may be put down to sawing, and this amount is all that could be set off against the loss to the railways and country mills. Further, if the practice were introduced there would be a migration of sawyers from the country to the town mills, which is not desirable. In general, mill and bush hands attached to country mills are the pick of the manhood of the country, and each is a potential settler of the best type. Millers are pioneers of the country. They are always to be found ahead of railways in bush districts, and many a man who is now a successful settler made his start after working for a sawmill which assisted to open up the district in which he has now established his home. Scores of such may be found in the Wairarapa, Forty-mile Bush, Hawke's Bay, and Taranaki Districts. Should the country ever be called upon to fight for its existence it will be to this class of men it will look for protection, and this is a phase of the question which itself deserves consideration.

The chief reason given by people who are against any further duty on imported timber being imposed is a desire for cheap timber. Now, if the importation of foreign timber is not checked, the ultimate result will be just the opposite. The large number of small mills at present existing keep competition keen, but if they are wiped out the trade will get into the hands of large importers, who will naturally be able to fix their own prices.

A duty on imported timber of 1s. per hundred feet was imposed in 1866, raised to 2s. in 1871, removed in 1878, and reimposed in 1879, owing to the representations of the sawmillers at that time. It will be seen from this that former Governments recognised the necessity of giving additional protection to the sawmillers as the cost of production increased. The present duty of 2s., which might have been sufficient in 1879, is totally inadequate at the present time, when the cost of landing timber in the chief centres has increased enormously.

It would be good policy for the Government to protect sawmilling so that the bush lands which will afterwards carry grass may be cut out, and at the same time to go in for a vigorous scheme of afforestation on poor lands which are useless for any other purpose, such as the pumice surrounding Lake Taupo, in the North Island.

It is not sound policy to let the local millers be ousted by foreign competitors, even on the basis as to which pays best, without taking into consideration the conditions which enable the foreign to beat the local sawmillers. When these conditions are reviewed it will be seen that the competition is grossly unfair. The American and Canadian miller has a practically unlimited holding of bush as against a very restricted area held by the local miller. The latter is bound by a labour award as to wages, and hours to be worked, and he has to insure his men against accident, and pay heavy railage and sea freights. The American miller can work his men any hours he likes, at what wages he chooses, and they may be white, black, brown, or piebald. As a matter of fact, the great majority of hands in the Oregon mills and yards are Japs and Hindoos. The hours worked are sixty per week, as against forty-seven and forty-five in New Zealand. The average wage per day of ten hours paid by the American miller is considerably less than the local miller pays for a day of eight hours. The former have a system of employing a few men at a very high wage to "hustle" the rest, who receive about half the amount of what would be deemed a fair wage in New Zealand. Further, nearly every American mill has a store, at which the employees are compelled to deal. If the miller does not run a store he pays his employees with orders on different tradesmen in the district, and it may be safely assumed the miller gets his commission when the orders are redeemed. As for accident insurance, this is paid by the miller, but deducted from the employees. Further advantages which the American and Canadian millers enjoy are cheap rail and sea freights. The New Zealand miller contributes to the subsidy of £10,000 granted to the Canadian steamers which are bringing over timber to compete with his own product.

In conclusion, the writer gives it as his opinion that it is advisable to protect the sawmillers in the interests of the Lands and Railway Departments alone, without considering any other interests whatever. In the ordinary course of things the Main Trunk line between Taihape and Ongarue may be confidently expected to produce 60,000,000 ft. of timber annually within five years, 100,000,000 ft. within ten years, and 150,000,000 ft. within fifteen years. This estimate is made from a knowledge of the existing bushes now being worked, which will be gradually cut out, and making allowance for the natural increase of consumption of timber generally. On the above figures the railway would receive revenue from the carriage of timber alone (taking the average rate at 4s. per hundred feet) of £100,000, £200,000, and £300,000 per annum, in addition to a further large amount from carriage of firewood, posts, blocks, &c., stores required by the various mills, and railway fares collected from millers and their employees travelling up and down the line.

There is one matter in connection with the timber-import duty which is not generally known. Logs in the natural state or rough-hewn are admitted free. This was probably an oversight on the part of the framers of the tariff. Whether such is the case or not, it is important to the country sawmillers that logs should be charged the same duty as timber.

My own company has £250,000 invested in the business in capital proper, and £100,000 in debentures, making an actual working capital of £350,000. It has a railway extending fifty-four miles south of Putaruru, which cost £120,000 to construct, with locomotives and cars costing an additional £10,000. It is intended to extend the railway to Taupo, thus providing alternative routes with the Government railways to both Rotorua and Waiouru on the Main Trunk line. This railway opens up about a thousand square miles of country, a fact which the Lands Department and private landowners along the route fully appreciate when they advertise the lands for sale. The railway, in fact, may be regarded as of some national importance. The company employs at the present time some 160 hands, irrespective of splitters engaged in the bush. The monthly wages-sheet averages from £1,900 to £2,000. The company has enough plant installed to double its output if sufficient trade were forthcoming. In the latter part of last year we had to discharge some seventy hands. These men might very well complain that they had been ousted by the Oregon shipments which were landing at the time. We understand that 6,350,000 ft. of Oregon has been imported into Auckland during the last fourteen months. If the Taupo Totara Timber Company (Limited) had been given the cutting of 6,000,000 ft. of this quantity it would have employed 185 men for eighteen months at an expenditure of £18,000 in wages; the Government Railway Department would have earned £9,000 by the carriage of the timber to market, besides an additional large sum, which can only be estimated, in conveying additional stores and passengers: we cannot see what compensating advantages there are to set off against this loss of wages to the workers and revenue to the railway.

In conclusion, we desire to ask the Commission to consider whether it is better to assist a company like the Taupo Totara Timber Company (Limited) and others opening up country which would otherwise be idle for years, which pay large sums in wages and contribute a large amount to the Railway Department, or whether it is better for the Dominion to encourage the importation of foreign timber produced by Asiatic labour under conditions that would not be tolerated in New Zealand.

1. *Mr. Mander.*] What timber do you cut principally?—Totara, matai, rimu. Our chief timber is totara.

2. Do you think that Oregon will come into competition with totara?—Certain of it. I might explain to those gentlemen who are not timber experts that totara is of very many grades. What we call first-class—which is a grade practically on the same lines as first-class kauri—would be about 40 per cent. of the whole. That is an exceedingly good percentage. Probably every totara bush would not give such a large percentage. Our own bush is a specially good bush, and we get just about that average. The other portions of a log we find Oregon competes with very much.

3. What percentage of timber do you get out of the totara logs altogether? What percentage of loss is there?—Obout 30 per cent. on the log-measurement.

4. What is your log-measurement? Is it end-measurement or centre girth?—We take the sawn measurement.

5. I suppose that in measuring your logs in the bush a very liberal allowance is made for hollows and honeycomb, &c.?—A large proportion of the logs we do not bring into the mill; they are left for the splitters.

6. Taking an average totara bush, do you think you would get 50 per cent. of sawn timber, calculating the logs you leave in the bush and the logs you cut up?—Scarcely. It depends a great deal on the bush. Taking every tree in the bush, I do not think it would realise 50 per cent. of the log-measurement.

7. Is it not a fact that there is a bigger loss on totara than on almost any other timber that grows?—That is so.

8. What do you find is the position of the timber trade at the present time?—It is exceedingly slack.

9. And what do you attribute that slackness to?—The importation of foreign timber in a large measure, and the general stringency in the money-market.

10. In dealing with the merchants, have they ever stated that they could get Oregon cheaper than they could buy timber from you? Have they ever used that as an argument to bring down the price?—I may mention that we are ourselves merchants as well as sawmillers.

11. You do not supply the local merchants at all?—Occasionally, with small lines.

12. Have you had any experience at all of Oregon timber?—Only by observation of the cargoes that are coming in.

13. You have had no lengthened experience of it?—No.

14. What is your idea of the durability of Oregon, as compared with rimu, for instance?—My own opinion, from observation, is that it is very poor—too open in the grain, too porous.

15. Do you think it likely that a timber that will grow in from twenty-five to forty years will be as durable as timbers that take hundreds of years to grow?—Certainly not, as a general thing.

16. When we are suffering from depression and dull times, and the timber trade is dull in New Zealand, is it not the more necessary that that trade should be protected than when it is in a flourishing condition?—Certainly. I mentioned in my statement that we had occasion to discharge seventy men in the latter part of last year. These men are adding to the unemployed on the wharf and round these districts now. They are a superior class of men, and they naturally oust the city worker.

17. I understood you to say that you thought it impracticable to conserve kauri forests?—That is so.

18. Do you think it would be a business proposition to conserve the forests of the country for an indefinite period, where the land is good enough for settlement?—No, I think the idea is altogether ridiculous. The quantity of timber remaining is not very much, and the whole paraphernalia for dealing with it is now in existence—mills, and yards, and everything; and on that ground alone it would be unfair to those people who have invested their money in that industry. Another thing: if it were attempted to be preserved it would get burnt down, mostly.

19. In the present condition of the trade, and taking into consideration the railway freights, royalties, &c., do you think it is possible for millers to reduce the price of their timber and make a living?—I do not think so.

20. Your cost of production, you say, is 9s. 6d. per hundred at Putaruru?—That is so. Those figures are high. We shall probably reduce the cost later by 1s. My company has been placed under different management, and its policy has been changed.

21. Do you calculate interest on bush purchases and every incidental in arriving at that amount?—Yes.

22. And that price, I presume, covers all classes of timber?—It is the average price.

23. Do you not think it a fair thing to protect those commodities that we can produce ourselves in the country, and ease the duty on those that we require and cannot produce ourselves?—That is my opinion, undoubtedly.

24. You have heard it stated that there is very great difficulty in procuring long lengths in kauri or other timbers as suitable for work as Oregon. What is your idea on that subject?—I have naturally read the reports of this Commission's proceedings, and my opinion is that all this noise about long lengths is utterly ridiculous altogether. The amount of timber in long lengths required in the building trade is not worth considering.

25. Seeing that it is difficult in some parts of the colony to procure long lengths, do you not think it would be reasonable to allow Oregon in long lengths to come in more favourably?—I would not be in favour of that at all. I think the present duty on Oregon should be doubled—that all classes of logs should be taken into consideration, and the duty on all doubled. There are all sorts of alternatives to native-timber long lengths to be got here. Ironbark has been used for many years, and there are steel girders and all that sort of thing to be had cheaply and readily.

26. But if we can get Oregon to answer the purpose as well as kauri in long lengths, do you not think it would be a good business transaction to allow long lengths in Oregon to come in and to sell our kauri at twice the money?—No. I think the practice would be abused. The very small proportion of long lengths that are required can pay the extra duty without hurting any industry.

27. What is your idea about an export duty on kauri?—I explained that before. I think it would be unfair to those people who have got their money invested in the business. That proposal is too late altogether, now that all the mills and yards are erected.

28. Do you not think there would be very grave risk of the timber all being destroyed by fire?—Yes.

29. Do you not think that if an export duty were put on kauri the millowners would flood the market with it until it was all cut out, and so keep the rimu and other timbers out of the market?—Yes.

30. *Mr. Stallworthy.*] What areas have you got to work upon?—About 1,200 acres.

31. Is it native or Crown land?—It is partly native leasehold and partly freehold.

32. You hold none from the Crown?—No.

33. How long have you been working up there?—About five years.

34. What terms do you get the timber on—so-much per acre, or what?—The area of land that we had to acquire for the purpose of running our business is about 43,000 acres freehold, and we have about 15,000 acres leasehold. The whole cost us £120,000 to acquire. The freehold is not all bush; about 6,000 of the 43,000 acres is bush land.

35. What do you pay for the timber on the leasehold—royalty?—No, we acquired the rights right out.

36. In a lump sum?—Yes. In the case of the leasehold we have the use of the land and the right to the timber on it.

37. Can you give us any idea of the quantity of timber that you landed at Putaruru in the year?—For the year ended March of this year we put out 7,865,000 ft. As I explained, we should put out twice that quantity. We have the plant to deal with more than twice the amount.

38. You say about 40 per cent. of that was first-class?—Forty per cent. is the proportion of first-class in totara. I have not got a schedule of the classes in this 7,000,000 ft.; but, roughly, you can take it as about 40 per cent. first-class all round.

39. What price did you get for this timber?—All prices—from £1 down to 11s. 6d. Our average net price for all timber sold is 10s. 2d. a hundred at Putaruru.

40. That average return of 10s. 2d. has to go against the average cost of 9s. 6d.: is that so?—Yes. It is 9s. 7d., as a matter of fact.

41. You are making on the average 7d. a hundred on the total output?—That is so.

42. Where are your markets?—Right throughout the Dominion.

43. Do you export any timber?—Only coastwise—down to the South Island.

44. How do you get it out to the seaboard?—Send it to Auckland or Onehunga.

45. What is the railway tariff to Auckland?—Three shillings.

46. Can you give us any idea what it costs to rail the timber from your mill over fifty miles of your own railway?—About 1s. 5d. The Government charge for the same distance is 2s. 2d.

47. What is the distance from Putaruru?—50 miles 37 chains is the distance from the mill to our siding, and from Putaruru to Auckland is 140 miles.

48. Have you any personal knowledge as to the working of the mills in America—the labour, and so on?—No. What I have stated I have gathered from friends who have been in America.

49. What protection do you ask?—That all logs should be included in the schedule; that there should be no free logs at all, and that the duty should be doubled.

50. *Hon. the Chairman.*] Are there any Oregon logs imported just now?—I do not think so.

51. *Mr. Stallworthy.*] Have you taken into consideration the fact that there is an export duty in America on logs, and that an import duty here would thus be a double duty? And in view of the fact that we are not receiving logs at present, is there any need for a duty on them?—I think so. If there is no likelihood of logs coming in there is no harm in putting a duty on them. The reason why logs have not been brought in and milled here in the past has been, I take it, that there has been uncertainty about the fixity of the timber duties, as to whether they would be increased or not. This agitation about timber duties has been going on for the last five or six years. Until it is settled no one will venture to erect plants for cutting the logs.

52. Seeing that the price of long-length Oregon is so very much higher in proportion than short lengths, is there any chance of the merchants here cutting the long lengths into short ones?—It is quite possible.

53. Would it pay them to do it, do you think?—It is quite possible, in certain lengths.

54. When you said that you got 50 per cent. of timber out of your bush, did that 50 per cent. include posts?—No; 50 per cent. off the saw.

55. How much per cent. do you get that you can market—posts and sleepers included—and what do you leave behind?—Probably about 30 per cent. is left behind. As I explained, we do not keep a log-measurement now.

56. *Mr. Jennings.*] Are you a practical sawmiller?—Yes, I have been right through the business, from slabbing to what I am now.

57. What is the output of your biggest mill per day?—We are only working one mill so far.

58. What is its output per day?—About 30,000 ft. for eight hours.

59. With regard to royalties, have you any objection to stating what you pay to the Maoris and to the Europeans for royalties?—I prefer not to discuss that question.

60. Would you give the information to us in committee?—The timber costs us 1s. 8d. a hundred feet, according to this schedule of costs. That is figured out on the basis of royalty. The reason why I do not like to go into the matter is a personal one. I have only been in the company for two years, and these purchases were made by some one else, and I am not familiar with the transactions at all.

61. Will you consult your directors, and ask if they have any objection to your giving the information?—Yes. I was going to suggest that some of our people would give evidence in Wellington. We are preparing our balance-sheet to the end of April. It will probably be ready for your Wellington sitting, and we will put it in there.

62. How much bush has been felled in your district?—About 2,000 acres. Our mill is fifty miles south of Putaruru.

63. How much land has been cleared where you have been felling the bush?—Two thousand acres.

64. Have you made any experiments in grass-sowing?—Yes, we are grassing it all.

65. And what is the result?—Very good—excellent.

66. What sort of grass are you putting in?—I could not tell you the names, but they fatten stock very well.

67. Has the general effect been good?—Yes.

68. When the bush is felled the land is fit for settlement?—Yes.

69. Can you tell the Commission whether the importation of Oregon pine or other foreign timbers has lessened the cost of timber to those who use it?—I do not think it has lessened it one penny at this end of the Island.

70. Has it in any other part?—I am only going by hearsay, but I believe that in Wellington they are selling their timber at less than cost.

71. If the Government were to reduce the railway rates on timber, would the public generally get any benefit from it?—Undoubtedly; but I would not recommend that at all. I think the State has a right to get the revenue from the railways and also the royalties. The point I make is that they should protect that royalty and railway revenue by an import duty. Timber is one of the lines that pay the railways very handsomely. It helps to make up for some of the lines that do not pay—some of the farmers' lines.

72. Would you personally favour a committee being set up to deal with the prices to be charged for timber, in the same way as was done with regard to the Harvester Company and agricultural machinery?—I think the thing is absolutely impracticable.

73. How many men have you now in your employ?—At the present time we have 160 men in the sawmilling department, exclusive of our splitting men. Of course, we do a large post business. Of course, we should have double hands and work double time to make the business pay. Last year we made a profit of 13s. 2d. per cent., and we have not paid a dividend since the company started.

74. Have you reduced hands in the last twelve months?—Yes, we put off seventy hands in November last.

75. Do you find generally that the men work as well as they did five or ten years ago?—I noticed when some one asked that question down South the witness excused himself on the plea that there were too many politicians present.

76. I put that question down South and in other places, and I would like your opinion if you have no objection to expressing it?—Labour undoubtedly costs much more than it did ten years ago.

77. That is not my point. I want to know do the men loaf, as has been stated?—I would not put it that way. They do not work as well.

78. Were they paid as much ten years ago as they are paid to-day?—Scarcely. Wages are now a little higher.

79. *Mr. Hanan.*] How long has your company been in existence?—Since 1903.

80. How many dividends have you paid?—None.

81. What were your profits last year?—13·2 per cent. on the capital.

82. Why did you not pay a dividend?—It is rather a small amount to dole out.

83. Did you place anything to a reserve fund at all?—It is still in the business.

84. Did you acquire more business—more bush?—No.

85. Have you purchased any timber areas within the last three years?—No.

86. What do you value your timber areas at?—That is rather a tough question.

87. Do you not issue a balance-sheet showing your assets and liabilities?—We value our bush and land together at £120,000.

88. In the previous balance-sheet, at what value do you put down the same property?—With regard to these questions, I may say we make up our balance-sheet in Wellington, and it is not ready for this year.

89. Cannot you tell me, roughly, the value put down for your timber lands as compared with the previous balance-sheet?—There would be no increase—depreciation would go on to the extent of the bush cut off.

90. How many shareholders are there in your company?—I have not the share register with me.

91. Are there any shareholders in Wellington?—Several.

92. Do you know how long these men in Wellington have been shareholders?—Most of them since the inception of the company.

93. Is there any objection to supplying us with a list of the shareholders here?—I have not got it here.

94. Could you procure a copy for us?—The office is a hundred and fifty miles away. I could send a list down.

95. You have come here with a view to urging the imposition of a duty on Oregon, or the remission of the duty?—With a view to putting it on—increasing it.

96. You have studied these questions, and I may suppose you are satisfied that it is in the interests of the Dominion this duty should go on, not in the interests of the sawmillers?—In the interests of the sawmillers and in the interests of everybody, and particularly of the working-man.

97. Is it in the interests of the working-man to have cheap houses and buildings?—That has got to be taken into consideration with other things.

98. What do you mean by other things?—If there is no labour it does not matter what houses cost.

99. What labour do you say is affected by the Oregon coming into New Zealand?—Labour employed by the sawmillers.

100. I take it you have studied this question from the North Island and Auckland standpoint?—Yes, and from that of the whole Dominion.

101. What was the timber-output for the Dominion last year?—Four hundred and thirty millions.

102. How much of that was exported?—Sixty-five millions.

103. How much of that was kauri?—Probably about forty-five millions. These are the Government official figures.

104. Do you know how much kauri came into Dunedin in the last twelve months?—No.

105. How much came into Christchurch?—No.

106. Or into Wellington?—No.

107. And yet you have come to the conclusion that it is in the interests of the Dominion that a duty should be put on Oregon?—Certainly.

108. Do you not think you should consider these figures?—The figures for those places are trifling.

109. Do you not think you ought to know them?—No.

110. You tell me that in coming to the conclusion that a duty is desirable in the interests of the sawmilling industry of the colony, you do not take into consideration the timber supplied to the South Island markets and how it is affected by the imported timbers like Oregon coming in?—I will state it another way.

111. Put it any way you like?—The question of kauri coming into the South Island does not affect this question very much. In the old days, when kauri was more easily obtainable very little of it went to these ports. I put in five or six years in Christchurch from 1896 to 1902, and I do not think more than 200,000 ft. or 250,000 ft. of kauri was coming in then per month, so it is not a factor at all in the building trade down there.

112. Do you think Oregon is a factor in the building trade in the South Island?—We can produce all the timber of a similar nature required, and every million feet sent in takes a million feet off us in New Zealand.

113. What is the condition in Christchurch so far as obtaining good heart rimu is concerned?—They have no difficulty in getting it. I might qualify that by saying that good heart rimu—*i.e.*, figured rimu—is not used for constructional purposes in a building.

114. Are you speaking as an architect, a sawmiller, or a builder, or an expert regarding timber?—I am speaking with a very good knowledge of timber, probably as good as any one in New Zealand. I understood your question to ask if we had a sufficiency of building-timber in Christchurch, and I say we have plenty of good building-timber.

115. On what do you base your opinion: residence for the last three years or hearsay?—I am continually meeting my friends of the West Coast in business, and I know pretty well what trade they are doing with Christchurch and Wellington.

116. What quantity did they export from the West Coast to Wellington in the last eighteen months?—Probably about fifteen millions.

117. How much of their timber does Oregon displace?—That is putting the question in a way in which it cannot properly be answered.

118. Surely you had studied this question out?—I can put it in another way. In my opinion the whole of the Oregon timber that comes in could be equally well or better supplied by local timbers, consequently every million of Oregon that comes in shuts out an equal quantity of our timber.

119. Do you know the Grafton Bridge that is going up in Auckland? Can you, with your local timber, supply timber of the same quality and strength and which will do the work as well as the Oregon is there doing?—I have not seen the specifications for the timber.

120. Do you know the work?—I have seen it from the tram.

121. Would you say the engineer was wrong in making that statement, and would you put your opinion against that of Mr. Moore, who has a responsibility in connection with that bridge involving thousands of pounds?—I have the same responsibility myself with my own company.

122. In regard to building bridges and other works like that?—No.

123. You never had a responsibility such as this man has on his shoulders?—I never built a bridge of that description.

124. If he has told us that he prefers Oregon timber for a work of that description to any New Zealand timber, what would you say to that?—It is a matter of opinion largely.

125. Do you not think it is a matter of serious consequence to a man having a responsibility of that nature when he comes to consider the capabilities of a timber for a work like that?—Another competent engineer might say he wished to have the structure done with round-timber spars.

126. Then, I take it that you would use New Zealand timbers for that purpose?—Yes.

127. And have you had no experience in building works of that description?—In connection with my work I have been brought into contact with all manner of public works.

128. Of what description?—Generally of all descriptions.

129. What is the biggest work you have built or superintended?—I have never superintended any.

130. Are you an architect?—No.

131. Have you ever tested the breaking-strains of any timber?—I have read a good deal about it.

132. How does Oregon compare with red-pine?—I have never seen a test made or read of it.

133. Have you seen them in buildings?—Yes.

134. Can you form any opinion from seeing the different timbers in buildings?—Yes; I have formed the opinion that there is no better material, so far as bearing-strain is concerned, than our own timbers, rimu and matai.

135. On what do you base that opinion?—On observation.

136. Can you give me an instance that has struck you in regard to the qualities of the respective timbers: are you really convinced that rimu is as good as Oregon so far as breaking-strain is concerned?—I am more than convinced; I am of opinion that rimu is the stronger of the two.

137. On what do you base that?—On observation—on the look of the timber.

138. That is the way you applied your test?—I have said I never applied a test.

139. Then how do you know?—By the texture and the grain of the timber.

140. Without applying any test at all. Have you studied any work like Blair's "Building-materials"?—Yes.

141. Do you approve of those tests?—Yes.

142. And they are the tests that are applied to-day?—I might say that before coming to Auckland I endeavoured to get some tests from the Universities of Christchurch and Wellington, but they have not come to hand so far.

143. As a matter of fact, is it not the case that you do not yet know the difference in the qualities of these two timbers?—I do know.

144. Then tell us?—I know from observation as well as anybody. If you are building a cottage you do not go by test, but by your experience and observation.

145. Would you be surprised to hear that as a result of tests applied at the Canterbury College Technical School Oregon is given pride of place from the standpoint of breaking-strain in comparison with rimu?—There are a lot of different breaking-strains. I should like to see the report.

146. Do you know anything about Australian timbers?—Yes.

147. How does Oregon compare with Tasmanian timber?—It does not compare with ironbark at all.

148. Would you put Oregon low on the list with Tasmanian timbers in regard to breaking-strain?—What timber do you refer to.

149. You can take any one of them: would you place Oregon at the top or at the bottom of the list?—I would put it below ironbark.

150. Would you be surprised to know that Oregon timber is on top, taking Tasmanian woods, in respect to breaking-strain?—I should not be surprised at anything at all.

151. *Mr. Field.*] Are you aware that a test, said to be a very fair test, was made in the presence of a number of business men in the City of Wellington of Oregon and rimu?—No.

152. Did you hear about it?—No.

153. Do you refer to the position of the milling industry at the present time as being in a very serious state?—Yes, very serious.

154. I see by the morning paper that a large sawmilling company called the Puketapu Company is in liquidation. Where does that company operate?—A little way south of Taumarunui, on the Main Trunk line.

155. Is it mixed bush they are working?—Mixed bush, but mostly totara.

156. It is a large company, which has been spending a lot of money?—Yes.

157. You say it is necessary that something should be done at once if a number of mills are to be saved?—Yes, I am strongly of that opinion.

158. It is a case of extreme urgency?—Yes.

159. With respect to Oregon, do you hold the opinion that it is not absolutely necessary to use it in any sizes or for any purposes?—Yes, strongly.

160. And you form that opinion after a very long experience of timber?—Yes, twenty-three years.

161. Would you recommend an increased duty on the large pieces or leave it as it is?—I recommend that the whole duty should be doubled throughout.

162. What is the local price at which Oregon is being sold to the consumer?—I do not think there is any standard price. It is sold from 16s. to 18s.

163. And you recommend a duty of 4s., which is equal to about one-fourth of the present retail price?—Yes.

164. Have you been round the yards in Auckland at all?—Yes, lately.

165. What quantities have you seen in the stacks here?—I have not been round all the yards, so I cannot say what the total quantity in Auckland would be.

166. Do you think there are four million feet?—I cannot say.

167. You have not a very high opinion apparently of Oregon as a building-timber. You would not use it yourself?—Certainly not, as against our own timbers.

168. Do you think that to some extent the mind of the people of Sydney, New South Wales, is indicated on that question by the fact that while white-pine is quoted at 1s. 2d. per foot dearer than Oregon it is in better demand?—I should say it tends to show that those people who are familiar with the timber and who have been using it for a number of years think Oregon is an inferior timber.

169. How many feet of timber do you cut to the acre?—About 30,000 ft. in good heavy bush.

170. Do you know how much ordinary good mixed bush there is, say, in the Raetihi district?—I should say not 20,000 ft. to the acre.

171. What is the amount you spend in labour on an acre with 30,000 ft. of timber?—That requires a little calculation. We spend 6s. on labour to produce the sawn timber, but that includes everything. In this bush we do so many things. We have splitters following up the bushmen.

172. Then more than 6s. per hundred feet is spent in labour?—Yes. We probably spend in labour about 7s. 3d. altogether.

173. That means that on an acre of your sawmilling timber, which produces 30,000 ft. to the acre, you are spending £110 in labour?—Yes.

174. Suppose that bush was burnt in the ordinary way for farming purposes, what would be spent in labour in respect to felling, burning, and grassing?—I cannot answer that question.

175. Would the labour of felling bush like yours be covered by £5?—I should think so.

176. That is £5, as against £110?—That is so.

177. Do you consider that, at any rate in Auckland, where Oregon is selling at 17s. 6d. with discount off, it can be truthfully said that the importation of Oregon is cheapening the cost of building?—Certainly not: it is not cheapening it at all.

178. Were you in Wellington when the millers offered to mill at a price to be fixed by the Government?—Yes.

179. Do you consider that was a fair offer?—Yes; but, as I have stated in evidence, I think it is impracticable.

180. Do not the Millers' Association fix the prices at the present time?—That is so.

181. Could not a Board of Commissioners do the same thing?—I think it would be too expensive altogether. I would suggest that the basis should be a certain percentage of profit on capital.

182. You think that would be a simpler and more reasonable way of doing it?—A more workable way.

183. Do you think that a system could be devised such as we have in the case of potatoes, and flour, and wheat, whereby the millers could not get more than a fair profit?—I scarcely think it.

184. If you stop foreign timber coming in, the public will naturally say, We want to be protected against our millers charging too much for their timber?—I understand. I think all the millers are agreed on the principle, but they think it will be difficult to carry out.

185. You know it is done at the present time in regard to potatoes, wheat, and flour?—These lines are more standard.

186. Now, we have been told in respect to the competition of Oregon that 90 per cent. of it comes here and competes with kauri only: do you think that is an accurate statement?—I do not.

187. Apart from the kauri, with what timbers do you think the Oregon competes?—Rimu, matai, rough-heart totara, and the lower grades.

188. The main difficulty is that it competes with the lower grades?—Yes.

189. Is that not the difficulty, that our millers are selling their best stuff, but are largely prevented from selling their second-class and O.B. on account of the competition of Oregon?—Yes, that applies specially to totara.

190. Are you aware that Oregon is getting into Gisborne and east coast ports?—Yes.

191. It does not affect you very much, if at all, with respect to local consumption in the Waikato districts?—I might say, No, but in a few instances we have seen it being used in Government buildings in small quantities, but not sufficient to have affected us.

192. Do you think the Government should use it for the sides of trucks, as I understand they are using it?—I think our own timbers are better, and that they should be used.

193. You are not a miller of kauri?—No.

194. Can you see any reason why a sawmiller who does not own kauri should desire an export duty on kauri timber? Would it do him any good?—It would do him little harm.

195. It would have the effect of throwing some kauri back into competition?—Yes.

196. You do not think it is likely to be a principle that there is any general desire on the part of millers throughout the Dominion to put an export duty on kauri?—I am not aware of any such desire.

197. *Mr. Leyland.*] In reply to Mr. Jennings you objected to give the cost of royalty. Now, when your company was formed, a prospectus was issued, and it stated there that the cost would average about 2d., and, in order to be sure, it has been worked out at 3d.?—Was it public or private.

198. It was shown to me?—I only know of one prospectus, and that was marked "Confidential."

199. I did not have it long in my hands?—I prefer not to discuss these matters myself. The gentlemen who were running our affairs in those days are more familiar with the position than I am. I am not familiar with the details of the transactions, and if you will allow the matter to stand over till the Wellington sitting I shall be personally obliged.

200. You have made the cost of production 9s. 6d., and the Government are now asking 3s. and 3s. 6d., which comes very heavy on those other poor millers who have to pay so very much more?—Look at the interest we have got to pay. We paid £120,000 for that land.

201. You told us that the expense of your railway and tramway was £120,000, and the rolling-stock £10,000. What is the cost of upkeep?—I have a schedule here: Wages, repairs to rolling-stock, &c., £701; purchases of coal, oil, stores, &c., £830; wages, running and permanent-way maintenance, £3,212; accident insurance, £70; depreciation, plant, buildings, &c., £77; depreciation, rolling-stock, £463.

202. You told us that you cut 30,000 ft. a day in an eight-hour day, and that works out at 9,000,000 ft. for the year?—Our actual cutting for the year was 7,865,789 ft.

203. That is less than 9,000,000 ft.?—Yes. Allowance has to be made for holidays and time lost through bush-fires.

204. You told us that the profit on your timber was 7d. per hundred feet. It would take over 25,000,000 ft. of timber to pay your interest?—The interest is already charged in the cost.

205. You only get 7d., which is disastrous?—Yes.

206. Would it not have been better to have let that bush stand until the market was closer to you, and so work it at a profit?—The market will never get closer. There will be no settlers there. They could not get there until our railway was built. There is always a demand for first-class totara. It is taking the place of your kauri.

207. Only in certain places?—I say, generally.

208. It would not do for joists in this building?—That is so, but it is taking the place of kauri in doors and sashes.

209. The loss in converting totara is costly. There are many hollows, &c., and the ramifications of a shake sometimes go right up to the sap. You have not had a scarcity of orders for heart of totara?—No.

210. So far as your heart of totara is concerned, Oregon is not affecting you?—Yes, it is. To produce 40 ft. of heart of totara we necessarily have to produce 60 ft. of inferior timber.

211. Do you as a timber expert seriously stand there and tell us that heart of Oregon is replacing sap or inferior grades of totara?—Certainly. It affects all the timbers we produce—totara, matai, and rimu.

212. I am speaking of totara, which is the great bulk of your output. All timber experts know the value of sap totara?—It is not sap totara. It is O.B. totara and rough-heart totara. Very little sap. Your heart Oregon is allowed more sap than we have in our O.B.

213. Do you understand Oregon?—Yes.

214. You know one is closer-grained than the other. Would you tell the Chairman which of those pieces is Oregon and which is kauri?—That is Oregon. It is either Oregon or Baltic. I will not pronounce an opinion about the other one, but I do not think it is kauri.

215. I want to tell you that both of these pieces are Oregon?—That is a trick.

216. Can you compare totara or ordinary average New Zealand timbers with timber like that. You said that was like kauri, and it is like a bit of first-class kauri. You can hardly tell the difference?—Anybody can pick out these pieces and trick anybody—any expert you like.

217. I admit that; I did not wish to trip you. I quite admit that it would deceive the best expert. Now, do you know that we have had very great difficulty in obtaining supplies of heart totara?—No, I do not think so.

218. Have you not cancelled an order from Leydand and O'Brien?—I think that is a matter between Leyland and O'Brien and my company, and has nothing to do with the Commission.

219. You have had 100,000 ft. for the sewer contract, and we have had to go outside of you to get some of it to keep the men going. I want to show that Oregon pine is not interfering with heart of totara?—You could not use Oregon pine for that purpose.

220. That is precisely the point I want to make. It takes certain places—not the place of your timber. We could have supplied Oregon?—Yes, but it would not do for that work.

221. Do you not think you were making a statement from hearsay regarding the wages of American millers?—Not ordinary.

222. I have been over there a couple of times, and I have seen the wage-sheets. We have had corroborative evidence by cable only the last day or so, and I know for a fact that the average wages, including Orientals, is 12s. 6d. per day, and a fraction over. Do you say that that is lower than the wages here?—I cannot reconcile that with what I know.

223. But you do not know?—I am speaking from my own personal knowledge.

224. So far as their wages are concerned we need not take any notice of it?—Very well.

225. You state there is no demand for long lengths simply because you have not been asked for them?—I am speaking of New Zealand mills generally. We have a good plant for long lengths and cut them daily for bridge purposes, but not for dwellings.

226. You do not suggest that your long lengths would do for shipbuilders?—I say we have a plant to do the work.

227. I am talking about the requirements of people here. Are you aware that in the shipments of Oregon that came here a very large proportion of the timber was long lengths, such as 14 by 14, 12 by 12, 16 by 16, and 20 by 20?—I have not seen a large proportion of these junk sizes.

228. They have all gone into consumption as long lengths?—They have gone up to the mining districts to replace our rimu.

229. They have been used in the city, chiefly up at the Cemetery Bridge. Nearly 20,000 ft. of long lengths have been used, at an average length of 50 ft.?—No, I do not know that.

230. The Harbour Board is waiting for forty 40 ft. lengths of Oregon?—We can supply them.

231. They would not accept your timber?—For what purpose is it?

232. It is for punt-building. Are you justified in making the statement that long lengths are not required, when you are entirely ignorant of the local demands for long lengths?—I replied to Mr. Jennings that, in building, the quantity of long lengths required was insignificant and not worth considering.

233. In the building in the opposite corner there are forty beams 48 ft. long, 18 by 12. Is that insignificant?—It is small compared with the whole. Two shillings extra would be nothing.

234. You said the price of timber was from 16s. to 18s. per hundred feet. Is that correct?—I believe so.

235. Well, it is not a fact?—What is it?

236. To the builder timber has been supplied at 14s. in all big jobs?—I got my information on very good authority.

237. The extras on the long lengths are so small compared with the extras in kauri. Kauri costs 18s. and Oregon 14s. Would that not reduce the price of a building?—Yes, there is a reduction, but the total cost would not be worth considering.

238. You said it would not reduce the cost?—I was speaking of cottages.

239. I am speaking of houses?—I cannot understand Oregon replacing kauri.

240. Look at those pieces of timber?—I want to put it this way: that Oregon cannot take the place of first-class kauri.

241. No, not in every case?—I cannot see it in any case in Auckland buildings.

242. You were asked the question about railway-trucks. An emergency arose, and they were short of railway-trucks at Huntly, and they wanted to convert twenty-five U wagons immediately into coal-trucks. The Railway Storekeeper went around the mills. He wanted 100 thirties, of 15 by 1½. He wanted them at once. He rushed round the mills, and he told us his trouble. He said he would take anything. We told him we could not do it in New Zealand timbers. We promised him Oregon, and he took that timber. Was there any crime in that, seeing he could not obtain from the Auckland millers suitable New Zealand timber?—The answer to that is that the Railway Storekeeper should not have delayed the orders so as to put himself in that position. He could have equally well made the repairs in 8-by-2's.

243. That is not for the sawmiller to consider. I had nothing to do in instructing the Railway Storekeeper what to do?—The Storekeeper could not say truthfully that there was a sudden shortage of trucks seeing that they had been short of trucks for a long time.

244. The Railway Storekeeper has to do with the finding of timber when he is asked for it?—Yes.

245. He did not want to take Oregon if he could have helped it?—He should have done the job with 8-by-2's.

246. I suppose he understands his own business?—Probably. The Government Departments should study local industries, and 8 by 2 is the standard size. I can only say that some people do extraordinary things.

247. I just want to show that there is a great demand for this timber. We do not object to selling rimu?—I do not agree with you, Mr. Leyland. You know that we are timber-merchants in a large way and we stock a couple of million feet, and that therefore we should know something about local requirements.

248. You evidently do not know the local requirements for long lengths. You do not appear to come in touch with the consumer who requires long lengths?—Yes, we do.

249. *Mr. Clarke.*] You said that one reason why the sawmilling industry should be protected was because it is the largest industry in the country. Do you consider it larger than the farming industry?—Yes; the manufacturing portion of it.

250. It would not compare in number with those engaged on farms?—I do not think that is a comparison, because we are talking of manufacturers.

251. Do the sawmillers make the timber, or is it a natural product?—They manipulate it.

252. You spoke in your statement against American dumping. Has there been any dumping done up to the present?—How are we to find out that.

253. I ask you has it been done, and you said it was done?—I understand that dumping is filling the market with material at a lesser price than it cost to produce.

254. Is it not generally understood that dumping is sending stuff on consignment and not by order?—No, I do not agree with that.

255. In regard to the cost of timber in a cottage, you say a rise of 1s. would put £8 on an ordinary cottage. How much has timber risen in the last twelve years?—I could not tell you that without looking up the price-lists.

256. With regard to conservation you say that it is proved that the bush cannot be conserved. Is it not a fact that the Kauri Timber Company owns large areas of standing bush, and that your own timber company own a large quantity, and yet they are preserved from fire?—We take precautions. We clear off the *débris*.

257. Then it is only a matter of taking precautions?—It is a matter of huge expense.

258. It can be done?—Yes, it can be done if you go to the cost.

259. You said that Oregon was not equal to our own kauri, totara, matai, or rimu. After your admission to Mr. Hanan that you have only stated this by casual observation do you still maintain it?—Yes, I do.

260. I think you said your area of bush was somewhere about 6,000 acres, and you have 4,000 acres of freehold?—Our bush area is about 12,000 acres.

261. You said there were a large number of mills keeping competition keen. Do you consider that a company that owns such a large area would be inclined to favour a large number of small mills to keep competition keen? Would you be in favour of increasing the number of small mills?—We cannot stop them.

262. We have had repeated requests in evidence here on behalf of the sawmillers that the sawmilling areas should be largely increased. Do you agree with that?—Yes, I think it is a fair request.

263. Would that not diminish the number of small mills?—Yes, slightly.

264. You also said when speaking of American millers that the American miller worked as many hours as he liked. Have you met a gentleman who was sent here as representative of the United States Government in Auckland—I refer to Colonel Weinstock?—No, I have not met him.

265. I recommend you to see him on that point, regarding the hours of work?—I have seen figures in the Canadian Year-book.

266. *Mr. Morris.*] You know the selling-price of O.B. timber in your yard here?—It is 15s. 6d. and 14s. 6d. We make a distinction between boards and scantling. There is 10 per cent. discount off that.

267. Have you heard of any Oregon timber being sold at less rates than that for general housebuilding purposes?—No, I cannot say that I have.

268. You are not able to say that the general public has derived any advantage from the importation of Oregon into this market?—It has not made building any cheaper.

269. Who do you think has derived any advantage from it?—The importers.

270. Do you think that that is largely responsible, then, for their ardent advocacy of the use of this timber?—I should say that is the chief cause.

271. You consider that owing to the importation of Oregon into this market the working-men have been deprived of about £12,000 or £13,000 in wages, and our railways of £6,000 or £7,000 in revenue?—A good deal more than that.

272. You do not think this is an advantage to the country generally?—I think the work should be done in our own country by our own men, and that our railways should handle the stuff.

273. As far as the colony is concerned as a whole, and the working-men, you think we are not gaining anything by it, but are losing?—Certainly.

274. What do you think is about the percentage of long lengths used in building operations?—What would you say were long lengths.

275. Anything from 25 ft. up?—I do not think they would exceed 1 per cent. in buildings. They are never asked for at all in a cottage.

276. *Mr. Barber.*] You tell us that your company have been compelled to expend a very large amount of capital in order to get their timber to the market. What is the total capital they have expended?—Our ordinary capital is £250,000, and we have got £100,000 in debentures.

277. That is, £350,000. That is practically all expended?—It cost us £300,000 to develop the property before putting the timber on the market.

278. You have to bring the timber 190 miles to get it to Auckland—that is, over your own tram-line and the Government railway?—Yes.

279. And this is all due to the timber being situated so far away from the market, and it is all added to the cost?—Yes.

280. When is there going to be an end to this? What is the limit to the difficulties which entail this expense?—We are getting pretty well to the limit now. We are working in the middle of the North Island.

281. You say that 1s. a hundred rise would be £8 more on a cottage?—Yes, a cottage of the description I instanced.

282. In the City of Wellington, where the rise has been 6s. in nine years, the additional cost to the man who is erecting the house is £48?—I do not know that the price has risen 6s. there.

283. I say if it has—I do not want you to say it has—the additional cost would be £48?—Yes.

284. You are not in favour of the importation of timber for the purpose of assisting to keep down the price of timber?—I think it is all against the wage-earner.

285. What about the wage-earner who has to pay this £48, or the interest on it?—His competitors in the town are relieved all the time. The more work he gets up country the less the field of competition. In that case of ours where we had to put off seventy men, they all came down to the town for work.

286. How many acres have you got altogether?—Forty-three thousand freehold and about 15,000 leasehold.

287. And how many men are employed on those 58,000 acres?—About 175.

288. How many men would be employed on those 58,000 acres under a closer-settlement scheme?—It is rather poor land.

289. But you said in your evidence that it was splendid land, that it took the grass well, and was good fattening land?—I was speaking of the bush land—12,000 acres out of 43,000. The country between the bush is not very good. Ultimately we expect to settle it all.

290. How many people would be employed under a closer-settlement policy on this number of acres, do you think?—Probably two hundred.

291. More than the number employed in the bush. So these people would not be driven into the towns if they were employed as a farming community?—They would not all make settlers straight off.

292. But others would take their place: the land would accommodate the same number of men?—Without our railway the country there is no good at all.

293. You have given evidence purely from the sawmillers' point of view?—The sawmillers' and timber-merchants', also the railwaymen's and the public generally.

294. If we prevent the importation of Oregon pine, you are still willing that our own timbers should be exported?—Yes, I think it would be ridiculous to put an export duty on kauri.

295. How can you consistently object to our importing timber, and at the same time, when there is a scarcity of a certain class of timber, advocate that that should be allowed to be exported?—I do not see any inconsistency at all.

296. You know that it is very difficult to get long lengths, but you would not assist us in the towns by keeping the long lengths and the suitable timber—kauri—in the local market, and you object to our having anything to take its place. Is not that your attitude?—It would not cause any harm to any one if the timber trade had another 2s. protection.

297. You gave us 14s. 6d. as the price of timber: what length is that up to?—Twenty feet.

298. What do you charge above that length?—Sixpence a foot to 25 ft.

299. And after that?—Ninepence a foot, and then 1s.

300. You would penalise the general public by the increase of duty to the extent of 2s. a hundred, without giving any advantage to the local industry? The local industry would not gain anything by the imposition of 2s. duty on the long lengths?—No, unless they were cut up into short lengths.

301. You have got a duty of about 25 per cent. at present on Oregon pine, and now you ask for 50 per cent. Are you prepared to pay 50 per cent. duty on your machinery and other things used in sawmilling?—No.

302. You ask us to penalise the workers in the city, who must pay the additional cost in erecting their houses or an equivalent in extra rent, but you are not prepared to encourage local industry with respect to the articles you want in your business?—It is all in favour of the working-man. He must be in favour of an import duty on timber to protect himself from the competition of the present mill-workers. It would pay him to quadruple the duty on Oregon.

303. It is not to his advantage to have an extra duty on American imported saws?—No; we cannot produce them. It we could I would advocate a duty on them.

304. Have you tried to get your machinery made here—the general machinery used in the bush?—Yes; a whole lot of it we give to the foundries here. That is what they are all complaining about now—that they are losing our work.

305. Did you import a lot of machinery?—Yes, machinery which could not be made in the colony.

306. You say that the Wellington merchants, you believe, are selling at a loss?—Yes.

307. If, with an increase of £48 in the cost of the erection of a worker's cottage——?—I do not know that it is £48.

308. If timber has risen 6s. a hundred—which I can prove—it is a rise of £48?—I do not want in any way to confirm that statement. I know that the wholesale price in Wellington has not risen more than 1s. from 1902 to 1907. What the merchants sell at in Wellington I do not know.

309. What was the price of ordinary rimu when you were in Wellington?—Ten shillings and sixpence a hundred.

310. According to this price-list which I have here the price was 14s. 6d. for ordinary red-pine in 1908?—Of course, there are discounts. [Price-list handed to witness.] According to the price-list the price was 14s. 6d. I should like you to say what it was six years before.

311. You say that when you were there the price was 10s. 6d.?—Yes; but that was the price at which the sawmiller sold to the merchants. That is the retail price.

312. The merchant was getting only a very small profit in 1902 if you were selling red-pine to him at 10s 6d. However, although this rise of 6s. a hundred, or £48 on a cottage, has taken place, you say that the merchants in Wellington are selling at a loss?—Selling below cost.

313. Then, what is the use of fostering an industry which is adding so much to the cost of living, and yet no one is making anything out of it?—That is a ridiculous question. All businesses make losses temporarily at times, I suppose.

314. You said that your land would grass well, and was good fattening country, yet your company have taken the property into their balance-sheet at a depreciated value. Is not this country being improved if it is taking grass and being stocked?—It is being depreciated for our purposes as the bush is cleared. The land now being grassed is the leasehold, in which we have no interest beyond its bush value.

315. But on the freehold there will be an increase in value when the bush has disappeared and the grass is put down?—The value of the land with the bush on it is probably £10 an acre, as pastoral land its value is £1.

316. What royalty have you charged in assessing the cost of production of your timber?—One shilling and eightpence a hundred.

317. *Mr. Ell.*] With regard to the use of kauri for the purpose of beams and stringers in buildings or for bridgebuilding, do you advocate that?—It is not always required.

318. Say that in the erection of a building a beam 14 by 6 is required, do you advocate kauri being used for that beam?—I think that rimu could be used equally well.

319. If rimu is not obtainable, would you say that kauri should be used in preference to imported timber?—Yes, any native timber I would put in.

320. No matter how valuable it be for any other industry?—No.

321. If kauri is specially adapted for boatbuilding, for furniture-making, for finishing-work inside a house, for counters, would you still urge that it should be used for a heavier description of work for which other timbers are better suited?—I understand your point now. I think it a shame to employ kauri when another local timber could be substituted. The other day you were asking about floor-joists of kauri being put into a building. I think it a shame that kauri should be used for floor-joists when rimu would serve the purpose just as well.

322. When it is more valuable to our people for other purposes?—Yes.

323. With regard to the timber required for the Railway Department, what would you charge per hundred for 30's, 15 by 1½?—Somewhere about £1 1s., I think. I am not absolutely certain without consulting price-lists.

324. Is that the timber-merchants' price?—Yes.

325. Not the price off the saw?—No.

326. Delivered on the works?—There is some sort of an arrangement with the Railways that they buy at the mill and the railage is deducted from the price.

327. With regard to the sawing of totara, what percentage of clear timber do you get out of a log?—We think ourselves very lucky if we get 40 per cent. of high-price timber out of a log.

328. If I told you that a manufacturer of this town stated that totara was one of the best timbers in the world for joinery-work of a high class, would you support that statement?—Certainly.

329. In view of that, do you think it is a wise policy on the part of the Government to use totara for huge telegraph-poles or rough purposes like that?—Of course, we like to see them use totara.

330. Is it in the interests of this country to use that timber, which is so highly adapted for first-class work, for rough work such as I have mentioned?—I think so, because the quantity of totara required for joinery is not enough to absorb what is produced. But I should say that the Government, in taking totara for telegraph-posts, should not insist on too high a quality. It might be a little rough but equally strong, and they should take that without insisting on the very best. And the same with railway-sleepers. They demand a sleeper that is clean enough for joinery

331. How long do you think the totara standing in our forests will last at the present rate of output?—I should not like to express an opinion on that, because I am guided by the Forester's reports, which are available here.

332. Do you indorse them: do you think it is a fair estimate?—Yes, the later estimates, I think, are carefully made.

333. Then, you are aware that the totara will be cut out in the course of a very few years, comparatively speaking—in the life of this generation?—I do not know from memory what time is stated.

334. If the people of Dunedin require 100,000 ft., and the people of Canterbury—say, about 150,000 ft.—and, not having any totara in their midst, ask that there should be a certain amount of reservation of our native timbers for the uses of our own people, would you consider that request unreasonable?—Not if it could be shown that the reservation could be made without injury or loss, and in places that are more or less inaccessible.

335. And where the land is of poor quality?—Yes; but I do not think it can be done.

336. I am only asking you if you consider it desirable, and you say "Yes"?—It would be desirable if it could be done; but I do not think it can be done.

337. In answering a question with regard to the amount of timber standing on your land, you said you were taking special precautions to prevent destruction by fire?—Yes. We burn off the refuse every year as we cut out. In the ordinary methods the dead timber is allowed to lie about, and that constitutes a danger.

338. Therefore you have reduced the element of risk by fire to a minimum?—Yes. Of course, it would be a very expensive thing to do in a bush where there was no sawmill working. I do not think it is practicable on a very large scale.

339. What is the total area you have under your control for milling purposes?—Twelve thousand acres.

340. What is your proportion of freehold?—Half and half.

341. You are cutting the leasehold out first?—Yes, naturally.

342. How do you pay for the timber on the leasehold?—By royalty. We have already paid a lump sum spread over three years.

343. Is that subject to any reduction in the event of any of the bush being destroyed?—No. That is our risk.

344. Are you aware that the people at Rotorua are being charged 14s. a hundred for O.B. timber?—That is so.

345. And they are quite near to some of the sawmills that supply that timber?—Yes.

346. These people have to pay just as much as people who live a hundred miles away?—Yes, or in other words, the people living a hundred miles away get it as cheaply as they do.

347. *Mr. Arnold.*] What did I understand you to say was the retail price for first-class O.B.?—Fourteen shillings and sixpence in the Waikato for scantling and 15s. 6d. for boards.

348. Will you give me your price for heart?—Totara £1, matai 18s., rimu 16s. to 18s.

349. How much extra per hundred for 30 ft. lengths?—Seven shillings and sixpence.

350. And if they are another 15 in. in width?—Another 1s. 6d.

351. You suggest that the duty should be doubled on Oregon?—On all imported timbers.

352. What do you think is the maximum duty that it pays a country to put on any imported article: you admit there must be a breaking-strain somewhere?—I do not know. On a good many articles there is actually a prohibitive duty. For instance, the Americans have some pretty tall duties.

353. Now, if in two years' time it is discovered by the millers that they are not making their business pay, do you not think there is a probability of their asking for a further increase of the duty on Oregon?—I do not think so.

354. Why?—The millers are not asking for this duty because they are not making their mills pay. That is not our plea; but we say it is coming in now on the old duty imposed in 1879, when the cost of production was about half what it is now. A duty of 1s. was imposed in 1866, and raised to 2s. in 1879, and we claim it should be increased again now in the same proportion.

355. Then the millers are not asking for the increased duty because their mills are not paying or because of a depression in trade?—We are asking that an extra duty shall be imposed because we can supply all the timber at present coming in.

356. If all the mills were working full time, do you think you would then have asked for this increase of duty?—It is quite possible, although the feeling would not have been so acute. The millers might be looking ahead for a time when they were not so busy.

357. I understand it is not in consequence of the slackness of trade at the present time and the depression in the milling trade that this extra duty is being asked for?—Not primarily. If we were all busy now and this stuff was coming in now we should ask for the duty to protect ourselves against future times. American slumps are always liable to hit us when we are experiencing a slump, as in this case.

358. What guarantee is there that in two years' time, even though all the mills may be busy and working full time, the millers will not ask for a further increase of duty?—The existing duty has stood since 1879, and it is a fair thing to assume that any increase of duty imposed now will last another twenty years at least.

359. Can you tell me when Oregon was first imported into New Zealand in quantities?—I think, about forty years ago.

360. In quantities?—Yes.

361. Is it not a fact that it is only within the last three or four years that it has come in to any extent?—It came in largely about four or five years ago.

362. Does not that alter your opinion as to no alteration of duty being required for the next twenty years?—No.

363. You told us a little while ago that the importation of Oregon did not reduce the cost of building: what are you working on?—A general knowledge of the selling-price of timber.

364. Are you familiar with the selling-prices in Christchurch?—Not for the moment.

365. Are you familiar with the rise in the price of timber in Dunedin during the last six or seven years?—No.

366. In Invercargill?—No.

367. Do you not think it would be a fair thing to make yourself acquainted with these matters before saying it had not reduced the price of building?—I hear sufficient for my argument. I have not the exact prices, but I do not think they have risen very much.

368. Do you call this argument?—Yes.

369. If it has not reduced the price of building is it not possible it may have prevented the cost of building increasing more than it has?—That is possible.

370. Have you ever worked in the bush yourself?—Yes, in every part of it.

371. And you have intermingled with the men during the last twenty-three years?—Yes.

372. Are you now working under an arbitration award?—Yes.

373. Are you paying the exact wages of the award?—No, we are paying more in every case.

374. Why are you paying more in every case?—It is our policy to get the best men obtainable.

375. You said that the men do not work as hard now as they did when you were a workman twenty years ago?—That is my opinion.

376. And still you pay them more than you need?—I am speaking generally. I am not particularising.

377. Then, you are not actually speaking from the experience of your mills, but from what you hear outside?—I am speaking from the finished cost of timber.

378. You said the men do not work so hard?—Generally.

379. To what class of men do you refer: do those men who are felling stand at the side of the tree and loaf?—None of our men loaf.

380. You do not see men standing about when they should be hauling?—I have no complaint about our men at all. I can say all our men are particularly good workmen.

381. I am glad to say that we hear that all over the place, and so I am surprised to hear that the men do not work. Now, as to the mills themselves, is the machinery ever kept standing idle?—Not when there is work for them.

382. If the machines are going, the men are going about as hard as they possibly can?—Yes, at a fair pace.

383. Did they go much harder twenty years ago?—Yes.

384. A very large majority of these men have gone out of the trade, I presume?—Yes, died out. Of course, I am speaking generally.

385. Do you know an industry in which the same amount of capital is sunk that employs fewer men and in which the men work harder than the sawmilling industry?—I do not know any industry that employs so much labour in proportion to the capital involved.

386. Do you think that if the men work as they have for so little pay and on such a large vested capital, that it is fair to tax the rest of the community to keep that industry going? Do you think it is fair in the interests of an industry such as you have described that the community as a whole should be further taxed by the imposition of a higher duty on Oregon?—I think I misunderstood your prior question as to the size of the industry. My opinion is that the timber should be taxed, but I disclaim that it would inflict any hardship on the rest of the community.

387. *Hon. the Chairman.*] You said you would put a double duty on all imported timber?—Yes.

388. Do you not think that would inflict a hardship on country people who have to import hardwood for bridges because there is no local timber able to take its place?—I think we can supply any totara or matai that is required on a bridge.

389. How is it that you find that totara is not put into this bridge-work?—We supply totara for bridges all over the country.

390. But the position is quite different if you go to the South Island?—The cost of transit charges becomes dearer.

391. I have not seen a totara bridge in my district as long as I can remember, and yet you would put a double duty on ironbark, which is an absolute necessity to the local bodies?—I think the sawmillers would allow a reservation in all cases of Australian hardwood, because there is a genuine need for hardwood, and, further, the men in Australia work under similar conditions to our own men.

392. Then, you would modify your recommendation of a double duty on all imported timbers?—Yes, I would make a reservation in favour of Australian hardwoods.

393. You said sawmillers were all selling at a loss at the present time?—I think in Wellington they are.

394. Are they selling at a loss in Auckland?—I do not think so.

395. What is the difference between the prices in Wellington and Auckland?—They are roughly about the same when you get down to bed-rock. The customs of the trade vary in regard to discounts and the time allowed for payment. Of course, kauri is dearer in Wellington than it is here, but rimu is cheaper in Wellington than it is here.

396. But you do not refer to special timbers; you say timber-merchants are selling at a loss?—In Wellington.

397. Then, when they are selling at these very high prices, how is it that they are selling at a loss in Wellington and not in Auckland?—I must have misunderstood your statement. At present there is no recognised price-list quoted in Wellington.

398. Then you have nothing substantial to put before the Commission to show what the prices are in Wellington at present?—No; I can only repeat what I have been told. I am told they are selling Oregon at less price than they bought it at, and therefore they must be losing money. I understand they are selling at all sorts of prices. I have been told they are selling Oregon at 10s. 6d., and I know they cannot do that without making a serious loss. That is the reason I mention Oregon.

399. You modify your general statement to the extent of fixing the loss on Oregon?—I am making it a general statement. I think they are selling all timbers at a loss.

400. You made another statement that you did not think they were selling at a loss in Auckland?—That is so.

401. And you said again that the prices in both places are just about equal?—I meant the basis of profit to timber-merchants is just about the same all round the colony.

402. Then, I want to find out why they are selling at a loss in one town and not selling at a loss in another?—I suppose they are not so prosperous in Wellington as they are in Auckland, and have large stocks, and they must realise to meet monetary engagements.

403. *Mr. Mander.*] In regard to the certain lengths applied for by the Government for these trucks for Auckland, did the Government apply to you for these lengths?—I do not think so.

404. Could you have supplied them within a reasonable time if they had?—Yes, in a month or so. They ought to have known of their requirements in that time, although we say they might reasonably have used timber in shorter lengths.

405. Now, if the merchants in Auckland kept the same stocks in rimu that they do in Oregon, could they have supplied the same lengths from rimu?—Certainly.

406. In regard to a question put by Mr. Ell, I would like to ask, if settlement was going on all round that country of yours, would you not have great difficulty in saving your bush from destruction?—You could not save it.

407. Having regard to the number of men employed in the milling industry and the number who would be employed on the land, would it be wise to settle that land until the timber is cut off?—Certainly the miller must go through first and get the timber down, because the timber is the chief asset.

408. *Mr. Field.*] Is any farming carried on round your mills?—Not exactly farming—grazing.

409. There is no close settlement in that district at all?—Not so far.

410. In regard to Mr. Leyland's samples, I suppose you know it is an old question to ask which is kauri and which Oregon?—I recognise it was a trick, and no doubt my reputation as a timber expert suffered through that. I could trick any architect or timber-merchant in the colony in the same way.

411. *Mr. Stallworthy.*] How much land have you sold for pastoral purposes?—None so far.

412. Have you leased any?—No.

413. *Mr. Barber.*] You say that the percentage of royalty which you add to the cost of production is sufficient to recoup the outlay of your company for their timber lands?—Yes.

414. So that after you sell all the timber you get the land for nothing?—The bush portion of it. We have to make some allowance for our railway adding to the value of the land when the bush is down.

415. But in arriving at the cost of production, you have levied a royalty sufficient to cover the cost of the company?—Yes. I might mention that the Government royalty is 2s. for the same bush

416. *Mr. Morris.*] Do you know what the rise in hardwood has been in the last two years?—No. I know there has been a considerable rise.

417. There has been a rise of about 45 to 50 per cent. in the cost of ironbark in the last ten or twelve years, and if that is so and if this Oregon timber is the splendid stuff it is made out to be, do you think an extra duty of 2s. will stop its importation?—I do not think so.

W. STEELE, of Mamaku, sworn and examined. (No. 107.)

1. *Hon. the Chairman.*] What is your occupation?—Sawmiller. I desire to make the following statement.

I should like to draw your attention to what I consider a vexatious waste of time and money in opening up an area of bush for sawmilling. During the last three years there have been four lots of mixed timber in my district offered to the public. In two instances it has taken quite two years from the time the timber was applied for till tenders were open. The usual course for the Government to take in opening an area is: The sawmiller has to mark on a map the locality of the desired bush, and if approved of, men are sent to survey the land and to measure the timber.

The last piece of bush in Mamaku district that was thrown open (about 400 acres) contained under 4,000,000 ft. of timber. This took three men eight months to put through at a cost of, roughly, £300. Their time was spent in cutting this area up into 5-acre sections, so as to be sure and not miss any trees. After these section-lines were cut each tree was measured and branded. I may state that I was particularly interested in this piece, as it was I who had it cut out and anxiously awaited the appearance of this timber on the market. When it was offered, much to my astonishment and unpleasant surprise, this lot contained a million feet of tawa and birch at 6d. per hundred feet. Tawa is not a marketable timber, therefore in my opinion it should have never been included, but now it has been measured amongst other timbers, it will always be included unless our Royal Commissioners can stop it. During the last sixteen years there has not been 50,000 ft. put on the market by the Mamaku mills, so you will see the unreasonableness of compelling one man to buy a million feet and sell it in three years. This was pointed out to the officials in the Lands Office, but we were given to understand that if we did not like to take the tawa with the other timbers we could leave the lot. When we asked these officials where we could find a market we are told, "Don't know and don't care." In this same lot there are forty-two totara-trees, containing 23,000 ft. in the lot. You have to search 10 acres to find one totara-tree, and when you have found him he contains 607 ft. "Quite a beauty!" There is one matai, containing 842 ft., in every 20 acres (just fancy taking an order for matai under these conditions!); and you find one tanekaha, containing 611 ft., in every 14 acres, yet these few miserable trees are specialised and loaded with a third more royalty than the other timber. What I should suggest is that where the bush is scattered the royalty should not be more than 6d. per hundred feet, and the timber should be sold on an estimated quantity, so as to save the expense of cutting up the block into 5-acre sections, and also the expense of measuring each individual tree; and where there is such a small quantity of totara, matai, and tanekaha as shown above, the royalty should be no more on these timbers than on the rimu or kahikatea.

With regard to tawa timber, if it is considered desirable that it should be forced on the market I think the Government should pay the sawmiller at least 6d. for every hundred feet that he is able to sell, and when the market is properly established then ask for a royalty; but to compel a sawmiller to pay royalty on an unmarketable timber I consider is worse than highway robbery. If it becomes general that tawa must be taken along with marketable timber, it is certain the Government will not stop at that, but will include every tree, no matter what it is, as long as it is over a foot through, and make the sawmiller pay for it whether he cuts it or not.

With regard to the new regulations, I notice that the amount of bush granted is at so many acres per nominal horse-power of engine. This is another injustice to the miller in sparingly timbered country. Take a miller in Mamaku, for instance, where the average per acre is 8,000 ft., as against a miller in the King-country, where the average quantity is, say, 40,000 ft. per acre. They are both granted the same number of acres, but one has five times as much timber as the other.

There is another matter in connection with Government standing timber that I should like to bring before you. During the dry weather in February, 1908, a fire passed along the edge of the Government bush in the Selwyn Estate, killing a large quantity of rimu. This I offered to purchase from the Government at 6d. per hundred feet standing measurement; but my offer was not entertained. I was told that they had no power to sell timber that way, but it would have to be measured and advertised in the usual way. As rimu will not keep more than twelve months after being scorched by the fire, this timber is now totally lost.

2. *Hon. the Chairman.*] Have you any documents to prove what you say in respect to this advertisement regarding the piece that was offered for sale?—Yes.

3. Do you maintain that that is not correct?—It is correct as far as the tree goes, I suppose. I consider that the birch and tawa should be left out. I hand you a printed specification headed "Piako County," showing that these trees are included. On my own section I have birch. I have sold birch for 6s. per hundred, delivered at Waihi. I am situated at Mamaku, which is sixty miles from Waihi.

4. You wish this Commission to make representation of this grievance to the Government to see if anything can be done?—I think it is very desirable in the interests of the sawmilling industry. I am the first that has been touched.

5. Has it not been the custom to include these previous to this?—This is my first experience.

6. How long have you been in the timber trade?—Sixteen years.

7. Then, this is the first time that tawa and birch have been included?—Yes, that is so.

8. With what class of timber do you class tawa?—I have tried to class it as kahikatea. I have not been successful. I offered it at Auckland and Waihi.

8. *Mr. Mander.*] Do you know the reason why the Government have included this tawa in the list of marketable timber?—No, unless they want to force it on to the market, or else to get the cost of measuring the lot out of royalty received for tawa.

10. I suppose you are aware it is being used in some cases as a fancy timber?—Yes, but there would not be a million feet of it.

11. Have you had any experience at all regarding its durability?—Yes, if it is left in the wet it will decay in a few months. It is one of the most perishable timbers in the bush.

12. It has not been recognised as a marketable timber in any way except in a very small degree?—Not that I know of.

13. There would be great difficulty in forcing it on to the market?—The Mamaku sawmillers did their best in that respect.

14. Would you put it in a house?—No, I should not. It would be a last resort.

15. *Mr. Stallworthy.*] Was your evidence known to the other millers before you came here?—I dare say they knew I was coming here.

16. Have the other millers agreed to your evidence?—I should think so. If they were men of common-sense they would agree.

17. But how could they agree if they did not know what your evidence was?—No, they have not read it; but we have talked the matter over.

18. Do you pay royalties to Maoris?—No, I have had nothing to do with Maoris.

19. *Mr. Jennings.*] Have you found any difference in the rates of timber on the railway?—I sold about 5,000 ft. of tawa, which was consigned as white-pine. There is a special rate for certain timbers.

20. Do not the millers generally up this way ask for some consideration for what they call second-class timber or lower-class timbers. They have to pay almost as much for lower-class as for first-class?—In short distances they do not pay so much.

21. How far is your mill from that of the previous witness, Mr. Coupe?—I believe, seventy miles.

22. North or south?—He is nearer Taupo direction; I am at Mamaku.

23. What is the character of the soil there after the bush is felled?—Very good.

24. Is it suitable for pastoral and agricultural purposes?—Yes, it takes grass well.

25. What is your opinion so far as the conservation of the bush is concerned. Do you think it is possible to preserve the bush in the true interests of the Dominion of New Zealand? Have you seen much destruction of bush by fire?—Yes, I have seen a good deal.

26. Do you think that contingency must always be contended with?—Yes.

27. *Mr. Field.*] In estimating the royalty, Mr. Steele, I assume the estimate is made on the supposed output of the sound timber?—Standing measurement.

28. Even on the portion that is wasted?—They make allowance for that, but after that there is a loss of 30 per cent.

29. How long have you been in the Government bush?—I have not started it yet.

30. You were telling us your experience as to the number of trees?—Yes.

31. We know, of course, that mistakes must be made?—They must be pretty accurate when they measure 5-acre sections.

32. Can you tell us from your experience whether mistakes that are made are on the Government side or on the sawmillers' side, or are they equally balanced?—I cannot give any opinion on that point.

33. On this subject of tawa, do I understand that it is quite impossible to sell any quantity of it?—It is impossible to sell any of it. It cannot be done.

34. Is it difficult to keep after it is sawn?—It is more perishable than white-pine, and you must keep it dry all the time.

35. Does it crack much in the saw?—Not much after it is sawn, but there is a great waste in the sawing, because it splits and springs.

36. Generally speaking, you cannot complain of the treatment of the Government?—No, only in that particular line.

37. You think the Government is to blame for the high price of timber?—Of course, they are asking more royalty, and the consumer must pay that in the end.

38. You think that the royalties are too high?—I have not much to complain of, although they have risen the royalty on the piece in question.

39. Is there any other timber that you cannot find a market for?—There is birch, which is a very inferior timber. There is much loss in connection with it. I have seen a log split from end to end on being hauled with a wire rope, the rope being passed round the end of the log.

40. *Mr. Leyland.*] You stated that in your operations you found you generally got about 8,000 ft. per acre?—Yes.

41. The Mountain Rimu Company are neighbours of yours and of the Rotorua Rimu Company people, and altogether several thousand acres have been cleared off?—Yes.

42. Do you know whether their experience is in accord with yours as to the amount of timber per acre?—It is practically the same.

43. Yes, it is just over 8,000 ft. per acre?—That is so.

44. What was the price asked for this particular timber that you are in trouble over?—The prices are—totara, matai, and tanekaha, 1s.; rimu, 9d.; and other timbers, 6d.

45. That is reasonable for totara?—Yes, it is if it was all together; but, as I pointed out, there is only one tree to every 10 acres.

46. You have not enough to fill an order with?—That is so.

47. Did you represent this to the Department?—Yes, I objected strongly.

48. What did they say?—They gave me an extension of time.

49. Did they give you the option of paying more for the rimu and leaving the tawa?—No.

50. You stated you did not think tawa split much. That is not our experience when dried and seasoned?—I found most trouble before it was sawn.

51. It appears to me to be useful for inside matched lining, and we have tried to sell it for that purpose?—Yes.

52. We find that it is affected with the slightest damp when it is left together. We had an order, which was on our hands for some time, and the timber fell to pieces?—Yes.

53. *Mr. Morris.*] Is you mill on the railway-line?—It is four miles from the railway.

54. You have been able to sell a small quantity of this stuff in Waihi at 6s. per hundred?—Yes, birch, with a little tawa. What tawa I have sold has gone at white-pine prices.

55. Instead of it being an advantage to you it is a considerable disadvantage?—Yes, I think so.

56. Your wish is that this stuff should be eliminated in all Government sales?—Quite so, as long as that does not put up the price of rimu, because in that case I should be worse off.

57. Is there any complaints in your district about the cost of timber to the buyer?—There are always complaints no matter what the price is. You will always find some grumblers, but generally there are no complaints.

58. Do you consider the price charged for native timbers in that quarter too high?—Yes, there are always a number who consider them too high, but the majority are satisfied.

59. Do you think it is consistent that if the miller should be called upon to pay royalty on timber that he cannot sell the people are to get cheap timber?—He should not be asked to do that at all.

60. *Mr. Barber.*] You were asked to pay on the standing bush?—Yes.

61. On the West Coast they pay on the mill-output?—Yes.

62. What do you think about the two systems?—Looked at from a sawmiller's point of view, the West Coast way is preferable. At the same time I do not think it is advisable to sell in that way. It must be unsatisfactory, I think.

63. Why do you think it is unsatisfactory when they only pay on the output of the mill, and pay probably six months after the timber is cut, whilst by the other method the miller pays in advance, and takes the risk of contingencies, such as fire?—Of course, looking at it from the sawmiller's point of view that is a real good way.

64. From a public point of view?—From the public point of view, I think there is likely to be waste. You would only take out the very best timber, and leave the inferior stuff.

65. You estimate that the cost of measuring these trees was £300?—Yes, roughly.

66. There is no return for that expenditure, although, of course, it is included in the royalty.

67. Well, with regard to the new regulations, you advocate that instead of being based on the number of acres it should be based on the quantity of timber?—That would be fairer.

68. They would have to measure trees in that case?—Yes, either measure or estimate them.

69. *Mr. Ell.*] What kind of timber is growing in your forest?—Rimu principally.

70. What other kinds?—Thousands of kinds.

71. I am talking of milling-timber?—White-pine, tawa, miro, tanekaha, birch, matai, kahikatea, totara, and rimu. We take our rimu, kahikatea, tanekaha, and matai, and, of course, totara.

72. Is there much birch?—It is patchy. I got very little out of it. I have sold it at a loss. I am trying to find a market for it.

73. Are you cutting all the birch out?—No, I am not.

74. What are the sizes you cut other timbers down at?—About 3 ft. 6 in. to 4 ft. in circumference.

75. Is that the smallest you take out?—Yes. Anything below that is too much waste and very little good.

76. Are you aware that some millers are cutting it out at 10 in. in diameter?—I have heard so.

77. They say, even as low as that, it pays to take it out?—True, if they can find a market for it.

78. What do you sell your beech for?—For mining-props.

79. What size do you cut your beech down to?—About the same size, perhaps not so small.

80. So you leave more behind?—Yes.

81. What area have you got?—About 2,000 acres altogether.

82. Is it Native land?—Some of it is Native land leased from the Government.

83. And the other?—The other is Government land.

84. Which is your nearest market?—It is hard to say—the man next door for that matter.

85. I am talking of quantities?—Auckland is our principal market.

86. How far are you from the railway-line?—Four miles.

87. What is the railage into Auckland?—Three shillings.

88. Does the Crown Lands Ranger visit your holding?—He has not been there yet.

89. How long have you been milling?—Sixteen years.

90. You do not mean to suggest that for the sixteen years the Forest Ranger has not been near your mill?—I have not been cutting timber off areas that he has anything to do with.

91. And you have not had a visit from the Forest Ranger during that time—sixteen years?—Not that I remember—for the purpose of looking at the timber.

92. So you have not had a Forest Ranger at your bush to see what you were doing?—No, because there is no reason for it.

93. What is the waste in conversion?—Between 25 and 30 per cent.

94. What amount of plant have you got, and what do you break down with?—With a vertical saw.

95. When sawing it into boards what do you use?—We use a circular saw.

96. You have no frame-saw?—No.

97. *Mr. Stallworthy.*] What is the cost of timber delivered at Mamaku?—About 7s.

98. *Mr. Leyland.*] Supposing you are working a sawmill area, would you be agreeable to a clause providing that after your area was worked out the Crown Lands Ranger should go through the bush and charge you for every tawa-tree that you took from the stump?—I think it would be a way out of the difficulty, or else get a sworn statement from the sawmiller as to the amount he has sold or cut; this could be checked in most cases by the Railway Department.

99. You say there is no reason why the Ranger should go through your district. Is it because the timber belongs to you?—Yes, that is so.

100. His duties do not take him there?—No, they do not.

101. You do not infer there was any neglect on the part of the Ranger?—No, not at all.

102. *Hon. the Chairman.*] Do you think the Government Ranger should visit milling-areas from time to time to see whether the timber is taken off in an economical way?—With regard to their land I believe they do send a Ranger round not to see that you clean it up properly, but to see that you do not take any timber that they have marked "F.R." (forest-reserve), which includes faulty and undersized trees.

103. When it is your own land the Ranger has no business there?—Yes, that is so.

DAVID GOLDIE, Timber-merchant and Sawmiller, sworn and examined. (No. 108.)

1. *Hon. the Chairman.*] You have a statement prepared, I understand, Mr. Goldie?—Yes, Mr. Chairman.

I just want to submit to you evidence upon three or four points only—(1.) Is the present price of first-class kauri excessive? (2.) What is the true cause of the present dulness throughout the building trade? (3.) Should we put an export duty on kauri? (4.) Should we increase the duty on imported timber?

First, is the present price of first-class kauri excessive? The present price of kauri is not, in my opinion, an excessive one when one takes into account the charges which have to be met by the sawmiller and the risks he has to take in connection with the industry. These will be seen very readily if we briefly enumerate them. (1.) In the first place there is the high price paid to the Government and others as royalty on the timber as it stands in the forest, amounting in some of the recent purchases to very nearly 4s. per hundred feet; and even this price, high as it is, is sometimes increased, because the estimated quantity paid for is not realised when the timber comes to be worked out, even although none has been lost by fire between the time of purchase and its removal to the mill, the loss being caused by overestimating the quantity in the bush. It is reported here that such does not occur in the South of New Zealand; the sawmiller there, it is said, only pays for the timber that is of a marketable quality, the measurement being made after the timber is sawn up; but you will know from your investigations how far that is correct. (2.) In the second place the miller must buy several years ahead, during which time he has to meet the interest upon the advance he has obtained from his banker or elsewhere to enable him to make the purchase, or lose interest upon the amount he has used in the purchase if he is fortunate enough to have spare capital that he can use to make it. In addition to this he has to pay high local rates whilst the timber is standing, and in addition a special rate to the local authority if he has to wheel the timber over the roads. (3.) Some few years ago the timber as it stood was rated as land, and one had to pay to the Government a land-tax upon it. Now that has been changed, and the sawmiller has to pay, in addition to his income-tax, tax upon the royalty paid by him for the timber, so that he not only pays his income-tax, but a further tax upon the timber used by him, which has enabled him to make a taxable income, and this tax sometimes amounts to 5 per cent. upon the first cost of the timber to him. (4.) If the Government have sold the miller the timber with a stipulation that it must be removed within a given period, and the miller finds it impossible to remove it within the time fixed by the Government, then he must apply for an extension of time, and if granted, which it invariably is, then the extension carries a further charge which virtually becomes an annual rent until the timber is removed. To this we do not object. We simply mention it because it adds to the cost of the timber. (5.) If the timber has to be driven by dams constructed at considerable cost for the purpose, then in the first place he requires to obtain and pay to the Government a fee for a floating license, and in addition pay to almost every settler whose land has been even in the slightest degree affected a sum for supposed damages, which amounts in many cases to a blackmail. If, on the other hand, he has not to drive the timber out in this way, but can take it across a settler's land, even if it be in a virgin state, then he has again to pay a considerable sum for the privilege. The law providing that if they cannot agree upon the amount to be paid then the aid of a Magistrate must be obtained to settle the dispute. (6.) In addition to the cost already referred to, which has to be met by the sawmiller in the purchase of the standing timber and the expense of getting it out, there is the further loss caused by depreciation through the logs laying for some time, in fact, in some cases for years before getting them from the creeks into which they have been rolled and into the mill. The sap which in its green state is a valuable part of the log, has become by the delay in getting it forward not only absolutely useless, but an additional cost to the miller for freight in towing them from the mouth of the river to his mill in Auckland, and cutting and cartage to a dump. Then there is the further loss through the sea-worm getting into the logs through in some cases the inability of the miller to get either a boat or steamer to go to some of the almost inaccessible places and bar-harbours from which timber is brought to-day. I myself have lost a very considerable sum this year from this cause. It is impossible to fall in the forest and get to the mill just the quantity that you can cut in any given time, because of the uncertainty of the freshes in the creeks and the volume of water you may get with the fresh. If too little water, then even with the help of the dams you have erected the logs, if removed at all, may not be carried very far. If too much water, then the logs may be carried over the banks and become stranded on the flats at either side of the stream and have to be jacked back into the stream, and the creek trimmed preparatory for another fresh. If the logs are not stranded in the way suggested and are carried to the booms there is the further danger, if the fresh is a good one and as a result a large number of logs are moved, of the boom and the logs getting to sea. (7.) There is the loss by fire, which applies particularly to the kauri forest. The *débris* around the roots of the tree and some distance from it is of a highly inflammable nature. Gum-diggers are continually roaming about seeking gum, often tapping the barrel and limbs of the trees, sometimes with the consent of the owner for a consideration, at other times without such consent. Many of these men are smokers, so that you can

understand the risk the owner runs in a dry summer of his bush, which may have cost him some thousands of pounds, being destroyed. One has only to take the account of the number of burnt trees sold by the Government from the State forests during the last few years to realise the folly of trying to conserve the kauri. Only those who have invested their savings, of years it may be, in the purchase of a kauri bush know the anxiety that rests upon them during a dry summer. The cost of getting logs from many of the now inaccessible forests is an important factor in the price the miller has to charge for the timber. The wages, as admitted by Mr. Phelan, the secretary of the Timber-workers' Union, are high, and from the arduous nature of the work should be; and the men, I understand, are paid whether prevented by the inclemency of the weather from working or not. In addition to this the miller has to pay a very high rate for accident insurance, amounting, I believe, in some cases, to £4 10s per £100 paid in wages. There was a statement made here by Mr. Arnold, I think, this morning with regard to wages. He said something to this effect: "God help the industry if you have to reduce those wages!" Well, since this morning I went into the question to see how the wages paid in the timber industry compared with those paid in other industries, and I find that the average wages paid for the twelve months ending 31st March, 1909, including, I suppose, all ages of workers in the respective trades referred to, were as follows in the following trades: Meat-freezing, £91 9s. 5d; sawmilling, £89 1s. 3d.; engineers, £89 1s. 11d; carpenters and joiners, £71 19s. 1d.; tailoring, £60 10s. 5d. So I think it was hardly right to make a statement of that kind, "God help the industry which pays such small wages." I think that the arguments advanced prove that the price charged for kauri is not an exceptional one, especially when you remember that the prices so charged carry a discount to builders, and in some cases to storekeepers, who sell again at a discount of 10 per cent. to those who pay their accounts. I need not remind you that all do not do this. This the miller knows to his sorrow.

It has been said by some of those who have appeared before you that they attribute the present lull in the building trade to the high price of timber. This to my mind is absolutely absurd. The lull has been caused by the very great drop in the value of our exports. For instance, for the four years ending 1906–7 our average annual imports were £13,406,775; during the same period our average annual exports were £16,820,418, or an average annual return to us in cash of £3,413,643 after paying for the purchases we had made outside New Zealand. The last of those years—viz., 1906–7—shows a difference in favour of our exports of £3,916,345, our imports being £15,486,903 and our exports £19,403,248. If this condition of things had continued things would still have boomed, but, unfortunately for New Zealand, they did not, for in the following year, 1907–8 our imports went up to £17,484,669 and our exports went down from £19,403,248 to £16,745,589, so that, instead of getting any cash back for our produce, we had to send with them £739,080 in cash to pay for the goods we imported. This condition of things very seriously affected our banking institutions, for they, during the five years from September, 1903, to September, 1907, had an average annual excess of deposits over advances of £3,633,432; but in the year ending 30th September, 1908, the deposits were £20,310,008, whilst the advances totalled up £21,217, 960, or an excess of advances over deposits of £907,952. If you go from the banks of the merchants and others to the bank of the artisan and labouring man—viz., the Post-Office Savings-Bank—the same condition of things is found, for during the three months ending 30th September last the withdrawals amounted to £12,532 more than the deposits. During the corresponding quarter of 1907 the deposits exceeded the withdrawals by £280,881. This drop in the value of our exports has caused the lull, and not the price of the timber.

Should we put an export duty on kauri? To this we say, unhesitatingly, No. (1.) Because the Government through the Agent-General is pushing the sale of kauri in the markets of the United Kingdom. They have not only had samples of kauri sent to them for exhibition purposes, but some of the sawmillers here have within the last few weeks had inquiries for the purchase of kauri from parties in Scotland asking for prices, stating that the names of the sawmillers appealed to had been given to the inquirer by the Agent-General. The following is such a letter which I have received: "Glasgow, 2nd March, 1909.—D. Goldie, Esq., Oceanic Sawmills, Auckland, New Zealand.—Dear Sir,—We have received your name from the High Commissioner for New Zealand, located in London, as producers of kauri-pine timber. We are importers of first-class planks and flitches, and would be glad to be informed of your lowest price delivered Glasgow by steamer for parcels of, say, about 5,000 cubic feet at a time. For your guidance we give you the following particulars of the specification we generally import—namely, 10/30 ft. long, averaging 15/16 ft. x 9"/30" wide, averaging 15"/16" x 3"/10" thick. To be of first quality throughout and well manufactured, and cut full to allow for seasoning. We should be glad to receive your quotation. . . .—Yours faithfully, Henry Stewart and Brother (per C. McCaskell)." An export duty would at once put a stop to any business being done To reduce the output of the kauri would not mean saving the timber, but would most likely mean that thousands of pounds' worth of the timber would be destroyed annually by bush-fires. This the Government know full well, as they have sold from time to time many millions of feet of burnt kauri-trees, and are now selling off the singed and burnt timber from time to time as the fires get into those kauri forests held back from sale. The removing of these partially burnt trees increases the risk to the green trees remaining, because the barrel of the kauri tree is taken and the tops left where the trees fall. As they become dry they become a serious menace to the residue of the forest. The prices obtained for the quantities of timber sent to the United Kingdom enable the miller to pay the high wages you paid to those engaged in the industry of log-felling here. If an export duty is put on and the Home market closed to us, then the miller would have either to pay very much reduced rates for the timber as it leaves the bush, or close down to some extent the kauri industry, and confine themselves more particularly to the selling of rimu, which is being produced largely in excess of present requirements, and at prices which leave to the miller in many cases an actual loss. This can easily be proved by the number of mills now on the market which can be purchased at prices very much below their original cost.

Now, with respect to Oregon: I do not think the duty upon outside timber should be raised because Oregon timber is now to some extent taking the place of medium kauri, which is almost impossible to procure because of the inaccessibility of the kauri in the remaining forests, and as a consequence the delay in getting it from the stump to the mill. The hardwoods, such as blue-gum, jarrah, &c., must be imported, as we have no suitable timber in New Zealand to take their places for some special classes of work. If an extra duty is placed upon the Australian timber, then the Australians are likely to retaliate by increasing the duty upon that exported to their shores by us. This would be a serious matter to us, as through the scarcity of softwood timber in the Commonwealth many of our inferior lines of timber are purchased by them, and so employment is given here which would not otherwise be found. That is my statement, Mr. Chairman.

2. *Mr. Mander.*] You consider that the depression in the timber trade arises solely from the fact that we are not exporting as much from this country as we were in former years?—I think it is due to that to a very large extent, and in some cases to overspeculation. Take, for instance, Wellington. In Auckland here you have to-day got about £5,889,122 owing on private mortgages; in Wellington the amount is £19,970,038. In Otago it is about £4,134,199, and in Canterbury about £14,307,471. Some people have been moving a good deal too fast in the last few years, and now they are feeling the results.

3. You do not think the introduction of Oregon into this country has affected the sale of our local timber?—It cannot have affected it much, I think, because Oregon is being sold to the public at 17s. 6d. a hundred, and rimu and other timbers are much less than that. You can get Oregon for 14s. retail, or something like that, but only for a very large quantity. That is in parcels of 20,000 ft. and upward. I imported some myself, and I think I have fully two-thirds of it in my yard now.

4. Is any of the Oregon timber in Auckland finding its way into the building of cottages at all?—Only where people desire medium timber. It takes the place of medium. Sometimes it is used for framing, and in some cases for joisting. I think it is used because the rimu is so very much heavier to work; what they gain in the price they lose in the extra cost of labour. In a building here in Fort Street they specified that the joists should be rimu, but the contractor complained that the working of it was so much more costly than the other that he would have preferred to pay the extra price for Oregon.

5. Those considerations, in a measure, will bring it into competition with the rimu—I mean, its being lighter to handle and easier to drive nails into?—That only applies to a few buildings—brick buildings in the centre of the city; to ordinary cottage-building it would not apply.

6. Do you not think that as a general principle we should protect those commodities that we can produce in our own country, and lighten the duties on those we cannot produce?—Yes. But in this case you cannot produce unfortunately—it is almost impossible to get medium timber to-day and long timber. The demand for long timber is not very large. If you cut your timber down and keep it in long lengths in your rooms, in about seven months' time the worm gets into it This year I suppose I have lost hundreds of pounds through the sea-worm getting into the logs whilst waiting for cutting.

7. Does not rimu supply the want of medium timber to a very large extent?—Some people will use it, but a very great number will not.

8. Do you attribute that to fad, or to the want of knowledge of that class of timber?—I cannot tell you what it is. People have some strange ideas and you cannot follow them out.

9. Is it not a fact that people would not look at any other timber but kauri in Auckland a few years ago?—They were wise, too. It is one of the best timbers you can get.

10. But do you not think that if rimu is judiciously handled it will last as long in a building as kauri?—I could not say that. You should get that information from the South, where it has been longer in use than here.

11. Have you known of rimu timber being used in the construction of buildings many years ago?—No. Of course, there is a difference in the rimu; that from the mountain, called mountain rimu, is very much better than that grown about here. The latter has not got the figure in it I think that in rimu you get only about 7 or 8 per cent. of really first-class heart.

12. But is it not a fact that there are also differences in the quality of kauri timber?—Yes.

13. Some qualities will last much longer than others?—I do not know about its lasting. If the timber is grown on the sea-coast and is exposed to the weather, it is very much harsher and springs more than timber grown in a valley.

14. Do you not think it would get over the difficulty somewhat if the duty on long sizes—which are very difficult to get in this country—were reduced, and the duty on the smaller sizes—which we can supply here—were increased?—Then you would have to increase the freight. The freight would be more if the Oregon came here in smaller loads.

15. It would still be very much cheaper than you can produce kauri for?—I dare say.

16. I suppose you consider it unwise to use kauri for beams when Oregon is very much cheaper?—Oregon is very much better in some respects—for one thing, it is very much lighter. If you get the long lengths of kauri you have to take them out of small-girth trees, and young timber is not so durable as that of larger girth.

17. What is your idea with regard to the conservation of our kauri?—You cannot possibly conserve it; it is utterly impossible. Every year when it is at all hot in summer I am in continual dread. I have a man now tapping my kauri-trees in one bush and drawing the gum from them. I know it does not do the trees any good, but he guarantees to keep it from catching fire. You could not, however, keep men there just to watch the bush; the cost would be enormous, and they could not do it effectively. A kauri forest is of such an inflammable nature that you cannot possibly prevent fire from getting into it. A large part of the Government forest at Puhipuhi was destroyed by fire, and in every year the Government are selling a few trees that have been burnt on the fringes. And as the population increases about a forest, the greater will be the risk,

18. Have you known of large quantities of kauri being destroyed by fire?—I have seen the Puhipuhi Forest, and I think you will find that Leyland-O'Brien bought from Government one bush containing some seventeen million feet dead timber. But you can get that information from the returns of the Government sales.

19. Have you known of sparks on some occasions flying a very considerable distance and getting into a kauri-tree and setting the bush on fire?—I have not worked in the bush like you have, and so cannot say. All I know is that the Government are selling so-many dry trees and so-many green. A dry tree when it falls shatters and does not recover itself, but a green tree does. In the felling of the dry timber you may destroy it. And then, in addition, if the dry timber is allowed to stand for a lengthened period a grub gets into it, and so the timber is almost valueless.

20. Supposing you bought a bush now at present prices—say, on an average, 3s. for kauri bush—would you consider it a business proposition to hold that timber for forty or fifty years?—No. It would be simply madness. It would eat itself up in interest alone.

21. What is your idea of the extra cost of producing timber to-day, as compared with ten or twelve years ago?—I could not tell you that very well. The difficulty is not only the price of labour, but you have to go back and take the cost of food, and the men to-day claim to be put on first-class rations, which in earlier days they did not. It is costing us now as much as 5s. and 6s. a hundred to get the timber out.

22. In calculating the royalty on your timber—the timber that you bought ten years ago—did you add to that the interest on your money?—No, I have not added on the interest at all. I simply put down the cost I pay for it.

23. Would it not double even in twelve or fourteen years?—I dare say it might; but would it be wise to increase it like that in your books, because, in addition to income-tax, the Government now claim from you a tax on the royalty paid by you for the timber.

24. Do you not consider it very unjust to tax the poor kauri land?—Of course, I do, but I knew the Government wanted it.

25. Do you not consider that the Government in a measure are compelling the people to get their kauri timber off: they limit them to a certain time?—They make the time very limited.

26. Have you ever found any difficulty in getting an extension of time?—No, they have been very fair in regard to that.

27. Have you any idea of the quantity of timber that is now available?—I do not trouble to go into these questions. I understand the Government have these figures.

28. On the whole you think the right thing to do would be to utilise the timbers we now possess for necessary purposes as we go along, and trust to supplies from other countries for the future?—That is the wiser course. Unless we do that with kauri we shall simply lose it by fire.

29. Is it not probable that other material may come into use, and that kauri timber may not be a necessary factor?—Yes. There is a building in Auckland called the Safety Building, in which there is hardly any timber used at all.

30. I suppose you are aware that there are very large supplies of Oregon in Canada?—I understand so, but you may depend upon it the time will come when it will be as scarce as other timbers.

31. Do you know that the Canadian representative here said there was enough timber in Canada to supply the whole world for a hundred years at the present rate of consumption?—They talk big in America.

32. The witness also said they could produce a forest in twenty-five years?—I understand they can do so in certain areas.

33. Seeing that they can grow this Oregon timber in twenty-five years, do you not think it would be a wise thing for the Government to plant it in this country?—It is all a matter of climatic conditions. Oregon may grow there is twenty-five years, and may not grow here in a hundred years.

34. As Oregon has been successfully tried here, do you not think the Government should get advice on this subject and plant the trees suitable for our lands?—Yes, by all means. Professor Kirk, I understand, says it will take a kauri from 500 to 3,000 years to grow to maturity, so that that tree may be put out of consideration for replanting purposes.

35. *Mr. Stallworthy.*] Have you any mills outside of Auckland?—No.

36. Have you secured a supply of timber for a number of years?—Not more than six or seven years just now.

37. From the Crown?—Part Crown and part private.

38. In buying your kauri from private owners do you pay for it delivered at your booms?—As it stands in the forest. Occasionally we buy odd logs from settlers.

39. What do you pay the settlers for these kauri logs?—It all depends on the girth and condition of the logs. We pay sometimes 8s. and 9s. for the logs brought here.

40. Can you give us any idea of the quantity of timber you put through in a year?—We can cut four million feet. Sometimes we work overtime and do a little more than that.

41. You are a timber-merchant as well as a miller: is the timber you send out stacked in the yards, or is the greater part sent straight to the builder?—For joisting and of special sizes only we send straight from the saw to the builder, but other timber has to be seasoned.

42. And rough timber?—It is sent into the yard until orders come in for it.

43. Is there much timber going Home now?—There is a good demand for timber at Home. I think last year we sent away from the Dominion 383,000 pounds' worth, but the demand is not quite satisfied. They are asking for more of particular lines—that is, wide flitches and long lengths for deck-planking.

44. *Mr. Jennings.*] Have you any knowledge of the bushes outside of kauri?—Very little I have one or two rimu bushes which I have not worked.

45. Do you know anything about totara?—Not very much.

46. Do you know anything about its strength and durability?—It depends entirely on where the totara has been grown. I think the totara grown on pumice lands is looked upon as a bastard totara. It does not compare for strength with the totara grown in the North of Auckland. The pumice totara might be used on bridges as poles and uprights, but it would not be good for cross-beams. The totara from the North is much better, but it is limited in quantity and is scattered, and you cannot float it down the creeks. I have a large quantity of totara logs, yet I am buying it all over the place, because my logs have sunk and I cannot get them out.

47. In regard to long lengths, would you be surprised to know that about Taumarunui and that district there are totara-trees with a clean bole up to 110 ft.?—That is all right so long as you stand it, but it is no good when you lay it across. It would break.

48. Do the same disabilities in regard to getting timber out of the creeks, and so forth, occur in America or Australia?—I do not think so. I do not think they work the creeks in America at all. In Australia they do not drive the timber at all. It is hauled out. Our kauri is so fearfully scattered and the country is so broken as compared with other countries.

49. Do you think the timber industry in the Auckland District, and particularly in the North Island, would be assisted by a better system of branch lines of railways such as we have seen in the South?—I do not know that it would particularly. I think it would be just as easy to bring it to the coast-line by driving it down the streams (as they cannot do in the South) and put it on to the boats as at present.

50. Is it not a fact that the use of our timber is being lessoned owing to the system of constructing wharves and other buildings with ferro-concrete?—To some extent, but ferro-concrete has yet to be tested and proved. We may find yet that we have to go back to totara.

51. Still, the ferro-concrete is being used?—Yes, and whilst it is being used it is lessening the quantity of totara that would be required.

52. With reference to the conservation of our bush, of whatever quality, do you or do you not favour the settlement of our remaining bush lands?—I think it is a very great mistake to cut the timber for the sake of getting on the land.

53. You think that the sawmiller should precede settlement?—By all means. I think it is a mistake to force it. There is plenty of land carrying no forest at all that should be dealt with first.

54. But, as you know, there is a very great demand for land?—I do not think that our forests should be destroyed for the sake of giving people the land. The people should go to places where land can be had. I think the Government should at once find out what land they have that is carrying no timber and first settle that.

55. If, as a general rule, it was found that the importation of foreign timbers—I am not going to confine myself to Oregon—was going to displace our own timbers, would you favour the imposition of an increased duty?—Yes.

56. *Mr. Field.*] You are a sawmiller as well as a timber-merchant?—Yes.

57. Have you got your price-list?—I did not bring one with me, but I can supply one.

58. What is the price of Oregon on your list?—It is not specified. When the price-list was made up, Oregon was not here, and it would not be here now had it not been for the trouble in America which brought the prices down there.

59. What is the price of Oregon here?—All prices. When it is sold in the place of medium kauri it is sold at 17s. 6d., less 10 per cent. discount. If a buyer takes 20,000 ft. in one lump he gets it at 14s. net. These big lots are generally sold outside of Auckland.

60. How does that compare with the price of ordinary building-timber, say, rimu?—The ordinary price of rimu here is 14s. 6d. for scantlings and 15s. for boards, and second-class rimu is 11s. 6d. and 12s.

61. So rimu is cheaper than Oregon here?—Yes.

62. So that it cannot be said that Oregon has cheapened the cost of building small cottages?—No. If a man demands medium timber we generally try to get him to take second-class kauri as we have it on our hands, and it is as good as Oregon for inside work.

63. Have you had much experience of rimu?—Not much, because we have our second-class kauri on our hands.

64. You admit it is good building-timber?—People in the South who have used it tell me it is a good building-timber both for inside and outside purposes.

65. Do you know anything about concrete buildings?—I have seen some.

66. We have the statement on the authority of the Government Architect that a building can be erected in concrete at a cost of only £6 in excess of a building in wood?—These things are all very well on paper, but has he put up the building?

67. If that is so, or something like the truth, would that fact in itself not form a sufficient check on millers asking too much for their timber?—Of course, it would. People would very much prefer a building of that kind to a building of wood.

68. Have you been in Wellington or in the South lately?—Not since last September.

69. Have you been in communication with the millers there concerning the Oregon trouble?—No.

70. Would you or would you not be surprised to learn from the millers down there that Oregon has affected them very severely, especially in regard to second-class rimu?—I understand some of the people there who imported the Oregon could not finance it when it arrived, and that they sold it a long way below cost in order to realise on it.

71. Then you are not surprised to hear that we saw stacks of rough heart and second-class rimu lying at the mills because the millers could not sell it?—That is very likely. There was a fictitious demand up to 1907, and as soon as the drop in our exports came the demand ceased, and those producing the timber simply had to stack it.

72. But you cannot get away from the fact that twenty millions of foreign timber coming and displacing twenty millions of our own timbers must have an effect?—Yes, but I do not think you will have any more twenty millions coming in.

73. Can you give an estimate of the amount of Oregon stacked here?—No, I cannot. I have only my own quantity, about 480,000 ft., and I am not going to import any more until I get rid of that.

74. Assuming that the import of Oregon goes on and to the same extent as recently, and is cutting into those mills with ordinary building-rimu to such an extent that they have not much hope of continuing their business, do you think it will be a very disastrous thing?—I do not think it can compete with them. You cannot buy Oregon now at the price you could a little while ago.

75. I understand it is brought alongside the wharf at a cost of 7s. before the duty is paid?—Not now. The great trouble is that a large number of mills started. With the opening of the Main Trunk line mills were stuck up everywhere, most of them undercapitalised, and now they are in trouble and cannot get on. That has been the cause of the depression.

76. But they have told us they could get through in dull times if Oregon had not come along and made matters worse?—I am sure they are not stating the truth.

77. With millions of feet coming into the country and displacing the same amount of second-class rimu, it must have an effect?—No doubt, but it cannot have it much longer. They are selling under cost if they sell at a lesser price than second-class rimu, and it will only have an effect on the milling trade for the time being, or until present stocks of Oregon are cleared.

78. In the case of rimu bush growing on good farming lands and in private hands, if the private owner is faced with this difficulty and cannot mill his timber profitably, what is he to do?—Let it stand.

79. But if he cannot afford to do so?—The longer he leaves it the better the price will be.

80. How is a private person with limited means to do that?—That is where the great trouble has been. A great number of people with limited means have gone into the sawmilling business, and now find they have not enough capital and are compelled in some cases to go into liquidation.

81. These people have to do something with this land, and is it not a great misfortune that timber has to be destroyed in order to put the land into grass?—Of course it is, but we cannot help that sort of thing.

82. It means a loss of £50 per acre?—Of course, you cannot help that. These things occur in every country.

83. But where this unfortunate state of things is aggravated by the importation of timber which is no better for building purposes than our own timbers, is it not time the Government did something?—Perhaps it is; but you are selling Oregon below cost, and that cannot go on for ever.

84. Can you tell us anything about tawa timber: is it saleable here?—No.

85. *Mr. Leyland.*] I notice you consider our bad times are due very largely to the falling-off in our exports?—Entirely.

86. Can they be said to be due to the importation of Oregon?—No.

87. When the Oregon was ordered the slump had not set in?—No.

88. And when it came it was affected equally with other timbers?—That is so.

89. You have told us how people rushed into the timber business: do you not think that over-production has had something to do with the difficulty of selling timber?—A very great deal to do.

90. So the proper thing to do is to put the blame on the right shoulders?—Yes.

91. In regard to the export duty on kauri, it is admitted that valuable kauri has been used where a cheaper class of timber like Oregon might have been used, being all heart: Do you not think it would be a wise thing to let Oregon in, seeing that you can get it alongside for 10s. and can sell kauri for 19s.?—It is a very desirable thing to send kauri out of the country if you can get a better price for it and cannot sell it here. I think it is a very desirable thing to get that timber in the Old Country, because timber that is sent to England from places where Oregon comes from is perhaps thirty or forty years old and is small in the girth. By getting a big price for our timber we are able to keep up the wages here.

92. If you do not allow it to go out of the country when you can get these high prices for it, would not the Dominion be so much the poorer?—Yes. I do not care to introduce rimu into my yard any more than I can help, because I want to get rid of the second-class kauri timber.

93. Supposing you kept all your best kauri here?—There would be less chance, of course, of paying the high rate of wages bushmen now receive.

94. The Government are selling kauri at a very high royalty: in the face of that do you think it would be fair to change these conditions and compel the holders of kauri areas to lock them up?—Not until the holders had disposed of all they had purchased at the old price.

95. The fires which destroyed the forests referred to could not be prevented. I understand they were specially guarded?—You could not possibly save them. You cannot have a Ranger at every place where a man may throw a match down.

96. Sometimes they do it wilfully?—Yes, if you interfere with them.

97. After a fire has been through the bush it droops and later on begins to take the worm?—Yes, right through, and such timber has to be forced on to the market.

98. When you have to force timber on the market, would it not be ridiculous to put a duty on it?—Quite so.

99. Speaking of fires, we took very great care and put watchmen on, but the fire came and drove them out. Moreover, if you watch and your neighbour does not, your labour is in vain?—As a matter of fact you cannot do anything at all.

100. We had fifteen hundred logs burned up, and several others had to be trimmed to make half-logs. You cannot insure against fire of that kind, and so so you must take a percentage of risk. It must be pretty bad when the insurance people will not take the risk?—I agree with you.

101. Is the income-tax on the royalty paid by the miller a duplication of taxation?—Yes, certainly.

102. Is that not a wrong principle?—Yes.

103. Would it not be better to put a rate on all round, and not in spots?—I do not understand it.

104. Then we have to pay land-tax?—I understand the Government are going to take the land-tax off. The Premier, Sir Joseph Ward, told us that they had not time to do this last year.

105. That was certainly admitting that it was quite wrong?—Yes.

106. With reference to the substitutes for timber, I do not think you have had an opportunity of reading the report of the British Royal Commission, which sat during the present year. Speaking of the substitutes for timber, it states that, in spite of all substitutes such as steel, ferro-concrete, and other materials, which are being used, the consumption of timber is increasing at a far greater ratio than the population. In the States from 1880 to 1900 the population of America increased 53 per cent., and in no other part of the world have substitutes for timber been used so extensively as in America, and yet while the population was increasing 53 per cent. the consumption of timber increased by 90 per cent.?—Are those figures correct?

107. Yes, correct enough, because it was a very important Commission. In reply to Mr. Stallworthy you said that some of your rough timber went straight from the saw to the bench?—Yes.

108. Your yard is full of rough timber?—Yes, plenty of it.

109. Rough timber has to be handled many times?—Yes, you have to turn it over and over.

110. *Mr. Clark.*] With regard to the future supply I think you said you had about six or seven years' cutting?—Yes.

111. Have you any prospect of obtaining a further supply?—Yes; the Government have got timber to sell, and they will sell it from time to time as we go along.

112. I suppose the other companies or individuals have not longer than you in that respect?—I do not know their business, I only know my own.

113. Is there much competition for it when it is put up for sale?—Yes, at times. But their minimum is very high, and therefore it would not pay to buy and put a mill up for the small quantity offered. A mill near can cut it, but we should have to bring it away in the log if we purchased.

114. Would you consider the upset price of 2s. very high?—In some cases it would be very high. You have sometimes to leave trees in the forest after purchase because they are so scattered and would not pay to work out.

115. At a recent Government sale there were fourteen million feet of kauri in Hokianga put up for competition. I notice that in each case the published result was one bid, and that was from the Kauri Timber Company. Does it not seem very strange, bearing in mind the large amount sold and the small amount of kauri remaining, that the whole should be allowed to go without competition?—No other miller could give the price that they could. We should have to put up another mill. They have a mill there. They had to buy at the Government price, or perhaps close their mill altogether.

116. Do you think the Government would do that?—Yes.

117. Is the Government actuated by fair principles in doing that?—I think they put down what they consider a fair price for the timber.

118. Do I understand you to say that the sum fixed precludes competition?—It precludes competition in some cases, because it would not pay you to take a mill down there.

119. On that block there is as much timber as there is in the maximum holding in Southland, so that it pays them to set up a special sawmill to cut?—No, it would not pay me to go down. I should cut the whole lot in three years.

120. For sixteen million feet of timber there is no competition, and you say that the circumstances are such that there could be no competition?—You must trust the Government; they are immaculate in these things, as you know.

121. With regard to selling the timber and the grading of it, what proportion of heart and medium, and so on, would you estimate is the average in kauri timber?—It varies very much with the logs. You can get that information from the sawmill companies. I do not keep such records.

122. It was freely said before this Commission was set up that a combination existed amongst the sawmillers to keep up the price of timber to the injury of the consumer. Do you think there is any truth in that?—I know statements of that kind are made always by people that know nothing at all about it.

123. Is there no common agreement as to selling-prices?—Oh, yes! the same as with the builders, and, for that part, all the trades here. It is an ordinary association where we meet and talk about the value of timber, and the trade generally. The Arbitration Court sometimes compels us to increase wages, and that means an adjustment of prices to meet the altered circumstances.

124. Is it not a fact that the association fixes the selling-price of timber?—Sometimes they do, but I am afraid it is not always kept.

125. Is there any penalty provided for breach of agreement for selling at certain prices?—No, there never has been a penalty.

126. Can you tell the Commission what is the difference in the price of timber now and ten years ago?—I could not tell you from memory, but I may say that I have seen timber sold as low as 2s. 6d. per hundred, and at another time at £1 per hundred.

127. Ten years ago there was a recognised selling-price?—I could not tell you from memory.

128. Would you supply the information to the Commission from your books as to what was the selling-price ten years ago?—I should have no objection to do that. I will send you a price-list. In comparing it with the present time, you would want to take into consideration the increased cost of production and the present surroundings. The altered circumstances would account for the difference. A list does not furnish any reasons for the extra price.

129. We are inquiring as we go along?—You should find out the margin of profit then as compared with to-day.

130. *Mr. Morris.*] You are a timber-merchant in this city?—Yes.

131. Do you buy any timber from outside sources?—Sometimes I have bought Oregon and Australian hardwood. Sometimes I buy rimu, and sometimes totara. If my customers require it I have to get it.

132. It does not make very much difference to you what timber you sell?—Not a bit.

133. Whether it is Oregon, rimu, totara, or kauri?—Anything, even ironmongery.

134. You said some time ago that there was only about 7 per cent. of heart in rimu?—I could not put my finger upon it just now, but I can get it from a gentleman who is here from Hamilton. They pool all their orders there, and the accounts go to one common centre. He can give me the exact amount of each particular class. It was about 7·48 per cent. of real heart, but I am not sure.

135. I think that is probably correct; I think that refers to the class of heart that is used for decorative purposes and joinery-work chiefly?—That may be so. Referring to your former question, the percentages in rimu are as follows: O.B. rimu, 37·70 per hundred feet; seconds, 35·30; heart, 6·70; rough heart, 7·56; rough lining, 11·12; job, 1·62. That is the result of three months' cutting in a number of mills in the King-country.

136. There is probably about 20 per cent. of heart rimu produced altogether?—Rough heart is 7·56, and true heart is 6·70.

137. You mentioned some time ago that bastard totara was not by any means equal to the totara produced north of Auckland?—For some purposes. In my opinion, timber grown upon pumice land is not so strong. The timber is capital for joinery purposes where strength is not required. The northern totara is, in my opinion, stronger.

138. I believe Mr. Fulton, the Engineer, was a shareholder in the concern?—If he was a large shareholder he might be biassed.

139. His opinion is not worth considering?—It may not be; but I cannot tell, not knowing the gentleman.

140. You admit that it is very durable as wood?—Yes, and it will not warp.

141. If if it grows large?—It might grow hollow. The largeness of it depends upon its age. A tree that is five hundred years old is not nearly so good as one that is older for certain purposes.

142. Can you give us some idea of the percentages of long length that you sell?—Our long lengths are a failure to us. I have kept them, and they were wasted because the demand for that kind of timber is very limited indeed, and before being cut it was largely destroyed by sea-worm. We do not require a very great deal of long timber.

143. I understand you have a large stock of Oregon on hand?—I did not say in long lengths. I have got some, but not much.

144. Is there any considerable demand for these long lengths at all?—At times there is, but it is for very special work.

145. Do you think the demand for long lengths is equal to 1 per cent. of the total consumption of our timber?—I should not like to give an opinion, because it would be valueless.

146. Under present conditions, do you think it is a wise thing for us to import foreign timbers into the country, and thus prejudice an industry like the sawmilling industry?—I do not think you will import much more. The price has risen in America. There is no boom on, and there is no reason to import. I think the importations will be very small. I have two-thirds of what I purchased. I will import no more until I sell that. The price in America was extremely low when I purchased.

147. I admit it may be an advantage to import long lengths for certain purposes?—Yes, that is so. Rimu in long lengths would be altogether too heavy to handle. It is bad enough for joists.

148. They handle rimu in other parts of the Dominion?—We have a different climate here. It is colder down your way, and perhaps your people are stronger.

149. *Mr. Barber.*] With regard to long lengths in the erection of large buildings, their price would add considerably to the cost?—Yes, if much were required.

150. What percentage of increase would there be, say, in 40 ft. lengths?—You can get that from the price-list given to you. I think when you go beyond 24 ft. the price goes up.

151. The cost would be considerable?—You do not require a very great amount of long timber. You might only have four or five beams in each floor. The architects and the builders take care not to have too many long lengths in the building.

152. You are a member of the association?—Yes.

153. Have you the rules of the association?—I think there are some kind of rules.

154. Printed rules?—I do not know.

155. Does the association allow a special discount to any one?—Yes, to builders and to themselves. If they have not got timber on order they get one of the other yards to supply them, and they get 5 per cent. beyond the price at which they sell.

156. Is there any penalty imposed upon a builder in any way at all?—No.

157. He is not supposed to sign a declaration that he will confine his purchases to the association?—Nothing of the kind is required here.

158. I am referring to purchases outside the association and to builders perfectly free to purchase outside the association?—They can purchase anywhere they like.

159. If the timber-merchants in any district demand from the builders that they should sign a declaration agreeing to confine their purchases to that association, in the event of their purchasing outside the association would they be deprived of their discount?—I do not think it is fair for a builder in certain cases to go here and there and get credit, and let you in in the end. But we have nothing of that kind here.

160. *Mr. Mander.*] What is the highest upset price you have known the Government put on kauri timber?—I am not quite certain. I think there was one bush that Parker and Lamb bought at about 4s.

161. From 3s. to 4s. has been put on as an upset price?—Oh, yes!

162. *Mr. Stallworthy.*] You told us that the South Auckland Sawmillers' Association pooled their orders?—Yes, I understand so.

163. Mr. Pearce, the manager, told us that they did not?—They may not be doing it now, but they did, I believe, at one time.

WALTER FREDERICK MASON sworn and examined. (No. 109.)

Witness: I should like to make a short statement. I wish to appear not as a practical sawmiller, but as one who is engaged in the office part of the business. I am the secretary of the South Auckland Sawmillers' Association (Limited), which is a company incorporated under the Companies Act, having its offices in Hamilton, Waikato. The association was formed in 1903, with eight companies working nine mills. At the present time it comprises eleven companies working fourteen mills, and one company not working. The association was formed with the expectation of remedying the unsatisfactory state of the timber business then being experienced in the district, and also of concentrating the clerical work in connection with the accounts, and to put that part of the business on a satisfactory footing. There have always been more mills outside the association in the district over which we work than were in. At the present time there are twenty-two mills, of more or less importance, excluding the Auckland City mills, outside the association. Timber is also sent into the district from Auckland, and from Rangitikei district.

I hand in a correct copy of the various lists that have from time to time been issued by the association. The first one was dated the 1st September, 1903, and the last one the 10th April, 1908. The last Waikato list shows an advance on the first one as follows: O.B. rimu, 1s., or 8 per cent.; heart rimu, 1s., or 6⅔ per cent.; selected heart rimu, 3d., or 1½ per cent.; rough-heart rimu, 1s., or 8¾ per cent.; second-class rimu, 2s., or 21 per cent.; ½ in. rough lining, 1s., or 12½ per cent.; ¾ in. rough lining, 1s. 6d., or 15¾ per cent: representing an all-round increase of 10½ per cent. O.B. totara, 6d., or 3¾ per cent.; heart totara, 6d. less (no rise in percentage); selected heart totara, 6d. rise (no rise in percentage); rough-heart totara, 1s. 6d., or 11 per cent.; second-class totara, 1s. 6d., or 15 per cent.: an all-round increase of about 6 per cent. The prices quoted in our lists are freight paid to customers' nearest railway-station, and are also subject to trade discounts.

According to the books of the association, the net all-round average price realised by millers I make to be as follows: Year ending March, 1905, 8s. 5d·68d.; year ending March, 1906, 8s. 7·29d.; year ending March, 1907, 8s. 3·72d.; year ending March, 1908, 8s. 7·13d.; year ending March, 1909, 8s. 11·13d.; not including bad debts and depreciation. The above average price includes dressed timber and mouldings. To exclude this dressing from the question of rough sawn timber will reduce the average all-round return by practically 7d. per hundred feet on the association output. Taking this into consideration, the average price is thereby reduced to the following figures: Year ending March, 1905, 7s. 10·68d.; year ending March, 1906, 8s. 0·29d.; year ending March, 1907, 7s. 8·72d.; year ending March, 1908, 8s. 0·13d.; year ending March, 1909, 8s. 4·13d.; not including bad debts and depreciation.

To my mind there is a very strong connection between the sawmilling industry and the settlement of the land in question, in a direction that, so far as I have noticed, has not been brought forward in connection with this industry. That was before I came into this room. I have learnt more since then. This industry in the main is essentially a country industry, and it works in the direction of creating a large population dwelling in the country, and, in greater part, on the very outskirts of settlement. It is within my own knowledge that many men engaged in sawmilling go in for land and become farmers, particularly dairy-farmers, and doubtless this feature is also within the knowledge of many men in this room. Now, at the present time, when the cry is more or less "Back to the land," in my opinion no assistance should be denied to the greatest industry we have, apart from direct agriculture itself, that tends to create and accustom a population to country life. We are told that our native-timber industry is a disappearing one, that in some districts we may count its life by a few years, fewer than the fingers on our hands: if we add to this, discouragement of an economic nature, we may encourage the collapse of the industry. This

would undoubtedly tend to drive increasing numbers of people to our cities. On the other hand, a prosperous timber industry is acting as an inducement for population to scatter over the country away from the cities, and in so doing to very largely recruit the ranks of that class which is the greatest real producing class we have; I mean the agricultural class. In my opinion the most careful consideration should be given to this one particular aspect of the question, for it appears to me quite as important, or more so, than whether this or that miller is making 3d. or 6d. per hundred feet more profit than he should make.

I have here copies of the Waikato price-lists from the first to the last [produced].

1. *Mr. Stallworthy.*] In fixing the prices of timber, can you inform us as to what basis the association assesses the cost of the timber produced on, and what profit it makes?—I cannot say that. I could not say what profit is put down in the estimates in making up the price-list.

2. I presume the price-list is drawn up at a meeting at which the pros and cons are discussed?—Yes. The prices have been altered from time to time. We have realised more than once that an absolute loss has been made on the year's output, and meetings were held, and it was decided to increase certain of these prices. The list had been in use four years before an alteration was made in the O.B. class, and then they divided scantlings from boards and put 6d. on boards, keeping the scantlings at the same price. It was considered that that advance of 6d. would probably do something to remedy the losses that some of the millers were complaining they were making. In that way various alterations have been made from time to time.

3. You cannot tell us the costs at the mill?—No, that does not come within my knowledge. Mine is purely a book-keeping office.

4. Mr. Pearce told us that the South Auckland Sawmillers' Association do not pool orders?—No, they do not.

5. Have they ever done so?—We tried it for some three months, but it was quite impossible. In theory it was very nice, but in practice it was an absolute failure. It was abandoned in about three months. That was about two years ago, I suppose.

6. What discount do you allow?—We allow dealers 10 per cent. in the Waikato, builders 5 per cent., and the general public 2½ per cent., cash discount. Millers buying from each other get an extra 2½ per cent., making 12½ per cent.

7. And do you also allow them a cash discount?—Yes, of 2½ per cent.

8. What is your estimate of the percentage of bad debts? Do you make many of them?—Fortunately, as secretary of the association I do not stand the bad debts. They are transferred back to the millers, and I have nothing to do with them. I should say they would perhaps be 1½ per cent.

9. Have any mills in the association closed during the last few years?—The Puketapu Company has closed.

10. Have any of your mills closed down?—No, we have none closed.

11. Have they decreased their output?—Oh, yes! I suppose that none of the millers are sending out as much as they were six months ago.

12. Are they working short-handed or shorter hours?—I cannot speak with any degree of accurate knowledge of what takes place. I am in the office at Hamilton, and some of the mills are a hundred miles away. I know that the Taupo Totara Company have shortened hands, but I could not speak as to the other mills.

13. *Mr. Jennings.*] Does the South Auckland Millers' Association include the sawmills in the Ohura district?—No.

14. Do you take in the Mananui mill?—Yes, and Mangapeehi, but not Pungapunga.

15. Some of these mills that you include in South Auckland are in the Taranaki Land District—the Mangapeehi mill, for instance?—That is in the association, and the Otorohanga and Mananui mills.

16. Are any special rebates allowed to the local people?—No.

17. In purchasing timber for building purposes, do they have to pay the same rates for the timber there at Mangapeehi or Mananui as they would pay for it here in Auckland?—Oh, no! In Taumarunui Township, for instance, they have a special discount. In the town itself the builder gets 15 per cent., and the outside public 12½ per cent.

18. Can any person in the district—in Taumarunui, Mananui, or Te Kuiti—get timber from any mill if he has the cash to pay for it?—Oh, yes!

19. There is no discrimination?—Absolutely none. We sell from a shilling's worth.

20. Then your association does not exist for the purpose of keeping up a rate to—if I may use the term—punish people?—Oh, no! There are too many millers outside us that people can go to. The association is more of a debt-collecting agency.

21. *Mr. Field.*] You can say that, as far as you know from the experience of your association, it does not do any harm to anybody?—I never heard of its doing any.

22. It is formed simply for the mutual benefit of the sawmillers, and it does not do anybody any harm?—That is so. It is more of an agency for account-collecting, invoicing, and so on.

23. Have you had any complaints made to you about the prices charged for timber?—No. Of course, some people when they come in say, "You are charging too much," or something like that; but I have heard no serious complaints made.

24. It has been stated that in some parts of the Dominion people have been deterred from building houses because of the high price of timber. Do you know anything of that in this part of the country?—I have not heard of it.

25. *Mr. Leyland.*] Is there any bar to any member of your association leaving if he wishes to?—No. Members have left.

26. I understood you to say there are twenty-two mills outside your association?—Yes.

27. Do they belong to any other association?—Not that I am aware of.

28. Then there are more mills outside the association than inside?—Yes.

29. So it cannot be said that your association controls prices?—No, we do not control the prices. We have the Rangitikei mills and the Government mill, outside of the Auckland mills, to compete with. We simply have to do our best to sell our timber.

30. With reference to trade discounts, I understood you to say that you deliver to any station?—The nearest station to where the builder requires the timber.

31. Wherever he wants it?—Yes.

32. And in your price-list charges you include the railway freight?—Exactly.

33. And in allowing discount you allow a discount off the railway freight?—Yes.

34. But you do not get it back from the Railway?—No.

35. *Mr. Morris.*] You told us that your association practically do all the business for the millers?—All the book-keeping business—invoicing, account-making, &c.

36. Does the miller go round and solicit orders?—Yes.

37. And he executes them and passes the return on to you?—He sends me a docket from the country mill, and I make out the invoice to the customer.

38. You are not responsible for bad debts—if he takes orders from bad marks he has to stand the racket himself?—Quite so.

39. *Mr. Barber.*] Have you got a printed copy of the rules of the association?—We only have articles of association. I have not got a copy here.

40. Those would only be for the guidance of the association—they would not be the rules for doing business?—No, we have no rules.

41. There are no penalties attached to any one dealing outside the association?—Not the slightest penalty.

42. A builder can take a part of his order from you and a part from some mill not associated?—That is so. We cannot take any exception to that.

43. I see by the price-list you have handed in, ordinary building-timber up to 4 by 2 is 13s. a hundred?—Yes.

44. But if any one wanted a 15 by 2, 40 ft. long, the price would be £1 10s. 6d.—that is, in ordinary building-timber?—I make it £1 12s.

45. Do you not think £1 12s. is a very high price to ask people to pay for timber, when they can get a substitute—Oregon pine—at 17s. 6d.?—Can they get it 40 ft. long at 17s. 6d.?

46. You would not pay very much more. Do you not think it an unjust tax on the people to ask them to pay that price for that length of timber?—I should not say so. Timber 40 ft. long could be used for only very few purposes—nothing in an ordinary house that I am aware of.

47. How far are these mills that you are controlling situated from the market?—Some are the other side of Taumarunui. That is about 140 miles, I suppose. Mangapeehi is about 150 miles, and so on. They are scattered all over the Auckland Province.

48. And how far do they go away from the railway-line?—The furthest-away from the railway is the Taupo Totara Company's mill, I suppose.

49. Is that in your association?—Yes.

50. That is fifty miles from the railway-line?—Yes.

51. Does it not appear to you that the necessity of going so far back and expending large sums on long tram-lines and so on is unreasonably adding to the cost of timber, which has to be borne by the consumer? And is it not a fact that the high price of timber has induced the millers to incur greater expense in getting timber out than is justified, which is levied upon the consumer?—But, generally speaking, there does not seem to be a high price for timber. Our average returns seem to preclude that idea. I show in this return that the millers are getting 10s. a hundred. This price-list is not our only list: we have an Auckland one. We have to strike an average over the whole district, and the average last year was 8s. 11d.

52. Your ordinary building-timber you sell at Waikato at 13s.?—But we pay 2s. 6d. freight, on the average.

53. But if the timber is supplied close to the mill?—Then we charge the mill price.

54. Supposing you deliver it at a short distance?—We have no market near a mill.

55. *Mr. Arnold.*] Is there a builders' association in Auckland?—I believe so. I am not connected with Auckland City.

56. Is there any relationship between your association and the builders' association?—No.

57. You do not communicate?—I never made any communication.

58. Do you know whether there is such a thing as a merchants' association or not?—I have not heard of it.

59. There is no relationship between your association and it if one does exist?—I am not aware of it. We have certainly not met any other association in any way.

60. You have not at any time received a request from any other association not to supply a builder or a merchant because he refused to join another association?—No, not at any time.

61. Is your association not registered?—Yes, it is a limited company.

62. Have you any printed rules?—We have the articles of association only.

63. You are not registered under the Conciliation and Arbitration Act?—No.

64. So that in all arbitration cases you have no standing as an association?—In the last settlement the associated millers were brought in as parties. I think the millers in the South Auckland Association are joined as parties to the last award.

65. *Mr. Mander.*] Is the price of the timber produced by the Taupo Totara Timber Company not regulated by the price of timber sold in a more convenient position?—Most certainly.

66. They are at a disadvantage through being so far from the market?—That is so.

67. *Hon. the Chairman.*] Will you please supply the Commission with a list of the railway freights for the various distances where your association operates?—I will do so.

Rates of Freight per Hundred Feet.

	From Mamaku.		From Mangapeehi.		From Taumarunui.	
	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
To Rotorua	13	1 0	145	3 8	176	3 11
,, Okoroire	26	1 6	105	3 3	163	3 10
,, Matamata	35	1 10	95	3 1	127	3 5
,, Morrinsville	54	2 4	76	2 11	108	3 3
,, Ruakura	68	2 9	63	2 6	94	3 1
,, Kirikiriroa	71	2 10	61	2 6	92	3 1
,, Hamilton	71	2 10	60	2 6	91	3 1
,, Frankton	72	2 10	58	2 5	90	3 1
,, Ngaruawahia	83	3 0	69	2 9	101	3 2
,, Taupiri	88	3 1	74	2 11	105	3 3
,, Huntly	92	3 1	78	2 11	110	3 3
,, Mercer	114	3 4	100	3 2	132	3 6
,, Pokeno	117	3 4	103	3 2	135	3 6
,, Tuakau	122	3 5	108	3 3	139	3 7
,, Pukekohe	127	3 6	113	3 4	144	3 8
,, Drury	135	3 6	121	3 5	153	3 8
,, Papakura	138	3 7	124	3 4	155	3 8
,, Manurewa	142	3 7	129	3 6	160	3 9
,, Otahuhu	148	3 8	134	3 6	166	3 10
,, Onehunga	153	3 0	138	3 0	164	3 10
,, Auckland	157	3 0	145	3 0	175	3 6
,, Newmarket	155	3 0	141	3 0	172	3 6
,, Mount Eden	156	3 0	142	3 0	174	3 6
,, Kingsland	157	3 9	143	3 7	175	3 11
,, Avondale	160	3 10	146	3 8	178	3 11
,, Waikumete	164	3 10	150	3 8	181	4 0
,, Henderson	166	3 10	153	3 8	184	4 0
,, Te Aroha	67	2 6	89	3 1	121	3 5
,, Paeroa	80	2 6	102	3 2	133	3 6
,, Komata	83	2 8	105	3 3	136	3 6
,, Shortland	98	2 8	120	3 5	152	3 8
,, Thames	99	2 8	121	3 5	153	3 8
,, Hautapu	77	2 11	72	2 10	104	3 3
,, Cambridge	80	3 0	74	2 11	106	3 3
,, Rukuhia	78	2 11	52	2 3	85	3 0
,, Ohaupo	82	3 0	49	2 2	89	3 1
,, Te Awamutu	88	3 0	43	2 0	75	2 11
,, Te Kuiti	114	3 4	17	1 3	49	2 2
,, Karangahake	85	3 0	107	3 3	138	3 7
,, Waihi	93	3 1	115	3 4	146	3 8

GEORGE FRASER sworn and examined. (No. 110.)

1. *Hon. the Chairman.*] In what way are you connected with the timber business?—As an engineer and manufacturer of machinery for sawmill purposes. At the present time we are carrying through, I suppose, about 3,000 pounds' worth of work for the Kauri Timber Company for a new mill which is being erected at the Great Barrier. In the history of our business we have had a great deal to do with the manufacture of sawmill machinery. We take it that if timber is to be imported into the country and is taking the place of the timber that has been sawn by the aid of the machinery we have manufactured, it is going to lessen somewhat the manufacture from an engineering point of view. Necessarily if mills are closed the repairs that come our way disappear. We are now manufacturing for the Kauri Timber Company four boilers representing close on £2,000, and a horizontal engine costing about £300. We also make a great many log-haulers. We have made up to the present between forty and fifty of them, ranging from £400 to £500 apiece. I suppose we do upwards of £5,000 of business in the year in our line for the timber trade. I suppose from the start to finish most of the mills in the Auckland District have gone through our works. Therefore we feel attached to the timber industry, and desire to see our local timbers operated on as much as possible, as it is so helpful to our industry. We look upon it that the timber is a gift to the country, and it is a pity to see money passing out in labour to other countries while it is possible to do the work here, even at a sacrifice, because we have the advantage of seeing the pound do its repeated work.

2. You, as representing the foundry, think there should be no importation of timbers into New Zealand?—I would admit timbers for special purposes for which our own timbers are not suitable, such as ironbark, but in every other respect we have timbers which meet pretty well all the manufacturing requirements.

3. You would not be in favour of importing timber for building purposes?—I think not. I think the time will come when, as our timbers become scarce, we shall require to import, but while we have the timber at our hand we should utilise it. The land is cleared to carry on our cultivations, and I think a good deal of useful timber is wasted in that way.

4. *Mr. Mander.*] I suppose you look upon it that the money expended in this country in the timber industry has a very far-reaching effect, and is not confined only to the industry itself?—That is so. It pioneers a great deal of back country that would not be otherwise reached in all probability for a great many years.

5. You think we should protect our own workmen as much as possible within reasonable bounds?—Certainly.

6. And utilise our own timbers for necessary purposes?—Yes.

7. I suppose you consider the lands on which timber is growing can be put to more profitable use by producing sheep and cattle, and so on?—That is so.

8. *Mr. Stallworthy.*] You have a large amount of work in connection with this industry: has it fallen off recently?—It has recently. I notice there has been a falling-off from the log-hauling point of view.

9. Your evidence is that there is a depression in the timber industry?—Yes.

10. Does Oregon give you any work at all?—None.

11. *Mr. Field.*] Can you give us any idea how many men you employ in putting through this 5,000 pounds' worth of work?—As a rule we have from a hundred to a hundred and fifty hands employed in the work. Probably in the year's work we have one-fourth or one-fifth of our total staff engaged on this branch of work.

12. And you are distinctly of opinion that where we have valuable timber growing we ought to mill it, as it is a gift and ought not to be wasted?—Certainly.

13. You think we should take the crop of timber off first and use the land for farming purposes afterwards?—That is right.

14. *Mr. Leyland.*] You say you do not object to timber being imported for special work for which no local timber is suitable?—That is so.

15. Then, if it is shown that Oregon fills the bill in that respect you would not object to its importation?—Oregon and kauri run very much on the same lines.

16. It is generally admitted there is a shortage of first-class kauri, that if we had six times as much kauri as we have there would not be enough to meet the demand?—Then, what about rimu and totara; there seem to be vast quantities of them.

17. You have the contract for the sheer-legs at the Calliope Dock: had you not a difficulty in getting the timber you wanted?—Yes. We tried to get long poles, but we could not get them in kauri. We got them at Vancouver, but we have not got them here yet. We could not get a vessel to bring them down.

18. So you are actually importing Oregon yourself?—Yes, for that particular purpose. It is much lighter than other timbers, and is only wanted for raising these sheer-legs.

19. In the meantime, as you have not got the others from Vancouver, your subcontractor is trying to get them out of the present shipment in port?—Yes, and partly in kauri.

20. I suppose it is conceivable that Oregon is necessary for some purposes just as it is conceivable that we must have ironbark?—Yes.

21. I think I have seen very good deal frames made by your firm?—Yes.

22. And you know a lot of American machinery is imported into this country that you could make?—Yes.

23. And a lot of the sawmillers who want a duty on Oregon do not object to importing machinery for their industry which they could buy from you. You could make planing-machines if you got orders for them?—Yes.

24. And still they are imported?—Yes.

25. *Mr. Morris.*] What was the length of these sticks that Mr. Leyland has referred to?—Ninety-five feet.

26. You realise as a business man in this centre that it is to the advantage of this country to employ our own people and to keep as much money as we can amongst our own employees?—I like to see the pound spent in labour because that pound will perhaps repeat itself half a dozen times before we lose sight of it.

27. You realise that £25,000 sent out of Auckland to purchase American material is not benefiting this district to the same extent as it does America?—That is so.

JOHN MITCHELL sworn and examined. (No. 111.)

1. *Hon. the Chairman.*] You are an architect practising in Auckland?—Yes, for the past twenty-five years. I wish to say this in regard to the subject-matters of this inquiry:—

I have the honour to willingly respond to the invitation received from your Secretary to tender evidence on matters affecting New Zealand timbers and the timber industry. The reference covers a very wide field, and embraces issues which might conveniently be ranged under seven headings—the national, the community, the capitalistic, the industrial, the commercial, the aesthetic, and the fiscal.

The national interests are naturally vested in the Government, and the setting-up of the Commission evidences the fact that Government is quite alive to its duties in getting information bearing upon all aspects of the question. As a citizen therefore I trust that the national interests will be considered superior to all others. I have been privileged to visit Europe, America, and Canada after some twenty years' residence in the Dominion of New Zealand, and can bear testimony to the high estimation in which New Zealand, its people, its laws, and its social customs

are held. It is undoubtedly one of the most desirable and loveliest spots on God's earth. Its laws have a distinctive humanitarian trend, and its social customs are altruistic. The best thinkers would have us keep it so. The New Zealand bush is a national asset, and one of its chiefest glories. To preserve it in places and with due reference to its right use is a national concern. To ruthlessly destroy it would be the act of a vandal. There may not be many vandals in the Dominion, but there is much evidence of vandalism in the Auckland Province. It would appear to be an instinct planted in some people, when they see a tree, to cut it down; and to readily consent to extensive clearing of land by fire without first inquiring, is there any need for that until the land already cleared is put to its highest potential use, would manifest culpable ignorance and negligence. Briefly then, bring true wisdom to bear on the national interests both as regards the needless denuding of our land of its beautiful forests and the replanting of the like where practicable. I want to make a special plea for the puriri and the pohutukawa. Is it not possible to conserve, say, 5 or 6 chains deep of forests on each side of those main roads that thread their way through standing bush. The above may appear pure sentiment. The true statesman never ignores sentiment.

Community interests are largely identified with national interests, but in the sense in which I use the term it is more restricted. The community is much concerned with the supply of timber of various kinds and qualities and with the marketable condition and price thereof. At one time in this province kauri held undisputed sway. For most purposes and when intelligently classed and handled it has proved to be a splendid timber. The exigencies of supply and of finance have in most cases precluded its being used with even an ordinary measure of fair play. Black, red, white, heavy, coarse, fine, silky, kindly, have been stacked, sold, and used almost indiscriminately and without due regard to properties and purpose. Seasoning, excepting for joinery, has been almost impracticable. Profit-making has always appeared a higher consideration than the observance of the laws governing the scientific differentiation and treatment of the kauri and other timbers for local requirements. I believe the pick of the timber has been exported, and is still being exported. Much of the timber used in recent years, in the wage-earners' houses particularly, has been quite unfit as regards quality and condition. There will be weeping, wailing, and gnashing of teeth further on.

The price is alleged to be needlessly high. There appears to be a combine of some kind in existence to maintain prices. Unionism is now the order of the day, and combine meets combine. Wages increase; up goes the price of the commodity correspondingly, and a bit more added. Land-value increases, and rent increases, and so the play goes on. The importer and the consumer say, Give us free trade in all we want to buy; and the manufacturer and producer say, Give us protection. The scientific Free-trader says, Tax privilege and admit things free; the practical Free-trader says, Begin with making free those things we cannot advantageously produce, and tolerate a mild measure of protection. We cannot produce Oregon pine, and we cannot reproduce kauri. Would it, then, be prudent to bring in Oregon, jarrah, and the like free, and levy an export duty on kauri? Yes, and No. Yes, if the interests of consumers alone are to be considered, and No if the vested interests in timber and timber-producing interests are to receive sole consideration. It is, perhaps, the special function of the Commission to carefully ascertain the measure of impost on the one hand and relief on the other hand required, and to report and recommend to Parliament accordingly. Kauri ought to be considered in every way, and put to its highest uses both here and as an exchangeable commodity. Likewise rimu, totara, and matai. Now, none of those our splendid timbers have just the same properties as Oregon or jarrah. There is great gain in having the exercise of choice for specific purposes, and even the human satisfaction there is in the exercise of choice is a delight that should not be denied. True freedom is closely identified with obedience to the highest law. Even a faddist has his rights and obligations. I cannot understand why all those timbers are so high, and made so uniform in price. The present slump may provide a supply of much-needed seasoned timber. Long lengths and short lengths have caused vexation to the miller and to the architects and builders. There is an almost unlimited demand for best quality shorts if the millers would only take the trouble to pursue the matter—I mean for solid-block flooring as a covering to concrete flooring in England and some other countries. I produce a sample and can afford some important information to those who care to go into the matter. The Americans have made systematic tests of New Zealand timbers, and they came out superior to most. The question, then, is not one of degrading our timbers by prudent substitutions, but, rather, appreciating them and giving them and those who have put money into timber and timber industries, our wage-earners, and the whole community the fairest of fair play. If there is a monopoly in anything let it be made a public monopoly. There is a conflict of interests, of course, but there is no need to offer insult to intelligence or to violate justice. We are credited outside with a desire for both. I think the properties and value of tawa should be fully and carefully ascertained.

The æsthetic aspect refers to the beauty of our forests and to the value of our figured timber for furniture, inlays, veneers, and the like. Sooner or later these will receive much more serious attention, and if the timber interests could be consolidated without creating a harmful monopoly and so as to scientifically conserve, handle, and trade with that natural wealth, nothing but good for ourselves, for our children, and our neighbours could follow.

In conclusion I wish to point out that, in the nature of things, land-value and progress in most things have caused us to reflect about the wisdom of building houses and the like entirely of wood. Stone, brick, metal, and concrete are rapidly coming to the front as building-materials. The national waste by loss through fire cannot be ignored by a prudent people, and now that incombustible materials are being made so easily available there is great inducement and the best of reasons for considering our attitude towards the like. Oregon is a most useful timber in connection with concrete false-work and laths and for a great variety of kindred purposes. I

believe it to be quite possible to engage in concrete and reinforced-concrete work of a quite plain description at a cost that will compare very favourably with wood. As a determining factor this is a most important matter as affecting all those engaged in the timber industry. Progress towards more permanent and safer buildings is inevitable. Hence my desire to direct attention to the desirability of seeking out, or creating, a more remunerative market for our timbers, so that by a system of exchange we all may in the long-run be made the gainers and not the losers by our present temporary difficulties and anxieties.

I would ask the Commissioners to recognise that, in whatever degree my statement lacks wisdom, it is submitted with sincerity and earnestness and in the full belief that as a unit I remain loyal to the best traditions of this my adopted country. The above is intended to save time as a basis for questions, and is not offered as a full statement on the question.

2. *Hon. the Chairman.*] Have you any further remarks to make?—Not further than to produce the samples I refer to. This is a sample of the block-flooring. One is maple, and the other is a piece of pitch-pine. This sample of material has been used to some extent for ceilings. It is known as asbestos-and-cement lining. I attach immense importance to those engaged in the timber industry, whether in a small way or a large way. I do not see the slightest reason why this block-flooring material should not be sent out and manufactured here.

3. What name do you give to this red one?—I feel pleasure in handing these two samples to the Commission. The red one is ordinarily called pitch-pine. The other, I understand, is maple. The correspondence I had about that some years ago showed that the chief features in connection with its success was the care with which the timber was selected for those special purposes. I think I am correct in saying that the floors of all important public buildings, colleges, and the like in England are laid down with a material of that kind.

4. Are there not some New Zealand woods that would compare favourably with these for a similar purpose?—I think so, certainly. I think that our best class of kauri, rimu, and matai, and certain classes of totara would be admirably adapted for that purpose if due care was taken in the cutting. I do not mean in the bush. I mean the way the timber is cut. There are methods that can be observed with regard to the cutting of the log that spells success as against failure. There is no good in sending timber along for such a purpose unless it is of the very best quality. Our timbers are good and only want fair play, which means proper treatment.

5. Have you anything to say about those samples?—Some years ago I may state that we had introduced into this market a material known as "compo board." It is made in Germany and Sweden, and to some extent in England. These laths are stuck together with a kind of plaster covered with paper both sides. Some of us were interested in these largely because of the fact that all along the line there has been a difficulty from an architect's point of view in getting at the right time a supply of seasoned timber suitable for ceilings. Owing to the unsuitability, or, rather, owing to unseasoned timber being used, serious shrinkage often resulted. So we have been on the lookout for something to get over the difficulty. I tried this, and specified the use of compo boards. The gentleman for whom I designed the buildings, although he originally consented to the use of compo boards, challenged the wisdom of using this material on the broad grounds of its not being a local commodity. The result was my contriving the purchasing of ceiling-boards of the pattern I now hold in my hand. It was run at the time by the firm of Leyland and O'Brien for that particular piece of work. This was put in as a substitute for compo board. It made a substantial reduction of about £40, or 15 per cent., by coming back to the local material. It was sold by Leyland and O'Brien at a slight advance in the price of tongued and grooved material. The charge was 2s. per hundred on the then price of tongued and grooved. Its use went on increasing, and it came into considerable demand. When the last catalogue was got out I noticed that this was put in the catalogue as a moulding, and that it was priced at 14s. 9d., I believe, per hundred feet lineal, which brought it up to £1 9s. 6d. superficial, as against 2s. per hundred on the ordinary tongued and grooved. I tried to get some explanation about that, and I made inquiries.

6. *Mr. Leyland.*] You mean £1 2s. 6d.?—Your then price for it was 19s. At any rate the basis charged was 2s. in advance of tongued and grooved. The present price of the article is 14s. 9d. lineal, which, as I have said, brings up the superficial measurement to £1 9s. 6d. per hundred feet. In some directions I got satisfaction. I want to say that it appears to me to be a mistake, after an article has been made a success of, that the price should be loaded up. At the present time I can get this material in certain quarters for the same price or 1s. in advance of the cost of tongued and grooved material. The reason given for the alteration is that it would be a breach of the arrangement come to with the Sawmillers' Association. I take it that that kind of thing is wrong in principle. It is not in the interests of the industry at all. There is no need for it. With regard to the asbestos material that I have handed in, I may say that I specified this material. The mill refused to supply it unless it was in first-class material, and I had to act quickly. I consequently used the asbestos ceiling, and I got it at £1 5s. per hundred, as against £1 9s. 6d. It made an excellent ceiling, and it is virtually fireproof. There is no shrinking, and I think I will use more of it for that purpose. It has been introduced into this market in panels 8 ft. long and 4 ft. wide and sold at 3d. per square foot. When I was acting as architect for the Education Board I raised the question of tawa. Mr. J. Stewart, engineer, maintains that tawa is not a timber that should be discredited, and that is confirmed by others, but I must admit that there is a conflict of opinion. It is a pity if tawa is as those two gentlemen who have given their evidence represented it. It has been used to my knowledge in the dado in the public hall at Rotorua. I cannot make up my mind that there is anything the matter with it. I am inclined to think that it is matter of prejudice. The same thing existed with regard to rimu some years ago, when it was almost a crime to refer to the use of rimu, because everybody wanted to get kauri. The Commission should have that matter properly investigated. That is a sample with a little

walnut stain. It is alleged that it will take the worm, but worms do not develop spontaneously. This is a piece of ceiling-board sent to me as a sample. Worms attack most other timbers, particularly the sap.

7. Do you know what that is?—Probably it is a superior piece of tawa. Such samples should be looked upon with suspicion. On the face of it it looks an excellent sample of timber.

8. *Mr. Barber.*] Do you say this does not take the worm?—A builder told me that inside eighteen months it was seriously riddled with the worm. There is a conflict of testimony respecting the value of that particular timber. Personally I am interested in getting to know, because it ought not to be wasted. They say that if kept in a dry place it is particularly durable and very nice timber to use. Respecting the information I have tendered to the Commission with regard to wood blocking, if this timber will last, as I understand it does if it is protected from damp and wet, in England it could be made to so closely resemble walnut when put on concrete covered with pitch that it would become very valuable. It is a very foolish thing for us to allow prejudice or uncertainty of testimony to cause us to lay aside as useless a material like tawa when it might possibly be turned to profitable use inside in the direction I have indicated. As I have stated already, when I first started here some twenty years ago there was a great prejudice against rimu: the Board of Education would not admit the use of it for many years.

9. *Mr. Mander.*] Have you any experience at all of that timber exposed to weather?—No, I have not.

10. Well, you would not be surprised to learn that we considered it one of the most perishable timbers in the bush?—I have seen it at Mamaku split up. I understand the bushmen do not like it. My point was that if it be cut and handled properly, surely there ought to be some purpose to which it could be profitably applied. It is not fitted, presumably, for fencing and weatherboards outside. We should take care, however, before we destroy it, and we should try and bring our knowledge to bear on it.

11. Do you not think there will be a very great difficulty in forcing it on the market?—I believe it is a matter of prejudice, or what may be prejudice. If it will take the worm it will only take the worm when they are there. The worm is not a spontaneous production. That is to say, they are not produced by any special timber.

12. Have you ever seen it used in planes?—No, I have not. I have seen it in the dado of the hall at Rotorua, and I could see no fault with it.

13. You made a statement that you thought the Government ought to reserve several chains of trees along the sides of roads through bush country?—I mean as a citizen of New Zealand it would be an extremely delightful thing to do where practicable.

14. Is it practicable?—I think it is worth trying.

15. Are you not aware that a narrow strip of trees along the side of a road would be a most difficult thing to conserve?—I am aware of that. I am trying to conserve some native bush myself, and I feel somewhat strongly about those bushes.

16. Apart from fire altogether, are you not aware that the wind gets to those trees and blows them down, and roots them up, and they gradually dwindle away and decay?—Well, I would urge what I have said. I see thousands of trees still standing.

17. You are aware that the pohutukawa grow principally along the sea-coast?—Yes, and they are frequently ruthlessly destroyed.

18. The pohutukawa is a tree that can be propagated very readily?—I do not know that, but I am glad to hear it. It must take long years to mature, though.

19. Do you not think that when the wages go up in the country the product of wages must also go up?—Undoubtedly.

20. The extra cost piled on timber has put up the price of timber?—I have no evidence before me of their going up in the same ratio.

21. You are aware that timber in Christchurch is being sold for about £1 9s. net—that is, first-class kauri?—They have to pay a high price for it there.

22. When we went into all the items in connection with that price—all the extra charges—it was proved that timber was bought in Auckland for 19s. and sold in Christchurch for £1 9s., and, notwithstanding this, the merchant in Christchurch only got about 1s. 6d. profit out of it?—I am very glad to know that. I had no means of knowing that before.

23. Do you consider 1s. 6d. profit too much?—No, I do not think it is.

24. Do you not think that concrete and asbestos and other materials will come in to regulate the price of building if timber goes up too high?—Yes, I think that is likely to be the effect if the price is too high. I do not say it is too high. I say I do not know.

25. Have you ever seen a house built altogether of this asbestos?—No, but I know they are using it in London for pavilions and things of that kind.

26. I went into a house built of it in Christchurch, and it was erected at something like the cost of a wooden house?—I fancy that if people get to the point of using a material of that kind they will build of solid concrete.

27. You think the cost of building will be regulated by other materials as timber gets dearer?—Yes, I think the ordinary law of supply and demand will operate.

28. Do you see any necessity for Oregon being introduced into this country, excepting for very special purposes?—For the reason I have already stated I think that the individual who is spending money in any community should have the exercise of a choice, but I wish to qualify that by saying that I presume the law of supply and demand there and the economic law will see to it that there is no extraordinary price paid for the local article; and it appears to me as though the price of Oregon is being largely determined by the price of the local article.

29. You think that the products of our own country should be utilised to the best advantage, and that we should also employ our own labour as far as possible?—That has always been my belief.

I have been schooled into that idea, and as far as I understand these things, although it may not be strictly in accordance with economic law, my feeling is that we should be true to our own people. I have always tried to do so. I have not specified Oregon so far, because I have had no particular need; but at the same time I should like to be able to exercise a choice with regard to that timber, if the interests of my clients demand it.

30. *Mr. Stallworthy.*] Have you ever received any communication from the dealers in Oregon or any other commodity to induce you to specify certain building-material?—No, I have never received such a communication.

31. *Mr. Field.*] When you stated that kauri, rimu, and matai should be conserved, what did you mean by that?—I have an idea, rightly or wrongly, that our New Zealand timbers stand very high in the opinion of those outside New Zealand, and I wanted to urge that neither rimu nor any of the timbers I have mentioned should be looked upon as in any way inferior to Oregon pine, or, for that matter, other than as superior materials. I am sorry that a return sent me by my cousin from America, giving a full account of tests there with regard to New Zealand timbers, unfortunately was mislaid [but was subsequently recovered and transmitted to the Commission]. I do not know that there is much to be gained by just comparing things in the abstract. My contention is that we ought to be in a position of exercising a choice without doing any hurt to any of our local industries.

32. When you said that these timbers should be conserved, did you mean that we should conserve large areas of our timbers, or did you mean that they should be used as we want them?—It is too wide a question for me to traverse further than this, that I think it a very wrong thing to clear land of bush if there are still remaining large areas of land already cleared that are fitted for the purpose for which it is proposed to use that land. I think there is some loose thinking on that particular question.

33. Where we have timber we ought to make use of that timber?—Yes—that is, the right use of it.

34. You want it used for building purposes?—Certainly.

35. Then, I presume you would be in favour of fostering our timber industry as far as we fairly can?—I would, without giving it any undue bolstering up by a high protective tariff in order to exclude other things that we want.

36. Supposing the result of importation meant the closing of mills and the destruction of timber, how would you get over the difficulty?—I do not know that I could answer that. I take it to be one of the functions of this Commission to take evidence on this matter and see where that point is. I could not say where it is.

37. You would not like to see any of our timber destroyed that is fit for building?—I would not like to see any of our timber destroyed or our industries hurt.

38. *Mr. Leyland.*] I understood your remarks regarding Oregon timber to amount to this: that we might profitably make an exchange?—Undoubtedly. Mr. Stephenson very cleverly put it that if he could get 2 ft. of Oregon for 1 ft. of kauri it would be a good exchange. I think there is a good deal to be said in favour of that aspect of the question.

39. In that case we should not be injuring local industry?—Not at all.

40. Nor should we be losing, in the sense of losing money, but gaining?—Yes.

41. With reference to tawa, you will admit that, as far as the timber people are concerned, they have made real efforts to put it on the market?—That is so.

42. It is not prejudice on the part of the merchants that is the reason for its not selling?—No.

43. It seems to me that what you have to do is to educate the people to use it?—We do not profess to be able to make tests of timber in the sense in which a scientific expert would do so. I ask the greybeards with regard to these things. With regard to the question of rimu, I did not specify rimu for the Education Board until I had quite satisfied myself that I was justified in doing so, and I was determined very largely by evidence that I sought out for myself amongst the fencing-posts in the Waikato. I believe I am right when I say that heart rimu will last for half a century. It is true there is only a small percentage of it, but I have great faith in that material for that purpose. You will find rimu that has been in use for rails for from thirty to thirty-five years perfectly sound. I take that to be reliable evidence of the durability of that material, when exposed to the weather.

44. There is no diversity of opinion about the value of heart of rimu. The trouble is that we cannot get enough of it?—Not to-day; but a few years back there was a very strong prejudice indeed against the use of rimu.

45. Do you not think that rimu has been largely helped along by the action of our firm in putting in an exhaust plant and pushing the rimu in the market?—Leyland-O'Brien have done excellent work in that connection.

46. Do you not think the same motive may be actuating us in selling Oregon—we just do it because it is required?—I think you have done a right thing, although I cannot understand the price being so high.

47. That job in Ponsonby Road was a large job, and there was a very large quantity?—Yes.

48. And it had never been run before?—No.

49. It was really a moulding, was it not?—No, it covers the same area as the flooring. If it is a moulding, then all I can say is that you are charging too much for mouldings similar to that in question. I can get that made much cheaper in Auckland. A party offered to run it for the same price as tongued and grooved, if he could ignore the decision come to by the Sawmillers' Association.

50. Do you think he can afford to run it at that?—That is his affair. He ran it for me, and will now do so if free.

51. You asked us to run this for 4s.: we did it, but it did not pay us?—The other man did it for less, and he said it paid him to do it.

52. *Mr. Clarke.*] What is the price per hundred lineal feet of this moulding which Mr. Leyland has in his hand?—It is listed at 14s. 9d. That is £1 9s. 6d. superficial, or, with discount off, £1 6s. 6d.

53. Seeing that the timber is worth only 1s. standing in the bush, do you not consider that to pay £1 6s. 6d. for it with that slight alteration made in it is rather too much?—I cannot make the charge out. I do not want it to be thought for a moment that I charge the sawmillers or the merchants with conspiring to defraud the public, or anything of that kind. But the very thing we want to find out is, are the present prices fair and reasonable in view of all the factors? I cannot answer your question: it is what we wish to learn; but with regard to the sample that you have in your hand, I say unhesitatingly that that is evidence in the concrete of an undue charge to the public. That is my opinion.

54. You assure us that a miller stated he would sell you this at a lower rate only for certain obligations which he is under?—Yes.

55. Do you not think that is very near a combination in restraint of trade?—It is common talk that if these men were free, prices would be lower. I do not wish to be understood to say there should be no such thing as a combine or a union; but here is evidence how it reacts upon the community, and I say that the Sawmillers' Association erred in my opinion in this matter.

56. With regard to Oregon, do you consider it desirable to have a good supply of Oregon available for emergencies?—I do, for all sorts of purposes.

57. You have heard it referred to as an inferior timber. Does that meet your estimate of it?—No, I should not consider it an inferior timber at all.

58. Do you not consider that it is very much superior to any of our local timbers in some instances—say, for plastered work?—I should say that if I had the right of selection between Oregon pine and rimu, or kauri, or matai, or totara, as I know it in the market here, for that purpose, I should choose Oregon. I believe its properties are well adapted for that purpose.

59. Have you made any examination of the New Zealand beech, or birch as it is sometimes called, for the purpose of that blocking that you were speaking of?—I cannot say that I have any knowledge of it.

60. Are you aware that it is the predominant timber in New Zealand?—No, I cannot say that I am aware of that.

61. With regard to your liberty of choice in the matter of timbers, do you not think that, as an architect, you should be free to use your own judgment as to whether or not you should use Oregon as against freshly cut rimu?—With regard to the choice of materials, we find that those who find the money have predilections of their own, and we do not wish to press our likes or dislikes too much upon them. But Oregon I would endeavour to treat as a material with regard to which we could exercise a choice; and there are places where I would not hesitate to recommend it in place of any of the New Zealand timbers. I should be sorry on the other hand to displace our own timbers if I thought that our own timbers were equally good for the purpose. If Oregon is excluded we cannot exercise that choice at all.

62. Have you heard it stated that in rimu there is only about 6 per cent. of absolutely true heart?—Yes. I was rather surprised at the proportion being so small.

63. Would you consider it right that architects should be compelled to take a timber which must of necessity be 94 per cent. sap, as a substitute for Oregon, which can be obtained in all heart?—Unless by fiscal influences I do not see where the compulsion comes in. If we are to have this material come in upon fair terms to the consumer and the local industry, then I think that in the usual way they should fight it out and give us the exercise of a choice.

64. Then you do not agree that a prohibitive duty should be put upon Oregon, to make it, from a fiscal point of view, impossible to import it?—No.

65. *Mr. Morris.*] Do you consider that all the rimu that does not happen to have dark heart in it is sap?—No, I do not.

66. Probably there is as little sap in rimu as almost any of our trees?—I should like to admit this: When I first came to examine rimu I was sorely puzzled to be always able to determine what was heart and what was not, and the men I talked to, who habitually work in the industry, took a great deal of trouble to show me the different kinds, and at times there was some uncertainty about it. But what I have said to you already will give an indication in some measure in the direction in which you ask. The rails that I spoke of, which appeared to me to belong to that class, had evidently lasted for a very long time, and I took it there was some property in that rimu of ours which I was not able to explain. If what is called O.B. is intelligently used and protected with paint, I should expect to find that the rimu in the buildings I have put up will last quite a long time—probably forty years—without much hurt. If I may take the occasion to say it, I am anxious to see samples of what I understand to be superior rimu that comes from Taranaki. I have seen some small pieces come up here for furniture, and so on, and if we could get selected timber like that I should like to know more about it.

67. No doubt you have specified heart of rimu before now for decorative purposes?—Yes, selected rimu. By that I mean the best rimu available for the particular purpose.

68. You would not expect a merchant to sell that at the same rate as ordinary building-rimu?—No, certainly not.

69. In other words, it is practically a luxury—it is one of the things that are not absolutely necessary for ordinary, every-day cottage-work?—Just so. We should look upon it as one of our finest products, and be quite prepared to pay an advanced price for timber of that kind.

70. It ought to be classed along with the imported timber brought out here for furniture-making?—I do not think there is anything in the world to-day superior to the kind of rimu I have

in my mind's eye. I have seen magnificent furniture made of it. I believe that, if it were properly pushed in France, Germany, England, America, and Canada, there would be no talk about any depreciation in the value of rimu.

71. *Mr. Barber.*] You stated that you have not specified Oregon in any of the buildings you are architect for?—That is so. I merely stated that as a fact. For some two years I have not been in a very good state of health, and have not been in such active service as for the previous twenty years, and Oregon has come in in the meantime.

72. You can quite understand architects in the South specifying Oregon, owing to their inability to get kauri?—Yes, I can.

73. You have given us the effect of the timber combination here in one instance: has it been brought under your notice in any other instance?—No. That is the only specific thing that I could mention.

74. Do you think, generally speaking, that the combination affects the general public in any way?—I merely state that I am conscious there is no internal competition. There is a uniformity of prices, and I take it it is either an understanding or it is fixed by rule. Those whom I have spoken to have said that they are not at liberty to undercut, and they do not undercut. I should like to believe there is nothing of the kind in existence in this Dominion of ours.

75. Still, you believe there is a combination which is detrimental to the public?—That is common talk, and I hope this Commission will clear it up.

76. If the Government Architect stated that as a result of practical experiment he was able to erect a four-roomed cottage of 9 in. solid concrete for only £6 more than he could erect a similarly designed house in wood in Wellington, would you believe it?—If the Government Architect stated that, I should, of course, believe him, and I do not see anything at all unlikely in it from what I know of the subject myself, and I am specialising in it.

AUCKLAND, TUESDAY, 11TH MAY, 1909.

HENRY VALDER sworn and further examined. (No. 112.)

1. *Hon. the Chairman.*] We should now like to hear your statement in regard to the timber industry?—I will read it.

My company own four sawmills in the King-country, and a sash, door, and butter-box factory at Hamilton; the capacity of our mills being about a million and a half a month, and at the present time we employ between three and four hundred men. In making my statement I have taken the order of reference as stated in the direction to the Commission, an extract of which from the *Gazette* was sent me by your secretary.

1. *Cost of Felling*—that is, logging from tree to truck. Although there has been a rise of at least 10 per cent. in wages during the last few years, and the cost of supplies generally has advanced considerably, cost under this heading has not increased in the same ratio owing to improved methods of working the bush with steam haulers in place of bullocks. This new method, however, entails a much heavier outlay than under the old system; but even after allowing for this and wear-and-tear generally of machinery, ropes, &c., it has undoubtedly been the means of keeping the cost down. Another advantage is that bush that before would be considered inaccessible can now be worked, so the steam hauler has practically increased the area of millable bush that can be worked profitably. Our average cost for the past three years of logs from tree to truck is 1s. 9·61d. This includes wages, repairs and maintenance, tools, and depreciation.

Cost of Tramming.—This is an item that is not particularly mentioned in the direction of the Commission, but one that cannot by any means be overlooked, as in my company's bushes it is as much a factor in the cost of production as either "felling" or "cutting," a fact that I feel sure the members of the Commission will thoroughly appreciate after visiting the King-country mills and bushes. At our Mananui mill we have over five miles of steel tram-lines, and at our Mangapeehi mill over fourteen miles. The average initial cost of construction of these lines exceeds £1,000 per mile: this, of course, is irrespective of maintenance, which is a heavy annual charge. I should like to point out just here that when the bush is worked out these tramways will be of great benefit to the settlers, as, being properly graded, they will no doubt be used as roads, and future inhabitants of these districts will have an advantage in this respect that many of our present backblocks settlers would greatly envy. The cost under this heading amounts to 1s. 8·14d., including wages, repairs and maintenance, depreciation of running plant, and sinking fund.

2. *Cost of Cutting*—that is, milling, yarding, and loading the railway-trucks. The costs under this heading have increased during the past few years in a greater ratio than the logging and tramming, principally owing to the rise in wages and reduction in hours of working. Another factor in increased cost is the advance in price during the past few years of all plant, materials, and mill-supplies, by no means an unimportant item in the cost of production, as the books of the merchants who cater for this trade would show. I should like to remark just here that very few people outside the timber trade realise what a large amount of money is paid annually by the sawmillers to the foundries and merchants for mill plant and supplies, and there is no question that the business of these merchants must be seriously affected by the depression in the sawmilling industry. Another factor in increase of costs is that more attention is paid to classing the timber than formerly. The total costs under this heading amount to 2s. 11·94d.: this includes wages for sawing, planing, and yarding, repairs and maintenance, saws, belting, tools, and depreciation of plant.

3. *Price when sold to Consumer.*—The following is a list of our gross selling-prices for a period extending over five years—viz., 1903 to 1908—by which it will be seen that rimu has risen on the average over all the classes 7¼ per cent., and totara 4¾ per cent.:—

Rimu.

	1903. s.	d.	1908. s.	d.	
Ordinary building	12	6	13	6	Rise, 8 %
Heart	15	0	16	0	,, 6⅔ %
Selected heart	18	0	18	3	,, 1½ %
Rough heart	11	6	12	0	,, 4⅓ %
Second-class	9	6	10	9	,, 13 %
Rough lining, ½ in.	8	0	8	6	,, 6¼ %
,, ¾ in.	9	6	10	6	,, 10½ %

An average rise on the seven classes of, say, 7¼ per cent.

Totara.

	1903. s.	d.	1908. s.	d.	
Ordinary building	13	0	13	6	Rise, 3¾ %
Heart	20	6	20	0	Fall, 2½ %
Clean heart	21	6	20	0	Rise, 2 %
Rough heart	13	6	15	0	,, 11 %
Seconds	10	0	10	9	,, 7½ %

Or an average on the five totara classes of, say, 4¾ per cent.

The average on the whole twelve classes is 6¼ per cent.

No doubt the general public and many builders are of the opinion that the price of timber has risen much more than stated. This I think is due to the fact that every other item in the cost of building has advanced very much more than timber; but, unfortunately for the reputation of sawmillers, most people seem to think that timber is responsible for the whole of the increased cost of building, whereas even if timber had advanced in the same ratio as the other items of cost in a building, which it has not, it would only be responsible for one-third of the advance, this being roughly the average proportion of cost of timber in the type of house usually built in this district. The prices stated are subject in the Waikato district to the following discounts: General public, 2½ per cent.; builders, 2½ per cent. and 2½ per cent.; dealers, 10 per cent. and 2½ per cent. These prices and discounts apply to any station between Papakura on the north and Waimarino on the south. For the Auckland district the prices are about 1s. per hundred feet higher, and are subject to the following discounts: Builders, 7½ per cent. and 2½ per cent.; dealers, 17½ per cent. and 2½ per cent. Practically the whole of our Auckland trade is done by dealers.

4. (*d.*) *The Price when sold by Dealer to Consumer.*—The before-mentioned prices and discounts will apply, as the dealer gets his profit out of the higher discount he is allowed by the sawmiller; so the consumer can buy from either the sawmiller or the dealer at the same figure. The larger part of our business in the Waikato district is with the builder.

4. (*e.*) In this locality the middleman and the retailer are one and the same, being included in the term "dealer."

5. and 6. My company hold no Crown land for sawmilling purposes other than the sawmill-sites at Mananui and Mangapeehi. Our timber-rights are all in the form of agreements with Natives, under which we have the sole right to mill timber on certain defined areas.

The average amount we pay for royalty is 7·54d. per hundred feet.

7. *The Extent to which Oregon Pine is imported, and the Effect on Local Timber.*—Our local trade is practically not affected by importation of Oregon anywhere south of Papakura; but, as a fairly large proportion of our trade is with Auckland (and we look to this market for an increasing business), the importation has undoubtedly affected our business there, principally in the ordinary building class of scantling and framing timber, and I am of opinion that a sufficiently high duty should be imposed to prevent Oregon timber coming into competition with the class of timber mentioned. My reasons for this are as follows:—

(1.) Every hundred feet of Oregon imported into the Dominion takes the place of a hundred feet of local timber. The cost of wages only in 100 ft. of timber produced by us is 5s. 6·60d. By allowing Oregon to come into the Dominion it decreases the possible earning-power of the working-man of this Dominion by 5s. 6·60d. for every hundred feet of Oregon imported, and throws a proportionate number of men out of employment. To my mind the Oregon importations will affect the working-man more than the sawmiller; the effect on the latter is that his plant may be idle or not used to the full capacity, but the working-men, or a proportion of them, would have to leave their homes and seek employment elsewhere.

The village settlement of Mananui, which the Commission visited, is populated entirely by sawmill employees and their families. Each one of them has bought land—1-acre allotments—from the Government and built a house on it. I do not for one moment believe that the Commission will take the responsibility of allowing the competition of Oregon timber to drive these people from their homes and seek employment in the already congested cities, for there is no other employment for them in that district.

(2.) As Oregon is practically only used at seaboard towns, it follows that, wherever it takes the place of local timbers produced at inland mills it will reduce the sum paid by the inland mills for freight to the Railway Department in proportion to the quantity of Oregon used. The freight from my company's Mananui mill to Auckland is 3s. 6d. per hundred feet.

A comparison of our local timbers with Oregon will show that the latter is a much more open-grained timber, showing quick growth, also much softer and lighter; no doubt it is easier to work—a factor not to be overlooked from a builder's point of view, but it has yet to be proved whether the present class of timber now being imported and sold under the name of Oregon pine will last as long as our own timbers. What guarantee is there that the timber now being imported is not a timber of the same grade as our white-pine, and grown on low-lying and swampy lands? Apparently there are several different species of pine, and how is the consumer to tell which is being supplied under the name of "Oregon"? An inspection of the stocks in Auckland and Wellington would bear out the contention as to the different species.

I understand that only the lowest grade of timber (excepting the knotty and shaky grade)—*i.e.*, "merchantable"—is imported into this Dominion, the better classes being kept for home consumption; and I fail to see why our trade should be temporarily disorganized and men thrown out of employment by allowing this market to be experimented on by importations of this timber during slump periods in America. What proof have we that this timber will be any more lasting than our own white-pine, especially where exposed to the weather or in damp positions? The experience of the Australian markets should be a guide to us in this respect, and there, after many years' experience of it in a climate much drier than ours, they rate it lower than white-pine. I produce the Sydney December, 1908, list, which shows Oregon pine 30 ft. in length up to 12 in. wide at 15s., and New Zealand white-pine 10 by 1 and thicker, 17s. 6d. for firsts and 15s. 6d. for seconds; so they rate it there as inferior to our second-class white-pine.

I also quote the following extract from the "Immigrant's Guide" for 1906—a Government publication:—

"Chief Forester Mathews says, 'The rafters supporting the roof of First Church, Dunedin, were of Oregon pine. Some fifteen years after the building was erected these rafters exhibited signs of decay. An examination was made, and the result showed that the timber had completely perished. The architect who supervised the work was at a loss to understand why such reputed valuable timber had become worthless in such a short time. He therefore instituted inquiries, and traced the timber to the port of shipment in America, from whence he ascertained the fact that the trees from which these rafters (as well as the whole cargo) were cut had been bled for turpentine, as was usually the custom with timber for export.'"—Extract from report, 1904–5.

I consider that a duty on a sliding scale should be imposed, so that when slump conditions prevail, as during the past period, New Zealand could be made use of as a dumping-ground by the sawmillers of other countries for an inferior timber. In this connection I would point out that a duty should be imposed not only on sawn timber, but also on logs, which are at present on the free list, and that any duty should not only apply to Oregon pine, but to all foreign timbers, other than Australian hardwoods, as we never know what development may take place in other countries that may affect our local markets in these days of cheap sea-freights. At the present time the Australian markets are being exploited by syndicates holding large concessions of Chinese forests, and logs are now being imported into Australian markets, and there is a danger that these syndicates may at any time turn their attention to this market, and thus force us into competition with the product of Asiatic labour by sending shipments of logs direct to New Zealand.

Generally any Matters that injuriously affect the Timber and Building Industries, or would tend to promote their Development.—In this connection I think a great deal might be done to assist the industry by a readjustment of railway freights, particularly in regard to encouraging the inland mills to make some use of an enormous quantity of timber now being destroyed both in the bush and at the mills. Practically all the inland mills are at such a distance from the main centre that the railway freights are a large percentage of the gross selling-price of the inferior classes of timber, and it costs just as much to produce and market the inferior classes as it does the better classes. The great difficulty the inland sawmiller has to contend with is the disposal of the inferior classes of timber, and the tendency is to produce as little as possible of these classes; consequently millions of feet of timber are burned annually, which, if it could be got to the manufacturing centres at a freight proportionate to the selling-price, would pay the sawmiller to turn into a marketable commodity which could be used for making cases, crates, &c. The freight from our Mananui mill to Auckland, 3s. 6d. per hundred feet, represents over 40 per cent. of the gross selling-price at the manufacturing centres, the only places where there is any demand for this class of timber; consequently the inland mills are practically debarred from this trade, and, this being the only outlet for this class of timber, other than fencing-materials, for which the demand is very limited, the timber that could be used for this purpose is either left in the bush or destroyed at the mills, it being less loss to the sawmiller to pay for burning it than to convert it and ship to the cities at the prices prevailing.

If railway freights were adjusted to encourage this trade it would create new business for the railways, as the timber now used for cases, &c., is practically all seaborne.

I consider that this class of timber termed "shorts" should be carried at the same rate as posts and rails and fencing-stakes—viz., Class F, the rate for which from our Mananui mill to Auckland is £2 16s. per truckload. This at building-timber rates would cost £4 11s., but this is not really so large a reduction as it appears to be, for this reason: all timber for cases has to be crosscut and bundled in shooks ready to put together, and before doing this it is necessary to season it, and a ton weight of this timber would contain, actual measurement, between 900 ft. and 1,000 ft., whereas a ton weight of average building-timber would only contain 380 ft. (6 lb. to the superficial foot). So, looking at this from a tonnage point of view, there would be no loss to the railway Further, timber in shooks is more compact and is better freight, there being nothing like the wear-and-tear on rolling-stock that there is with building-timber in long lengths. This new business also means more employment of labour at the country mills, and every extra man in the country means more revenue to the Railway Department in the shape of freight on

every commodity used by him, and it is surely a desirable end to attain to get every possible man into the country, where better wages and conditions prevail for the working-man than in the large cities.

The sole objection that has been argued against giving the concession asked for is that it is difficult to draw the line between building-timber and timber to be used for cases, &c. This can be overcome by stipulating that the reduced rate should only apply to "timber in shooks not exceeding 4 ft. in length, for cases, crates, staves, &c." This would prevent any building-timber being sent at the lower rate, as practically no building-timber can be used in 4 ft. lengths.

In regard to railway freight on white-pine, I consider that mills sending this timber more than eighty miles are treated most unfairly. The rate for white-pine for eighty miles is 1s. 9d., and for other timbers 3s. for the same distance. The Railway Department justly recognise that being much lighter in weight and a low-priced timber some concession is advisable, but immediately the eighty miles is passed this timber is charged 1d. per hundred feet for every six miles from eighty miles up to 200 miles, whilst other timbers pay 1d. per hundred feet for nine miles over the same distance, so that after white-pine has travelled eighty miles it is charged 50 per cent. more than other timbers in spite of it being a much lighter timber. This has been pointed out to Ministers and to the Railway Department, and a promise was made that this would be borne in mind when rates were readjusted. The readjustment was made a few months ago, and a concession was made on white-pine carried over 200 miles, but as practically no mills send white-pine over this distance the concession was valueless.

Practically all white-pine is seasoned before being sent away from the mill, and I give an instance of a truckload sent from one of our mills. This truck contained 9,000 ft. actual measurement, and weighed 10 tons 13 cwt.; it was weighed by the Railway Department for their own information, and the following comparison is instructive. Our freight from Mananui mill to Auckland on white-pine is 3s. 2d., on other timbers 3s. 6d.

		Tons	cwt.	£	s.	s.	d.	
9,000 ft. white-pine,	at 3s. 2d., weighing	10	13, is	14	5 =	26	8	per ton.
9,000 ft. rimu	at 3s. 6d., ,,	24	0, is	15	15 =	13	1	,,

So that, reckoning by weight, white-pine is paying double the freight than rimu pays. In calculating the weight of rimu I have taken 61 lb. to the superficial feet, which is well under the average weight of building-timber shipped from the inland mills.

Another means of assisting the sawmilling industry would be a more general use of our own New Zealand timbers in Government works. I have in my mind an instance at the railway bridge, Hamilton, where jarrah was used for posts and handrails for a distance of about a quarter of a mile. Our own totara would have done equally as well, if not better, as there is absolutely no strain on this. And, no doubt, there are numbers of similar instances where, if a general instruction was given that other things being equal our own timbers were to have the preference, it would mean a considerable amount of our timber would be used by the Government Departments, and it would be the means of keeping the money in the Dominion instead of paying it away to people outside the colony. And it must be borne in mind that every foot of foreign timber used in this country is decreasing the possible earning-power of the working-man.

I attach herewith a copy of our costs-sheet for an average of three years. It is taken from our annual balance-sheets, certified to by an auditor.

Costs of producing Timber: Average for Three Years, 1906–8.

	s.	d.	s.	d.
Logs,—				
Wages, accident insurance, housing &c.	1	8·42		
Haulers—Depreciation	0	0·41		
,, Repairs and maintenance	0	0·59		
Bullocks—Depreciation and deaths, grazing, &c.	0	0·19		
			1	9·61
Royalty, not including cost of securing timber-rights, survey, and legal expenses			0	7·54
Tram,—				
Permanent trams (sinking fund)	0	3		
Branch bush trams—Wages, repairs and maintenance, and accident insurance	0	2·47		
Haulage—Wages and accident insurance	0	7·31		
,, Depreciation, locomotive, trucks, &c.	0	4·48		
,, Repairs and maintenance, horse-feed, coal and stores, &c. ...	0	2·88		
			1	8·14
Mill,—				
Sawing—Wages and accident insurance	1	5·47		
,, Oil, stores, &c.	0	0·39		
Yarding—Wages and accident insurance	0	7·21		
,, Haulage, loading, checking, &c.	0	4		
Horses—Depreciation and deaths, horse-feed, harness, &c.	0	1·62		
Plant and buildings—Depreciation	0	0·73		
,, Repairs, renewals, and maintenance, including saws, belting &c.	0	4·52		
			2	11·94
Total on railway-trucks at mill			7	1·23

	s.	d.	s.	d.
Office,—				
Freight and selling-expenses	2	8·68		
Bad debts	0	1·44		
			2	10·12
Total			9	11·35

Costs of securing bush, also food and fire risks, are not included in the above.

I should further like to state that it is the opinion of the man in the street that the sawmillers have grown very rich during the past few years on account of the high prices they have been charging. I should just like to say that in the district served by the Auckland section of the railways I know of at least two companies, with a capital amounting to nearly £100,000, who are in liquidation. A third company of sawmillers admit having lost £150,000, and I know of four other companies which have started during the last five years who have not paid one penny of dividend. Therefore it does not look as though the sawmillers in this district are making the money they are generally supposed to make.

2. *Mr. Mander.*] In computing the cost of this timber delivered at the mill, do you add to the expenses insurance, depreciation, repairs, maintenance, interest on capital, and all the rest of it?—Yes, but not interest on capital.

3. If you added interest on capital would it not increase the price of your production?—I am taking the actual working-costs.

4. Does that give a fair idea to the general public of what the timber costs you: Is it not right to add the interest on capital to the cost of production?—Personally, I should say not. I think it is a moot question.

5. How can you compute the exact cost of production if you do not compute the interest on capital?—I do not think it should be added to the cost of production.

6. How do you charge interest on capital?—We do not charge it to anything.

7. Do you not think you ought?—No.

8. If you sold your timber at what it cost you you would be losing money?—No, we should not be making interest.

9. Interest is money, surely?—If you make it it is, but not otherwise. Of course, this is a matter of opinion.

10. I mean it does not give a correct idea to the general public: if you do not charge interest the public will leave it out of their calculation altogether, but you have to think about it?—Quite so. I should like to explain that I have taken these figures from our balance-sheet, and naturally we do not charge interest on capital in our balance-sheet.

11. What would interest on capital be per hundred feet if you charged it with these items?—The capital of our company is £75,000, and at 5 per cent. it would amount to a considerable sum.

12. How much per cent. would that add to the cost of production?—It would have to be figured out. It would add considerably, undoubtedly.

13. Do you think the cost of production has gone up during the last eight or ten years?—Yes, but I have not taken out any actual comparisons to show for that period.

14. What do you consider is the biggest item in that increase?—The cost of wages and cost of materials.

15. Have you any experience of the life of Oregon as compared with rimu timber?—I have no personal experience at all of Oregon.

16. Have you had any lengthy experience as to the life of rimu timber?—I cannot say I have.

17. You do not think rimu put fresh from the saw into a building would drop in about ten years?—Certainly not.

18. Now, in regard to the importation of this Oregon timber, do you think that at the present time—that is, so far as you know—Oregon has reduced the cost of building for the workingman?—I should say it has made no difference to that. I understand the price is slightly higher than rimu.

19. In what way will it affect you if the price is higher than rimu?—If it comes into the Dominion and if it is used it must take the place of local timbers.

20. Why should people use rimu in preference to Oregon if Oregon is slightly dearer?—I think that is a matter of opinion. One man would prefer Oregon and another rimu.

21. Do you suppose the builders would be in favour of Oregon in preference to rimu?—I have heard builders say they prefer Oregon and others that they prefer rimu.

22. Generally you suppose that, in consequence of Oregon timber being lighter to work and easier to drive nails in, the builders would give preference to it?—I believe that would have some weight with them.

23. You do not consider they would consider the durability of the timber at all?—I think they would give consideration to all points.

24. Do you consider that Oregon which grows in twenty-five or thirty years is likely to be equal to timber that takes thousands of years to grow?—In my opinion it is not equal to those timbers. I have some samples here of our timbers, and a sample of Oregon. The one is much more open-grained than the other. In my opinion a timber such as that would shrink between the grain, and I cannot see how it is as good as timber with a close grain. I cannot tell heart from sap in Oregon. I have no knowledge of Oregon timber.

25. Is it not a fact that Oregon has soft-grain in it?—Yes. The soft grain shrinks away. It is not fit for fine work, although it can be dressed.

26. I suppose these are very choice pieces that they have brought here, and this is a sample of timber that has been taken from the top of the stack?—Yes, from the top of the stack and the end of the board.

27. That would not affect it for rough planing?—I should imagine not.

28. What is your opinion respecting long beams coming into this country? Would it affect your business detrimentally if long lengths were allowed to come in at reasonable rates?—I think long timber would come in in any case. I do not think the duty would affect that. There is a certain difficulty in getting long lengths in our timbers here.

29. Seeing that is so, and they are very necessary in this and other parts of New Zealand, do you not think it would be wise to allow them to come in, and put an extra duty on the smaller sizes?—No, I think long lengths would come in in any case. It does not matter what duty you put on. Why not let them pay.

30. Why not let the general public get these long lengths somewhat cheaper?—It would not be worth considering, because of the trifling difference in the total cost of building. They are all used in large buildings only.

31. You believe in protecting commodities that we can produce?—Yes, to that extent.

32. Is there any risk of fire in your district?—There is a certain amount of timber burnt every year.

33. In a very dry summer you find it difficult to keep fires back if they get a start?—We have lost a considerable amount of money in fighting bush-fires.

34. I think I notice that a fire has taken place near your mill up the line?—Our bush is not near the mill, but that fire spread to our bush.

35. There is risk?—Undoubtedly.

36. You understand the conditions under which people in the South Island buy their timber, do you not?—I am not conversant with the South Island trade.

37. Are you aware that they pay royalty on the output of the mill?—I have heard so.

38. At the rate of 6d.?—Yes.

39. Do you not consider that the people in the North Island should be put on the same footing?—I think it would be fair, because we are competing in the same market.

40. They have no capital to put into their bushes, and therefore they place you at a great disadvantage?—Undoubtedly.

41. You are aware that in the South the railage for fifty miles is 1s. 4d.?—I do not think any one knows what the railages are for the whole of New Zealand.

42. Do you not think that the railage should be the same in places where there is no competition by water?—I think it would only be fair.

43. *Mr. Stallworthy.*] Is it not a fact that timbers are sold now that were thrown aside as useless some years ago?—Not that I am aware of. Not from our own bushes.

44. Can you give us an idea how timber dealers purchase supplies. Do they give you large orders at once?—No, I should not call them large orders.

45. To what extent?—Ten, twenty, to thirty thousand feet.

46. Do they give you orders practically for the building as they get them?—In some instances, yes.

47. Is that generally the case?—There are rather different conditions in different districts. In the Waikato timber is sold by the dealers, and the consumers purchase from them for delivery direct from the railway-truck.

48. There is practically no yarding in the Waikato district?—A very small percentage is held in stock there.

49. Do you ever get an order from the dealer for Oregon?—No. We do not stock Oregon pine.

50. They do not stock the Oregon in large quantities in Auckland?—Not to the same extent as kauri.

51. How many mills have you?—Four.

52. When did you erect your last one?—About two or three years ago, and we have not done building it yet.

53. What is the falling-off in your output during the last two or three years?—It has not fallen off. On an average we put out as much timber as ever.

54. How do you feel this slump, seeing that the price and the output have not gone down?—We have to keep larger stocks than formerly.

55. In reference to these discounts, I think you said you gave the dealers 17½ per cent. and 2½ per cent.?—That is so, in the Auckland district.

56. Is that not a large discount?—I wish it were smaller.

57. How is it that you give so much?—The dealers say it is not enough.

58. How is it arranged between you and the dealer?—By mutual consent.

59. You said it was too much?—I said I wished it was less. The dealer has to give 10 per cent. of that away to the consumer.

60. It is 17½ per cent., and I want to know how it was fixed. It is general throughout your association, is it not?—Quite so.

61. With regard to the dealers in the Auckland Association?—I understand they have not any association. They call it something else. I cannot give you information on that point.

62. How comes this 17½ per cent. to be arranged by the associations?—Which associations do you refer to?

63. Your association and the dealers' association?—The associations have nothing to do with each other.

64. How came you to fix it at 17½ per cent.?—In the same way as other trades fix their profits.

65. I am talking about discounts?—That practically means the profit to the dealer.

66. It seems to me that this is a greater discount than is given anywhere else. Is it demanded?—It is arranged by mutual consent. We arrange with the dealers to allow them this discount.

67. But they all get that?—Yes.

68. Then there must be some arrangement?—Yes, there was an arrangement.

69. Who made the arrangement?—The miller who sold to the dealer.

70. In each individual case?—Yes.

71. How is it that they all came out the same?—It was arranged by the members of the association to keep to the same discounts.

72. It pays you, of course, to give your timber to the dealer for that, and therefore it is an impost on the consumer?—A good many sawmillers say it does not pay.

73. You said the sawmillers are not making money. Your output is the same, your prices are the same—what dividends have you been paying?—I should prefer to give that evidence in committee.

74. You will supply that to the Chairman confidentially?—Certainly.

75. That is, dividends and the amount you place to reserve?—Certainly.

76. *Mr. Jennings.*] If concession were given by the Government of the country in regard to railway freights and royalties, would the public get any benefit therefrom. Would timber be obtained at a more reasonable rate?—Are you referring to all timber?

77. Yes, practically all timbers?—Speaking for my own company, we should only be too glad to be able to sell at a lower price in Auckland, because we should be able to do more business.

78. Do you think a system of arterial railways would assist the timber industry in what is called the "King-country"? Would they lessen the cost of timber if the Government made the lines or if the lines were constructed by private persons?—We have made lines. They lessen the cost of bringing the logs to the mill if there is any distance to haul them.

79. Can you give the Commission any information as to the durability of totara, and strength of it; and has it been used to your knowledge in regard to heavy work constructed by the Public Works Department through the Main Trunk Railway?—We have supplied large quantities to the Main Trunk Railway, and we also supply the Roads Department with large quantities of totara for bridge purposes. All bridges in that district have been built of totara.

80. What length can you supply?—Up to 40 ft.

81. In regard to the strength of totara, have you had any tests made to compare it with other timbers?—No, we have not had tests made. I think in a matter of that sort it is best to take actual evidence and practical work rather than a test.

82. In regard to the durability of totara, can you give the Commission any information?—I know of several very old Maori buildings made of totara, and it is a well-known fact that it does stand the test of time well.

83. Do you know anything of the artificial means of preserving soft timbers of the Dominion—such a process as the Powellising system?—I do not know what the result is—I have heard of it.

84. Do you think it would be any advantage in regard to the preservation of the timbers that are now wasted if such a process was found to be satisfactory and reasonable in cost?—When you say "timbers that are wasted," to which do you refer?

85. Timbers that are not used for building purposes, and which might be utilised for that purpose or for sleepers?—I think it would be of very great value indeed if it could be shown that those timbers would last longer after such treatment.

86. You know that creosoting increases the life of sleepers by many years. It is stated that the Powellising process increases the life of a kahikatea sleeper from ten to fifteen years. Is that not a great advantage?—Undoubtedly.

87. Have you any objection to state what royalties you pay?—The average is 7·54d.

88. Is that practically to the Maoris?—All to the Natives.

89. Have you made any investigations as to the value of land, after the bush is felled, for pastoral or agricultural purposes?—I think the larger portion would carry grass. We have sown some lately, and it has taken very well indeed.

90. Do the local people get any advantage in regard to the price of timber as compared with those who are 130 miles away?—Practically not, because the local consumption is so small.

91. One witness here yesterday, I think the secretary of your association, said that the builder got 17 per cent., or something like that?—No, I think not.

92. I mean the dealer?—Yes, that is right.

93. With regard to the disability of getting timber out in a broken district, do these disabilities exist in other parts of the world—in Canada or Australia?—I have no personal knowledge of those places.

94. Do you know what the price of timber is in Australia or Canada as compared with our prices?—I have a Sydney price-list here.

95. Are the prices in Sydney higher than here?—Yes. I am speaking of our own timbers, of course.

96. If rimu were being crushed out of the markets here by the importation of foreign timbers would your association still hold the opinion that an increased duty should be imposed by the Parliament of this country on those timbers so imported?—I cannot answer that question for the association, but I think there should be a sliding scale of duties. The prices were low in America at the time of recent shipments of Oregon. Before that Oregon never troubled this Dominion. It was only when prices became low there, and they saw an opening in New Zealand, that the sawmillers there took advantage of it. I presume that when the prices go back to a normal level we shall not have further trouble with their timbers.

97. With regard to the destruction of the bush by accidental fires, can you give us any information on that subject. My own opinion is, after going through Waimarino Bush, that it is more liable to destruction from fire than most people are aware of?—I quite agree with you. And large areas have been burnt there. Where there has been a fire there is every likelihood of another starting in the same place, because of the dry branches.

98. *Mr. Field.*] You seem to be rather more favourably situated, inasmuch as you have not felt the introduction of Oregon to any extent?—We have felt it in that our Auckland trade has fallen off.

99. Still, you manage to keep up the output?—Yes, by increasing our stocks.

100. That stock still remains to be sold?—That is so.

101. Speaking of the industry generally, do you think it is in a perilous state?—Yes, I should say so, seeing that a number of mills are closed down.

102. Do you think that a remedy should come quickly in order to save the mills?—I think so, certainly. We now feel the effect more than hitherto.

103. You said Oregon timber came in when the slump occurred in America: at what time was that?—About twelve months ago, speaking roughly.

104. The return shows that the amount imported into Auckland in 1907 was 5,000 ft., whilst in 1908 I think it was 6,350,000 ft.—that bears out what you said?—Yes, I think so.

105. The total importations of Oregon into the colony since the beginning of last year amount to about twenty-four million feet. That, of course, is only a small proportion of the total output of timber, but is it not sufficient to have a very considerable effect on our own timber industry?—Undoubtedly it has.

106. It is not fair to put the amount of importation against the total output and then form an idea as to the effect it will have on us?—No, it is not, because it does not compete with all the timber produced in New Zealand. It only competes with a certain portion of it.

107. Something has been said about duty on logs. Do you not think it is necessary that we should have a duty on logs?—That is my opinion.

108. You think that logs would be imported here and cut up?—It is being done now in Australia.

109. You are aware that up to the present time no logs practically have been imported into the country?—I understand that is so.

110. It was said yesterday that our timber was given to us to use and not to destroy. Do you agree with that?—I do.

111. Can you give the Commission any idea as to what proportion of our timbers have been destroyed as against and compared with the quantity that has been milled?—I should not like to guess, but it must be a very large proportion.

112. Would you say ten times as much has been destroyed as has been milled?—I should say so, yes.

113. If the present condition of things continues and milling becomes unprofitable, does it not mean that a large amount of our remaining timber will be destroyed?—I think it will go on being destroyed as it has been in the past.

114. You think settlers will probably turn their forests into grass if they cannot sell their timber?—That will be done in the future as in the past.

115. Can you give the Commission any idea of the amount of money expended in labour in milling an acre of bush, say, carrying 20,000 ft. to the acre?—I give the proportion of labour at 5s. 6d. per hundred feet.

116. If you take it at 5s. per hundred feet, that means £50, and if you add the balance of labour expended on it to that, it means another £50, making £100 in all?—Yes.

117. Is it not very desirable indeed that that money should be spent in labour—that is, that the miller should go before the settler?—Yes, I think so.

118. If the present state of things continues how long will it be before the industry comes to an end?—You mean how long before the timber is exhausted?

119. Shall we have much left of the industry in ten years' time?—I think it will be as large an industry then as it is now.

120. What about the destruction of timber?—There are very large areas not yet touched. I am speaking of the North Island.

121. With regard to a duty on kauri—you do not know kauri, do you?—Unfortunately, we come into competition with it sometimes, though we do not mill it.

122. Would it be any advantage to the millers in the southern portion of the colony to have a duty on kauri?—No, I think it would be a disadvantage. We already come into competition with it, and that would throw us more into competition with it.

123. Putting a duty on Oregon and therefore to some extent shutting it out—could that possibly mean that we should have to shut our kauri in by putting an export duty on it?—I do not think so.

124. What amount of clear profit do you think your firm and other reasonable millers would be content with, over and above the cost of output—I mean profit per hundred feet?—I think that any one getting anything over a shilling would be satisfied with it, provided the miller did actually get it, and not get it on paper only.

125. Have you ever refused any orders for big lengths?—No.

126. Do big lengths ever form a very large proportion of the amount of the average order received for timber?—No, a very small proportion in our case.

127. Can you give us any idea what proportion long lengths would be—say lengths over 30 ft.?—It would be so small that I could not give you any idea.

128. Do you think that rimu could compete successfully, in point of price and in point of quality, with Oregon in big lengths?—No. I think the price of Oregon will always be less than rimu, in long lengths.

129. Then there is something to be said in favour of using long lengths of Oregon. We have got to consider the consumer in the question of prices?—Yes, but the quantity used in those lengths is so small that I think the price hardly enters into consideration.

130. What do you find Oregon affecting most—your ordinary building-timber?—Ordinary building-sizes—framing.

131. You have no difficulty in selling your first-class rimu—heart rimu?—No.

132. You are not surprised to find that millers throughout the country generally are complaining that their stocks of second-class are increasing owing to the importation of Oregon?—No.

133. You are aware that the millers have offered to mill at a price to fixed by the Crown, as one solution of the difficulty?—Yes, I understand they made that offer.

134. Have you any idea what duty we are charging at present on, say, boots imported from America?—I believe it is something over 33 per cent.

135. Would you be surprised to know that it is over 50 per cent.?—No.

136. You are aware that America is charging a very big rate on our products?—Yes.

137. Do you think that a country, in considering its tariff, should be influenced by supersensitiveness as to what other countries might think about it?—Not in the least.

138. Do other countries look at it in that light when putting duties on the things we produce?—Not in the least.

139. You are aware that Queensland came very near to putting a duty on our white-pine?—That is so.

140. Are you aware that Australia has put a duty of 2s. 6d. a hundred on beech timber?—I understand that to be the case.

141. And this had the effect of shutting up mills that had been erected for milling beech?—Yes.

142. You think it a fair thing to protect the timber industry?—I think so.

143. Do you see anything in the argument that we should be guided by a system of exchange? Do you think it a true exchange to send away 100 ft. of kauri to Australia and take 200 ft. of Oregon from the United States—do you see any exchange in that?—No.

144. Do you not think it better for us to be exporting as much as we possibly can and keeping our gold here as much as we can?—I think that is the right policy.

145. *Mr. Leyland.*] How long has your firm been established in business as timber-merchants and sawmillers?—Nearly twenty years.

146. I think your firm started in a small way at Otorohanga?—Yes.

147. And gradually built up a connection in the Waikato and the King-country?—That is so.

148. I suppose you would not suggest that those in the trade are wrong in forming the opinion that your business has been exceptionally well managed? You will not fall out with that opinion?—I am not likely to.

149. Yet you have found that it has taken years of great care and close and persistent application to make your business a success?—Yes, we have.

150. A few years ago your firm was the only firm in business in the sawmilling line in the King-country?—They were the first in the King-country.

151. A short time ago there were no others?—Seven or eight years ago.

152. Then there suddenly came a rush, and quite a number of new mills were erected: is that not so?—That is so.

153. And these new competitors of yours took a bush often at a considerable distance from the railway, did they not?—Some of them. Some took bushes close to the railway.

154. And they also had to pay very heavy royalties as compared with yours?—Not all of them. Some pay less than ours, I think.

155. Anyhow, when they went up there, knowing the conditions under which they were going to work, did you anticipate success or failure for these people?—In the state of the market then, there was room for them all.

156. Is it not a fact that nearly all of them have found themselves in difficulties?—That is so.

157. Did this not come about prior to the direct importation of Oregon pine?—To some extent, yes.

158. Then, it is not fair to blame Oregon pine for that?—I do not think any one does.

159. Oregon pine seems to have been made a peg upon which they might hang an excuse?—I think Oregon pine has affected the market to some extent, and made the difficulties greater.

160. In a general way you have admitted that they were in difficulties before the Oregon pine came here?—I think the difficulties had commenced.

161. In Auckland Oregon pine is not competing in price with ordinary building-rimu, is it?—I have no actual knowledge of what Oregon pine is being sold at in Auckland.

162. You say that every foot of Oregon pine imported is decreasing the earning-power of the worker?—Yes.

163. You are aware, of course, that it has not affected the kauri industry—the kauri-workers are all as busy as they were?—I could not say.

164. Perhaps you are aware that it has enabled kauri-workers to work when they have been short of kauri logs?—No, I am not aware of that.

165. The recutting and manipulating of Oregon gives a considerable amount of employment?—Not nearly so much as the New Zealand timbers would give for the same quantity.

166. So, to that extent, where it has replaced kauri, every foot imported has not decreased the earning-power of the worker?—It has decreased the earning-power of the working-man to the extent I mentioned, less the cost of the recutting of the Oregon in Auckland.

167. It has not diminished our sale of heart kauri, and in many places it has taken the place of heart kauri, so to that extent it has not decreased the earning-power of the worker—it has rather increased it?—If that Oregon had not been used New Zealand timber would have been used, and have employed more labour.

168. In many cases we had to import Oregon from Australia before. I can show you where there is 27,000 ft. in one building?—That is a solitary instance—one out of a thousand buildings.

169. With reference to lengths over 30 ft., if one firm here alone have in less than six months sold three-quarters of a million feet of Oregon timber in long lengths, would you think that a small proportion?—But were they to be used in that form?

170. Yes, in those sizes?—Then I should be very much surprised indeed.

171. With regard to quickness of growth, have you noticed the phenomenally quick growth of puriri—which is probably one of the strongest timbers in the world—where it has been planted for ornamental purposes?—No doubt it would grow much quicker then than in the natural state, because the trees would probably be fed by manure, and not have other trees competing with them.

172. I want to compare the growth of puriri with rimu. In my place twelve years ago I planted both rimu and puriri, and this morning I measured the surviving rimu-tree—a healthy tree—and two puriris 2 ft. from the ground, and I found that the puriris had grown six times as fast as the rimu. Is not that a proof that a timber is not necessarily poor because it grows quickly?—I should not take that as a proof, because you might go into another district and find that the rimu had grown quicker than the puriri. It all depends on whether the location suits the tree or not.

173. You made some reference to Oregon growing in swamps. Do you know for a fact that the Oregon grows in swamps?—I think I said it might have come from low-lying or swampy ground.

174. I have here a map of British Columbia, and I will challenge you to point out a place on that map where Oregon grows in swamps?—Oregon comes from other places than British Columbia.

175. But it does not grow in swamps: it grows on the western slopes of the Cascade Mountains and the plains at the foot?—I simply say there is that risk that consumers have to take—that that timber might come from low, swampy country.

176. Then you inferred that the lowest grades of Oregon were sent here. We have had evidence to show that the lowest grades are not sent here?—I excepted the lowest grades.

177. It is first-class Oregon, we are told: it may have knots, but it has no sap in it?—I understand that very little of the better classes comes to New Zealand, and that there are three higher grades than that imported.

178. There is clear, select, and merchantable. The quality is the same, only there is a small proportion with knots?—I understand that to get 5 per cent. of anything better than merchantable you have to take 95 per cent. of merchantable. If we sold our timbers by that rule we should be told we were imposing on the consumer.

179. With regard to the principals in the church in Dunedin of which we have heard, the inference was that the trees had been tapped for turpentine. Do you know that none of the Oregon has been so tapped?—Then I think that makes the case very much worse for Oregon.

180. But the architect traced this timber to the port in America from which it came, and found that it had been tapped for turpentine. That is proof that it was not Oregon, is it not?—I do not know that.

181. Oregon pine is never tapped for turpentine?—I have heard from people who have been in Canada that the trees are tapped.

182. With reference to the logs that you are afraid of from Asia: are you aware that it costs 8s. to land them in Australia?—I have heard it stated so.

183. Did you know that the timber is of very inferior quality?—I did hear that.

184. The price of it in the log is 9s., so have we any need to fear that timber—an inferior article costing 8s. to land, plus any duty you like to put on it?—My remarks referred to any timber, including Oregon. I think it right that the colony should be protected against the importation of foreign timber produced by Asiatic labour.

185. You say that the importation of Oregon has not decreased the cost of building?—It has not, to my knowledge.

186. If it has not decreased the cost of a cottage, is it not because it has not come into competition with ordinary building-rimu in cottages?—A dealer to whom we sell our timber says that owing to Oregon being used the demand for framing has decreased with him.

187. Do you not think that Oregon has been used where they would have used a higher-grade kauri, for instance, and not in place of ordinary building-rimu to any extent?—The man who handles our timber in Auckland does not sell kauri, practically.

188. You say that Oregon is easier to work?—I understand that it is easier to work in that it is lighter.

189. In that way it would decrease the cost of building, would it not?—Yes, to a very slight extent.

190. If it went into a building for joists in place of first-class kauri at least 2s. 6d. a hundred cheaper, it would decrease the cost of the building?—Yes.

191. With regard to Mr. Stallworthy's questions, if a dealer ordered a million feet, would not that be a big order?—No dealer has ever ordered that amount from us in one order.

192. If a dealer from Auckland went up to the King-country and took the whole of the stocks of the State sawmill, would that not be a decent order?—I do not think any dealer has ever taken the whole of the output, nor do I think the Government would sell it.

193. If he took the whole of the O.B. in stock, would that be a big order if it amounted to 250,000 ft.?—That would be a very big order.

194. With reference to the stacks of rimu held here, if I can prove to you that a firm in town had three-quarters of a million O.B. rimu seasoning, would that not be a decent stock?—Yes.

195. *Mr. Clarke.*] You stated that the whole twelve classes of timber had increased 6¼ per cent. during the time you mentioned: if you were to go back another five years, what would be the increase then?—I could only make a rough guess at that. I might say that previous to that time practically no totara was produced, so it would be difficult to gauge it.

196. Would you be surprised to hear that in ten years, instead of the rise being 6¼ per cent. it was over 30¼ per cent.?—Yes, I should be surprised to hear that. Are you referring to inland timbers?

197. Would you be surprised to know that wages during that time, taking carpenters' wages as a basis, have only risen about 7 per cent. in a general way?—I should be much surprised.

198. I am speaking of wages and the effect on the cost of building. You stated that every article had risen more than timber?—I meant the timber we were producing.

199. Then your evidence is located to your own timber?—Quite so.

200. Would you be surprised to know that in Auckland every other article has not risen more than timber, seeing that carpenters' wages have risen only about 7 per cent. in the last ten years?—I was under the impression they had risen much more than that.

201. And that timbers have risen at least 36 per cent in ten years?—Not our timbers.

202. With regard to your comparisons of the prices of Oregon and white-pine in Sydney, you have mentioned that the price of white-pine was higher than Oregon: Do you mean the Commission to infer that white-pine is a superior timber to Oregon for building purposes?—To some extent, in that country.

203. Do you know that Oregon is unfit for making butter-boxes?—My evidence did not refer to butter-box timber.

204. Have you any evidence that it does not refer to butter-box timber?—Yes, because of the sizes stated.

205. In a general way is it not admitted that our white-pine is really very superior as a butter-box timber?—Undoubtedly.

206. Seeing it is specially suited for that purpose, is it not reasonable to suppose that that is the reason for its superior price?—Certainly not, because it specially states the sizes to which it applies, and these sizes are not used for butter-boxes.

207. Do you mean to say that the prices given there for, say, building-sizes are higher for white-pine than Oregon pine in Sydney?—Undoubtedly.

208. May that not mean simply that the qualities of the white-pine are not understood, instead of the Oregon being inferior?—They have had it a good many years, and they ought to know.

209. Have they been using it as a building-timber for many years?—I understand so.

210. Is it not generally condemned as a building-timber here?—Yes.

211. Is there any reason to suppose it will answer better in Australia than here?—Every reason.

212. If it answers better and is not defective, that very fact alone would account for the difference?—I think it goes to prove that white-pine is preferred to Oregon in that country.

213. If it is preferred to Oregon in Sydney, and is not preferred here, it must be owing to the different conditions under which the climate acts on the timber?—Possibly.

214. And not as any actual comparison as between the two timbers?—It is the actual comparison as between the two timbers in that country.

215. Supposing you were going to build a house here and were given the option of the two timbers, which of the two would you choose?—I should choose rimu.

216. I gave you the choice between Oregon and white-pine?—I should take a good time to decide, as it is rather a weighty matter to build a house. I can show you a white-pine house just as good as the Oregon-pine house that Mr. Leyland quotes. If I could get all-heart white-pine I would take it to-morrow. White-pine heart is as good as any building-timber in New Zealand.

217. Why would you agree with the assumption of the inferiority of Oregon which has only grown for twenty-five years when you have previously admitted you have no personal knowledge of Oregon?—I think it is generally admitted that any quick-growing timber is not likely to be so lasting as one that grows slowly.

218. Did you understand from Mr. Mander's question that the Oregon pine we are using now has only been growing for twenty-five years?—I understood that he assumed that timber twenty-five years old was sent from Canada to here.

219. Do you not think it would be better to make a little more sure on that point. For instance, what are the facts as issued under the authority of the Canadian Government: "Douglas fir obtains its greatest size on Vancouver Island and along the shores. There trees 300 ft. in height are not rare, and the height of those felled for lumber averaged over 150 ft. Trees of a less diameter than 7 ft. are rarely cut." No reasonable man would suppose they had grown in twenty-five years?—I do not think that applies to all the Oregon timber sent to New Zealand.

220. You understand this is given under the authority of the Canadian Government?—I think you will find that the boat in port to-day with Oregon timber has never been to Canada at all. It has come from America.

221. Do you consider it is a fair thing to ask this Commission to accept the assumption that we are using timber here that is only twenty-five years old when there is absolutely no evidence to show that?—I think so, on the evidence of the Canadian representative.

222. Do you think that because Mr. De Schryver says that the timber is marketable in twenty-five years that would contradict the statement here which says it is rarely cut under 7 ft. in diameter and under 150 ft. in height?—I do not mean to infer that all the timber that comes here is of twenty-five years' growth, but I say that amongst that timber may be some of only twenty-five years' growth.

223. With regard to the question of shutting out imported timbers to compel the use of rimu, if there is no competition at all with outside timbers, what is to hinder the Sawmillers' Association from raising the price extravagantly?—Natural competition.

224. What do you call "natural competition," if you all work from the one price-list?—I do not know any district where they do.

225. Do you know if there is more than one price being charged for kauri or rimu in Auckland at the present time?—I am not aware of kauri prices in the least, but, according to a witness I heard here, he is getting rimu at a much cheaper price than we sell it at.

226. Is it not a fact that in your district there is a stated price for every timber?—Yes, amongst a certain number of mills.

227. And those who do not belong to the association?—They sell at any price they like.

228. Do they sell at anything under your prices?—I think they do.

229. You are not quite sure?—I think most of those mills sell locally at a good deal less than our prices.

230. Have they any stocks of first-class timbers?—I have no knowledge of their stocks.

231. They are probably small mills with a small plant and small output?—That is so with the majority.

232. Then it is fair to assume that your price-list is the controlling price-list in your district?—That is not the case now.

233. If your price-list does not control it, nor the price-list of the Waikato Association, will you tell us what does?—The market is open to all the mills to the south of Taumarunui, and they are selling at any price they like. Some are selling at less than cost-price in order to raise money.

234. *Mr. Morris.*] You take up the attitude that we have sufficient timber in the country to supply our local needs?—Yes.

235. Can you tell us whether there was any shortage of timber in this market previous to 1907 for building operations?—All the orders were supplied.

236. You do not know that there was any building stuck up for the want of timber about that period?—I have no knowledge of it. There may have been certain delays owing to inability to get exactly the class of timber they required.

237. I hold in my hand a list supplied by the Collector of Customs, showing that the total amount of Oregon brought into this market in 1907 was 5,000 ft.?—I am surprised at that.

238. Do you not wonder how they managed to get along without it?—No; they used the good local timbers.

239. And it is only because Oregon was bought at such a cheap rate in 1908 that there has sprung up such a tremendous demand for it?—I believe that is the reason.

240. Have you any knowledge of the fact that it has been sold at a less rate than our native timbers?—No.

241. The whole argument is that the merchant has been making a bigger profit out of Oregon, and has therefore been pushing it more than our native timbers?—I think that is the reason.

242. Do you think the poor working-man who wants a cottage to live in has derived much advantage from this?—I do not think it has altered the price of houses.

243. For the year 1908 five million feet of Oregon was brought into this market, and do you not think this must have deprived a considerable number of working-men in this locality of the chance of earning a livelihood?—Yes, I think so.

244. Do you know it is a fact that a large quantity of white-pine is used in building operations in Australia?—Yes, I know that from the sizes exported.

245. And has been for the last twenty years or more?—My experience does not extend so far.

246. And there is no fault to find with it in that market?—No.

247. Consequently it must be regarded as a superior timber to Oregon there?—That is what the price-list proves.

248. With regard to this heart rimu that is referred to as second-class timber, is not a great deal of the rimu-tree fit for building purposes, although not fit for joiners' work?—I think so. A lot of what is called rough heart is eminently suited for building purposes—more so than O.B.; but simply because there are a few shakes and knots in it people object to take it.

249. You hold the opinion that the small percentage of figured rimu that goes into consumtion has no material effect on the cost of cottage-building?—Not in the least. It goes to make joinery and furniture.

250. It is practically a luxury?—Yes. The supply is very small. It is just the same with kauri and Oregon in the better classes.

251. Do you think the mills operating in this district could have supplied the market with all its requirements last year, amounting to an extra six million feet on their output?—I am quite sure it could have been supplied.

252. You think the importer did not look at that?—Apparently not.

253. You were asked some questions about the discounts allowed to builders and merchants: you allow merchants 17½ per cent. and 2½ per cent. if they pay their accounts monthly?—Yes, the trade and cash discounts.

254. You allow the builder 7½ per cent. and 2½ per cent. also?—Yes.

255. So the merchant gets an advantage over the general public of 10 per cent.?—Yes.

256. That is what he has to carry his business on with?—Yes.

257. You also compete against him yourself?—Yes, we sell at the same price as the merchant.

258. You would not consider that was an unfair advantage you were giving the merchant?—No, I think he is entitled to the net profit he can make out of 10 per cent. It is not all gain by any means.

259. *Mr. Barber.*] You told us you had been compelled to put in expensive tramways to get out the timber?—No, I said we had done so.

260. In addition to that, to get the timber to this market there is 3s. 6d. freight?—From one of our mills.

261. The cost of this expensive tramway and the railway freight are passed on to the consumer?—Yes.

262. And you still ask for further assistance from the Government in the way of a reduction of railway freights?—Yes.

263. What is the limit to which millers are going to expend money for the purpose of getting the timber out and then pass this expenditure on to the consumer?—The consumer will always have to pay the cost of production of any article.

264. Is there no limit to this expenditure?—I presume the selling-price will always limit it.

265. What is going to regulate the selling-price?—The supply of timber and cost of production.

266. As the supply of timber is limited I take it that under these conditions we may look for a gradual rise in the price of timber in the future?—I think that applies to all countries.

267. Do you think it is a fair thing that the consumer should be prevented from getting timber from any other sources when the cost of the article is gradually increasing owing to circumstances over which the miller has no control?—I think the consumer will have to pay the increased cost certainly.

268. It does not apply to the same extent to imported timber?—I think it applies more.

269. That shows that it does not apply to Oregon timber?—The consumer will have to pay more for that.

270. We had an incident where a man brought his timber on his own railways, which was an expense that could not be avoided, and which is a tax on city dwellers. Where is the limit to come in?—So long as there is a demand timber will be supplied.

271. The people will have to pay?—Yes, unless production-costs are lowered.

272. With regard to the falling-off in trade, you said that with regard to your own particular mill your trade had not fallen off, and yet a little later you told us that the man who took your timber could not sell it because of the competition of Oregon?—I said that our output had not decreased. That is a different thing from our sales.

273. What increased stock have you got in your mill now compared with what you had when the depression took place?—Roughly, we are carrying double the stocks we had a few months ago.

274. You have only felt the depression during the last few months then?—Yes.

275. What proportion of your trade has fallen off in the Auckland market, and what proportion in the local market?—I have not figures to answer that question.

276. Is there a greater proportion in Auckland than in any other district?—Yes, undoubtedly, because to some extent we use our own timbers in the Waikato district for manufacturing.

277. A gentleman who owns mills in the Auckland District gave evidence before the Commission, and he said that no Oregon was brought into competition with his market, and yet there was a very great falling-off in the trade?—I should expect that.

278. In the same degree you realise that there is a falling-off in your local trade for the same reasons that affected his mills?—Undoubtedly.

279. That is not due in any way at all to the importation of Oregon, but rather to the depression which prevails throughout New Zealand?—Yes, I suppose so.

280. You are aware that there is a large proportion of carpenters out of work?—I am not aware of that.

281. I should have thought you would have been if there is no consumption of timber. With regard to those companies that have gone into liquidation during the last eighteen months?—I do not know that it is public property, but I will supply the information in committee.

282. Is there a larger percentage of millers gone bankrupt than in any other industry?—I think the proportion of millers who have lost money is larger than in any other trade.

283. That is very difficult for you or any one else to say?—I know from having come in contact with them.

284. I noticed in the papers yesterday that a large clothing-firm went bankrupt?—Indeed. I do not say for one minute that the depression is entirely due to Oregon pine.

285. You said you did not provide interest on capital, and that your capital was £75,000. Is that capital wholly called up?—Yes.

286. Any other interest outside of capital, such as debenture interest or bank interest, of course, you provide for?—Yes; if we have paid interest it would be provided for.

287. Mr. Field asked you what you thought was a fair profit on timber, and you said you thought 1s. per hundred feet?—I said I thought the miller would be satisfied with anything more than 1s.

288. Mr. Field added, after making provision for everything, including interest and bad debts?—Quite so.

289. You want 1s. over and above your interest?—Yes, 1s. net profit.

290. If you have £75,000 invested in business and you get interest on that, that is your profit?—Quite so.

291. And then you want 1s. per hundred feet above that?—I never said that.

292. You did?—Excuse me.

293. Mr. Field said, after making provision for interest and bad debts?—Certainly. That means interest paid.

294. What do you mean by "interest paid"?—In respect of interest to the bank, or for money borrowed.

295. It is not a very clear way of putting it?—It cannot be put clearer. What I intended to convey was that the miller would be satisfied with 1s. per hundred feet profit paid in the form of a dividend. A dividend is interest on capital.

296. Now, with regard to this question of white-pine being at a higher price than Oregon in Australia. Do you take that as conclusive evidence that white-pine is a superior timber?—I do not take it as conclusive evidence. I stated it as a fact that it was looked upon over there as superior to Oregon.

297. Are you aware that in some local bodies in New Zealand the use of white-pine is absolutely prohibited by the by-laws?—I am not aware of that.

298. Some local bodies prohibit the use of white-pine in buildings of any kind?—They do not know what they are prohibiting. If they prohibit heart of white-pine they are prohibiting a good timber.

299. You say you have had very little experience as to the life of red-pine and Oregon. Have you had any experience in regard to the life of matai?—I know of a church with matai weather-boarding that has been up for sixty years, and it is now as good as ever.

300. What was the price of the sample of matai you submitted to us—O.B. matai?—Fifteen shillings, less the discount.

301. Do you mean to tell me that the sap of that will last fifteen years?—I believe it will last fifteen years.

302. I am not a builder, but I have experience in regard to the sap of matai, and I can assure you that according to my house it is absolute rubbish to put in a building?—The same might apply to Oregon.

303. Now, with regard to the association, how many mills are there in the district?—I think fourteen mills.

304. How many outside?—About twenty.

305. That evidence is different from that given by the secretary yesterday?—It is about what I have said.

306. In order to get this special discount which you allow to people, are there any restrictions as to their dealing of any kind?—Are you speaking of the trade discount.

307. The discount both to the builder and the merchant?—A man must be a builder to get builders' discount.

308. Is that his only qualification?—Yes, his only qualification.

309. If he is asked to sign a declaration such as that?—I have never seen that form before, and it is not used in our association.

310. Do you think it is a fair demand to make of a builder or merchant that in order to get discounts he must confine himself to purchase from the mills within the association?—No; but I think a man would study his own interests.

311. Is it a fair thing to ask a builder?—I think it depends upon the conditions.

312. Upon what conditions?—It might suit a man to deal only with the association rather than with a number of different mills.

313. Do you think it is fair to compel a man to deal with the association?—Not unless there is reason for it.

314. He is compelled to sign this declaration to confine his purchase to the members of the association?—If he did not do that I suppose he could get it elsewhere.

315. You asked that some attempt should be made to grant further concessions on the railway, and you said that if other concessions were granted you could do more business?—Yes, that is so.

316. Is that not evidence that the price of timber is high, and that if the timber was lower more business would be done?—The class of timber I refer to cannot be marketed at a profitable rate owing to the high rate of railage, and there would be a greater consumption of our timber if the railway freight were reduced.

317. On all timber?—I do not ask for concessions on all timber.

318. You do not agree that the high price of timber is in any way interfering with the consumption of timber?—I do not think so. I do not consider it is at a high price.

319. You are looking at it from the miller's point of view?—No; I am looking at it from a financial point of view.

320. You are anxious that the Oregon timber should be kept out of New Zealand as far as possible?—I think the local timber ought to be protected.

321. Do you not think that the local consumer ought to be protected by keeping in New Zealand New Zealand timber—that is, if we are going to prohibit the importation of Oregon pine we at the same time ought to prevent the export of our New Zealand timber?—No, I do not think so. I do not think that the export should be prohibited. An export duty will not prolong the life of our forests

322. Therefore, while you want to protect the miller and give him all the advantage you can, by keeping out a competitor, you at the same time do not want to protect the colonist and those who use timber by keeping our own timber in the country, and also refusing to provide for them timber that cannot be procured in the Dominion?—I think that situation would always obtain—namely, that a certain class of timber cannot be procured. It obtains everywhere.

323. I am not referring to the cabinetmaking timbers now. I am referring to the heavier timbers. There is a very great difficulty in getting these owing to the exportation of kauri?—I do not think that is the real cause.

324. *Mr. Ell.*] In asking for the imposition of a heavier duty on imported timbers you are seeking to constrain the people of New Zealand to use native timber, are you not?—That would be the effect.

325. Supposing that people are constrained in order to get long lengths to use kauri for beams, and that kauri is specially adapted for boatbuilding, coachbuilding, furniture, and joinery-work, is that in the interests of the public or not?—I do not think that they are constrained to the use of kauri. There are other timbers besides kauri. We have large areas of forest inland that have not yet been touched. We are trying to educate the Auckland people to use other than kauri.

326. I want to ask you if you are not aware of this fact, that for the use of beams it has been easier to obtain good sound heart in kauri than in other timbers?—It is more adapted for that purpose on account of the length of the trees.

327. There is more difficulty in getting lengths in rimu than in kauri?—Yes, I think there is.

328. Consequently it costs more to obtain it?—Not more than kauri.

329. Kauri is more easy to obtain in long lengths and free from shakes?—You are speaking of Auckland.

330. In Christchurch we had to import kauri beams and stringers for our large buildings until we were able to obtain Oregon?—Yes.

331. Now, seeing that the Canterbury people have no forests, do you not think they have a perfect right to ask for some protection?—I think they can get all the timber they want even if there is a duty on it.

332. That is admitted, but they have to pay for it?—Not more than they are paying for Oregon. I do not think they can complain if they are getting their timber at a lower price than they were previously.

333. With regard to furniture-making and joinery in this country, using native timbers such as rimu and kauri, do you think that the people of New Zealand have a right to have a certain amount of conservation made to supply these industries?—I do not think it is possible to conserve the New Zealand bush—not from a commercial point of view.

334. You admit that it has been done up to the present?—No, I do not.

335. Are our forests being conserved now?—I do not think so. I do not know of any.

336. You know of a company that has got some 4,000 acres, and they are taking special measures to conserve it?—I have never heard that.

337. Of course, until they mill it?—I do not call that conserving.

338. Yes; what I want to make out is this: If the sawmiller can conserve his timber for fourteen or fifteen years successfully, why not for a longer period. They say it would take them twelve years to go through the area held?—I should not call that conserving.

339. You do not anticipate the timber being burnt up in twenty years?—That, I think, is the danger we have to contend with. Whenever settlement gets near the milling-bush a large portion of it is bound to be destroyed, and more especially in kauri than in any other bush. That is the reason why I think an export duty shoud not be put on kauri.

340. With regard to rimu?—There is still a danger of fire, but it is not so great as with kauri, because it is not so inflammable.

341. If the furniture-makers had to pay £2 10s. per hundred for ordinary oak, as against 14s. 6d. per hundred for native timbers, do you say that that would increase the cost of furniture for the people if they had to obtain outside supplies?—You are talking about fancy timbers.

342. No, I am talking about ordinary oak, not figured oak, which costs £5 per hundred feet?—You are comparing about the best timber in the world with one that is not the best. Moreover, the best class of rimu for furniture cannot be bought for 14s. 6d. per hundred feet.

343. I am talking about ordinary dressing-lines?—Building-timber?

344. I am not talking about figured stuff that is charged £1 8s. and £1 10s. per hundred. I am referring to ordinary dressing-lines used for furniture-work and cabinetmaking generally?—I do not quite understand the trend of your question.

345. They can get good dressing-lines fit for furniture-making at 14s. 6d. per hundred, whilst if they import timber for furniture-making it will cost them £2 10s. per hundred. Now, I ask you, in view of the adaptability of rimu to this trade, would it not be desirable to make an effort to conserve some rimu for the supply of our industries?—Speaking generally, I do not think it is possible to conserve New Zealand timbers to any extent.

346. I am asking you whether it would be desirable, in view of the increased cost to the people, to try and make more reserves?—I think not.

347. Notwithstanding the fact of the great difference in price?—I think you are comparing two different timbers altogether. It is not fair to compare New Zealand building-timber with high-quality imported furniture-timber. If New Zealand timber was in as good demand the people would not import oak at £2 15s.

348. They are not importing much oak, but if the people in the near future cannot get timber in New Zealand what will they do?—What will the whole of the world do?

349. If they cannot get the timber in New Zealand?—Then, they should go and plant trees. I think it would be decided waste to try and conserve New Zealand forest.

350. I understood you to say that in your opinion Oregon is inferior to New Zealand timber for building purposes?—I said I had no experience of Oregon.

351. I think you said in answer to Mr. Leyland that it was not equal?—No, I do not think I said that right out. I said I have had no experience of Oregon timber.

352. You are not prepared to say that it is not equal?—I should want proof that it was.

353. Do you not think it is superior?—No, I do not think so. We know what our New Zealand timbers are, but we do not know Oregon yet.

354. Do I understand also that the importation of Oregon has not reduced the price of building?—I do not think it has; not in this district.

355. Then, if Oregon is not superior and does not reduce the cost of building, what is the cause of so much of it being used? Is it simply, as you put it, that the merchants are making more from the transaction?—The merchants have imported it, and I expect they want to get rid of it.

356. The merchant, in consequence of a larger profit, is pushing it?—In a great many cases he is pushing it because he has it here. I know of importers who have stocks, and they say they do not want any more of it when these are exhausted.

357. Then you do not think that when these stocks are run out there is likely to be such a large quantity imported?—I do not think so, but I think we ought to be protected against large quantities being imported again in consequence of slump prices in America.

358. If the merchants are pushing this timber because of a larger profit, is there no competition amongst them?—I presume there would be some. The Oregon importers would have arranged prices amongst themselves if there was not.

359. You think it quite possible for an organization amongst the merchants to keep up the price of timber?—It obtains in all trades, I think.

360. You think that, although there might not be so much Oregon imported during the next few years, the time may come when there will be another slump in the American market, and that then it may be imported?—I think it quite probable.

361. And you would put a duty on now, although you do not fear any immediate danger, but to guard against what might happen in years to come?—That is so. That has been the experience of the past.

362. Do you not think that in consequence of that higher duty, and Oregon not being imported, the people of the Dominion would have to pay a higher price for their local timbers?—No, I do not think so.

363. Do you know of any raw material outside imported and used in local industries that has to pay up to 25 per cent. duty?—I think I could find some by going through the tariff.

364. Are you aware that, since the heavy duty of 50 per cent. was placed upon boots and shoes, the employees have passed resolutions to the effect that it has not been beneficial to the trade or the public, and have requested the Government to take it off?—I have seen that stated in the papers.

365. You ask that the duty should be placed upon all lengths—you would not exempt anything?—No, I think not.

366. You stated that you thought it would be beneficial to the timber trade if the Government or private individuals were to construct branch railways off the Main Trunk line. Where would you place those lines?—I think there should be one where we have constructed ours.

367. But there is one there?—Quite so—and in all main valleys that open up back country.

368. *Mr. Field.*] Do you know anything about the Taupo Totara Company's property—the quantity of the totara that grows on that property?—I have been on that property.

369. Have you seen any of that timber?—Yes, long before the Taupo Totara Company started.

370. What is your opinion of it?—That it is the same as any other totara. We are milling in practically the same district, but on a different watershed.

371. It is as good as any other totara?—I think it is of similar character to that which we ourselves are milling.

372. In addition to milling your own timber, have you been buying timber?—Yes.

373. Has the present slump affected the amount you have purchased?—Very considerably. We are now supplying our own factory instead of buying from other mills.

R. J. ROBERTS, Architect, sworn and examined. (No. 113.)

1. *Hon. the Chairman.*] You wish to give evidence as to the quality and durability of Oregon?—Yes. I have had some years of experience.

2. Will you tell the Commission your experience?—I have had colonial experience and American experience. I have been here for twenty-seven years, and know pretty well the quality of the timbers here. I spent some years in California, and used this timber—Oregon—continually. I have had alterations made to houses there. One case I remember very well, because it gave me a great surprise that any timber could last so well buried in the ground. The house had to be moved a little distance. In California, I may explain, they do not put their houses on blocks as we do. It is very flat land in the locality I have in mind, and you simply put a 9 in. by 3 in. plank on to the ground. Well, in removing that house we had to raise it up, and when we took this timber from underneath after it had been there for thirty-five years buried in the ground, it was as clean and as clear as it was the day when it was put in. That I can swear to. Of course, the Oregon pine is not so easy to work as some of the native timbers here. It is all Oregon that I hear spoken of here, but I do not know why you should be confined to Oregon, because there is timber there that is superior to anything you can get in New Zealand for standing the weather. I refer to the redwood, and it is only the same price in California as the Oregon. Oregon pine is about the best I know of as a bearing-timber—for scantlings, and so on. I do not think it so suitable as the kauri for joinery. The redwood is a timber that is almost imperishable. It stands a great heat without casting, and it stands the damp without perishing at all in consequence. It is the best timber that I have experienced for that purpose.

3. How long have you had experience of Oregon?—Since I was in America.

4. How long were you there?—I was there for three years, in the business all the time. I returned about nine years ago.

5. Do you understand whether there are differences in Oregon? Is there more than one class of Oregon?—Yes, there are different qualities of it. In Oakland I built a large mill, and the

timber for it was brought down from Puget Sound. I got flooring-boards 2 in. thick, and the bulk of that timber for the mill was 40 ft. long, without a knot in it. It was picked timber.

6. You have been to the yards here and seen the Oregon that is being brought in now?—Yes.

7. What do you class it as, first-class or second?—It is not the best; it is not the picked Oregon. It is cut from the top of the tree and sold cheaper; the best is only $16 per thousand feet. I am building a large house now, and I have selected Oregon weatherboards rather than kauri for that house, and I am paying as much for it.

8. Do you think that Oregon weatherboards are as serviceable as red-pine?—Yes; but not so serviceable as the American redwood. In America we never specify anything but redwood for cellars, where there is any dampness. In Fr'isco, when they are building large warehouses on the part that has been filled in, instead of piling as we do here, they simply put big logs of redwood down, knowing that they will last almost for ever, being sealed away from the air.

9. What-sized house is it that you are building here with Oregon weatherboards?—A seven-roomed house.

10. Is it Oregon throughout?—No, some of the studs are Oregon, some rimu, and some kauri. I consider that ordinary building-rimu will last as studs in a building, where it is kept away from the wet, as long as anything you can put on the outside.

11. Is this house for yourself?—No; it is a contract. I am building it for a gentleman in Devonport.

12. Did he express a desire to have his house built of this timber?—Yes, it was his wish, when I explained to him what I considered the value of the Oregon pine.

13. Is this man in the timber trade himself?—No; he is a bookseller.

14. What time do you expect that house to last without being repaired?—I should think it would stand without much repairing at all for the next fifty years.

15. *Mr. Jennings.*] Are you engaged in professional work at the present time?—Yes.

16. And have been for some time?—I have been engaged all my life as an architect.

17. I mean here?—I have been here twenty-seven years.

18. *Mr. Field.*] Are you using specially selected Oregon for this house that you are building?—No.

19. Are you selecting it?—I went to the mill and they showed me a specimen, and I said that would do.

20. This Oregon that had been in the ground thirty-five years and was taken out sound, was it kept away from the air in the ground?—No, it could not be kept away from the air, because it had been put on to the grass. It had been a garden there, and the soil would be open.

21. It was not deep in the ground?—Oh, no!

22. This Oregon in the ground was a good class of Oregon?—Oh, yes! heart of Oregon.

23. *Mr. Leyland.*] The Oregon that is coming here now is heart, is it not?—Oh, yes!

24. The difference in the quality is that some is clear and some is more knotty than other?—Yes.

25. But as far as durability is concerned?—There is no difference in the durability. Of course, their timber grows very high. I have seen some here that has come from too high in the branches, and has more knots in it than we like.

26. *Mr. Clarke.*] With regard to the age of the timber, would you regard it as likely that we should be using immature timber—timber that had only been growing twenty-five years?—No, that cannot be. That may be in the future, if they clear the bush and replant; but the timber growing there now I have no doubt at all is, some of it, a long way over a hundred and fifty or two hundred years old.

27. That means, does it not, that they have such a large amount of timber to cut from that there is no necessity to cut small saplings?—Just so; they have such a quantity of it. Redwood, of course, you can get bigger still.

28. *Mr. Morris.*] Do you think it good business for this country to send its money to America to buy timber when we have such a vast quantity of our own at hand that is admitted to be good timber?—It is not near at hand. They tell me that is the reason why timber has gone up so prohibitively high here—that it is too far among the hills. You can get it from California for less money than you can get it from the South here.

29. But you do not get it any cheaper?—It will bring itself down in time. When people see that the timber-merchants here have become millionaires a lot more will import it.

GEORGE HENRY NORRIE, Railway Storekeeper, Newmarket, sworn and examined. (No. 114.)

1. *Hon. the Chairman.*] You are the Railway Storekeeper for the Auckland Provincial District?—Yes.

2. Can you tell the Commission anything about the buying of the timber that passes through your Department?—Yes, I have to supply the timber for the Auckland Province.

3. Is it a fact that you have taken over the Government State mill?—Not as yet. Nothing has been definitely decided yet as far as the Railways are concerned.

4. It is still under the Public Works Department?—Yes, as far as I know.

5. Have you dealt with them for timber?—I have.

6. Will you tell the Commission what the terms are?—We simply take it at the ordinary rates.

7. What are the ordinary rates?—Unfortunately I have not got them here now, but the rate is fixed by the Public Works Department. They fix a certain rate for supplying the Working Railways with totara; in fact, the only thing we get from them is totara—totara and sleepers. The State mill bush consists principally of totara, but it is of inferior quality. There is a little

rimu there, but I understand it is not much good. We have had practically no dealings with the State mill for about the last nine months, because they could not supply us. We placed an order for about 100,000 ft., I think, of totara, and they said that owing to the exigencies of their Department they could not supply us, and we had to cancel the order and get the timber from the mills round about. I have found great difficulty in getting timber promptly, but the difficulty has been, I think, through the Government demanding almost all heart. And then the scantling is very difficult to get. We want it mostly in eighths, which, of course, are not stock sizes; in fact, practically all our sizes are not trade sizes. Another difficulty is this: we sometimes place an order for 4,000 ft., and that comprises perhaps twelve different sizes—12½ by 2⅛, and all that sort of thing. I have had great difficulty in getting kauri, and very great difficulty in getting long lengths of kauri. In one case I think I had to wait for three years for kauri, and they could not supply it.

8. What lengths was this order that you could not get made up of?—Long lengths running from 30 ft. to 44 ft.

9. They kept you nearly three years before you got it?—We did not get it at all. We had to cancel the order.

10. What did you substitute for this?—We opened negotiations with other sawmillers and got our supplies from certain mills in Auckland, and did fairly satisfactorily.

11. Did you get the sizes you wanted?—Yes, ultimately, but we have had great difficulty in the past as a rule in getting heart timber. We mostly require heart, and the mills only cut out about 10 per cent. from the heart.

12. Do you find any difficulty in getting your orders supplied now?—We have, rather, even at the present time.

13. You must be exacting surely, because we see stacks of timber at every mill both North and South?—Well, the Government wants the best of everything. They mostly specify heart, and in that case reject anything but heart.

14. Do you select the timbers?—No, the Inspectors.

15. About what quantity per month do your orders amount to?—About 100,000 ft. of native timbers per month throughout the year.

16. Do you use any Oregon?—We have used a small quantity for emergency purposes. We had to convert some wagons into coal-trucks in a hurry, and we had to take Oregon. Of course, as a rule the Government support local industries. We always give preference to New Zealand timbers. We have bought jarrah, but it is not so good as rimu, because it is short in the grain and brittle. We find kauri and rimu very hard to beat for rolling-stock.

17. What do you put in your buildings?—The framing is heart totara and the weather-boarding heart matai or heart totara. We pay the ordinary association price.

18. Then, there is an association here?—Yes.

19. Are there not many mills outside the association?—There are some.

20. Do you give any orders to them?—Sometimes.

21. But particularly to the associated millers?—Yes, because they have the plant for supplying timber which the outside mills do not possess.

22. Then it is only the little outside mills that are not in the association?—I think you will find that is the case.

23. *Mr. Jennings.*] Did I understand you to say that the Railway Department has not taken over the Kakahi sawmill publicly?—I have not yet been officially advised in that respect.

24. *Mr. Leyland.*] With reference to the coal-trucks mentioned, you would have taken New Zealand timbers if you could have got them?—Yes, I should have preferred it.

25. And you really tried to get it?—Yes.

26. But the matter was urgent, and although there were 100 30 ft. lengths of 15 by 1½ they were supplied in six working-hours?—Yes.

27. With reference to outside mills, are you not accustomed to order large quantities from Mitchelson and Co.?—Yes, but I was not aware they were outside the association.

28. *Mr. Clarke.*] It was suggested you could easily have got native timbers if the Government had been inclined to take 8 by 1½ in double the number of pieces: is there anything in that contention?—I do not think we could have got the supply. It was a very urgent order, as the public were complaining that the number of wagons available for the coal trade was very insufficient.

29. *Mr. Morris.*] I suppose you will admit this was a special circumstance?—Quite so.

30. It is not an every-day occurrence?—No.

31. Once in a lifetime?—Yes.

32. You do not expect people to carry a stock of Oregon or even a stock of rimu to meet such a case?—Quite so.

33. I think I understood you to say you found jarrah unsuitable for rolling-stock work?—Of course it has not been used for many years, and I cannot speak as to its durability, but I notice that in working with it you can easily chip a piece out.

34. Then you think that the action of the Government in sending 100,000 ft. of jarrah to Greymouth for the manufacture of coal-trucks cannot be regarded as good policy?—The reason was, I expect, that they could not get the local timber within a reasonable time.

35. As the coal is being dropped into the trucks from overhead shoots it is liable to knock the trucks to pieces very quickly?—Personally I do not think jarrah is as good as rimu.

36. Do you experience much difficulty in getting supplies of rimu for this work?—Yes, of heart rimu.

37. Do you think that difficulty is due to the peculiar sizes you people require for your trucks?—Yes, that has something to do with it. A miller has to alter all his ordinary trade workings in the mill to fill these orders.

38. Is it not possible to make your sizes and lengths conform to the usual sizes used in every-day building-work?—I have often thought the same thing, but that is a matter for our draughtsmen. I have often thought that the sizes are unreasonable, but there may be expert evidence to prove they are not.

39. *Mr. Barber.*] Do you experience any difficulty in getting ordinary kauri for railway-carriage building?—We do have difficulty in getting first-class kauri.

40. Do you think, if there was an export duty on kauri which prevented it being exported, it would relieve the shortage?—I think there should be an export duty. It is very galling to people who are calling out for it to see a shipment of beautiful kauri sent to Australia and be unable to get a stick of it.

41. *Mr. Ell.*] In view of that, you approve of the suggestion that there should be some export duty put upon it?—I think so. I think it would be a benefit.

42. Do you know any imported timber that is as adapted and as suitable as kauri for car-building?—No. Oregon might do, but it has not been tried to any great extent.

43. Do you know of any other timbers that could be imported at anything like the same price?—No. I do not think anything could compete with kauri. I think kauri is in a class by itself. I think our New Zealand timbers, rimu and kauri, will hold their own with any timbers in the world for durability and in every way.

44. Have you had any offers made to you about imported timbers?—I have not been approached with offers.

45. So you have no knowledge of the price of other timbers?—No.

46. What amount of timber do you require on this section for car-building?—Of kauri, about 300,000 ft. a year; of rough-heart kauri, about 35,000 ft.; of totara, about 500,000 ft.; and of rimu, about 500,000 ft.

47. And of sleepers?—I may say we pay about 3s. 6d. for sleepers. For the year ending March, 1909, we purchased in the Auckland District—of totara, 11,733 sleepers; and of puriri, 4,136 sleepers. We use about 253,000 ft. of jarrah timber and about 260,000 ft. of ironbark timber. Of course, the latter is used for bridge purposes.

48. Do you know of any New Zealand timbers as well adapted and as lasting for this purpose as ironbark?—I am afraid not. Totara is too brittle to stand any heavy strain. Ironbark has a quality of its own, and you cannot substitute anything for it.

49. So ironbark is indispensable to you?—Yes.

50. *Mr. Arnold.*] What was the urgency with regard to those trucks?—There was a great shortage of trucks for coal about three months ago, and I got instructions to purchase wherever possible kauri or Oregon at once.

51. What caused the urgency?—Shortage of coal-trucks.

52. Do you not think your Department ought to have been able to foresee the requirements of the service and have provided for it, and in that manner local timbers could have been used instead of this rush to Oregon?—That reflects on my superior officers, and it is a question upon which I would rather not express an opinion.

53. However, you know of no reason why these trucks should not have been ordered three or four months previously?—No.

54. *Mr. Mander.*] You say the Government are very particular in their selection of timber and sizes, &c.: if you were a sawmiller and you found that the Government were picking the eyes out of your timber and making it very difficult for you to dispose of the balance, would you not refuse to sell except at a very high price?—Yes, I should fight shy of them.

STANLEY MILROY, Secretary Kauri Timber Company, Auckland, sworn and examined. (No. 115.)

Witness: In connection with the evidence I am about to give, with your permission, Mr. Chairman, I beg to hand in the following exhibits: A. Prices current at the company's yards, Auckland and Mount Eden. B. Price-lists of various timbers in flitches, boards—first, second, and third classes, &c.—f.o.b., Auckland. C. An f.o.b. price-list at all mills except Auckland and Onehunga. D. F.o.b. prices to be charged for shipments from country mills to Melbourne and Sydney branches. E. Melbourne price-list dated 1st January, 1908. Naturally we have separate lists to meet different circumstances. These are not made because we wish to charge one man one price and another man another price. It is necessary to have different lists for the different markets to meet various requirements. There are some lines in one list that would never be called for in one market where other lines obtain. In the Auckland list you will see that the timber is classed first, medium, and second; whilst in every other market precisely the same classes are designated first, second, and third; so that what is called second in Auckland is third everywhere else.

With your permission I will first submit particulars of the cost of production of sawn timber, and compare that cost with the prices realised, as shown by the published price-lists on which we sell. I have therefore made up an exact record of every purchase of standing timber made by my company from the Crown during the last three years, and I find that the royalties have ranged from 1s. 6d. per hundred superficial feet up to 3s. 4d. per hundred, the average royalty paid on the whole quantity purchased being 2s. 6·1d. That covers the actual amount paid to the Government in cash without any account being taken of contingent expenses or losses.

Hon. the Chairman: You are aware, of course, that the Government have not levied anything higher than 2s. 6d.; anything above that has been done by tender.

Witness: I am endeavouring to arrive at the market price—the true value of standing kauri timber.

Hon. the Chairman: In making the statement you made it would go out to show that the Government has charged you 3s. 4d.

Witness: Three shillings and fourpence is the highest we have paid. You, sir, have stated that 2s. 6d. is the highest the Government has asked, but I cannot say of my own knowledge. We find from experience that in purchases made from the Crown in recent years the quantities of timber are very closely measured, and in some cases the quantity paid for does not actually exist, which, of course, means that we are paying a shade higher than the price we tendered. In some cases the time allowed by the Government for removal of the timber is inadequate, and it is a physical impossibility to remove the timber in the time given. The Government, however, allow an extension of time when required from year to year, the consideration being a payment of rent assessed at 5 per cent. on the capital value of the land occupied. These extensions may be necessary or convenient, but in any case they involve a further addition to the cost. Then comes the most severe loss of all—namely, that from fire, which in spite of every precaution that can possibly be adopted destroys tens of thousands of pounds' worth of timber every year. All these expenses have to be taken into consideration in ascertaining the cost of the raw material. I will not, however, deal with them at present, but I will ask you, sir, to set down the cost of the standing timber at 2s. 6d. per hundred feet.

The next essential in the production is to deliver the timber to the mill. To arrive at the cost of this I have taken the actual contract prices paid by my company during the past year, and I find that they average 3s. 9½d. per hundred feet. I should like to have furnished the figures extending over a period of years, but to obtain precision is somewhat difficult on account of the records not being kept to show what quantities of timber were supplied from each contract until last year, when very rigid methods were introduced to enable a precise record to be kept. During the same year we had a very careful estimate made by the experts in the employ of the Kauri Timber Company to ascertain what will be the cost of working every bush which is owned by the company, disregarding those which it will not pay to work, and the average of the estimated costs is much higher than the figures I have named. I propose, however, to submit to you the actual average price paid to the contractor during the past year, which, as previously stated, was 3s. 9½d. If we now add that figure to the 2s. 6d. for royalty we find that during last year the logs cost up to this stage 6s. 3½d. This, however, only accounts for the royalty and the payment to the contractors. I have already indicated some expenses which accrue while the timber is standing, but there are further expenses incidental to the transport of the log to the mill. These consist of loss of logs by fire, erection of booms, snagging of rivers, measuring the timber, supervision of the work, fees for floating licenses, boom licenses, &c., compensation for damage done to property while the logs are in course of transport, and for rights of way over private property. All these charges we include under the heading of "forestry expenses," and find that they work out at an average of 5½d. per hundred. And there is still a further provision to be made for logs which are altogether lost in the course of transit through being smashed while coming over falls, getting adrift and going out to sea, getting into swamps and other places whence it is impossible to recover them. By actual stocktaking we ascertained that during the last three years the loss on this score was a sum equal to 1¾d. per hundred feet of all the logs felled. To arrive then at the actual cost of the log we have to take—royalty, 2s. 6d.; contractor's price for delivery, 3s. 9½d.; forestry expenses, 5½d.; and loss of logs, 1¾d.: which shows the total cost of the timber in the log, delivered to the mill booms, to be 6s. 10¾d.

We now come to the actual milling of the timber. Taking into careful consideration results of years of operations in our mills, we find that the average cost of milling under the most favourable circumstances is 2s. 5d. for every hundred feet of log sawn up, making a total cost up to this stage of 9s. 3¾d. But we now find that, after passing through the mill, instead of having 100 ft. of timber we only have 75 ft., the remainder having been converted into sawdust, slabs, and other waste. To ascertain the amount of this waste I have taken the results of the Kauri Timber Company's last year's milling operations, and find that it was 25 per cent. of the log, and, as you have no doubt already been informed, or will be informed by the expert millers, this may be looked upon as a fair average rate of loss. We find then that, for our 9s. 3¾d., instead of having 100 ft. of sawn timber we only have 75 ft., and a simple calculation will show that since 75 ft. costs 9s. 3¾d. the cost of 100 ft. will be 12s. 5d.

To find the value of this for selling purposes it is necessary to take into consideration the proportions of the different classes of timber produced. To ascertain these I have taken the actual results of the Kauri Timber Company's cutting during the last year, which we know to be a fair average. The results referred to show that the production of first-class kauri was 42·3 per cent.; of second-class kauri, 20 per cent.; of third-class kauri, 19·2 per cent.; of rough and inferior kauri, 18·5 per cent. Taking 100 ft. of timber made up in these proportions, and stating against each line the net selling-price at the mill, will show the actual prices realised by the millers. The figures are as follows:—

	s.	d.
First-class, 42·3 ft., at 18s.	7	7¼
Second-class, 20 ft., at 15s. 4d.	3	0½
Third-class, 19·2 ft., at 10s. 9d.	2	0¾
Rough and inferior timber, 18·5 ft., at 7s.	1	3½
Average selling-price per 100 ft.	14	0
It has been shown that it costs the miller to produce	12	5
So that there appears to be a profit on every 100 ft. produced of	1	7

I will ask you for the present to accept those selling-prices as correct. At a later stage, when dealing in detail with prices charged in different markets, I will substantiate the figures. We find then that there is a profit of 1s. 7d. per hundred feet. This is equal to nearly 12 per cent. on the sales, but like nearly all figures in connection with timber-milling it requires careful scrutiny. If a merchant were to purchase some non-perishable material for which there was a ready sale, and could turn over his stock several times a year, this might be looked upon as a handsome profit; but in timber-working the conditions are far otherwise. The miller, instead of turning his stock-in-trade several times in a year, or even once a year, has to wait to realise the money he has spent in standing timber for anything from two to ten years, or even longer. Further, the ultimate wearing-out of the very costly plant, in spite of repairs and renewals, is a heavy item which has to be remembered, so that there is a very large capital always involved.

In submitting these particulars I find it necessary to confine myself to the main issues. There are a great many minor factors which influence the timber-merchant's profit both favourably and unfavourably, but if I am to keep my remarks within reasonable dimensions it is quite impossible to deal with every detail. For example, we obtain an additional price for specially wide or specially long timber, and also an additional price for specified lengths in flooring and lining. These, however, do not by any means represent an additional clear profit. To get wide boards out of a log it is found necessary to sacrifice some of the remainder of the timber. Long lengths cost considerably more to manipulate, and for the delivery of specially long timber we have to pay our bush contractors special prices. To manufacture specified lengths in large quantities, as they are often called for, is one of the most difficult tasks which the sawmiller has in the course of his every-day work, and there is necessarily an enormous sacrifice in the shape of offcuts to bring each piece of timber to the size required. Those offcuts are of very little value, and as a rule have to be used up for making boxes. Still there is generally a small profit left, but this is more than compensated by certain losses which I have not referred to, as, for example, the waste of timber in the yard through ends being split in handling, and in the case of stocks which remain for some time in the stack quantities of timber are lost through warping from exposure to the sun and through being otherwise affected by the weather.

Prices.—Considerable discussion has taken place in the public Press and elsewhere in regard to the relative prices charged under different circumstances, and much misapprehension appears to exist upon what is really a very simple matter. All prices are based upon, and as nearly as possible precisely agree with, the Auckland mill list, from which the above-quoted prices are taken. I submit a copy of that list, marked "A." The discount allowed therefrom to a consumer is 2½ per cent. At country mills the prices are the same, except that in the case of job lots we have sometimes to take what we can get.

Prices to middlemen: So far as Auckland is concerned there are really no middlemen except the builders, who are allowed a discount of 10 per cent.—that is, 7½ per cent. more than is allowed to the general public. When timber is purchased from one Auckland sawmiller by another, the discount allowed is 15 per cent., out of which the purchaser allows his customer 10 per cent.

Retailers—that is, timber-merchants—in New Zealand outside the Auckland district, if supplied from Auckland, are charged on what is called the Auckland f.o.b. shipping list, of which I submit a copy, marked "B." This list includes cartage to the vessels, 5d., and wharfage at Auckland 1½d. per hundred. Although it is marked "net," in the case of sales to builders and timber-merchants we allow 2½ per cent. or extended credit. An examination will show that the prices in this list are as nearly as possible equivalent to those we charge the Auckland builder under list "A." Timber-merchants outside Auckland, when supplied from country mills, are charged in accordance with the list marked "C," less 2½ per cent. This, again, as nearly as may be, is the same as the price charged to the Auckland builder.

Shipments Abroad.—The total quantity of kauri timber sold by us during last year within the Dominion and abroad was 40,180,000 ft., of which we exported 13,563,451 ft. Of this some went to the United Kingdom, and the balance principally to Melbourne and Sydney. Shipments to the United Kingdom and Melbourne are all sent through our Melbourne house, and I submit herewith a copy of the price-list marked "D," on which the timber is charged to them f.o.b. New Zealand. This is subject to a discount of 2½ per cent. An examination will show that after allowing this discount the prices are again practically identical with the Auckland mill list "A." In connection with shipments to Melbourne, our Melbourne house bears the following charges: Freight, 2s. 9d.; duty, 6d.; measuring, wharfage, loading-charges, and discount, 1s. 9d.; and after paying those they sell on the list marked "E," of which a copy is submitted. In cases where timber is not sold before arrival in Melbourne the cost of carting, stacking, and storage has also to be added to the list of charges. In the case of shipments to Great Britain we charge our Melbourne house on the same list. There is no special list upon which the timber is sold in the United Kingdom; but no sales are made there on our behalf unless they realise equal to £1 net f.o.b. New Zealand. All the timber is first-class.

I would ask you, sir, to note that the particulars I have submitted in regard to prices are in no way an expression of opinion. They are purely a statement of fact, and embody the actual prices at which the timber is being sold in the respective places. If any doubt remains in your mind on this score, or if there is any point which I have failed to make perfectly clear, I shall be pleased, if it lies in my power, to furnish any other proofs you may suggest. I mention this because the question of relative prices is one on which the grossest misstatements have been made during the last two years in the public Press and elsewhere.

So far back as June, 1907, I learned from a Christchurch newspaper that representations had been made to a member of Parliament—Mr. Ell—who is now a member of this honourable Commission, and that gentleman had written to the Minister of Lands drawing his attention to the fact that the price of kauri timber was greater in Christchurch than in Melbourne, and suggest-

ing an increase in the export duty. As these statements emanated from such an influential source I thought it advisable to apprise the Minister of Lands of the true facts, at the same time commenting on the reports which had appeared in some newspapers that timber could be purchased from Melbourne, delivered in New Zealand, at a lower rate than if purchased from the local sawmiller direct. I furnished the Minister with copy of the price-list on which the Kauri Timber Company was then selling in Auckland; copy of price-list on which it was selling in Melbourne; also copy of the price-list of a Melbourne timber-merchant which had been circulated in New Zealand, and which gave his prices for ironmongery, American timbers, &c. In this list kauri timber in bond, free on board at Melbourne, was quoted at £1 2s., while at that time the same timber was offered by the Kauri Timber Company free on board Auckland at 16s. 6d.

Although I knew that the statements which had appeared in the Press were manifestly absurd, I then made inquiry throughout New Zealand to ascertain if possible whether any transaction had taken place which might account for a misrepresentation having arisen, but although I had at my disposal the most reliable information, I could find nothing which would lend the slightest colour of truth to them. I could trace only one case where kauri timber had been imported into New Zealand from Melbourne. The transaction was carried out by a southern builder, who had seen a price-list issued by the Melbourne timber-merchant to whom I have already referred. Among other items he found dressed kauri flooring quoted at a price much below that shown in the Kauri Timber Company's New Zealand list. He therefore arranged for a parcel to be sent over, but on receipt of the goods he found he had only about half the quantity of timber which he expected to receive for the same money. He expostulated, but without effect, and he had to be content to suffer a heavy loss on the transaction. The reason was that in New Zealand flooring-boards are sold, like rough timber, at so much per hundred superficial feet—that is, 100 ft. long by 12 in. wide, so that if any one orders in New Zealand 100 ft. of 6 in. flooring (this, I may say, is not an ordinary size—I only adopt it for convenience of illustration) he gets 200 ft. in length; but in Melbourne there rules a different custom in the trade. Dressed flooring is there sold, not at so much per hundred feet superficial, but at so much per hundred feet lineal, and a customer ordering 100 ft. of 6 in. flooring would receive 100 ft. in length, or equal to 50 ft. superficial measurement, and that is where the builder came to grief. He was comparing the Melbourne timber-merchant's quotation for 100 ft. lineal with the Auckland millers' quotation for 100 ft. superficial, and naturally he thought he had a very good thing on. This case could hardly be said to substantiate the rumours referred to, and, as before stated, I could find no trace of any transaction which was profitable to the importer.

In view of the full particulars which I furnished to the Minister at that time I thought the absurd rumours were long since dead. I was astonished, however, only a few days ago when a friend remarked in the course of conversation that he had heard kauri timber could be imported from Melbourne cheaper than it could be purchased in New Zealand, and I have since heard that testimony has been given before this honourable Commission to the same effect. I have furnished what I think is clear and substantial evidence of the fallacy of those statements, and I can only ask the Commission to compare the nature of that evidence with the bald, unsupported statements or vague rumours which have been furnished to the contrary. Surely it is easier to prove the importation of the timber if it did take place than to disprove it if it did not. Surely the Customs have some record of it. Surely one of the fortunate individuals who did the importing can be found and an account produced, but I have heard of nothing of this kind being done. I can only sum up my remarks on this part of the subject by stating definitely that so far as the Kauri Timber Company is concerned it has not sold timber to any one, either in New Zealand for export or in Melbourne at a price which would allow of its being either sold in Melbourne or shipped back to New Zealand at a lower price than it is sold at by the Kauri Timber Company in New Zealand to the ordinary customer. Do our friends who make those statements wish us to believe that the mill that supplied the timber is hidden away in some unexplored portion of the Dominion? Is it run by phantom workmen and served by phantom ships? Does it run the timber over to Melbourne and run it back again for sheer joy of perplexing honest flesh-and-blood sawmillers? Is this what our friends wish us to believe, or what is it they suggest? If this honourable Commission can lay that ghost or find that phantom mill and destroy it it will confer a benefit on the industry.

In disposing of the timber the sawmiller must never lose sight of the necessity for getting quit of the whole of the log in the classes produced, but the demand for first-class is always much in excess of the proportion of that grade obtained from the log, and the necessity for coping with this difficulty is often the cause of complaints against the sawmiller which are quite unwarranted. We have, for instance, had complaints at various times from dealers in the southern parts of the Dominion that they cannot get their orders supplied so quickly as they could wish; but let us investigate the reason. I again refer to the actual records of the Kauri Timber Company. I find that they have two customers in the South who take a fair proportion of low-grade and shaky timber at a specially low price; but if we leave them out of the question we find that our southern friends require no less than 88 per cent. in first-class, and all cut to special order; and even including the two customers of low-grade timber to whom I have referred, the demand from the South is for 66 per cent. first-class. So that for every 100 ft. of timber we send them we have to stack 60 ft. in our yard, which we have to cut but which they do not require. It is quite obvious that if we went on filling such orders we should very soon be brought to a standstill for want of yard-space. But this large proportion of first-class they want supplied at the ordinary list price which has been made up on the assumption that the whole cut of the log is consumed. It is very clear, therefore, that the southern market is neither the easiest nor the most profitable market to supply. Great Britain, as already stated, consumes first-class only, but the prices realised are high enough to enable us to do this profitably. Australia consumes 36·1 per cent. of first-class, which is below the average production of the log.

I have obtained from the Customs Department a return showing the quantity of Oregon timber imported into Auckland for the year ending 31st March, 1909. It consisted of 6,174,955 ft. of sawn, 661,670 pieces of laths, 361 ft. of dressed timber. The whole of that timber has not yet been sold, but what has been disposed of must necessarily have decreased the sale of local timbers, both kauri and rimu, to a like extent, because it is used for the same purposes as ordinary rimu and kauri other than first-class. At the same time we cannot say that it has very seriously affected the industry. Certainly since the time of its first importation the sales of kauri have decreased, but this is owing principally to the tightness in the money-market, with the consequent general falling-off in the consumption of timber, and in a lesser degree to the extension of the use of rimu. The sales at our Auckland mill for the six months up to the end of February were 20 per cent. less than the sales for the same six months in the previous year. Shipments from country mills to New Zealand ports, including local sales at the country mills for the same period, have decreased by nearly 50 per cent.

With regard to the landed cost of Oregon, we have not actually dealt in the timber, but a quotation received by us in October last year shows the price to be £3 15s. c.i.f. New Zealand—that is, 7s. 6d. per hundred feet. To this must be added—duty, 2s.; wharfage, 3d.; cartage, 6d.; stacking, 9d.: making the cost in the mill-yard about 11s.

It has been suggested in some quarters that a higher import duty should be placed on Oregon. So far as the kauri industry is concerned, although it would, of course, be in the interests of individual millers that a much-increased duty should be placed on Oregon, still we cannot conscientiously say that we think it likely for the present that the importation of Oregon will so far affect the kauri-milling industry as to warrant a material increase, unless it might be in the lower grades, which all milling countries have a difficulty in quitting, and which, when the trade in Oregon is well opened up here, will from time to time be dumped down at prices which would undoubtedly have a serious effect upon the local industry. If Oregon once got thoroughly established on such a footing as to badly affect the kauri industry it is very probable that most of the Auckland sawmillers would go into the Oregon trade, and, judging from the c.i.f. quotations we have had, should be able to make a higher profit on the handling than they now do on kauri, but the actual industry of producing sawn timber would be very much diminished in volume, so that many timber-workers both in mills and bushes would be thrown out of employment.

I consider, however, that millers of other timbers, more particularly in the King-country, would be very seriously affected, on account of the heavy railway freights to be paid before they can get their goods to a market or even to a shipping-port. The average railway freight is about 3s., and after this is paid the freight to another New Zealand port is approximately equal to the freight payable on Oregon from Vancouver to a New Zealand port, so that it is doubtful whether the present duty of 2s. per hundred is sufficient to protect this trade from disaster. The crippling of this industry would, I consider, be a loss to the country. In the first place it is a source of revenue to the Native owners of the standing timber, while it clears the land for cultivation without reverting to the previously existing destructive method of burning off. Then there is the employment of an army of mill and bush workers, which would of necessity cease, an absolute destruction of a large amount of capital which has been sunk in woodworking machinery and plant on the assumption that the industry would have reasonable protection, and finally a heavy loss to the Railway Department in freights. If once destroyed this trade would never be likely to revive, and in the end the imported timber could be put on the market at a higher price than the local timber now commands. These matters, however, and the statistics in connection therewith will, no doubt, be more fully put before you by the representatives of the King-country mills.

The suggestion has been made that an export duty should be placed on kauri, but this suggestion, if given effect to, would, I venture to say, produce results not contemplated by those who have made it. I have already laid before you details of the cost of production of the timber which shows that the manufactured product is sold at such prices in New Zealand as realise only a very moderate profit to the producer, and even if the export were absolutely prohibited no reduction could take place in those prices. Kauri timber some years ago was sold at very much lower prices than at present, but it must be remembered that things have materially altered since then. Every one knows that wages have very greatly increased; as also have the prices of plant, stores, and other material consumed. Royalties on standing timber have increased at least threefold, while the trees, instead of being close to deep water or comparatively easy of access as they were then, are now for the most part situated in country which was then considered practically inaccessible to the timber-worker. Indeed, the Kauri Timber Company is now working forests which were years ago abandoned as inaccessible. They were just as accessible then as now, but the absurd prices at which timber was being sold would not anything like cover the cost of delivery; far less would it cover the enormous loss caused through the breakage of timber in transit from the bush to the mill. At the time I have referred to the millers, even under the much more favourable conditions then existing, were not carrying on a profitable business. They were then in the position of a section of the public to-day. They did not in the remotest degree realise the difference between the actual cost of producing the timber and a rough-and-ready estimate on paper. It is a difficult matter to collate the actual costs of delivering timber such as I have laid before you to-day. A sawmiller as a rule is an eminently practical man who likes to hear his saws working and see the timber being converted. It is contrary to his nature to waste time in elaborate calculations of cost in order to ascertain whether he is working at a profit or otherwise, and it was only years of continued loss that at last directed his attention to the fact that the costs of royalty, felling, and milling did not by any means give even an approximate indication of the price at which he could sell the finished article to his customer. He now knows accurately what he can sell the timber at profitably. He

can never lose that knowledge, and I venture to say that all the export duties that have been conceived would never induce him to again pay out £1 in royalties, wages, &c., and then sell the result of his labours for 15s. It is manifest, therefore, that the imposition of an export duty will fail in what is presumably one of the most important objects sought to be achieved. The most important and most serious effect of an export duty would be the closing-down of all the purely export mills in the country. These mills are for the most part so situated that the local trade in sawn timber would not for a moment warrant their continued existence. The inevitable result will be that large numbers of men engaged in bush and mill work will be thrown out of employment, and districts which have become prosperous by reason of the circulation of money produced by the milling industry will be deprived of their principal source of income, and the forests will remain.

Some have advocated that the forests should be retained by the Crown so that the country might reap some of the profits which are supposed to be made by the holding of kauri bush. But what are those profits? Unless some extraordinary change takes place in the condition of things standing kauri cannot by any possibility become more valuable than it is to-day. It can only be sold once, and the sooner it is sold the greater benefit the country will derive. Every year it is held means a loss of interest; loss in cost of supervision, taxation, and general expenses; loss of ground-rent of the land, and delay of settlement; and, worst of all, the more than probable loss of the whole bush by fire before it is realised. I need not elaborate this. Leaving out of the question all the costs of holding the bush, it is manifest that, even if we could assume what is really an absurb hypothesis that the standing timber would double its value in the course of the next fifteen years, we have only to add interest for that time and we find that the total cost, instead of being 2s. 6d. per hundred, is 5s. per hundred.

Then there is the question of conservation on account of climatic influence. Suggestions in this connection are founded on a much sounder basis than that previously refered to. Every educated man must recognise the value of forest-conservation. The unfortunate thing is that very few of those who speak of it appear to realise what forest-conservation really means. The usual idea seems to be that the whole question would be solved if we refrained from cutting down the primeval forest; but let us see what the older countries can teach us on the subject. Schools of forestry have existed in France and Germany for at any rate the last forty years. For over thirty years the British Government and the learned societies throughout Great Britain have given the question extensive consideration. The course of specialised study for candidates for our own Indian forest service extends over a period of from four to seven years, and involves an education which would not disgrace a university professor. It should be obvious that the subjects would not have commanded the attention of some of the foremost scientists in Europe, nor induced the Governments of France and Germany to authorise the establishment and maintenance of elaborately organized institutions for the study, if forest-conservation consisted in refraining from cutting down trees. If we desire to conserve our forests, this cannot be done by sitting down and watching the old trees rot away. Forest-conservation consists in the preparation of the ground, planting suitable trees in a suitable manner and at suitable times to produce a succession of crops, the gathering of the crops in due course, and finding a suitable market. New Zealand is peculiarly adapted for tree-culture, and under skilled supervision this could be made a profitable national investment. Owing to the great age required to bring kauri to maturity it would be an unprofitable tree to grow, and must give place to timber-trees of known economic value. The restriction therefore upon the use of our forests for industrial purposes with a view to maintaining the salubrity of the climate I look upon as useless; and, even if by restricting the consumption we could by any possibility spin out our forests for another fifty years, we would be no nearer having established a sound system for forest-conservation.

But, whatever be the pretext for an export duty on kauri, the objects for which it is imposed are foredoomed to failure unless these objects be to destroy the industry, to ruin many of those engaged in it, and to cause a heavy loss to the country in general.

The imposition of the suggested duty cannot be said to be in harmony with the policy of the country, otherwise why should we not place an export duty on wool, on kauri-gum, on butter, on mutton, and on beef—why not, in short, destroy the entire export trade of the country?

There is another aspect of the case: the Government have sold forests recently for which they have been paid full value—in fact, the highest price obtainable in the open market. Is it fair or reasonable that they should extort from the purchaser an additional payment in the form of an export duty, however small? Some of the bushes recently sold by the Crown are so situated as to be at present quite useless for the supply of the local markets, and if a prohibitive export duty were placed on kauri these forests would not be worth one-fifth of the price paid for them. Would this be fair, or would it be a benefit to any one?

These are the particulars I wish to submit to this honourable Commission for its consideration. There is just one other matter I should like to refer to. Members of the Commission visited the mills in this city recently, and no doubt had an opportunity of seeing the methods of production of the timber. I would suggest that it might benefit the Commission and assist them in reaching their conclusions if they could make it convenient to visit a typical kauri bush in full working. If they could possibly make it convenient to proceed to Puriri, near Thames, we should be very pleased to arrange for a couple of our forestry managers to conduct them through one of the largest contracts we have, and they would see the timber-working practically at every stage.

Hon. the Chairman: I am very sorry, but time will not permit us to avail ourselves of your kind invitation.

1. *Mr. Mander.*] You spoke of 25 per cent. loss in the conversion of your log. Did you include in that the amount of timber that you lost by fire?—Oh, no! That 25 per cent. is the loss in going through the mill.

2. Is it not a fact that you lose a large proportion of your timber by fire and loss of sap before it gets to the mill?—That is so. I referred to the losses by fire casually.

3. If you added that to the actual loss it would bring that up very much higher, would it not?—Yes.

4. Consequently your profit would not be even as good as you have shown it?—No. To be quite sure, the figures are on the safe side in every case.

5. Have you suffered any great losses by fire in your bushes?—Yes, we have had some very severe losses almost every year. We count upon having them.

6. It is a very great source of anxiety to people holding the timber, is it not?—It is, indeed.

7. Notwithstanding all the efforts they put forth to prevent the fire from getting through the timber, they lose very considerably?—Oh, yes! We have no idea how to prevent it.

8. You spoke of southern people demanding 88 per cent. of first-class timber from you in their orders?—Yes.

9. Is that not one of the principal reasons why you cannot supply the southern market at the price offered for kauri?—That is practically the whole reason.

10. Is that not the reason why you will more readily supply the Australian markets—because they will take a fair proportion of second- and third-class timbers?—Yes; we must have a market that will take away our third-class, and we cannot get that market unless we give them a certain proportion of the superior classes. We should be very glad, if we could, to ship nothing but low grades to Australia, and send the first-class to the South.

11. Is it not also a fact that you can sell in the Australian markets turnery and small sizes that you cannot sell in the New Zealand markets?—Yes, and that trade appears to be rather increasing in recent years.

12. Then, if an export duty were put on kauri it would not be possible for you to keep going at all; you would have to waste a very large proportion of the timber now sold in Australia?—Yes. Even if the duty was so small that we could continue, a very large proportion of it would be lost.

13. In regard to this question of timber going back to the South from Australia, and being sold at less than what it can be sold for in Auckland, were you not always prepared to sell to the South on the Australian price-list?—We did not have an Australian price-list until recent years. We were always prepared to sell where we could get our money for it. We should be delighted to sell the whole of our output in New Zealand.

14. Is it not a fact that the Australian market, so far as kauri is concerned, has regulated the price of kauri timber?—Yes; Australia has been the highest and probably one of the most profitable markets that we have, but it has not exactly regulated the price in New Zealand.

15. I am speaking of my personal business?—Oh, yes! because you are an export miller.

16. Have you had any experience in Oregon timber for building purposes?—No, I cannot say anything about it.

17. I understand your company has dealt a good deal in Oregon in Sydney and Melbourne?—Yes, in Sydney, but never in New Zealand, excepting, of course, that we may buy a piece from another timber-merchant sometimes.

18. I understand you recently sold your Sydney yard?—Yes.

19. Were there any stocks of Oregon in that yard when you disposed of it?—I cannot be sure; but I think in the ordinary course of business there would be fairly extensive stocks of it.

20. Is it a fact that when you disposed of that timber some of the Oregon had been in the stack for years, and was altogether unsaleable, and had practically to be given away?—I heard that, but you will have our mill-manager, Mr. White, before you, and he is fully acquainted with the circumstances.

21. Is it not a fact that Oregon comes into competition principally with our inferior timbers?—Yes.

22. Does that not indicate that Oregon itself is an inferior timber, comparatively speaking?—Yes, the Oregon that comes here is inferior to our best grades.

23. You heard it stated that the Oregon that comes here is all cut out of large timbers?—Yes.

24. We have just been down the wharf and saw a plank of Oregon 8 in. wide, with the pitch on one side and the sap on the other?—That is quite likely.

25. That would not prove it was all cut out of large timber?—No.

26. So far as Oregon timber is concerned, I suppose you would have no objection to the long lengths, which are required to take the place of kauri for beams, coming into the country on reasonable terms?—No, I really think it is scarcely worth while making a discrimination about. I think a duty of 2s. is not a very severe imposition on the people who use this long timber.

27. I suppose you think it is a waste to put first-class kauri into beams when Oregon can be used for that purpose?—Yes.

28. But still you think it is unfair to allow Oregon to come in and compete with our inferior timbers, such as rimu, matai, and totara?—I think it is decidedly inadvisable in the interests of the country.

29. Has your business been a profitable concern since its inception in New Zealand?—It cannot be said to have been profitable. The dividends have been very low indeed.

30. Has the company paid a 5-per-cent. dividend throughout since its inception?—No; I think it has paid about 2 per cent. up to the present time.

31. That is not at all a satisfactory result?—No.

32. *Mr. Stallworthy.*] Is it not a fact that, under the old system of measuring, the purchaser very often got a larger quantity of timber than he paid for?—Yes; that is practically the universal state of affairs wherever standing timber is dealt with. So far as I know that obtains in every country in the world.

33. You say the exact measurements result in a loss?—They have resulted in several, because where we have actually measured the timber out of the bush we found we paid for perhaps a million feet more than ever existed.

34. The system of measurement at the present time is, I believe, by marking every tree?—Yes.

35. And therefore the loss arises through the person measuring going too high in the tree, or does the loss arise through inefficient cutting?—You may put it that way. It may be inefficient cutting, but it is the cutting that prevails in this market. You see there is no use a kauri-miller cutting into the top of the tree, for which there is no market at all. It would not pay him to bring it out. We take it, the most profitable method is to estimate what marketable timber can be got out of each tree.

36. Is it not more correct to say it is not marketable because the cost of cutting is too much? I presume it would sell if cut?—I very much doubt it. We would not take such timber delivered at our yard for nothing.

37. You are now taking out of the bush timber which a few years ago was left in the bush?—That is so.

38. And do you not think that the policy of the Government in measuring perhaps rather too rigidly is to induce a full use of our timbers?—I do not think so. They know quite as well as the millers do what is coming out of the bush; they know exactly what is marketable timber and what is not. There is very little ambiguity about it.

39. You say that the price of timber at the country mills is the same as it is in Auckland?—It is equivalent to it, because the cost of cartage, wharfage, &c., has to be allowed on the Auckland list. The country mills are not subject to that cost, and therefore they can sell at so much less. Again, the customers of country mills take larger quantities than they do in Auckland. Three or four customers will take a whole shipload very often, while in town we peddle it out to builders or anybody.

40. If I remember rightly, evidence was given in one centre in the way of a complaint almost that they had to pay as much for kauri at the country mill as in Auckland: is that so?—Yes, they just save cartage and wharfage.

41. Does your timber cost you as much at the country mill as at Auckland?—Not quite.

42. What is the difference, say, at the Northern Wairoa?—I suppose there may be from 6d. to 1s. difference.

43. You do not bring timber from the Northern Wairoa here?—No.

44. What proportion of your timber that you supply to builders is yarded and stacked?—Every inch of it, practically.

45. You have very large stocks of kauri-trees, I believe?—Yes.

46. A supply for how many years do you think?—I should think three of four years' supply.

47. Is that all you have?—I think that is the average time our supplies will last if all our mills are kept running.

48. I believe your company has been paying dividends recently which it did not pay in previous years: can you give us any reason for that?—Apparently its working has been more profitable at all points in recent years.

49. Has it not been due to the better prices?—Decidedly that has been a very important factor—the better prices ruling both in New Zealand and elsewhere for timber.

50. Have you made profits in the selling of land?—Some profit, though that is a rather hard question for us to answer, because when the company was formed we got a lot of lands, timber, and other assets lumped together, and we did not know very well what a block of land would stand us in.

51. What is the last dividend you paid?—The last dividend was the highest, and it was 8 per cent.

52. *Mr. Hanan.*] Do I understand you to say that you think it would be in the interests of the country if our lands were cleared of timber as soon as possible in the interests of settlement?—Yes, cleared of kauri timber.

53. Do you consider that where kauri timber is to be found that land is good for settlement purposes?—Some of it is very good. The land varies considerably.

54. Assuming that the land is cleared in New Zealand for the most part of its supply of kauri timber, what are the people to do at that time of day for a similar timber?—They will never get a similar timber to kauri again. Of course, there are many small timbers, so far as local settlement goes, that have no market value at present, which would be available for the settlers for many years to come.

55. Then for long periods, when the kauri-timber supply is exhausted, the supply will not be equal for certain purposes to that of kauri?—No.

56. What substitute is to take its place?—I do not know that I am capable of replying to that question.

57. Do you suggest importing timber?—We should probably have to import timber for some time unless we could grow it ourselves in the meantime.

58. Would you place a duty on the importation of timber then?—I think it would still be wanted for the King-country timber, so far as I know anything in regard to that industry. I think it has very many years ahead of it.

59. If timber is imported for certain purposes for which there is no local timber its equal, would you favour an import duty on that timber?—If it interfered with our timber industry.

60. But if it is better for certain purposes?—Yes, but it might yet interfere with it for other purposes, and in that case I should be disposed to tax it so long as we have a profitable industry going on.

61. Have you considered the question of placing a duty on Oregon from the standpoint you have mentioned just now?—I think what I have just said would apply to Oregon as well as to any other timber.

62. Then, for what purpose do you consider Oregon is superior to New Zealand timbers?—I do not know in what respect it is superior actually. It is perhaps a little easier to work in some ways and sometimes comes in at a lower price.

63. You would not care to pass an authoritative opinion from the standpoint of durability or breaking-strain with New Zealand timbers?—No, I cannot do that myself. I know that the tabulated results of breaking-strains show that rimu timber is very high above Oregon.

64. What tests are those?—The tests given in books on engineering.

65. What books?—I cannot tell you. I am only offering this as the opinion of a man who has not thought much about this matter recently.

66. Now, if evidence is given by an engineer like Mr. Moore, who has the contract for the Grafton Road Bridge, to the effect that he prefers Oregon for that work, and that, if he had known as much at the beginning as he did now, in ordering timber he would have had nothing but Oregon, would you keep Oregon out under such circumstances?—I think so. I do not know that I would keep it out: I would put a fair tax on it.

67. What tax would you impose?—So far as kauri goes, I am satisfied with 2s., but I do not know whether it is quite enough for the King-country people.

68. Do you not think you ought to look at this question not only from the standpoint of the kauri industry and of the King-country sawmilling industry, but from the standpoint, say, of the South Island as well?—I would undoubtedly do so, only I have very little information at my disposal and have very little knowledge of the condition of things in the South.

69. Am I right in concluding, then, that your suggestion as to placing a duty on Oregon is based upon your knowledge of the conditions in the North Island, and that you do not assume to speak, in making that recommendation, on behalf of conditions in the South Island?—I cannot say I know the South Island.

70. You tell us there was a falling-off in your orders. Was that due to a scarcity of kauri timber or to a falling-off in business orders?—To a falling-off in the business.

71. More particularly with Australia or New Zealand?—With New Zealand.

72. The export trade with Australia has increased, has it not?—I could not say for the moment. I could get the figures.

73. Do you anticipate that there will be an increase during the next five years in the price of kauri?—I do not think there will be a material increase.

74. Do you think there is a tendency for the price to go up as regards the South Island?—I think not. There is just a remote possibility that first-class will have to go up. It all depends on how we have to deal with the lower grades. If we have to burn them the first must go up.

75. We have heard in Dunedin, and Christchurch, and Invercargill that there is a difficulty in getting kauri, and there has been a complaint that the price is too high—almost prohibitive. What do you say to that?—I can only say that I do not think the price is too high. If I recollect rightly we have been doing very little with Dunedin recently.

76. I understand that is on account of the price being so high?—Well, the price is no higher in Dunedin than in Christchurch.

77. Mr. Haddock told us in Dunedin that the prices were almost prohibitive?—Yes, but Mr. Haddock wants us to pick the first-class heart out of the tree and leave the rest standing. They want us to send down the very finest timber that can possibly be got, and they will not take anything else. Mind, in speaking of "Mr. Haddock" I am speaking in general of the Dunedin merchant.

78. I understand they demand better-class kauri in Dunedin and Christchurch than they do in Wellington?—Yes; they have more stringent specifications.

79. Have you any suggestions to offer with a view to reducing the price for kauri in the South Island?—Well, we can begin with the Government with the royalties, if that is thought desirable—I do not say that it is. I do not think there is any way in which the sawmiller can reduce his costs: nothing is known to us at present. The other point is that of freightage, which is extremely high on the New Zealand coast.

80. Do you think it is unreasonably high?—I do not know whether it is unreasonable under the conditions under which they work, but it is certainly high by comparison with others.

81. Speaking of Oregon, on which you suggest the placing of a duty, do you think the importation of Oregon during the last two years is responsible for the slump in the sawmilling industry?—Not the least. That is not what I call the cause for one moment. It has undoubtedly affected it to a little extent—just to the extent of six million feet in Auckland. If you get Oregon you do not use something else.

82. But, having regard to the quantity that has come in and taking into consideration the tightness of the money-market and other matters, would you say that the Government would be justified in placing an increased duty on Oregon?—I really think they would be justified in putting a small increase on it, but I would like it to be understood that as kauri-millers we are not weeping or complaining that six million of Oregon or any other timber is going to kill us.

83. I want you to speak now as a rimu-miller?—As a rimu-miller I am decidedly of opinion, though I do not know about the conditions as I do about kauri, that the duty should be increased on Oregon.

84. That is, speaking from the North Island standpoint?—Yes. I should think personally that rimu could be supplied at a reasonable price in any part of New Zealand.

85. Assuming that rimu can be supplied, then you think that a duty on Oregon is justified?—Yes.

86. I see you take an interest in the subject of forest-conservation: what trees would you plant?—It is a subject I have not had many opportunities of judging since I have been in New Zealand, but I should say that trees of the nature of the larch and Douglas fir would be very good trees in New Zealand, with suitable hardwood standards between.

87. Where would you plant them?—Mostly on the high lands and the poor lands. That is why I mention larch.

88. Do you think more vigour and life should be put into the Forestry Department of this country?—Most assuredly. I think the work should be taken in hand at once with the greatest vigour. It might be a good plan to devote some of the money that comes from our remaining forests to that purpose.

89. Does it concern you as a citizen of New Zealand, looking ahead for thirty years, if we have to then import the most of our timbers?—I think it would be better if we had not to.

90. It would pay us better to use our own timber during the next thirty years, and after that to import timber from abroad?—I think it would be better to do that.

91. *Mr. Field.*] This statement was made to me this morning: A consumer or consumers of timber in Auckland had to pay 17s. 6d. per hundred feet for sea-stained and worm-eaten timber. Is there any truth in that and that they are afraid to come forward and give evidence?—I am not surprised that they are afraid to come forward.

92. Now, with regard to this suggested export duty on kauri: can you see how it will benefit any class of this country?—No, sir. I can conceive of no way in which it will benefit any one.

93. With regard to the southern people and the matter of kauri, if the duty were put on kauri would that improve their position?—No, we could not supply the South at all on their present demand. The market would be practically closed to us from that date.

94. In Auckland here in 1907 we imported 5,000 ft. of Oregon, whilst in 1908, and the beginning of this year, we imported about 7,000,000 ft. Does that not indicate that we were getting along all right without Oregon before 1908?—I think we were.

95. Do you think that Oregon in this country is a real necessity?—I do not, and I am certain of it.

96. It has been said that of the Oregon that has come to Auckland 90 per cent. has been used in supplanting kauri. Now, is that a correct statement to make?—I could not be sure of that. It is very difficult to judge whether it supplants kauri or rimu.

97. With regard to the question of fire in kauri bush, can you give the Commission any idea how many acres have been already burnt and destroyed as compared with the number of acres of kauri that have been milled?—I am afraid that I cannot give any indication of that. There has been an enormous quantity.

98. Are you satisfied that a much larger area has been burned than milled?—I think so.

99. Can you give the Commission any idea how much is spent in labour in milling an acre of kauri?—No. We never deal with kauri by the acre. It is too much scattered. It is found in clumps.

100. With regard to the position so far as the importation of Oregon is concerned in the South Island, if you were told by miller after miller on the west coast of the South Island that their trade in ordinary building-rimu had almost entirely disappeared, and that this was largely due to the importation of Oregon, would you not be inclined to believe them?—I would certainly believe them if they stated that.

101. It is suggested that sawn timber is a raw product, and that is given as a reason why we should not increase the duty on it, because it is not customary to put a large duty on raw product?—I consider kauri timber is a manufactured product.

102. The boards ready to be put on to a house are a manufactured product?—Yes, decidedly; a large amount of wages has been spent upon it in changing it from its natural condition in the bush.

103. You said if our timber industries are once killed they are not likely to revive?—Yes; in the King-country once it is set back I do not think you would get the capital into it again.

104. You said the price of foreign timber would be likely to go up?—I think so. That would happen.

105. We should be at the mercy of the foreign timberman?—Yes, to a certain extent.

106. We visited the Kauri Company's mill the other day, and we saw a large number of orders on a blackboard. Those orders I suppose are correctly and truthfully copied from actual orders received?—Yes.

107. They were not put there because we were coming there?—I should be very happy to submit those orders to you in the original.

108. A suggestion was made to that effect. It would be as well to put in the orders?—We will give you the actual documents.

109. Now, with regard to your company, you said the last dividend was the largest, and that for a number of years you did not pay a dividend?—Yes. For many years we did not pay any dividends. We did not pay anything from 1891 to 1898. In 1899 we paid 2½ per cent.; in 1900 the dividend was 3 per cent.; in 1901, 1902, 1903, 1904, 1905, and 1906 we paid 4 per cent.; in 1907 we paid 5 per cent., and in 1908 we paid 8 per cent.

110. *Mr. Leyland.*] I suppose you do not think it a crime to pay a dividend?—Not by any means.

111. I listened with great interest to your details of the cost of the logs in the mill. I was rather surprised at the low average cost of your logs. There is one item, depreciation, which you have down for 1¾d.?—That represents logs actually lost, and is equivalent to a loss of 1¾d. per hundred feet on the quantity of timber dealt with during three years.

112. You must have been rather immune from loss or fire during those years to have only lost 1¾d. per hundred feet?—That was through logs that had absolutely disappeared out of existence.

113. The depreciation in sap through lying about you evidently did not take account of in your estimate?—No; that is not included in the 1¾d. The 1¾d. is in the nature of a fund for logs that absolutely disappeared out of existence, apart altogether from depreciation.

114. Is this low estimate of 6s. 10¾d. in arriving at the actual cost of the log due to the fact that you are more favourably situated than others?—You recognise that a good many of these expenses I have mentioned but have not put in. In putting that in I was really replying more to those absurb statements that have been made in regard to the huge profits made in the timber industry, and I wanted every figure to be certain and not in any way overstated.

115. You wanted to emphasize it?—I wanted a thing that I could absolutely swear to. I left out any trimmings that might be done.

116. Mr. McGill said that it cost him 7s. on the tidal water, apart from royalty and depreciation. Would you believe that?—I would. I know the country.

117. We are at present paying for kauri logs 6s. 10d., and trucks average to a further charge of 2s. 2d., which makes it 9s. Would you believe that?—Yes. Of course, we have such extensive operations, and they come down by one general average.

118. I can understand it, because I am pretty familiar with the workings and conditions, but I do not want the public to get the impression that the average cost of logs to the market is only 6s. 10¾d.?—We would not deliver all logs at that price.

119. In working out this you worked it out at a profit of 1s. 7d., equal to 12 per cent.?—Yes.

120. There are further expenses to come out of that, such as rates, rent, and taxes?—There are some expenses.

121. There is the cost of measuring out, depreciation of stock, &c.?—Yes.

122. You do not pay any fire insurance?—No.

123. But any other firm that would insure would have to make an allowance for that?—We have to have a fire fund.

124. Did you allow for bad debts?—Yes.

125. You struck one lately?—Yes.

126. Does this building bring one to your mind?—Yes, £2,900. In connection with this building, we have a doubtful debt of that amount; but we do not know what we will get out of it yet.

127. In speaking of the production or output of your mill, leaving the odd figures, you make it forty millions?—Yes.

128. You are aware that there are other mills cutting?—Yes.

129. There are also large quantities of rimu and totara coming into this market. And now we come to the evidence of Mr. Phelan, which was, I think, fairly correct. In 1908 the output of the mills in the Auckland Province was 212,000,000 ft. I see by this return from the Secretary of Customs, Wellington, that the total Oregon imported into Auckland from January, 1907, to April, 1909, is less than 6,400,000 ft.?—Yes.

130. The output during that same period — nearly two years — must have been about 350,000,000 ft.?—I do not quite understand.

131. You will agree that a considerable portion of this Oregon is still in stock?—Yes.

132. Taking the exports, that is a very small percentage of timber coming into competition?—Yes. I admit it is a small percentage. I wish, however, to draw attention, and particularly so, to the fact that, although the fractional part is low and may not be of very great moment at present, the great danger we have to guard against is the importation of lower grades of timber.

133. We will come to the inferior grades. The inference from your reply was that it took the place of inferior-grade timber?—Well, some inferior grades.

134. There is a large store being built in Fort Street, and in that there is 50,000 ft. of joists alone. Now, would those joists have gone in in inferior grade if it had not been Oregon?—No, certainly not.

135. There is an eight-story building almost entirely Oregon. In that building there is 50,000 ft. of shelving alone. Would that be inferior grade?—Some of it might be inferior, but not the joists.

136. There is a warehouse in Cook Street built in brick, and the timber is Oregon: would that be an inferior-grade timber?—I do not know. It depends upon the parts in which it is placed. They ought to get a good deal of medium into a brick building.

137. We generally think it is a very foolish thing to put sap into a brick building?—It might be as good as Oregon.

138. The Grafton Road Bridge engineer told me he used Oregon in that bridge. He said he could only use a high-grade timber. Has that replaced an inferior grade?—No, it has not.

139. The Harbour Board is building its own punts. Would they build their punts out of inferior timber, and would it have been kauri?—Yes, and it would not be inferior. I only say that the danger lies in inferior Oregon coming in, and if you let it come you will get it in, and it will come if you take off the duty.

140. I have not said anything about taking off the duty?—That is what we are commenting upon. If the Oregon trade is fostered the lower grades certainly will come in. I think you know that. It is already a healthy trade.

141. We have been told that some people are very sorry that they got it. Mr. Goldie said he has two-thirds of his stock still on hand. That is not looking very healthy, is it?—No.

142. You have had a large yard in Sydney. You do not object to sell Oregon there?—No.

143. Is your company not largely interested in several rimu and totara forests up in the King-country?—Yes.

144. That may have had something to do with your forming these opinions?—I can certainly give you my word that as nearly as I could I tried to eliminate that factor from my mind entirely, and I believe I actually did as far as I can judge.

145. You told us that last October you had a quotation of 7s. 6d., c.i.f. I am not doubting that quotation, but I want to know if it was not on the basis of the E list?—I do not know whether it was on that or not. I did not pay much attention to that.

146. On the basis of the E list that would have cost another shilling?—I do not think it was on any list.

147. Now, I will ask you this question; we are dealing not with last October, but with May, 1909: would it not be a fairer comparison to give us the present quotations?—I have not got them.

148. They are £4 10s., and that is equal to 2s. 6d. more?—Yes.

149. In working out the matter you brought it up to 11s. I have put on another shilling for the basis of the E list, and confined myself to the 7s. 6d. quotation. Then I think a fair allowance for sawing, &c., would be 2s.?—Yes.

150. We have had to take sections together because we could not hold it in stock in our yards. There is fire insurance and accident insurance, &c., and I put that down at 5d. I know it is 5d. In this case there is extra rent. Then there are office expenses, which together would make up 14s. 9d. I want to show to the Commission what is a fair price to charge for this timber. It takes the place largely of medium and rough heart, and 1s. 9d. discount gives us 15s. 3d., so that that is not a big profit. I want you to understand most emphatically that I object to a duty on kauri. Seeing that there is an overwhelming amount of evidence to have a duty on kauri, although I do not suppose it will ever be granted, would it not be a favourable concession to make to these people if we substituted to some extent Oregon for kauri. I think it would be a fair thing under the circumstances not to increase the duty on Oregon pine, and it would be a concession to those who urge that a duty should be placed on kauri?—Well, yes, I think it would probably be all right.

151. *Mr. Clarke.*] With regard to the position of timber from the miller's point of view, do I understand you to say that the greater portion of your sales are to the builders?—Yes.

152. Do you recognise in a bargain that the buyer's wants and tastes should be considered?—Yes.

153. You do not consider that it would be fair that the timber trade should be run in the interests of the producers alone, do you?—No.

154. The builders and architects, who represent the consumers and who have given evidence, are in favour of Oregon being admitted as a help out of the difficulties which are claimed to exist in the matter of supplies. In view of this, do you not think that the consumers' wish should be respected in the matter, and that Oregon should be admitted with as little restrictions as possible?—I do not think so, because the wish of the consumer is to get things generally as cheap as he can. Nobody consuming an article wants an import duty on it. It is a matter that requires careful weighing.

155. Having the evidence of people who have weighed the facts, and who have said that the facility of obtaining Oregon has been a relief, and who have expressed the belief that it will prevent timber rising to an inordinate price, do you not think that such opinions should be given way to, and that they are not merely expressions asking for cheapness only?—I think they must be greatly influenced by that idea, and they certainly have been. The people who have given evidence to that effect have left the impression that kauri was sold at a very high price, and that it was producing enormous profits for those who were manipulating the timber, which I think you will find, if you sum up all your evidence, is entirely fallacious, and I think the reason I have given has a good deal to do with it—viz., that they simply want to get cheap timber.

156. It is admitted as a business proposition all over the world that the purchaser should endeavour to supply his requirements in the cheapest possible market?—Yes, he has a right to do so; but I submit it is scarcely for you to consider what the purchaser wants, or we shall have no duties at all, either import of export. The purchasers will all come forward and say, "We do not want a duty on this or that," and that will happen in every industry.

157. But in view of the fact that these representations have been made by consumers who do not use kauri to any great extent—in the South kauri is at a price which prohibits its use—and have been made on the ground that the importation of Oregon is a matter of convenience to the public, do you not think that their representations should be considered?—Decidedly, I think the public convenience should be considered, but it must not have more consideration than an important industry. The individual benefit to be derived by consumers, of course, wants consideration, but the injuring of an important industry like the timber industry is a matter of very much more importance, and the one must be weighed against the other.

158. Do you not think that a duty of 2s. a hundred, with the additional protection of half-rates in railway freights wherever the timber is carried on the railway, is not sufficient protection for a local industry?—It is pretty good protection, but I think we could do with a little more. The freights on this coast are very high. Before the rimu-producer can get his timber to the shipping-port where he starts from, as it were, he has got to pay 3s. a hundred; and then he has got as large a freight to pay as the man sending timber from Vancouver.

159. Then, may it not be that the consumer is being asked to pay a big price for his requirements because of the exorbitant demands of the local carriers and the high local expenses, rather than because of the prices of the American timber at the port of shipment?—That may affect it; but I presume that the local carriers are justified in their prices, or else they would have a Commission sitting on them, I should think.

160. You said that about 88 per cent. of the kauri you send to the South is first-class. What percentage of your output goes to the southern cities?—I could not tell you. I could get it and put it in if you wish.

161. In view of the particulars that you have given as to your bush-working costs, do you not think that to ask £1 2s. 6d. a hundred in Invercargill and £1 9s. 6d. in Dunedin for kauri is to ask too much—that there is too great a difference between your price here and the price charged down there?—I do not know the charges—though I have an idea of what they are—that the timber-merchants have to meet down there; but if the merchant charges too much, what is to prevent the builder ordering from the miller? I think that is the reply to that. That is his cure for it.

162. Have you not heard it stated that the timber cannot be obtained at any lower rate by ordering it from the miller?—In that case the merchant must be justified in putting on those high prices.

163. Do there appear to be any circumstances that would justify an increase of from about 12s. 6d. to £1 9s. 6d. by transporting timber five hundred miles?—I have never heard of such an increase as that. It sems very high, if it is right.

164. Those figures were given in evidence?—There must be a great deal of manipulation or something in connection with the timber, I should think, to cause that.

165. It was freely inferred before this Commission was set up that prices were controlled by a combination that was really acting in restraint of trade, was it not?—Yes, it has been said many times.

166. Does your Sawmillers' Association bind its members to sell at a certain price, under a penalty?—No, no penalty whatever, or conditions either.

167. Although it may not bind any one to sell, is it not a fact that your price-list exhibited here to-day is really the ruling price in Auckland?—Yes.

168. And if I wanted to buy timber from any sawmiller other than an associated one, or any dealer, I might expect to have to pay that price?—Very probably it would be the same. It is the Auckland market-price at the moment. Of course, the millers consult together and carefully judge what is a reasonable price for each particular line.

169. In view of the fact that the consumer is not present at this meeting when the prices are fixed, do you not think it a fair proposition that free access should be given to foreign timber in some way, as a check on the undue raising of the price on the part of the Sawmillers' Association?—I do not think so. This Commission is sitting to inquire into the many allegations that have been made about the undue raising of the price, and I think the Commission will find that there is no ground whatever for taking such an extreme measure as any step of that nature would be at the present time. It may come in future years; we may try to get a corner in timber, but we certainly have not done it up to now, and I do not see any need for legislation.

170. Can you tell me what the general rise in price has been in timber within the past ten years? Take 1899—have you an 1899 price-list?—No, but I have got the figures here. I think the increases have been as follows: On first-class 5s. 5d., on medium 5s. 8d., and on second-class 3s. 2d. a hundred.

171. In an ordinary house, then, taking, say, 15,000 ft. of timber of good quality, the advance in the price of timber alone would mean a considerable increase in the cost?—Yes.

172. Has there not also been a very large increase in the price of mouldings during that time—I mean, in architraves, skirtings, &c.—a larger rise in proportion than in timber?—I really could not be sure of that. I did not think the Commission would deal with a matter of that kind, which goes beyond the actual production of timber.

173. Will you send to this Commission a price-list of ten years ago?—I will endeavour to, but I am not quite sure whether I can. It may seem strange not to have these price-lists, but we have to be careful to put old price-lists out of the way, or we might send out the wrong one.

174. With regard to forest-conservation, I was pleased to hear you attach such importance to something being done. Do you not think that in the meantime it would be wise to conserve a certain amount of existing timber, on the tops of the ranges, for instance, in view of the effect on the watter-supply of the areas adjacent?—I think it would not be necessary to do that, because by that time you could easily have forests that would effect your water-supply, and even in the mean-time you would have great quantities of timber standing that are really useless, but still have a good effect on the climate. We hope, however, that as the country becomes more and more settled those will be cleared away, and unless we have an efficient system of forest-conservation, then the shoe will pinch.

175. Have you read anything of what has been done by the Department of Forestry in the United States under the present Chief Forester there?—No. I am not by any means up to date in that subject.

176. The gentleman I refer to says, speaking of the scrub growth on the Pacific Slope, that, though it may not grow one respectable bean-pole to the acre, yet it has turned millions of dollars annually into the pockets of the fruit-growers on the Pacific Slope. Although some of our timbers may not be of much market value as milling-timber, should we not leave some on that account?—Quantities of timber that are not milling-timber will be left in the natural course.

177. You are quite of opinion that some systematic scheme of forestry should be undertaken by the Government of this Dominion at a very early date?—Yes.

178. *Mr. Morris.*] Did you experience any difficulty at all in supplying the local demands for timber during the year 1907?—No, we had no difficulty of that kind.

179. You are aware, of course, that there was only a small quantity of Oregon—5,587 ft.—brought into this market in that time?—Yes.

180. And last year there was 5,932,767 ft. of Oregon brought into this market?—Yes.

181. Do you think the public derived any advantage from that in any way?—No, excepting with respect to those special works where they wanted long timber quickly, or something like that; but in the ordinary way it has not assisted the public.

182. Do you think that that magnificent structure you are getting put across the gully up yonder would have been delayed or kept back in any way if Oregon had not been brought into this market?—No, I think we could have fixed them up with what they wanted.

183. Without using kauri timber at all?—I could not be so sure of that. I do not know enough of the details of the rimu industry and the production of the logs to express an opinion on that.

184. The wooden part is only a temporary structure, is it not?—Yes.

185. Do you not think—putting rimu on one side—that even our common white-pine would have been good enough for that purpose?—I do not know. It may be that white-pine would not carry the strain.

186. Seeing that we imported into New Zealand last year something like twenty-one million feet of Oregon, the wages that our employees would have earned if our own timber had been used and that Oregon had not come in would have been over £50,000?—Yes.

187. Do you think this country is deriving any advantage from practically keeping that amount of money out of circulation here?—No, I think it a disadvantage.

188. And our railways have also suffered a considerable loss in revenue from the same cause?—Yes.

189. So that on the whole this country is no better off for having this Oregon pine brought into this market?—No, I think not.

190. *Mr. Barber.*] Mr. Morris says that because the timber is expensive to bring to the market, that is the principal reason why you should continue. Are there not many openings for that money to be spent to better advantage?—That is rather a complicated question. I do not think that our timber costs so much more than other timbers as to make it an advantage to the country that we should send all that money Mr. Morris referred to out of the country instead of paying it to our own workers and giving a little profit to our own millers.

191. But this money could be expended in other directions without sending it out of the colony?—I understood that what Mr. Morris was pointing out was that it would be sent out of the country.

192. What is the price of ordinary building-timber—say, O.B. joists of a building such as this we are in?—O.B., up to 24 ft. long, first-class, is £1, subject to a discount of 10 per cent.

193. You think that at that price there is no need to use Oregon in place of it?—I think not.

194. But if in other districts the price is 50 per cent. higher—that is, £1 10s.—and Oregon is the same price as in Auckland, would your opinion be the same?—It might be different, if you could discriminate between the two places; but I do not think you should curtail an established industry. Far better, I think, to pay £1 in wages here than send 16s. out of the country.

195. Do you think it fair to a man erecting a building to be asked to pay £1 10s. for material for the sake of supporting one particular industry, when he can get material equally good for 17s. 6d.?—Well, in many other industries the same thing is happening. Clothing and that kind of thing you ask us to pay a much higher price for than we could get it at Home.

196. But you know that the product of the colonial woollen mills is superior to anything that is imported?—Some of it.

197. What is the protective duty that the woollen industry has?—I do not know. I was talking of clothing If I get my clothing from a London tailor I get it at about half the price I pay in Auckland, and it is infinitely better.

198. You think it fair, then, that a man who is going to build a warehouse in one of the cities in the South Island should be asked to pay £1 10s. a hundred for kauri timber, when we can get a material equally good for 17s. 6d.?—I think it is. If it is found from all the evidence laid before this Commission that it is necessary to protect the industry, I should say that it is fair to ask him even that.

199. You want to protect the industry and confine New Zealand to New Zealand timbers, but you do not want to confine New Zealand timbers to New Zealand?—No.

200. Although you would prevent a New-Zealander from having his choice, you would allow timber to be sent out of New Zealand, knowing that there is a shortage in the very timber that is being exported?—I do not know that there is a shortage in New Zealand.

201. Did you hear the evidence of the Railway Storekeeper this morning?—Yes.

202. Can you give any explanation as to why your company were three years in executing an order for him?—I do not know what the explanation of it is at the moment, but I think he said enough to give me a fairly good idea of it.

203. Have you ever done any business with Mr. Edward Collie, cabinetmaker, of Wellington?—I do not think so.

204. Can you give any explanation of this: In Wellington, 12 by 1, undressed timber, is £1 10s. 6d., and the same price in Christchurch, I think; but in Melbourne the same timber is catalogued by James Moore and Sons at £1 7s.?—I have noticed these low quotations of Moore's before. It can only be a question of the difference in costs between the two places. There is no doubt Moore is cutting it very fine. The last time I looked at his list he was quoting at about 1s. over the Kauri Timber Company's price, landed *ex* wharf in Melbourne. And that price that you quoted is his price in bond, I think; he usually sells in bond, I know. Then, too, this may be a leading line with him.

205. *Mr. Jennings.*] I want to ask your opinion as to the assertions made that the furniture-manufacturers, builders, and others are afraid to give evidence before this Commission because the Kauri Timber Company, Goldie, Leyland and O'Brien, and other saw-millers would punish them for giving evidence as to the price of timber in this city and other

parts of the district?—It is absolutely untrue. If we wished to do so we should have punished them long ago, because they have been making assertions broadcast over the country that we were the greatest blackguards unhung. They have tried to injure our business in every way. They have not been devoid of blame for the setting-up of this Commission—I do not blame them for that; probably it will be a good thing when it is all over—but at the same time if we had any inclination to punish them or any method of punishing them, we certainly should have exercised it long ago.

206. Then the assertion is not correct?—It is absolutely untrue, and, so far as the Kauri Timber Company is concerned, it has no foundation whatever.

207. *Mr. Clarke.*] Did you understand that any builders had made these statements?—I should not like to go anywhere near individualising. I do not wish to make anything even in the nature of a general aspersion on the builders, most of whom are our best friends; but there are some persons to whom Mr. Jennings, I have no doubt, has alluded to in general terms, and I likewise do.

208. In that sense, do I understand you would clear the builders of any repute in this city, and would not accuse them of standing at street-corners and making aspersions which they have not the courage to attempt to prove?—I would certainly clear by far the greater number of builders in this city, at any rate, of any such thing. Many misstatements and misrepresentations have been made in regard to my company and other timber-millers in this town which I can only put down to enmity and bad feeling.

209. *Mr. Morris.*] I trust the builders are not so unfortunate in their financial transactions with your company that they are afraid to give evidence?—I think not. They are either in a very healthy financial condition and therefore independent of us, or are so hopelessly mixed up with us that they do not care what happens.

210. There was one matter referred to by Mr. Goldie in his evidence this morning when he said that there was no competition for some kauri timber recently bought up at Omahutu, near Hokianga, that the Kauri Timber Company were the only people who tendered: is there anything you wish to say in regard to that?—I think it might prevent misapprehension in regard to this matter if I submitted to you copies of the tenders which were put in by the Kauri Timber Company, showing that in every case excepting one, where we considered the timber very poor, we quoted above the upset price, so that there could be no question of collusion between ourselves and the other millers to keep down prices. I was just afraid some suggestion of that kind might be made. Another point I should like to mention—that up in that district there are mills operated by the Kauri Timber Company, the Rangiora Sawmill Company, the Rawene Sawmill Company, and the New Zealand Timber Company.

211. *Hon. the Chairman.*] There has been a complaint even at this meeting that the upset price for royalties fixed by the Government is too high, and it has been stated that up to 3s. 6d. and over has been paid: have you ever known of any case where the upset price as fixed by the Government has exceeded 2s. 6d.?—I have not noticed it.

212. Then, if the price went up to 3s. 6d., it was under the stress of competition?—That is so The Kauri Timber Company act in the following way before tendering: We send inspectors to see the timber, and they judge as near as they can what we can give for it under the existing conditions of milling, and that is the price we tender at. I think that in most cases the upset price fixed by the Government has been right.

213. The statement was made to-day by the Railway Storeman that the best kauri was sent away to Australia, that he was at one time wanting timber and could not get it, and he said it was galling to see the best timber going away and the least valuable kept here?—I think that is quite untrue. The best timber is not sent away. I have told you the exact figures of what we sent out to Australia, and the classes are precisely the same. At the same time I can understand the Railway Storekeeper getting an idea of that kind, and even the local sawmillers getting the same idea, because they may go down to our Auckland mills sometimes and see some very nice-looking timber just being put on the cart. They ask where it is going, and are told, to Sydney. Then they become indignant, because they see no rubbish going but only the finest timber. The explanation is that we never send an order to Australia from the Auckland mills unless it is a case of urgency. They could not afford to pay the additional charges for steamers, cartage, and wharfage on low grades unless it was for a special line in a special hurry. Then they are prepared to pay a little extra for the carriage of it.

214. There has also been a complaint in the South that the price of timber during the last ten years, or less, even, has gone up 4s. or 5s. per hundred, and they complain that when an increase of 3d. has been put on the wages generally the millers have put 1s. on the price of timber to cover it?—I have said in my evidence that besides prices going up in sympathy with the cost of production they have likewise gone up a little bit for the miller, because at that time the miller was not profitably milling, and to-day he is for the most part so far as kauri goes.

215. *Mr. Ell.*] All the Forestry Department of this country has planted for the future needs of this Dominion is 9,400 acres, and, according to the estimate of the Chief Forester, the earliest period at which these trees will be available for timber purposes will be forty years from now. Now, in view of the fact that our native timbers are indispensable, do you not think it would be a wise thing on the part of the Government to try and conserve a sufficient area of forest to furnish timber-supplies until such times as we can draw from our reafforested lands?—I think that would involve such very serious loss through fire and other causes that it would more than counteract any benefit to be got from that policy. The loss by fire is something enormous, and it is increasing every year as settlement advances. That is the great danger in regard to kauri.

216. I appreciate the risk is great in regard to kauri, but in regard to rimu the risk is not so great?—Not quite so great. I feel sure that anything that would militate against the rimu

trade will involve great loss by intentional burning in some cases, through accidental fires and so on, and would likewise lead to enormous complications with the Natives with whom millers are under contract to remove millable timber within a certain time. It would be so serious as to kill the timber industry in that country.

217. But is there not a lot of timber growing upon precipitous country of poor quality?—That is so.

218. In cases like that, would it not be desirable to make some effort to preserve the timber?—I feel you would lose so much by fire, and likewise give the trade such a blow through breaking agreements between Natives and millers, that you would actually kill the industry.

219. I suppose there is a certain amount of risk of fire in these 9,400 acres we have planted?—The risk of fire in these mixed bushes is nothing, so far as my experience goes, like the risk of fire in native New Zealand bushes.

220. Are you aware that in the South fire spread into the plantations through the action of some careless fisherman, and that they were fined for it?—I was not aware of that.

221. Would you still urge that no effort should be made to conserve our timber in view of the fact that we must have timber in this Dominion?—For the reasons I have stated I would not recommend any attempt to conserve our forests longer than their natural time. I do not think for a moment that your native timbers are going to run out before your new forests come into use.

222. *Mr. Mander.*] The fact that your company only shows a profit of 2 per cent. since its inception would disprove the assertion that you have been exploiting the public?—I think that is a fairly good assurance.

WILLIAM MCARTHUR sworn and examined. (No. 116.)

1. *Hon. the Chairman.*] What is your occupation?—I am a sawmiller carrying on business at Putaruru. I have prepared the following statement in regard to the subject-matters of this inquiry:—

In comparing the status of the sawmilling industry in New Zealand with that of the Pacific Coast of Canada and the United States of America a distinct advantage is shown in favour of the latter countries. Up to the early part of the year 1908 timber-cutting licenses could be obtained over any area desired from the Dominion Government by paying a ground-rental of 2½d. per acre and 2½d. per hundred feet of sawn timber, the royalty being payable when the timber was cut. These licenses can be surrendered at any time and renewed under existing conditions at the time of surrender. This makes them really perpetual. Practically the whole of the timber is alongside or close to tidal waters. This, with the additional advantage of being able to secure options over large areas, which contain from three to five times the quantity of timber per acre contained in our New Zealand bush areas, making the yearly rental less in proportion, and which permits the use of up-to-date and economical machinery for handling, renders the cost of logging much less to the British Columbia miller than to the New Zealand miller, who, on account of the irregular topography of the country, can only operate on limited areas. The usual method of logging in British Columbia is to place a donkey-engine or steam log-hauler close to the water's edge or on floats, and pull the logs from the watershed being worked right into tidal water.

In the conversion of the log into sawn timber there is just as great a contrast. The Pacific Coast mills are invariably situated alongside deep water, so that ocean-vessels can if necessary load direct from the tail of the mill. These plants are fitted with the latest labour-saving machinery and appliances, and are manned to a large extent by Asiatics. I have a list with me of several of the principal mills in British Columbia, showing the output of each, the number of men employed, and the proportion of Oriental to white employees. This is a sworn statement made before a notary public by an American sawmiller who visited the British Columbia mills for the purpose of investigating the labour-conditions of the industry in that province. This list shows that 80 per cent. of the men employed in these mills are Orientals, receiving at the most an average wage of 4s. 6d. per day of ten hours. Allowing 10s. a day for white labour in these mills, the average wage per man would be 5s. 7d. or 4s. 6d. for eight hours. Assuming that every hundred thousand feet of output per day requires 170 men, and that 100 of these men are engaged in sawing, classing, stacking, and shipping timber (the remainder being employed in the drying-kilns, planing-mills, and dressed-timber-sorting sheds), we have 100,000 ft. of output to 100 men, or 1,000 ft. per man. For 5s. 7d. in wages, therefore, the British Columbia miller can perform an operation which costs approximately £1 4s. in wages to the New Zealand sawmiller.

When building his plant the American and Canadian sawmiller usually erects a planing-mill of about the same capacity as his sawmill. The reason for this is that nearly all of the timber used in buildings in these countries is dressed. The joists, studs, and other framing-timbers are edged so as to make them of even gauge, and the rough lining (there called "ship lap") is surfaced and rebated.

In addition to this, the Canadian or American sawmiller is immune from employers' liability and rates and taxes in his timber licenses; and the annual depreciation of his plant and buildings is much less on account of the unlimited holdings which he may acquire, giving a longer life to such plant and buildings.

With regard to the present importations of Oregon pine, I understand that it is exclusively the merchantable grade that is brought into this country. This is the second lowest grade in the American export lists, and is principally cut out of the top logs or knotty portions of the tree. There are three higher grades—selects, clears, and edge-grain clears. These high grades find a ready sale in the eastern markets of Canada and the United States; but the lower grades, on account of the exceptionally long distance from these eastern cities, and the costly railage over the Rocky Mountain sections, are to a large extent shut out from these markets. The Pacific Coast miller, then, must either dispose of these grades locally or export them.

The result that will inevitably follow the competition of these inferior grades with our own low grades (which we now find it difficult to market) will be that we shall have to leave in the bush a large portion of the timber we are now utilising (thereby increasing the risk from fire), and also increase the already large proportion of waste which is made in the conversion of the log into sawn timber. This means an increased cost of production and a speedier depletion (not a conservation of our forests).

Gifford Pinchot, the Chief Forester of the United States of America, says, in connection with conservation, "If prices rise so that it pays to get out the low-grade logs, there will be a very considerable increase in the amount of timber cut from a given area; but, if prices sink so that low-grade logs cannot be gotten out, the area cut over will be larger, but there will be a larger percentage of logs left in the woods. Therefore a low price of timber does not tend to forest-conservation."

Dr. Schenck, Principal of the Biltmore School of Forestry, in Virginia, and one of the foremost foresters of the world, says, "We husband only that commodity which commands a price; no commodity, and no trees, logs, or wood, will be produced as long as they are cheap. This is my gospel. I swear by that, I stand by that."

At present there is an agitation for a revision of the tariff on timber in America, and an endeavour is being made, with every likelihood of success, to increase the duty on timber from Canada to United States of America by half. It is in connection with this that the foregoing statements of Chief Forester Pinchot and Dr. Schenck are made, so that if this duty is increased it means that Canada is going to make extra efforts to put her timbers on the New Zealand market.

Another point not to be lost sight of is that at present there is no duty on imported logs, so that if timber is to be allowed to come into the country in this form there is going to be a proportion of the very lowest grade of Oregon put on our markets, more especially if the logs are of low grade.

2. *Hon. the Chairman.*] What you have read is taken from some newspaper?—Yes.

3. How can you authenticate that as being correct?—I have taken most of it from the *American Lumber Journal*.

4. Did you quote particulars of the journals you took it from?—No; but I can put those journals in as evidence if necessary.

Hon. the Chairman: I fear we cannot accept evidence of that kind.

5. *Mr. Field.*] Can you assert these things?—Yes, I know they are true

6. *Hon. the Chairman.*] That is only a newspaper-cutting?—It is a reliable newspaper.

7. Did you ever see one that was reliable. I only want to keep you right. The evidence of things you have seen and personally know about is different from what you read about so far as evidence is concerned?—I see.

8. I think we ought to get your evidence from what you saw. You can put in the newspapers to-morrow morning. How long were you in British Columbia?—I was in Manitoba, and I lived there eighteen years.

9. Is there timber of this class in Manitoba?—Not growing there.

10. Where did you get your experience about this Oregon timber?—I have read that.

11. For what purpose was that statement you have read made?—The American who made the sworn statement went over to investigate the conditions of labour in British Columbia. He wanted to show that the cost of production in Canada was less in proportion to what it was in America.

12. Is there any coolie labour in America? I expect there is any amount of it?—Not to such an extent.

13. Perhaps there is in the Southern States—I am sure it is there in plenty?—Yes, but they are native labourers.

14. They were originally slaves?—Yes, negroes.

15. There are several millions of them, and they can go anywhere?—They cannot go very far north, because it is too cold for them.

16. You had better bring your statement back in the morning, and take out what you can swear to?—Very well.

17. How long have you been in the sawmilling business here?—Five years.

18. What class of mill have you, and what is your output?—About one million and a half a year.

19. What class of timber do you produce?—Principally rimu.

20. Do you find you have a good outlet for it. Can you get rid of your timber as you cut it?—Previously we did, but the present state of things renders the timber trade very slack.

21. Have you a price-list?—No; I am a member of the Sawmillers' Association. I go by their price-list, which you have.

22. So far as you know, do those connected with the association keep strictly to the list?—I think they do.

23. You have got this evidence up for the purpose of showing that this Oregon timber should be prohibited from coming here?—Yes, of course.

24. You have been here during most of this day, and you heard the evidence given by the two previous witnesses, who were sawmillers?—Yes.

25. Did you hear any of the evidence given by the Government Railway Storeman?—Yes, I heard part of his evidence.

26. Well, do you think that we could do very well without any of this Oregon?—I certainly do think we can.

27. Can you supply timber for work similar to that which is going on over here in Cemetery Gully?—I have not taken particular notice of that.

28. What is the longest length that you would be able to supply in quantities?—I can cut quite easily up to 30 ft.

29. You could not cut to 50 ft.?—No, I could not.
30. Could you cut up to 40 ft.?—No, not very easily.
31. *Mr. Stallworthy.*] How much bush have you got?—About eight million feet.
32. Who do you sell to?—Mostly to the local market.
33. What is the cost of your mill?—My total invested capital in the concern is about £8,000
34. *Mr. Jennings.*] Did you have any sawmilling experience in Canada?—No.
35. *Mr. Field.*] Do you know Oregon pine when you see it?—Yes.
36. Have you seen any used in America?—Yes.
37. What class did they use there?—The best class.
38. Have you seen any of it used for weatherboards over there?—No.
39. Do you think there would be any danger of the logs coming in here, then being sawn up, and thus competing with our local timbers?—I think so, if there is no duty on them.
40. What do you favour in respect to duty—an increase all round, or an increase on the smaller sizes?—I should favour an increase all round.
41. Did you hear the evidence of Mr. Milroy to-day?—Yes.
42. Do you agree with his views in regard to a duty on Oregon?—Yes.
43. *Mr. Leyland.*] You spoke about the timber limits?—Yes.
44. And the terms upon which they could be got?—Yes.
45. We have it on official evidence that the Canadian Government are refusing to give any more timber limits at present?—Yes, that is so.
46. In this declaration you say it was proposed that the duty on Oregon from Canada should be increased?—Yes.
47. The proposition is that it should be put on the free-list?—No, it is not. The agitation is for a revision of the tariff.
48. Owing to the fact that the end is in sight of Douglas fir, the American people are alarmed, and they asked that Douglas fir from Canada should be put on the free-list. Do you know the duty existing in the United States?—It is $2.
49. And we put on—how much, do you think? Why, close on $5?—That is so.
50. Now it is suggested that it should be put on the free-list?—There is also a suggestion that the duty should be increased.
51. With reference to the rate of wages, I suppose you know that we have had evidence to show that the rates average 12s. 6d., including Orientals?—I have not heard that. I heard evidence given by Mr. Schryver; but the cases he mentioned were extreme.
52. He gave an average?—I do not think so.
53. You say there are three grades?—Yes.
54. And that they are clear and select?—Yes.
55. You see this edge-grain?—Edge-grain is a higher grade and a higher price.
56. The Auckland Harbour Board asked us to cut some kauri for them this way—edge-grained. We cut it for them, and charged them extra for the trouble. The only difference was the extra cutting?—What about the higher price?
57. That is merely the cost of cutting?—I see.
58. The clear and select is free from knots?—Oh, no! the selects allow a certain proportion of knots and also a certain proportion of sap.
59. You said that Oregon weatherboards were not used?—No, I did not say that.
60. You said you did not see them used?—Most of the weatherboards that I have seen in buildings were cedar. They get cedar from British Columbia.
61. You do not know British Columbia?—I have just passed through.
62. With reference to select, does the price-list not apply with reference to grading. It states that they will only accept a certain percentage of orders. The fact of the matter is that the logs are so knotty that they only get a certain percentage?—The top parts have got knots only.
63. They insist on merchantable going East, as well as clear?—No, they do not.
64. *Mr. Clarke.*] How long has your mill been working?—About two years—that is, my present mill.
65. What stock have you on hand now?—Roughly, about 350,000 ft.
66. What had you twelve months ago?—Practically nothing.
67. It has since increased by that amount?—Yes.
68. *Mr. Barber.*] Was it America or Canada that you were born in?—Canada.
69. What was your occupation there?—Farming.
70. Have you been back to your native land since?—Not since.
71. Were you able to see things sufficiently to be able to swear to the conditions of the timber industry in that district?—I did not go about with my eyes closed.
72. You are endeavouring to show that America is trying to increase the duty against Canadian timber. What proof have you got of that?—I will look it up to-morrow. I took it out of the *American Lumberman.*
73. You said you were able to supply 30 ft. lengths in quantities?—Yes, a certain proportion.
74. What is the difference in price?—I should want 6d. per hundred feet for every foot over 24 ft.
75. What is the ordinary price of timber up to 24 ft.?—We are selling at 15s. 6d. in Auckland, and that is an increase of 3s., which is 18s. 6d. for 30 ft.
76. If they wanted another 40 ft.: it would be 10s. for 30 ft.; 40 ft. would be £1 5s. a hundred?—Yes.
77. Do you think that fair?—It is very rarely they want it.

AUCKLAND, WEDNESDAY, 12TH MAY, 1909

Hon. EDWIN MITCHELSON sworn and examined. (No. 117.)

1. *Hon. the Chairman.*] Can you give us some information, Mr. Mitchelson, with regard to the matters the Commission is inquiring into?—I might begin by stating that my company is not interested very much in supplying the town of Auckland or the builders. Our business is principally an export one. We export to Australia and the southern ports of New Zealand—namely, Wanganui, Wellington, Lyttelton, Oamaru, Timaru, Dunedin, and Invercargill. I may say at the outset that we in the country are placed at a very considerable disadvantage. In the towns everything is sold, such as slabs, shorts, firewood, shavings, and sawdust, whereas all such is burned as waste at the country mills; and, besides, the length of time that our logs lie in the creeks causes a considerable amount of deterioration, which detracts greatly from the value of the log. The timber, too, is being cut in such remote places now that it is more costly than it was a few years ago, more especially in the North, where we have sawmills at Whangape and Owhata. The loss there is very considerable—not so much from the deterioration of the sap, but from the fact that the bulk of the timber has to be brought over very high falls, with the result that a very large proportion of the timber is destroyed and broken up. During the last three years, in one of our bushes at Owhaka—the northernmost mill that we have—four hundred logs have been unaccounted-for in coming over these falls. The result has been, so far as that mill is concerned, that during the whole time the mill has been working no profit of any kind or character has been made at that mill. Nor has there been sufficient profit made at both mills—viz., Whangape and Owhata—to cover depreciation. Mill property quickly deteriorates, and requires a considerable amount to be allowed for depreciation. Coming to the question of cost, the logs cost us from 6s. 3d. up to about 7s. per hundred. Bushmen's wages during the past four years have nearly doubled. Not many years ago we were paying our bushmen from £1 7s. to £1 15s. a week and found; now they are being paid at the rate of from £2 to £2 15s., and I have heard of rare cases where men have been receiving as much as £3 and found, and that is wet and dry. The question of profit, so far as we are concerned, is non-existent, inasmuch as during the past five years my company has not paid a dividend. In the year 1907 we made an absolute loss of very nearly £3,000. Last year was the first year for a considerable time in which we have made a profit, and that profit is about 9½ per cent., without allowing anything whatever for depreciation. Coming to the question of the exporting of timber to Australia, I have a statement which I will read to show the quantity of timber that during 1908 we exported to Australia, and the quantity that we shipped from Kaipara and the northern mills to the south of New Zealand. So far as my company is concerned, we have not supplied timber in any quantity to the southern ports of New Zeaalnd that can be properly called building-timber. It has principally consisted of flitches and door-material—practically the cream of the timber—no small sizes of any kind or character, with the exception, I think, of two or three instances where builders had large contracts for the erection of freezing-works, and in these cases we supplied tongued and grooved flooring and lining. But in nine cases out of ten the timber that is taken to the South consists of flitches and door-material. Coming to the question of the classes of the timber exported, I will show you that were it not for the fact of Australia taking a large proportion of our inferior timber, we should not have been able to sell it. During 1908 we exported to Australia in first-class timber 1,421,000 ft.; in second-class timber—called in Auckland "medium" and consisting of sap and heart—1,777,000 ft.; and in third-class timber, 741,000 ft. The third-class timber is called in Auckland "second-class." In Auckland they have first, medium, and second, and in the northern mills we have first-class, second-class, and third-class. Now, the third-class timber consists of pinholed sap—that is, the sap of the timber that has been wormed by a little black weevil. That weevil gets into the sap of the timber in the winter-time within three months, and this is one of the great causes that render our business in the North not so profitable as in districts where the timber can be got more quickly to the mills in a green condition. The quantity of first-class timber exported from Kaipara to ports in New Zealand during 1908 was 1,309,000 ft; in second-class it was 154,000 ft. only, as against 1,777,000 ft. shipped to Australia. Now we come to the third-class: to Australia 741,000 ft. were sent, and to the various ports of New Zealand only 20,387 ft., and, if my memory serves me right, that 20,387 ft. went to Dunedin. That is the timber sent from our own mill. Coming to the question of a duty, I do not think it would be wise for the Parliament of the country to attempt by any means to place an export duty upon kauri timber. In the first place, if such a duty were imposed it would mean the closing-down of the whole of the northern mills, thus throwing out of employment a large number of men; and in the second place, it would have no effect whatever in cheapening the price of timber to the consumer, inasmuch as the prices at which kauri timber is now sold are practically bed-rock. Another thing which I consider should bear upon this point is the insecurity that the owners of timber would be placed in if an export duty were placed upon timber, for this reason: Kauri timber is very inflammable. The soil in which the kauri timber is grown consists to a very large extent of what is termed in the bush "pukau." It is a sort of rotten accumulation of years, and when fire gets into this it is like tinder. Kauri timber burns more quickly than any other timber I know of. A good strong fire with plenty of smoke will kill a tree almost without the fire touching the tree at all. It is one of the easiest trees to destroy by fire that I know of or have ever heard of, and to talk about conserving kauri is the purest nonsense. Large numbers of people have tried to conserve small clumps of kauri for ornamental purposes, and they have invariably lost them through fires at some time or another. We ourselves have suffered very greatly through fire. We have not only lost a considerable amount of standing timber, but we have lost logs, and we have had our tramways and dams in several cases burnt through fires in these forests. Coming to the question of the price at which the rough timbers are sold, the average price that we receive for first-class

timber in New Zealand—and this is all choice timber, as I have told you—flitches, door-material, wide boards 12 in. and over, no narrow sizes or building-sizes of any character—the average price is 18s. 0½d. That is net, after allowing trade discount. I have noticed it stated that kauri timber has been exported from New Zealand to Australia and re-exported to New Zealand. Since I have been in the timber business Australia has always paid a higher price than New Zealand, so it is manifestly absurd to say that it would be possible for any merchant in Australia to re-export timber from there to New Zealand, unless he was doing it for financial purposes.

2. *Mr. Jennings.*] Would he be overstocked?—No, they are never overstocked with kauri. I do know that some of the kauri timber—the third-class timber—that has been exported from New Zealand has come back from Australia to New Zealand in the form of enamelled mantelpieces. They have some patent process for enamelling mantelpieces which makes them look like beautiful marble, and these mantelpieces have been largely exported to New Zealand. They are made out of what we call our third-class pinhole timber.

3. What do you get for first-class kauri in Sydney?—18s. 11½d. net. That is 11d. a hundred more than the timber is sold to the merchants in New Zealand for; and then the timber that goes to Sydney is not all 12 in. and over, but goes down to 2 by 2 and 3 by 3, and includes a large quantity of turnery and narrow sizes for flooring—4½ by 1¼d., and lining-sizes also. In Melbourne the net price, after allowing trade discount, agent's commission, and freight, is 19s. 4d. 18s. 11½d., the price in Sydney, only refers to the sizes under 12 in. Flitches and wide boards return us 19s 4d.—that is, 1s. 3½d. a hundred more than we receive from the merchants in New Zealand. In Melbourne and Adelaide the price is the same as Sydney—19s. 4d.—but there again they take no narrow sizes, but all wide sizes and flitches, the same as in the southern part of New Zealand. The loss that we reckon occurs through deterioration, without counting interest—the loss in the pinholing of the log—I think you can safely take at about 1s. 3d. to 1s. 6d. a hundred. We have had timber lying in two rivers for a very long time. One of them is the Wairua—the extreme end of the Wairoa—and there the timber has lain for five years. Over a million feet is still there. That is timber that was purchased from the Crown some years ago out of the forest known as the Puhipuhi. When that forest was purchased it was bought at a royalty, and we were told we could take the timber out in any way we chose. Shortly after it was purchased we commenced to take it out of the bush and float it down the river. Fortunately, in the early stages very heavy rains fell, and we were very fortunate, and did not leave a log in the stream: we got over a million feet down in the first winter. But since then there have been no large freshes, and the timber has remained there. As soon, however, as the people in the district saw that this timber was going to be floated down to the Wairoa an agitation was set up to induce the Government to prevent it and stop the flotage license, so as to compel the timber to be carried over the railway to Whangarei. Perhaps it was a fortunate thing that an embargo was put on the floating, because subsequent events have proved that it was not an economical way to get the timber out owing to the loss in interest and broken logs coming over falls; but it meant that we had to sell all the timber that was remaining in that bush at practically what we paid the Government for it—1s. a hundred, I think—after having held it for a considerable time: so that we lost money upon that transaction. In another stream in northern Wairoa—the Awakino—we have a considerable quantity of timber, and it is eighteen months since we had any logs from that district. It is a sluggish stream, and, although dams help matters at the top end, after the timber gets down a certain distance it sticks, and we have to wait for very heavy rains. Now, with regard to rimu. We have lately been cutting a good deal of rimu. That is because the Government now insist upon purchasers of kauri forest taking whatever milling-forest there is, whether it is kauri, matai, kahikatea, or totara; and wherever there is a chance of getting this class of timber floated we have to take it away. Rimu we have been selling by the cargo at from 7s. 6d., 7s. 9d., and 8s. The bulk of that has gone to Wellington. One firm in Lyttelton has been taking it from us for a considerable time. It takes the whole output of rimu from one mill, and gets it at, I think, 7s. 9d. on the Wairoa. Then we cut an enormous quantity of kahikatea, and, of course, the bulk of that is exported to Australia—in fact, the whole of it is exported to Australia, not altogether for butter-boxes, but for flooring and lining. I think about the only sizes used for flooring and lining are 4½ to 6½ by ½ in. and by 1¼ in. I think those are the only two classes used for building purposes: the rest is either for butter-boxes or fruit, rabbit, and other boxes. Kahikatea is a peculiar timber, as you know. I have some samples here, showing a new destructor which has only been discovered during the last two years. This is timber that was exported by us to England. It was almost fresh from the saw, only being allowed to remain in the yard sufficiently long to dry. This injury was not visible from the outside of the board at all. It was only after the timber was split and planed in England that it was discovered. The insect must have got in before the timber left New Zealand. We have been searching for it, and in January last at our Owhata mill I pulled down a number of the stacks, and I found that about a foot from the ground a great deal of the timber was riddled in this way. This is a board that has been cut in two. [Samples produced.] It is a new thing that has come within the last two years. It has also been found at other mills, and in Sydney.

4. *Mr. Field.*] It has not eaten a hole to show where it got in?—No.

5. *Hon. the Chairman.*] Do you think it is the same insect as that which makes a small hole?—No, it is a different thing. Unfortunately, we have not been able to find the insect yet to get at what it is. The people in England have asked us if we can tell what has been the cause of it, and of course we cannot. I have been searching for it, and I find that the riddling runs through all the stacks at one of the mills. At Sydney, I am told, it was discovered in some timber there that went from Hoanga. They take 1¼ in. stuff and split it in Sydney, and in splitting they have discovered the same thing.

6. *Mr. Mander.*] To any great extent?—Not to any very great extent. Kahikatea had been selling at fairly low prices until towards the end of 1907 and during 1908, when there was a con-

siderable increase in the price, with the result that a large quantity of timber was produced in excess of the actual requirements. 1907 was, I believe, the best year they ever had in Australia for butter, owing to heavy rainfall, and when they have a good rainfall the demand for butter-boxes and box-material is considerable. Well, the quantity of white-pine exported to Australia during 1907 was, I think, about thirty-seven million feet. As I say, that was one of the best years Australia has ever had. In 1908 stocks had been depleted, and prices went up very high, with the result that the export of white-pine to Australia ran into fifty-nine million feet. This was very largely in excess of the requirements, and the consequence has been that prices have fallen so low that Oregon to-day is being sold in both Sydney and Melbourne at a lower rate than kahikatea offcuts, and kahikatea is being displaced by Oregon in both those places for rough box-making, but not for butter-box making or for shelving and flooring sizes.

7. *Mr. Stallworthy.*] You have not given us the price for kahikatea?—The price we get for kahikatea is from 4s. 9d. up to about 11s. It is sold in butter-box and small sizes right down to 1½ in. by 2 in.

8. What is the difference in quality?—There is clean kahikatea without defects, knot kahikatea which is called second-class, and what is called gum-streaks. The latter is a class they do not like at all.

9. *Mr. Mander.*] Were you present when Mr. Goldie gave his evidence?—No.

10. Were you present when Mr. Milroy gave his evidence?—No.

11. I judge from the statement you have made you practically agree with everything they have said: you consider it almost impossible, I understand, to save the kauri from fire?—Absolutely, unless it is surrounded by a very large area of mixed bush, and even then it is impossible to prevent fire unless you have caretakers.

12. Do you think it is an exaggeration to say that a spark will fly half a mile and light the top of a tree and set the bush going?—I do not think so.

13. Have you known sparks fly a very considerable distance and get into a kauri bush?—No personal knowledge, but I know fires have mysteriously taken place, and you could never find out who lit the match.

14. It invariably comes from outside the bush?—That is what they say. I only know of one bush that I think it would be possible to conserve. It is a very large bush owned by the Crown, but to conserve that would mean the shutting-up of an enormous area of mixed bush lands around it.

15. Considering that you do not believe in an export duty on kauri, and that you consider it is impracticable to save it in consequence of the great risk of fire, and the increased cost caused by the accumulated value of interest, what would you think a wise thing for the Government to do in order to provide for the wants of the future?—Tree-planting.

16. I believe you have given this matter some consideration: what trees would you advise the Government to plant?—I may say that when I was Minister for Railways in 1888 I instructed the Department to experiment by planting the best kinds of Australian gums on all the railway reserves extending from Papakura to Kumeu. The result of that I consider has been a great success. Unfortunately, the trees were simply put in and allowed to take their own course, without any assistance whatever. They have never been looked after. The fern has not even been cleared from underneath them, with the result that a Kumeu the trees have been fired three or four times, and at Taupaki the fire has been through four times. You can see trees at the Mount Albert Station that have only been planted twenty-one years, and some of them are fit to be put into the mill. Many of them are fit to be used as piles. The trees at Mount Albert comprise all the best kinds of gum. Now, for some reason or another, they are being destroyed by being felled just when they are coming to maturity. They are not being put to any practical use.

17. Have you at any time considered the growth of these trees and how fast particular trees grow. Yes. I myself, with the object of ascertaining what can be done by tree-growing, have planted trees in my own property, and they are to be seen by any member of the Commission who chooses to go out to Remuera. I measured them this morning, with the following results: A rimu twenty-three years old is 2 ft. in girth, a kauri twenty-three years old is 2 ft. 7 in., a puriri twenty-three years old is 2 ft. 3in., a totara twenty-three years old is 3 ft. 3 in. I have four American pines. Two of them are the redwood of California, and one of them is 7 ft. 6 in. in girth and twenty-seven years old, one is 6 ft., one 4 ft. 2 in., and one is 5 ft. in girth. These four trees are of the same age, and the smallest of them, 4 ft. 2 in. is within 4 in. in girth of the kauri that the Government insist on you taking when you purchase timber from the Crown. The Government make you cut down to 4 ft. 6in. in girth. At the same time I put in some Douglas fir, or Oregon pine, but they grew too big, and I had to cut them out. They were equal in size to the redwoods when they were cut down. The Douglas fir grew quickly. I am satisfied that if attention is given to the right classes of timber to grow and to the choice of suitable localities, all timber-trees, no matter from what country, will grow as well in New Zealand as in their native climate. All that is required is to choose the most suitable spot, and to plant them not too far away from the railway-lines. I do not know if any of you gentlemen have been at Taupo, Wairakei, or Rotorua. The trees grow there most luxuriantly where grass will not grow—trees of every description—fruit, pine, or gum trees. You will see beautiful trees growing on the bare pumice. Therefore it is plain to me, at all events, that within forty or fifty years timber should be reproduced in New Zealand.

18. Then you consider that if the Government went to work in a systematic and practical manner tree-planting would provide for the wants of the future better than could be provided for in any other way?—Yes, I am sure of it. But care must be taken not to plant inflammable trees where fern grows, because the fern catches fire and spreads very quickly. Unless the fern is kept clear in such plantations there is always a danger of fire.

19. I suppose you know that the country at Puhipuhi is fern-growing country?—Yes, 7 ft. or 8 ft. high. A few years ago the Crown possessed there one of the finest forests in New Zealand. It was a State Forest Reserve specially protected. That bush was absolutely destroyed by fire, and fully four-fifths of the timber was absolutely lost. The timber left standing has since been sold, and the bulk of it has been cut.

20. Do you not think, when the Government are planting timber for marketable purposes, they should select localities in a convenient place to the railway?—Certainly they should not go too far from the railway or water. I may say I have seen gum-trees cut down in the Auckland District, I am sure not forty years old, 3 ft. 6 in. and 4 ft. through.

21. The fact of the kauri or one of these other native trees growing 3 ft. girth in twenty-three years does not prove it is a fast-growing tree?—I say, for a hardwood, that is very fast.

22. Is not your land very good?—No, not extra good; it is semi-volcanic.

23. Is it not a fact that these trees grow rapidly to a certain point, and then do not grow perceptibly for a great many years?—I do not think that with mine. I see a difference every year. The kauri-tree I mention is growing in a bad place. It was a hollow that was filled in with clay from the drives. It is damp and cold clay.

24. Have you any ideas on the subject of the importation of Oregon?—No. Of course, Oregon does not affect me very much, and I do not know very much about it. I think the duty is sufficient, unless it was thought advisable to differentiate as they do in Australia. They differentiate by charging a less duty on the larger sizes than on the smaller, so as to favour the worker.

25. You do not think the long beams used in the larger buildings would come into competition at all with the inferior classes of kauri or rimu?—I do not think so. I do not think you could get a long beam either in rimu or kauri. The creeks are so small through which you have to drive the kauri nowadays that it is a matter of impossibility to get the long lengths now.

26. Do you not think it would be really a waste to use kauri to-day for long beams when you can get Oregon to suit the purpose at about half the price?—I should think it would, and it will help to conserve the kauri. I would like to state that a few years ago one of the largest producers of Oregon at Tacoma, in the State of Washington, U.S.A., paid a visit to New Zealand, and travelled all through the Kaipara district. He saw the timber being measured in the bush, and he then said, "I can easily understand now why it is your loss in conversion is so great. It is owing to the way you measure your timber." I asked him how they measured the timber in America, and he said, "We fell the tree, saw it off at the head, and take the diameter of the tree at the head, multiply that by three, and that is the girth of the whole tree. The result is that we produce in sawn timber more than we pay the logger for producing." On the other hand we produce 30 per cent. less.

27. You stated that in sending your timber to the southern ports they practically required all the pick of the timber, all the heart timber?—Yes.

28. Is that not because they have an ample supply of rimu timber to take the place of second- and third-class kauri?—I take it that is the reason. I may say that, in the early days before I entered into business on my own account, they used to take a considerable quantity of building-timber in the South, but since they started sawing rimu in the Sounds, Southland, and elsewhere, the purchase of small sizes of kauri has absolutely ceased.

29. Is that not an argument why we should not allow Oregon timber to come into competition with that class of timber?—If it could be produced for less, but I do not think that Oregon at its present price can compete successfully with New Zealand timbers.

30. Are you not aware that there are numbers of people who prefer Oregon to rimu, although they have to pay a little more for it, because it is lighter and easier to work?—I think that is so. I may say that we tried to introduce rimu into Australia, but we found they preferred Oregon because it is soft and easier to work.

31. You would not consider that a sufficient argument to use against our rimu, and to allow our mills to be closed and timber to be thrown out of the market—simply because rimu is a little harder than Oregon to work?—No. I should say, if there was any chance of rimu being thrown out of the market, then would be the time to consider the question of putting a higher duty upon Oregon, but until that time comes I do not think it is advisable to increase the duty.

32. According to the evidence received from the southern millers, they say emphatically that is the case?—Of course, I do not know anything about the southern markets. Personally, if I was to build a house I would prefer to build of rimu, even if it cost me a shilling more than the other.

33. Have you seen the Oregon that is being landed on the wharf here?—No, I have seen other cargoes.

34. If you were selling kauri timber with knots in it like that, it would not be called first-class timber?—No.

35. The timber you sell as first-class has to be absolutely free from imperfections?—Yes. I have only seen a little of that quality of Oregon. I saw about 1,600 ft. that was imported for door-making a short time ago. It was what is called "select."

36. But this ordinary stuff they import is a very rough, cross-grained timber?—It is what we should consider rough heart.

37. And it comes into competition with the inferior classes of timber in this country?—I have been told that Wellington was the only place that used to draw rough-heart kauri from the North, and I have been told that the effect of the importation of this Oregon into Wellington has militated against the sale of rough-heart kauri.

38. The very fact that it comes into competition with our inferior timbers only would indicate that it is an inferior timber itself?—I should say so.

39. You think that for all practical purposes, for cottage-building, and that kind of thing, we have ample timbers of our own?—Yes. But at the same time I frankly admit that, in my opinion, rimu is being largely overproduced in this country, and that has caused a great deal of the slump that is taking place. There are too many mills. The same thing applies to the cutting of rimu that applied to the cutting of flax. When flax got up above a fairly profitable price everybody rushed into flax-mills, and so they have with rimu.

40. With regard to the statement made some time ago with regard to kauri being shipped back from Australia and sold in Christchurch and the South at less than the price in Auckland, I suppose you look upon that as a myth?—It is utterly impossible.

41. Is it not a fact that the Australian market has regulated the price of timber in this market to a large extent?—Yes. The prices I have given showing the advance paid by the Australians for kauri shows that is so, and, in addition, those are the net prices I gave you. In addition to that the purchasers there have to pay duty. I may say that Australia differentiates as between Oregon and kauri and white-pine, inasmuch as they charge a duty of 2s. 6d. a hundred on the small sizes of Oregon, and only charge 6d. on kauri and white-pine. At the same time we retaliate by charging a duty of 2s. a hundred on all timber they export to New Zealand, and timber which we cannot do without.

42. Is it not a fact that the outside mills cannot sell first-class kauri on the Auckland market because we can get a higher price on the other side?—That is so, absolutely, as the cost of freighting the timber to Auckland is as great as to Sydney.

43. *Mr. Stallworthy.*] Is it because you get a better price in Australia for your kauri that Christchurch tell us they cannot get supplied with kauri?—I do not think so. Christchurch would not purchase the same class of timber as that sent to Australia.

44. Have you refused Christchurch orders?—Never. Christchurch is a place we have never done much business in, but we have never refused an order from Christchurch or Dunedin. Sometimes in consequence of the absence of rain and the difficulty of getting the logs down we have to delay filling orders, but otherwise the orders are always filled.

45. You have never had an unlimited market in Australia for all you can produce?—No.

46. The New Zealand market is necessary to you?—Yes, both are necessary. In Australia they take sizes that are not taken in New Zealand, and third-class is absolutely impossible to sell in New Zealand in anything like the quantity produced of this class.

47. Christchurch told us that they could not get kauri under £1 9s.: if they took ordinary building-timber, what could they get it at?—If they took it all round it would be about 18s. I do not know why they should pay £1 9s. For instance, at the Kaipara our price is 18s. 6d., less 2½ per cent., and the freight is 2s. 9d.

48. Is 18s. the price for small sizes as well?—That is the price we get for them. If they took the smaller sizes I suppose they could get the timber at 1s. a hundred less.

49. You told us that at one of your mills you lost as many at four hundred logs?—Yes, in three years, through breakages coming over the falls.

50. These four hundred logs cut from the bush never realised any good to the country?—That is so.

51. Do you not think it is a wrong thing for the Government to sell timber in such country until there are means of getting at it better?—You will never get at it better. It is on the mountains.

52. Do you not think it would be better left on the mountains?—If we had had the experience we have now we should never have touched it.

53. Are these isolated cases, do you think, or is the Government selling timber in such places elsewhere?—That is the only place that has come within my knowledge.

54. *Mr. Jennings.*] Do you know what areas of kauri timber are reserved by the Government at the present time?—No.

55. Do you know the area reserved by private individuals?—I do not think it is very much. The bush I have alluded to, which I think is the only bush that could be conserved, contains from eighty to a hundred millions.

56. You know, of course, that until recent years kahikatea was considered an inferior timber?—Yes.

57. Seeing the great importance of kahikatea to the dairying industry for butter-boxes, do you think it is wise it should be exported to Australia for building purposes?—I think it should be exported, because the land on which kahikatea is growing is too valuable. That has been proved beyond a doubt in the Northern Wairoa, where land on which kahikatea was growing has been sold after the removal of the timber as high as £15 per acre.

58. Are you aware that at the present time there is a difficulty ahead of those wanting butter-boxes in regard to getting supplies of kahikatea for this purpose?—It is the first I have heard of it.

59. We have heard it frequently before this Commission that in some parts of the South Island they cannot get kahikatea at all?—That is in the locality, but they could get it if they sent to other districts.

60. Would you be surprised to know that in Taranaki, which is a dairying district, the kahikatea is worked out?—Of course, in that district a great deal of it was felled, and burnt and destroyed. Still, there is plenty of kahikatea growing in the North from which they can be supplied. As a matter of fact, we are supplying the freezing-works at New Plymouth with meat-cases.

61. Have you had any orders for kahikatea for butter-boxes which you have refused?—We never got an order and never had inquiries for butter-box timber from any of the southern districts.

62. Is there much kahikatea growing in the North?—An enormous quantity.

63. *Mr. Hanan.*] Have you any suggestions to offer in regard to alterations in railway freights as affecting timber?—No, except that I think timber ought to be carried by the railway at a fair rate. I do not think it ought to be carried at a loss to the taxpayers of the Dominion.

64. Do you think the freights that are now charged pay the Department?—That I cannot tell.

65. Can you suggest any reduction or increase?—That is a question for the Minister for Railways or the General Manager to answer. They should know whether the carriage of timber at the rates charged pays or not. I do not think the State should make any profit out of the carriage of timber.

66. If a reduction were made in the railway freights on timber, would that help the milling industry or benefit the consumer?—It ought to benefit both.

67. Do you know whether the alterations made during the last twelve months have affected the industry?—There has been no reduction in the North. I cannot speak for the South.

68. As to mileage rates, do you think there is anything to be gained by the miller if this principle was encouraged?—That is the longer-distance rates. That applies to all produce. Over long distances it would be manifestly unfair to the miller to make him pay the same rate per mile as on a shorter distance.

69. Do you approve of differential rates in regard to timber?—No, I do not, except for long distances. I do not think there should be differential rates in favour of one part of the country as against another part.

70. Yes, but so far as competing with water carriage?—Of course, I have had experience in connection with the operations of these rates as Minister for Railways. It was done, but it did not pay the Department.

71. Did you find that the railways could successfully compete with water carriage in the conveyance of timber?—I do not think so.

72. Your experience was that the railways could not compete?—No, they could not compete.

73. You consider it is desirable that some differential rate should be made to enable the Railway Department to compete?—Yes, if it meant carrying the timber first to a port, as, for example, inland to or through Invercargill to the Bluff. It would be a fair thing to enable people inland to take their timber on by rail to its ultimate destination in preference to that. I think it would be fair to assume that there should be a differential rate in such places.

74. Now, as to local timber for railway-sleepers and wharf-requirements, what is your opinion?—My opinion is that the only timber in New Zealand fit for railway-sleepers is puriri. A few years ago it was thought that puriri was everlasting. It has since been proved that it is not everlasting, and that it decays the same as other timbers. A large quantity of those I refer to have been taken up. I put in on my own property puriri sawn posts, all heart, twenty-seven or twenty-eight years ago, but a number of them have had to be replaced. For bridge and wharf building I do not think we have got a single timber in New Zealand that could be economically used. We have had experience in our own town. Twenty years ago I urged upon the Harbour Board to discontinue the use of kauri, but they would not do so, and the result is that Auckland has lost an enormous amount of money through using kauri on its wharves. It is absolutely useless for wharf purposes. It will not stand between wind and water. The newest T, built not long ago, practically wants rebuilding now. In Wellington they have used the Australian hardwoods and totara, and they have used copper to a large extent, with the result that the main wharf in Wellington, which was extended in 1881 or 1882, is as sound to-day as the day it was built. We have had in Auckland several additions to our wharves long since then, and they are now absolutely rotten.

75. And your remarks regarding timber apply to protection works?—Kauri is a splendid timber as long as you keep it away from wind and water. There is another thing to be considered: kauri timber must be cut at the right season to be durable. If you fell it in the winter months it is durable, but timber cut in the summer is not durable. That truth has been proved over and over again, and it applies equally to all timbers. Vessels that have been built of pohutukawa cut in summer have had to be reframed in seven or eight years; whereas if the timber is cut in winter the frames last twenty or twenty-five years.

76. On what imported timbers do you favour a duty being imposed?—I do not think we should put a duty on any timber that cannot be done without. We cannot do without the hardwoods of Australia, and we charge them a duty of 2s. a hundred, and they retaliate on us by only charging us 6d. on our timber.

77. What timbers coming into competition with ours would you have the duty on?—Oregon and Baltic. These are building-timbers On hardwoods and timbers for bridges and like purposes there should be no duty. We have no timber suitable for that purpose.

78. Do I understand you to suggest that you would impose an additional duty on Oregon?—No.

79. Have you seen the recent regulation regarding timber areas?—No.

80. It would seem that the area is to be regulated according to the horse-power of the mill?—I have not seen the regulation.

81. Would you approve of that?—I think it is fair that the larger plant should have the larger area. A large plant means a considerable amount of money, and necessarily it should have a larger area of timber land to work on. We in the North are handicapped—(I may say I was told this by one of the West Coast millers)—to this extent: The royalty that we have to pay the Crown is upon the absolute contents of the tree—rots, knots, and all defects—that is to say, upon the whole total measurement of the tree, whereas on the West Coast they only pay on the sawn output. If that is so it is clearly unfair that we in the North should pay on the total measurement of the tree, whilst on the West Coast they only pay on the actual timber after it is sawn. It is absolutely unfair. There should be one regulation applicable to all parts of the Dominion.

82. If the sawmilling plants were improved in New Zealand do you think it would have the effect of reducing the price of timber?—Yes, we can prove that in our own district. The cost of production with an ordinary mill, such as our Aoroa mill, and the cost of production with a new up-to-date mill such as our Naumai mill would be 1s. or 1s. 6d. a hundred in favour of the American or up-to-date mill.

83. There is need, in your opinion, for improvement in the sawmilling plants in the Dominion?—Where you have got sufficient forests to warrant it.

84. What term would you allow for cutting out timber?—It depends upon the quantity, and it depends entirely upon the accessibility of the timber to the rail or tidal water.

85. Would you fix a time?—No, I would not. A mill along a railway-line has a big advantage. The timber is felled and taken to the mill sometimes the same day. In Northern Wairoa it is twelve or eighteen months, and sometimes longer, before the timber can be placed in the mill.

86. You would not admit of the miller having a perpetual right to the area?—Certainly not. I would compel him to work his area. I do not think it would be right to give any person large areas of land to hold for speculative purposes.

87. Would you admit of spasmodic work in connection with a sawmill area?—Continual, so long as there was a demand. The question of overproduction sometimes comes in.

88. Would it not be better, seeing the difficulties that present themselves to your mind, to have a term fixed for the removal of that timber?—It all depends upon the class of mill, the quantity the mill will cut, and the area of the bush. Some mills will cut 100,000 ft. a week, whilst others will not cut more than 40,000 ft. a week.

89. Touching another aspect of this question, have you seen anything of the preserving process?—No, I have not. I should not like to take it for granted without a considerable amount of experience. I had when Minister of Railways some experience in Invercargill in connection with creosoting. The contract was let before I took office. A large number of the sleepers were used on the Otago Central Railway, but they were all taken up within a few years, and I came to the conclusion that an insufficient quantity of creosote was put into the timbers.

90. Have you seen anything lately of the work they have been doing?—No. I have heard that there is an improvement. I have heard that this Powellising process is an absolute success, but I have no personal knowledge of it.

91. So far as your knowledge you favour creosoting?—Yes, if the timber is properly creosoted.

92. Have you any suggestion to make on the subject of seasoning and seasoned timbers, with a view of having seasoned timbers ready on the market?—Of course, seasoned timber means an expense to the miller. The stocking and filleting means expense, and the purchasers will not recompense the miller for the loss that he has incurred in drying the timber. There is a rule, I believe, amongst the members of the Sawmillers' Association—we do not belong to it—that they charge an extra price for seasoned timber, but I do not think they ever get it.

93. It was suggested down South that timber should be classified, and that an official book should be compiled dealing with our timbers, and showing their different natures and qualities?—Texture, strength, &c. I think that that information is available now. I think the Canterbury College University have that.

94. Do you suggest the Government should do anything in that direction?—Yes, I think they should. I think a record should be kept of all timbers, but I fancy the Public Works Department have it already. I remember the late Mr. Blair had a book containing the textures and weight-bearing strains of every timber.

95. *Mr. Field.*] Are you timber-merchants as well as sawmillers?—I suppose we should be reckoned both.

96. Do you think it is possible for a man to be prevented from coming here to give evidence because he is frightened of the timber-merchants concerning this complaint against them that they are selling him bad timber?—I should be surprised to hear that is so.

97. Can you see how any class in the country would be benefited by putting an export duty on kauri?—No.

98. The southern people want the very best of the kauri—not second or third class?—Yes.

99. If your orders were similar to the orders of the southern people could you carry on your business?—No. Australia comes to our aid and takes second- and third-class timber.

100. The fact that the southern people must have first-class kauri has the effect of delaying the execution of their orders?—Only in cases where we have been short of logs. At present there are, I know, orders from Dunedin and Oamaru which we cannot supply, because we cannot in the absence of freshes get the logs to the mill.

101. Will you tell us what profit you are making out of kauri timber?—I told the Commission that for five years my company has paid no dividend. In 1907 we made a big loss. In 1908 we made 9½ per cent. profit, without allowing for depreciation.

102. You cannot tell us what would be a fair profit for a miller to make?—We should be absolutely satisfied if we got 10 per cent. after allowing for depreciation. That would be ample.

103. Can you give the Commission any idea, from your long experience here, what proportion of the kauri bush has been destroyed by fire compared with that which has been felled and used?—I could not give that without thought. The area destroyed is very considerable. I know of enormous forests that have been burned.

104. Larger than those milled?—I would not say that. I should say one-third had been destroyed. I have known some very fine forests that were burned almost right out.

105. I understood you to say that Oregon was displacing our white-pine in Australia?—Just now, because Oregon is very cheap; but that is only temporary. The depression felt here has also been felt in England. Some of our timbers have not been sold in England. The price for kauri, however, has increased in England. I think that Australians might yet be tempted to take rimu.

I took a Sydney merchant, who was over here a few weeks ago, through a furniture-warehouse, and showed him beautiful rimu wood, and the result was that he gave a trial order, and he believes that he will be able to place it.

106. With respect to a duty on Oregon, you are aware that the millers in the South complain that the comparatively large shipments of Oregon have had a very bad effect on their trade in second-class timber?—I think it is only temporary. I think that the price of Oregon and the high rate of freight will result in favour of the local timber.

107. In fifteen months we have had, roughly, twenty-one million feet of that timber, and that does not take into consideration the cargo of the "Elsa" now being discharged?—I did not think it was so much as that. That, of course, must have some effect on the local timber.

108. In 1907 the total importations of Oregon into the whole of the Dominion amounted to 270,000 ft. only?—The price at which Oregon can be delivered at the ship's slings in Auckland is very little more than the absolute cost of the logs to the miller here.

109. You are in favour of our milling our own timber bush?—Certainly.

110. Where Oregon is coming into competition with the smaller sizes of our timbers, and putting us in a position of having to burn our bush because we cannot mill it profitably, then you say that the State should differentiate?—I should differentiate in favour of the smaller sizes now.

111. It is not fair for America to dislocate our building trade here in time of slump?—Yes, I think that that ought certainly to be considered.

112. *Mr. Leyland.*] In giving the prices of logs on the Wairoa, you stated that they were 6s. 3d. to 7s.?—That is what our contract timber costs us. When we purchase timber we have to pay more to private individuals. We have in those cases to pay from 7s. to 7s. 9d., and recently as high as 8s. It is about a rise of 5s. in eight years.

113. There are other factors that have tendered to increase the cost of timber?—There is the increase of the bushmen's wages, which is nearly 50 per cent.

114. There was a bushman here to give evidence, and he stated that the logs he was working would cost 7s. 6d. to put in tidal waters, exclusive of royalty and depreciation. He knows that. You took a contract to deliver those logs for less than half that price, but there has been a rise since then?—Yes.

115. Nine shillings and ten shillings have been paid here, and some millers do not know what is the cost, hardly, if they include interest?—Just so.

116. I am very glad to know that you can say that this year you made a profit. You say you have not allowed for depreciation?—We are writing it all off.

117. I was surprised at the amount Mr. Milroy allowed. What do you allow?—The depreciation in logs waiting for freshes is reckoned at 1s. 3d. per 100 sup. ft.; whilst the loss in conversion of log, 25 per cent., which means 33 per cent. on cost.

118. Some sawmillers, on being asked if timber was likely to rise, said No. Is it not true that, when supplies are diminishing quantities and the demand an increasing quantity, the price of timber must rise?—Yes, that may be so in New Zealand.

119. It is hardly fair for them to pledge themselves against a state of things over which they have no control?—I think kauri has touched the top so far as Australia is concerned.

120. I was in a yard in Melbourne and I saw some stuff there that we call "dozy," and I asked what quality that was, and I was informed that it would be third-class?—There is a class which we term gum-box that we sell inferior to third-class. It is too far gone to be put in as third-class timber. We get a very low price for it.

121. I saw another class going away in which there were medium boards. I asked what grade it was, and they told me it was first-class. The grade was quite different from ours, and that should be taken into consideration?—Yes, a great deal of the second-class is taken out in Australia and put into the first-class, and a great deal of the third-class is reclassed into the second-class.

122. You told us what you thought about kauri for wharf purposes. What is your experience with regard to totara piles?—Totara is an excellent timber for piles, but for beams and similar work it is not strong enough.

123. Even for piles in time it succumbs to the teredo?—Yes, that is so. We have had to replace the wharves built at Owhata of kauri in four years.

124. We are trying to put rimu in Australia. What was your experience with kauri when you put it on the London market. There will be a demand in Australia for rimu by-and-by?—Yes, and the duty there is 6d. It was not profitable. It has taken years to educate the English people into the value of kauri. Now it is in great demand, but owing to the wide widths and superior quality called for the supply is not equal to the demand.

125. At the present moment is the price of kahikatea in Australia higher than the price of Oregon?—No.

126. Is it lower?—It is lower for offcuts, which form the bulk of the timber, but it is not lower for butter-boxes and shelving. Oregon is now being used for the purposes that kahikatea was used for last year. Our agents in Sydney and Melbourne tell us that offcuts of kahikatea are practically unsaleable owing to the competition of Oregon.

127. About two years ago there was a white-pine famine in Australia?—Yes, last year.

128. The agents would give us more money for kahikatea offcuts then than for our third-class kauri?—Yes.

129. Those circumstances were rather exceptional?—Yes.

130. So it is not fair to say that, owing to kahikatea bringing a better price then, it is a better building-timber than Oregon pine?—No; I should not say kahikatea was a good building-timber at all.

131. With regard to the growth of timber, would you say that your remedy is afforestation and reafforestation rather than a duty?—Yes, to a very large extent. I do not think the country can spend too much money upon reafforesting.

132. And all these pumice lands which we look upon as a wilderness are eminently suitable for it?—Yes.

133. And although the population may not be here now, by the time the timber matures the probability is that, with the progress New Zealand is making, it will be near enough to the market when they are ready for it?—I am satisfied that with care timber can be produced, fit for the market, inside of forty years.

134. You told us you are not a member of the Sawmillers' Association?—No.

135. I suppose there are quite a number of mills that are not?—Yes.

136. So that there is no ring in the sense of a monopoly?—No.

137. The ring does not control your price for selling timber?—We have arranged with other mills to have a uniform price. That is all.

138. Do you attribute the depression to the importation of Oregon?—No. I think it is due to a very large extent to the tightness of the money-market, and partly to overproduction.

139. The depression has affected everybody?—Every country in the world.

140. If we are told that in Southland Oregon has not interfered with them and that there is depression there, is that not proof that Oregon should not be blamed?—Certainly.

141. If Mr. Brown, of Taranaki, tells us that his business has fallen off 50 per cent., and that the depression is felt very much there, but that no Oregon has been taken into Taranaki, is that not another proof that Oregon should not be blamed?—Yes. I heard one witness state yesterday that the introduction of Oregon has not interfered with his firm's output at all. Still, the large quantity that is coming in must affect it eventually.

142. In a general way, would you advocate that we should put an increased duty on Oregon?—I think it would be fair to put an increased duty on the small sizes.

143. Are you bearing in mind that freights are rising and that Oregon is rising in price?—That will stop it from coming, no doubt.

144. Is it a fact that Oregon is competing with our inferior grades only?—I am told that it is interfering in Wellington with the sale of rough-heart kauri.

145. That is not an inferior grade of timber?—It is considered to be an inferior grade. Personally, I look upon rough heart as the most valuable part of the kauri for durability. If I were building a house to-morrow I would not put a bit of first-class timber in; I would use all rough heart.

146. I take it that you think Oregon is a necessity now?—For long lengths, yes.

147. *Mr. Clarke.*] With regard to the Puhipuhi Forest, you said that the first cutting came down the river in large freshes, and that subsequently, after getting a lot of logs in the creek, they have not come down so readily. Do you not think that the clearing of the bush on the hillsides there may have had something to do with the rainfall and so have prevented a fresh?—It may. It is possible.

148. On the question of Oregon *versus* white-pine, I think your evidence is quite clear that white-pine is not so good a building-timber as Oregon—in fact, is not a good building-timber at all?—I should not say it was. I have seen houses in Christchurch built of white-pine that have been simply kept together with paint.

149. Then any attempt to prove that Oregon is an inferior timber because at a certain time the price of white-pine in Sydney was higher than the price of Oregon would not hold water?—No.

150. With regard to this alleged combination, you know, of course, that it has been freely stated all over the colony that such a thing exists. Do you say that there is no combination which controls the price, as against the individual right of a sawmiller to sell at what price suits him?—I hear that there are sawmillers' associations in various parts, but we are not members, and I do not know the inner working of the associations.

151. You do not know of any such agreement?—No.

152. You stated practically this, that the sawmilling interests, so far as the Harbour Board was concerned, did at one time act in a manner that was detrimental to the public interests, by compelling——?—I was only saying what certain members told me in the early days.

153. Do you not think that to impose a duty on Oregon at the instigation of the sawmilling interests might also be contrary to the interests of the public?—I think the duty is high enough at present.

154. With regard to the competition of Oregon with rough-heart timber in Wellington, do you consider it would be a fair thing to impose an additional duty on Oregon in such a way as would compel Wellington buyers to purchase rough-heart kauri at current rates in Wellington?—The Wellington people, if they study their own interests—that is, the consumer's—will be very foolish to take Oregon in place of rough heart.

155. Notwithstanding the great difference in the price of the two timbers at the present time?—I do not think there can be very much difference in price. It is simply because the Oregon is easier to work that they prefer it.

156. If, as you say, the price of Oregon is practically bound to rise, is not that a sufficient reason why there should be no further action taken in the matter of raising the duty? Will it not cure itself?—That is my opinion: it will cure itself.

157. *Mr. Morris.*] You were asked whether there was any foundation for the statement that Oregon was a serious menace to the timber trade in the South. Well, during the last fifteen months Christchurch has imported over four million feet of Oregon, Wellington over six million and three-quarters feet, and Timaru one million and a half feet, and these were the markets that the West Coast millers particularly supplied?—Yes. Well, is not the price of rimu from the West Coast about 7s. 6d. f.o.b. to the Christchurch merchants?

158. The price is 6s. 9d. for O.B. and 8s. 6d. for dressing?—Would not that be landed in Christchurch at a lower rate than Oregon?

159. No. Oregon is at the same price, or even cheaper, in Wellington to-day?—I am surprised to hear it.

160. During the last nine months the millers' trade has fallen off in Christchurch from about two million feet per month to less than half a million feet? Then that shows that Oregon must have affected the industry on the West Coast.

161. In Wellington the business has fallen off from over a million a month in 1907 to less than a hundred thousand a month to-day. So you recognise that they have some room for complaining?—Yes.

162. And you think they are quite justified under the circumstances in asking the Government to protect their industry?—There is no doubt, in their own interest.

163. With regard to the Sawmillers' Association, we have heard builders say that the association might do a lot of things not in the interests of the public. Do you not think there is just as much reason to believe that they themselves might do the same thing—put their heads together and fleece the public by charging excessive rates for building?—It is quite possible.

164. *Mr. Barber.*] You told us you believed that the slump in the trade was due partially to overproduction and partly to the tightness of the money-market?—Yes, to a certain extent.

165. Do you not think that has a great deal more to do with it than the importation of Oregon?—I think so, because the slump has taken place in other parts than New Zealand—in Australia and England.

166. Do you not think it is due to something other than Oregon that a large number of carpenters are out of work?—I should think the dearness of money has caused a cessation of building all over the colony.

167. If Oregon were being used to the same extent as our timbers were a year ago, the carpenters would be employed to the same extent?—If the statement is correct as to the large amount of Oregon that is coming in, that must have had something to do with it.

168. The evidence given down South is that the Oregon has taken the place of long lengths of kauri, which it has been practically impossible to obtain?—Oregon has not interfered, excepting, as I say, with the rough heart. Long lengths in kauri are not now procurable excepting in very small quantities.

169. Oregon has been used in the southern towns to supply the shortage of kauri?—I do not think that is so, because Oregon is used for building purposes, whereas kauri has never been used for building purposes in the South in recent years.

170. It has been used for joists in all the large buildings in Wellington for a long time?—For joists, probably.

171. I understood you to say that Oregon was taking the place of white-pine in Sydney?—Yes, and in Melbourne for box-making purposes, because it is cheaper.

172. Can you suggest any remedy, in order to give white-pine a market there?—No. White-pine is being sold there at present at a loss.

173. Do you think the abolition of the 6d. duty in Australia would help the trade at all?—Yes.

174. Would that 6d. be sufficient to give white-pine an advantage over Oregon?—It would. But, of course, the same thing applies there as here. Oregon has been dumped into all these places for financial reasons, and the chances are that the thing will recover itself in a few months.

175. When the price of Oregon landed in the colony on the present basis amounts to 13s. 6d., as stated by Mr. Leyland, do you think it possible to sell it in Wellington at a lower price than red-pine?—If the f.o.b. shipping-price at Greymouth is 6s. 9d., as Mr. Morris says, I do not think Oregon could or ought to compete with it.

176. Do you not think the case we have had mentioned is of a kind that might occur at any time—that is, when a firm is unable to take up its bill of lading and the timber is thrown on the market and sacrificed? Is not that very often the case?—That is what is being done now with Oregon.

177. It is done very often with other goods than timber?—Yes.

178. You are opposed to an export duty on kauri?—Yes, absolutely.

179. Do you not think, considering that there is a shortage of kauri in the southern markets ——?—Is there a shortage in the southern markets?

180. The evidence is to that effect. We had evidence yesterday from a railwayman that some orders were on hand for three years, and then had to be cancelled?—Yes, that is so; some of our orders were cancelled, but a good many of them were for very long lengths. Long lengths are not obtainable.

181. Do you not think it fair, if kauri is to be exported—the kauri which does supply requirements to a certain extent—that we ought to allow something to come in to take its place without duty at all?—Certainly; but so far as we are concerned I do not know that the mills have refused a single order from Wellington.

182. The evidence from all the southern towns is to that effect. If that be so, do you think it fair that something should be allowed to come in to take its place?—Certainly, if that is a correct statement.

183. *Mr. Ell.*] With regard to the burning of kauri and New Zealand bush generally, you said there would be some difficulty in preventing its being burnt. In what way do you mean? What means could you take to prevent fires from being set going?—Kauri forests are generally surrounded by fern, and the undergrowth in the bush itself is very inflammable, and a match dropped will cause a big flare; and when a flare once takes place in a kauri forest it is absolutely impossible, unless in winter, to put it out. It is impossible to prevent fires in kauri forests unless you have those forests surrounded by a large area of mixed bush, which does not fire.

184. Do you anticipate any rise in the price of timber?—No. I said that so far as I know the prices at present ruling for kauri in Australia are the top prices, and I do not think it is possible to get more.

185. At what price are you prepared to ship a quantity—say, 25,000 ft.—of kauri to Christchurch?—The list price, 18s. 6d., less 2½ per cent.—that is, f.o.b.

186. What is the freight there?—I think it is 3s.

187. Would you be surprised to hear that the Railway Department there paid £1 7s. a hundred for 25,000 ft. of first-class?—I should be surprised.

188. *Mr. Arnold.*] Do you suggest that the duty should be increased on the smaller sizes of Oregon?—Yes, I think it is a fair thing, because we have a lot of men engaged in the sawmilling industry and money invested.

189. What do you think would be fair to put on?—I think the same as Australia—12 by 12 and over, 1s., and differentiating in the smaller sizes up to 2s. 6d.

190. Have you thought what percentage on the cost this would bring the duty up to?—No.

191. You know that at present it stands at about 25 per cent.?—I have not taken much interest in the Oregon importations.

192. You recognise, as one who has studied not only these questions, but political economy, that there must be a certain point beyond which it is not safe to tax imported goods for manufacturing purposes?—Certainly.

193. Do you think it would be safe to tax to 50 per cent.?—No, certainly not.

194. Forty per cent.?—Forty per cent. would be the outside.

195. Regarding afforestation, you spoke of the rapid growth on some of these pumice lands: is there very much of this land in the Auckland District?—Yes, a fair extent of it. But I would not confine tree-planting to pumice lands. I would have tree-planting done all over the colony.

196. You would, however, confine it to the poor land?—Not necessarily.

197. You would not use for tree-planting land that is good for grazing or agricultural purposes?—Not £20- or £30-an-acre land. Those large areas of land in the North upon which the kauri forest formerly stood, now called gum-land, would be eminently adapted for trees of every description.

198. It is not fit for grazing?—No. You will notice that on all the forest land from Auckland to Helensville, wherever trees have been planted they have grown remarkably well, showing that they will grow on the poorest land. And the poorest land we have is the best fruit-producing land.

199. What value do you think land should be at when it should not be used for tree-planting?—Where land is not well adapted for grazing, such as our pumice land and our gum-land, I should utilise it wherever possible for the growth of trees.

G. H. NORRIE sworn and further examined. (No. 118.)

Hon. the Chairman: I understand you wish to make some further statement?

Witness: Yes I wish to make an explanation in regard to the statement about the 1,100,000 ft. of kauri for which the orders were cancelled. The original idea was to cancel the whole lot at the time, and instructions were held over, and when the orders were issued the balance had been considerably reduced, and therefore it does not stand at 1,100,000 ft., and it was not cancelled all at the one time. It was cancelled at different times. I want to mention this to put myself right with my head office. Again, I would like to mention about the jarrah. My opinion that heart rimu is superior to jarrah is based on the fact that rimu is tougher and longer in the grain. That is my private opinion, and that is not the departmental opinion, and I want to put myself right there. We have not had jarrah sufficiently long in use to form a general opinion.

JOHN STRAUCHON sworn and examined. (No. 119.)

1. *Hon. the Chairman.*] You are Commissioner of Crown Lands for the Auckland Provincial District?—Yes. I propose to comply with the terms of paragraphs 5 and 6 of your order of reference, and I hand in the statements herewith. They give the estimated area of Crown lands still available for sawmilling purposes, and details in regard to the State forests.

2. Have you any other statement to make?—I do not think so. You know I have only been here twelve months. Mr. Kavanagh, our Timber Expert, deals with these matters, and he will be able to supply the Commission with all the information required.

3. We had a statement by Mr. Goldie the other day in regard to an application of his for timber in the Omahutu Forest: do you know anything about that?—I am not aware of any application by Mr. Goldie during my time. Mr. Kavanagh can give you all the information in regard to that. I will undertake to look up the information from the office records.

4. We have also had strong complaints in the North as to the amount of royalty charged?—Any special complaint in regard to any special block?

5. No, a general complaint. Perhaps you can put this matter right by telling us the highest amount fixed by the Government—the upset royalty?—The returns I have put in give all particulars. I understand that the highest upset price put on kauri has been 2s. 6d.

6. What would be about the lowest?—I suppose inferior might go down to 1s. or 1s. 6d.

7. Nothing less than 1s.?—I do not think so, for kauri.

8. *Mr. Ell.*] What are the means adopted by the Forestry Department in this district in regard to the prevention of fires? Have you any regulations against persons trespassing in the State forests?—Yes, the usual State Forest Regulations, and the same with regard to Crown forests,

People can be prosecuted for trespassing or lighting fires in the forest. We have resident caretakers in one or two of the principal forests where there is a danger of fire amongst the kauri timber. They go through and round the edge of the forests trying to trace and keep out gum-diggers and other trespassers.

9. Are persons allowed to trespass in the ordinary mixed forests?—They are allowed to trespass, but not to light fires.

10. Have you had any fires recently in any forests that are protected by having a caretaker in charge?—There was one slight fire, which was put out by the caretaker, who got assistance.

11. Was that a kauri forest?—On the edge of a kauri forest. We have had no serious fire in a kauri forest where we have had a caretaker in charge.

12. Have you had any fires in the forests where there are no caretakers in charge?—Not since I have been up here. There was only one fire of any consequence, and that was at Kauri Park. It was a very small fire, although it destroyed a very valuable tree.

13. Have any prosecutions taken place without your knowledge in this district against persons for trespassing or lighting fires in the State forests?—Not within my time.

14. Has any trespassing or lighting of fires been reported at all?—Trespassing by gum-diggers has.

15. Did any prosecutions follow?—Unfortunately in that particular case we were rather in a quandary as to the exact boundary of the forest and could not go to law. However, we are having the boundaries surveyed to remove any doubt in the future.

16. Is regard given to the accessibility of the timber before it is put on the market?—Yes, it is considered in regard to putting a price on the timber.

17. Is any special examination of the country made to see if the timber can be handled profitably before it is given over to the sawmiller?—Yes, the District Measurers and the Chief Expert are satisfied on that point.

18. How many Rangers have you to assist in protecting the great and valuable forests under your care?—We have five Timber-measurers and about as many Crown Lands Rangers, who all take an interest in the forests in addition to their other work. We have also three caretakers.

19. Has that system been pretty successful?—I think so.

JAMES TROUNSON sworn and examined. (No. 120.)

1. *Hon. the Chairman.*] What is your occupation?—I am a sawmiller at Kaihu.

2. Will you please tell us what you know about the subjects referred to in this Commission?—I should like to say that kauri timber costs me 3s. 6d. per hundred delivered at the mill. That is the contract price, and everything is included in that amount. We are giving 3s. 8d. now for the far-away timber. I may say these prices do not include royalty.

3. Are the trams and haulage-engines put in by the contractors?—Yes, by the contractors.

4. They deliver the stuff at your mill at 3s. 6d.?—The present price is 3s. 8d. at the mill, and the price of cut ends about 2s. at the mill. The haulage on the railway amounts to about 1s. for round logs, and 9d. or 10d. for sawn timber. For 1s. it is put on the railway and delivered at Dargaville. I send all my output to the Kauri Company at prices varying from 16s. 6d. down to 7s. or 8s.

5. What class of timber is the 16s. 6d.?—Flitches and boards of first-class kauri heart.

6. Is there any difference in the price betwixt the flitches and the boards? There is more sawing in the boards?—The flitches and boards down to about 12 in. board are lumped generally at 16s. 6d.—that is, for the best.

7. Then, with regard to those that they talk about as having shakes, how do you class them?—Rough heart is about 9s. 3d. or 9s. 6d.—*i.e.*, f.o.b. at Dargaville. That is subject to 2½ per cent.

8. Then the cheaper—the 7s. 8d.—that would be third-class?—Yes.

9. *Mr. Mander.*] In those prices you have not included royalty?—That is so.

10. What would you calculate your royalty at?—About 2s. or 3s.

11. Have you lost any timber in that locality by fire?—Yes, considerable.

12. And when you calculate the price of your royalty do you include in that the loss sustained by fire?—Oh, no! that is a dead loss.

13. Do you not think, in calculating the price of your royalty, you should add to it the loss you sustained by fire?—I think it should be added.

14. In calculating the cost of your cutting at 2s. do you calculate the loss on conversion, which is estimated at about 25 per cent.?—I reckon that we lose about from 20 to 25 per cent. on the cutting.

15. Is that calculated in the cost of cutting?—Oh, yes! roughly about 2s.

16. That would bring the cost of your production, then, to the mill at about 9s.?—Yes, about that.

17. In regard to this park that we went to look at near your mill, is it not a fact that when that fire came along a large number of your men were battling with the fire for over two days?—Yes.

18. You were unable to save a lot of those trees?—The men were there for nearly a week, but we failed to save it.

19. Do you not find that in many cases a fire travels a long distance through fern from outside, and the sparks fly?—Yes—half a mile from tree to tree.

20. Would it not be a very expensive thing to keep a staff of men at every particular kauri clump to try and conserve?—It would be a very expensive thing.

21. In a very dry summer it would be impossible to stop it?—Quite impossible.

22. You are not affected at all by the introduction of Oregon timber into New Zealand?—In a very small way. I cut a little white-pine and rimu, which I have had to knock off on account of the low price of white-pine, especially on the other side.

23. You are aware that Oregon has been coming into competition with kauri for a great number of years?—Yes.

24. It does not affect the price of first-class kauri?—Not at all.

25. You think it comes into competition with the lower grades?—I think it does.

26. You think, in the interest of the sawmilling industry in New Zealand, especially in regard to rimu, that some measure of protection should be given to it?—I have looked at the question from both sides, and my opinion, from the information which I possess, which is not very large, is that the present duty should remain. I think the thing would work all right in time. I am not in favour, from my present information, of interfering with the duty at the present time.

27. Do you not think it would be a sensible thing — a business proposition — to propose to lighten the duty on the longer sizes that we really require, and transfer what we take off the longer sizes to the smaller sizes, and balance it that way, so as to protect the millers of the Dominion from competition in respect of the smaller sizes?—It does not affect me very much, and it is a question I have not studied. I cannot give an opinion.

28. What do you think about the question of an export duty on kauri?—There should be no export duty. The Government sold us the timber in competition at the best price they could get, and we had the understanding that our timber would be sold in any market. I think therefore it would be most unfair for the Government, after selling the timber at 3s. per hundred, to put another 3s. per hundred on it. There is no possibility of protecting the timber, and if the timber is taken off I consider that a lot of good land within easy reach of kauri which is not made use of at present will be available. I am spending just as much money to put the land into grass, and it will be just as valuable when I have got the kauri off for grazing and sheep as it was when the kauri was on. In the Wairoa generally timber has been a drawback to settlement. The Land Board has constant applications to open up land for settlement, and the reply is that it is too near to the bush. A lot of settlement would go on, especially in the North, if the timber was taken away. It is impossible, whatever care you take, if you allow settlement in the vicinity of a bush, to prevent fires.

29. What is the highest upset price you have known the Government to put on a kauri forest?—Three shillings is the highest I know of.

30. Did the Government put that on as an upset price?—I am not sure about that. I have not tendered for any Government timber for a long time, but I have known of parties giving 3s. a hundred, and as it turned out afterwards it did not come up to the estimate.

31. Have you seen the Oregon timber that has been landed on the wharf?—Yes.

32. Would kauri timber be accepted from you in rough qualities like that with knots in it? What class of timber would that be called in kauri?—It would be called "thirds," and worse than that even.

33. It is really not first-class stuff?—No, not first-class.

34. Did you see any of that sample of timber on the wharf?—No. That is a very superior grade to what I saw on the wharf.

35. *Mr. Stallworthy.*] With reference to this bush, can you tell us how the fires occurred there?—It was from adjoining bush from a settler's clearing—at least, I think it was from a settler's clearing, but you cannot trace a fire. Children going home from school will run out from amongst the fern, and suddenly you may discover a fire. I know of a case of that kind that resulted in burning a lot of kauri.

36. What steps do the Government take to protect their reservations?—They have a man to look after them. I do not see that the Government can do more than they have done. In some places they have settlers to look after it, and they pay them a trifle.

37. When a fire takes place what have they done to put it out?—They have not done much. I have sent up my men to try to put the fire out.

38. Has the Government repaid you for that?—I never asked them for any pay for the last fire. I think they would have paid me if I had asked them. My interests, however, were largely at stake, and I protected my own interests at the same time. I therefore did not apply for any remuneration for my men.

39. If the Government had been put to the cost of preserving that bush the cost would have been a pretty heavy one?—It would.

40. Do you think it would pay us to preserve a kauri bush in that district?—I do not think so.

41. You have suffered very heavy losses through fire?—Yes, and from floods.

42. Is there much timber there?—Yes, a large quantity.

43. Can you give us any idea as to the quantity?—There is about seventy or eighty million feet of kauri, which together with the rimu and totara would make about two hundred million feet. That is at Waima.

44. You think that a branch line would be of great assistance in getting timber out?—It would.

45. Owing to the want of a line is timber being destroyed?—Yes, and the bush is in constant danger. The gum-diggers have been in and bled the bush, and I have heard it said that some of the trees are now turning colour. The Land Board and the Government have done all they can to protect. They have refused applications from persons who wanted to select land, but it is still in danger.

46. Settlers themselves have destroyed and been paid to destroy large areas of timber?—Yes; they have been clearing the land, and large quantities of timber on the land which was cleared was destroyed. Some of it was kauri.

47. In reference to the damage done to that Waima reserve, can you give us an estimate of the loss?—It has destroyed two million feet of timber, and I am trying to save it before the worms get into it. I would like to say why there should not be a tax placed on the export of timber. The Government sell us the land, then the County Council rate us at the highest value. I have paid for that small bush in Waima over £1,000 in rates already. I pay £100 a year for rates, and why therefore should we be compelled to keep that forest with rates on it year after year. A lot of people are crying out for an export duty on kauri, but that is just on the principle of "Tax the other fellow."

48. You have paid £1,000 already?—Yes, I have in rates.

49. What is the value of the timber on which you are rated?—It is on the unimproved value, and my rates are £100 per year.

50. Is there any land in the Kaihu district suitable for replanting?—I have no knowledge of replanting, and I have not much faith in it.

51. *Mr. Field.*] Is there any fear in the mind of yourself or of other kauri-millers that an export duty will be imposed on kauri?—I have not much fear, but still there is the cry. I think it is only fair that the people interested in kauri should state their reason why a duty should not be imposed.

52. Can you conceive any good being done to any classes of the community by placing a duty on kauri?—I cannot see any advantage to any one.

53. You talk about the danger of fire to kauri bush. Has any large extent of kauri bush been destroyed by fire in your district?—Large quantities.

54. What area do you think was destroyed compared with the actual area milled?—I think that in the Kaihu Bush nearly half of it has been injured by fire, more or less. We reckon that if a fire goes through a bush we lose one third, but we lose more than that. Immediately the sap rots very small worms get in, and the smaller timber is rendered absolutely useless. That is a very valuable timber, and if it is green it makes specially fine timber, but when the fire goes through it and it is left for a year or two that part of the timber is absolutely useless.

55. How long have you been milling?—About ten or twelve years. I have had to do with timber for thirty years or more.

56. Have you made a large fortune out of milling?—I do not know that I have made anything out of milling, but I have done reasonably well out of kauri timber. I am not so sure about the milling business. I do not think I have.

57. I suppose you do not know how you stand?—So far as that goes, yes. The money has been made on the rise of the price of timber generally, and I have not made it out of milling.

58. I understand you lost about £1,000 in one night through the carrying-away of a dam?—Yes, £2,000.

59. What do you think would be a fair profit for a sawmiller to make on capital laid out?—I think he should make, taking all risks, 8 or 9 per cent. The risk is very great, and I pay £4 per hundred for insurance. I question very much whether it could be made out of milling.

60. Now, I understand Oregon does not affect you very much?—Not very much.

61. But you have sympathy with other millers?—Yes, I have sympathy with them.

62. You know that they have not generally made the fortunes in New Zealand that they are supposed to have made?—Very few of them have made money.

63. In 1907 the imports of Oregon were very small indeed, but during the last fifteen months the imports into this country of that timber amount to about twenty-two million feet—a very sudden rise?—Yes.

64. Of that, about six and a half million feet have come to Auckland. The balance has gone to the southern ports—principally Wellington and Christchurch. When those millers down there tell us that, although the slumps and bad times have affected them, still they could have got through their trouble but for the importation of Oregon pine, which is competing very largely with the second-class timber, would you be inclined to disbelieve them?—I do not disbelieve them for a moment.

65. When you find the mills closing down, plus the importation of Oregon and bad times, do you not think that we should protect our own industry?—It is a fair question. I attribute the large import of Oregon to the bad times in America. I do not think that that eventually will last very long. I consider that our timber, having competed with Oregon pine in Australia for many years, is quite able to hold its own under ordinary conditions. I do not think Oregon pine is as good as some reckon it to be, and I think our rimu a much better timber. I think that with 2s. duty it will regulate itself.

66. When we find that Oregon pine is used in Wellington for small cottages—not only for beams, but for outside weatherboarding—do you not think that that is assuming a serious aspect?—Yes, it is a serious aspect. I think the present duty is sufficient.

67. We have had twelve months' suffering. It might occur again. Should we not provide for that? Another slump might come in America?—I think we are trading in a fair way as we are. Our timber will eventually hold its own.

68. But they say they are shortening hands and considering the question of burning their timber and turning the properties into grass. Is that not a serious position?—Yes, it is a serious position.

69. It is worth considering?—Yes, I think it should be considered.

70. You can only mill a tree once, and it is only temporary protection?—Yes, but there are two sides to the question. There are very strong reasons why people should have building-materials reasonably cheap as well as protection, and I think in the main that the duty will be sufficient as it is.

71. Have you heard that Oregon has cheapened the price of building in this country?—Well, I suppose it has in a measure.

72. Do you know that it is dearer in Auckland than our own timbers?—I have had nothing to do with Oregon, and I have not used it.

73. Our evidence is that it is slightly cheaper in Dunedin, much about the same price in Christchurch and Wellington, and dearer here?—That does not look as if it cheapened the price of buildings.

74. *Mr. Leyland.*] I am a little bit puzzled about the cost of your timber. You have the cost of your timber at 3s. 8d. and 2s., railway 1s. Does this cutting include loss and conversion? Have you added the cost of royalty—that is, 1s. 8d.?—I did not mean that.

75. Then, there is that £2,000 which should be added to the cost of the mill, and interest of the wear-and-tear?—Yes, just so. I stated the actual cost. I added nothing for wear-and-tear, or life of the mill, or anything for the loss or depreciation in the bush, which is very large.

76. With reference to the railway: bearing in mind that the risk of fire is so great in a kauri forest and that such a valuable quantity of timber is lying there, do you not think it would be wise to extend the railway, so that this timber might be converted into a taxable asset and not be lost in smoke?—I do think so, and the property there would be quite as valuable after the timber had gone, because there would be settlement all round, and land would be in grass that is now lying idle.

77. The Premier has stated that in future with respect to railways the Government will ask for a guarantee that the interest earned will reach 2½ or 3 per cent. Being so sure that that railway would pay, do you not think you could almost give that guarantee up there?—Yes.

78. You know that the price of Oregon is now going up, do you not?—I have heard so.

79. Have you got the impression that very few orders are going forward?—I have that impression, and I consider that the difficulty, if we exercised a little patience, would die out.

80. With regard to the slump, is it not a fact that the combination of circumstances is very unlikely to occur again? There was a very severe financial panic, there was a freight-war in America, and there was the fact that, while 90 per cent. of the mills there were shut down, huge quantities of logs were in tidal waters, subject to toredo attack, and had to be disposed of?—I quite agree with that.

81. You admit that there has been a demand for a duty to be put on kauri exported? Although it is absurd, the demand is there?—There is a demand.

82. If a prohibitive duty were put on Oregon, would it not intensify that cry and probably make it irresistible? Would it not be very foolish for a kauri-miller to ask for an import duty on Oregon pine?—It would indeed.

83. *Mr. Morris.*] Let me give the figures showing our exports from Greymouth to our chief markets in the colony—markets that we have been sending up to two million feet in a month to. For the first three months this year Christchurch imported 782,238 ft. of Oregon, and only 627,600 ft. of rimu from the Coast; while Wellington imported 1,293,267 ft. of Oregon and not more than 300,000 ft. of rimu. So you will recognise that there is a danger that our industry will suffer very considerably from the importation of Oregon pine?—I do not think there is much danger for a very long time.

84. But it is coming in now—the year is young yet?—I do not think there is a permanent danger. I have stated my views as far as my information goes, and I have thought the matter out. I think it is the slump in America, combined with other reasons, that has made the Oregon pine come into New Zealand. I do not think it will injure us eventually.

85. But the slump in America has been practically over for this last twelve months?—I have understood from people coming from America that the prices are already going up, so that Oregon will not eventually compete with our rimu.

86. *Mr. Arnold.*] What area of bush country have you?—I have had about four or five thousand acres, but I have cleared off all the scattered bushes now, and put the land down in grass.

87. But what area of bush is left?—About four or five hundred acres.

88. What area will there be in the whole district?—There is not much bush in the Kaihu Valley except my own—perhaps about twenty million feet.

89. And in the other district?—I should think there would be an additional seventy or eighty million feet that would come to Kaihu if the railway were extended.

90. What proportion of that is still in the hands of the Government?—It is all in the hands of the Government, that large bush.

91. That forest is not likely to be milled unless the railway is pushed on, is it?—I do not see any other way of getting the timber out.

92. It is fair to say, then, that the value of that timber would be increased very much?—Yes.

93. You have a fair knowledge of land, have you not?—I have had a lot of experience in land.

94. You say you have cleared some of your land and you have grassed it?—Yes.

95. Successfully?—Yes.

96. Is the greater portion of the land in that district suitable for grazing after the bush is taken off?—It is splendid for sheep, and a portion of it is suitable for cattle.

97. If the railway were constructed there is every likelihood of it being a payable concern after the timber had been cleared?—Yes. For this last two or three years I have been carrying three thousand sheep on the bit of bush land that I have had cleared, and doing well.

98. *Mr. Jennings.*] What is the area of it?—I suppose I have cleared off about two thousand acres altogether.

99. *Mr. Arnold.*] So you think the railway would be a good asset to the Dominion?—Yes, I think it would be a paying thing for the Dominion, both for land and timber. The land adjoining the railway-line would be settled. It is not bad land; it is all land that would carry sheep and cattle.

100. You would not recommend the Government to plant trees on land of that value for grazing purposes, would you?—No.

101. With regard to Oregon, do you know whether it is a fact that the Oregon imported is taking the place of kauri to a large extent?—I do not think it is taking the place of first-class heart kauri, but in a measure of second-class and third-class kauri.

102. Do you not think it inconsistent to ask for an export duty on kauri and an import duty on Oregon?—I do.

103. *Mr. Stallworthy.*] You are a member of the Land Board?—Yes.

104. Do you say that it is the policy of the Land Board to hold back land from settlement because it is near kauri bushes?—We have had to refuse several applications because the land was too near the kauri bush.

105. It is holding back land-settlement to a very large extent?—Yes, in many cases.

106. *Mr. Jennings.*] Is there much kahikatea in the district?—Not a large quantity—that is, up the Kaihu Valley. I think there is a large quantity on the branches of the Wairoa River.

107. Is there any dairying up your way: are there any creameries?—There is a creamery up there, but owing to the fewness of settlers and the want of communication it has not been doing very well. But the creameries on the Wairoa River, and the factory, have been doing a large business, and I feel sure that will increase largely as time goes on.

108. As a practical sawmiller, do you get any inquiries from Taranaki or the South for kahikatea for butter-boxes?—I am not aware of any. I have not been in the retail business at all. I have sold my output, and particulars of that kind I have no knowledge of.

109. You know that kahikatea is very valuable for butter-boxes?—Yes.

110. And that the supply of kahikatea in the South and in Taranaki has been cut out practically?—I do not know that.

HENRY PAUL KAVANAGH, Chief Timber Expert, Lands Department, Auckland, sworn and examined. (No. 121.)

1. *Hon. the Chairman.*] Have you a statement to make, or do you wish to be questioned only?—To be questioned only.

2. You are Timber Expert under the Land Board?—Yes, I have been for the last five years; and have been in the Department twenty-three or twenty-four years.

3. You have been in the Auckland District for five years?—Yes.

4. With regard to measuring the timber here for leasing purposes, will you explain to the Commission how it is done and how you arrive at the quantity that you advertise?—All the trees are measured as high as you can reach from the butt, and 6 in. are allowed for bark and an inch for taper for every foot in the tree warranting it. That would be the average. Then the height is taken, and the girth. We strike a mean girth over the whole tree, and if there are any visible or known defects they are deducted, and the remainder then is for sale. The undersized and the defective trees are reserved from sale. They are kept separate and distinct. If the successful tenderer makes a reasonable offer it will be considered, otherwise the remaining timber is left for the use of settlers, providing it stands up. The deductions in some cases are very large, but in a virgin bush they are not so great. I can, however, show you schedules here where the deductions are greater than the marketable timber. This would be with respect to dry kauri, and would be on areas previously worked and abandoned. In all cases nearly the timber is measured upon application, because we have only a limited staff, and we try to meet the wants of the sawmillers as far as possible. But they have sometimes upset our arrangements in this way: when they are working in a district where there are remnants of bush from previous workings, they may make application to have that timber offered for sale, and we cannot offer it for sale until it is measured. So that oftentimes our men are running about from one place to another. We get better results when they are camped in the bush, and can take the bush right in the face. All the trees are kept separate and distinct; they are numbered consecutively, and if it is a forest of any extent it is cut up into convenient lots in accordance with the watershed, so that one person has not all the bush up the ranges. This has sometimes led to complications, for the reason that a man on the upper part of a creek might erect a dam or make use of the dam belonging to the man below him. There are all these things to be taken into consideration, and they are taken into consideration in all cases, so much so that sometimes we reserve sections until the others are worked out, so as to keep clear of complications. The sawmillers have a very great deal to contend with, for the reason that all kauri bushes are getting very remote, and every person whose property they want to float or take timber through wants some compensation whether he is damaged or not. He often wants prospective damages. Land that you would scarcely give £1 an acre for becomes extremely valuable if a kauri log is to be hauled over one corner. And the driving is very expensive and entails great loss. A sawmiller might buy a bush from the Crown to-morrow, and it might be three years before he gets a log to his mill, and all the time it is deteriorating in quantity and quality. Further than that, when sawmillers drive and float they must have expensive booms. There are booms at Hokianga and Tairua and at Mercury Bay, some of which have cost £10,000, and sometimes £1,000 to maintain. A miller may wait for a year and pray for rain, and when he gets a fresh it may prove a curse instead of a blessing, because he gets too much and it lands his timber out

on flats or in swamps, where it is in a worse state than ever. This plan will give you an idea of the number of dams. [Map produced and dams pointed out.] So there is not much chance of kauri declining in price. I expect to live to see the better kind of kauri bring £2 a hundred.

5. Have you any other statement to make?—I might say that all the lines are cut round each lot, and the lots are numbered and a distinct mark put on each tree and lot, and the trees are numbered consecutively from 1 upwards. I go up then and check the measurements, by selecting trees indiscriminately. There is seldom any doubt as to the deductions, but, if there is, the point is settled on the ground. If I have any doubt as to the height of a tree, we put the Abney level on.

6. In your opinion, do they give fair measurements?—Very fair indeed. We honestly try to give the buyer what he pays for, and I think we succeed. In one case the Kauri Company and the Koutu Company sent their own men in to measure the timber. I saw the figures of the latter, and they were almost identical with ours. Although millions of feet were involved, I do not think we were 4,000 ft. out. The figures were remarkably close.

7. Do you make any allowance for waste in the round log?—No; we take the ordinary trade measurements. The buyer really only buys the round log by square measurement. If we have a log 10 ft. girth by 12 ft. long, there are 900 ft. in it, and we sell 900 ft. if there are no defects.

8. You make no allowance for the sawn output?—No. The average loss on the log under the saw would be 25 per cent., but the buyer makes allowance for that when tendering. Ours is the trade custom absolutely. The lots are then advertised in this way:—

"*Lot 1. Part Block XVI, Maungataniwha S.D. (Lot 3, Omahuta State Forest).*—1,317 green and 33 dry kauri-trees, containing approximately 4,131,738 superficial feet (standing measurement); 21 totara trees, containing approximately 11,794 superficial feet (standing measurement); 268 rimu trees, containing approximately 266,686 superficial feet (standing measurement); 74 kahikatea trees, containing approximately 143,579 superficial feet (standing measurement). Distinguishing brand, V. Time for removal, three years. Upset price for kauri, 2s. 6d, and totara 1s. 6d., per 100 sup. ft. Terms: One-fifth in cash within fourteen days after acceptance of tender, one-fifth in seven months, one-fifth in fourteen months, one-fifth in twenty-one months, and one-fifth in twenty-eight months thereafter. Faulty and undersized trees not included in this sale, branded with an arrow-head and 'F R'—viz., 60 kauri, 10 totara, 16 rimu, and 4 kahikatea."

"*Conditions.*—1. Intending tenderers are expected to visit the locality and to satisfy themselves in every particular on all matters relating to their tender. 2. The aforementioned quantities, qualities, and kind as to the said timber shall be taken as sufficiently accurate for the purpose of this sale, and no contract for purchase shall be voidable, nor shall the successful tenderer be entitled to any abatement in price by reason of the said timber being of less quantity, quality, and kind than as stated hereon, or in any advertisement having reference to the said timber, nor shall any extra sum be claimed by the Crown if for any reason the quantity of timber is found to be in excess of that stated hereon. 3. No tender will be considered wherein a less royalty is offered for kauri and totara than the upset prices as stated in terms of each lot, other timbers not less than minimum schedule rates of royalty in accordance with the Timber Regulations. 4. All timber on each lot, whether standing or in logs, shall remain the property of the Crown until all the instalments are paid. 5. The successful tenderer shall make and deliver to the Commissioner of Crown Lands half-yearly, or at a period fixed by the Commissioner, a statement of the number of trees felled thereon, also the total quantity of timber felled and removed under each cutting license. 6. In all lots the quantities stated are standing measurements. 7. Should any dispute arise as to boundaries, the decision of the Commissioner of Crown Lands shall be final. 8. In the event of any of the above lots not being disposed of, applications may be received and dealt with at any time within six months from the above date of closing of tenders (unless previously formally withdrawn), providing, however, that the amount offered is not less than the upset price stated hereon. 9. No extension of time for removal of timber will be allowed successful tenderers who bleed, or permit bleeding of, kauri trees included in this sale, unless full payment of purchase-money is first made. 10. All tenders must be submitted on forms which will be supplied on application to the above office, and envelopes enclosing same to me marked 'Tender for Timber,' and addressed to the Commissioner of Crown Lands, Auckland. 11. In lots where terms of payment may have been arranged, any breach of the foregoing Conditions of Sale will render the 'on demand' promissory notes liable to be presented for immediate payment. 12. The highest or any tender not necessarily accepted."

The tenders are opened in the presence of the Commissioner of Crown Lands, the Timber Clerk, and myself, and a recommendation goes to Wellington.

9. Did you get the Commissioner to look up the matter that Mr. Goldie referred to the other day?—That was an application for timber at Omahuta under the sawmilling areas some years ago. The sawmilling areas in the Auckland District were found to be unsatisfactory for the reason that in three cases where the Crown disposed of three sawmilling areas in not one instance did the original selectors cut out the timber. They hawked the areas about and sold them, no doubt, at a profit. So the Crown had quite enough of that, and now sawmilling areas are not in existence so far as the Auckland District is concerned. We found, so far as kauri timber is concerned, that they picked the eyes out of the country, and so the system was stopped. In regard to the case mentioned by Mr. Pearce at Mamaku, where he applied for Section 16, there may have been delay because the measurers were away and we could not take them off to do other work. The first lot was sold at the upset price, and Mr. Pearce did not tender. He applied for the second lot verbally, but the conditions did not allow the Department to sell privately. He said he wanted the section in order to put a tramway through to timber further back, and he was told the upset price of the rimu would be 1s. per hundred, because it was quite close to the railway-line and to Mamaku.

He went away with the intention of applying, but never did so. There were about 1,143 acres of standing bush adjoining, and the Department did not care to sell a narrow strip alongside this area because of the increased danger of fire and because a person who laid a tramway down might claim a preference on account of dead outlay of capital in the vicinity. Mr. Steele's statement about the cost of measuring the timber he referred to was perfectly correct, but it was the most expensive timber we ever measured. His application stated his mill would be cut out in three months and that many men would be out of employment, so we took the men from other work to meet his wishes, and we did the measuring in the winter. I may say there were twenty-eight wet days in one month, so we got the worst of it. I have already conferred with the Commissioner with a view to finding some means of estimating the amount of timber under 1s. per hundred feet in value and doing without measuring; but kauri, of course, we should still continue to measure. I might say in regard to an ordinary case like Omahuta we put the timber other than kauri at the lowest schedule rates for the reason that, although the buyers pay for it, the chances are that some of them may not remove it.

10. *Mr. Leyland.*] If they had to leave it there would it be fair to add the cost of the royalty on that timber to the average cost of the royalty on kauri?—Certainly. Otherwise the Department would be liable to censure if they allowed milling-timber to be left and only culled out the best. So all millable timber is included in the sales, whether at present marketable or not.

11. The Government stand on the right side?—That is the position. The average proportion of dry trees does not agree with what Mr. Goldie stated. We always make full deductions. In 1907 we sold 30,000,000 ft., and the total deductions were 2,387,746 ft.; in 1908 we sold 55,000,000 ft., and the deductions were 4,346,792 ft.; in 1909 we sold 31,000,000 ft., and the deductions were 1,522,350 ft.: so that the average deductions each year were 2,751,277 ft. The figures for the export trade show a gradual falling-off for the last three years for Auckland and Kaipara, although the value is about the same. I will supply a return under this heading for the appendix to your report. So that the total export for the whole year was 23,464,065 ft. of kauri; and other timbers, 36,958,456 ft. = 60,422,521 ft. Although there is a difference of 8,000,000 ft. between 1906 and 1909, the value is greater.

12. *Hon. the Chairman.*] How do you ascertain the value of the export?—By the Customs.

13. There is still a higher price?—Yes, a less quantity, but a higher price.

14. The price does not seem to be receding any yet?—So far it shows the quantity of white-pine is increasing, whilst the quantity of kauri exported is decreasing. For the information of the Commission I desire to read the following table showing the quantities of milling-timber remaining on Crown lands:—

Auckland Land District.—Return showing Quantities of Milling-timber remaining on Crown Lands, State Forests, and Forest Reserves, and on Private and Native Lands, as at 31st March, 1909.

——	Kauri.	Rimu.	Kahikatea.	Matai.	Totara.	Miscellaneous.	Total.
	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.
Remaining on Crown lands, State forests, and forest reserves	209,627,889	909,422,310	109,497,863	106,435,879	90,889,203	..	1,425,873,144
Remaining on private and Native lands	275,819,100	2,964,082,710	574,028,890	796,630,105	59,065,180	129,614,728	4,799,240,713
Grand total ..	485,446,989	3,873,505,020	683,526,753	903,065,984	149,954,383	129,614,728	6,225,113,857

Auckland Land District.—Summary of Timber disposed of by Crown, Crown Lands, State Forests, and Land for Settlements.

Period.	Kauri.	Rimu.	Kahikatea.	Totara.	Matai.	Miscellaneous.	Total.	Value.
	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	Ft.	£ s. d.
1906–7	18,380,371	8,731,910	2,899,727	340,359	285,431	..	30,637,798	19,638 15 2
Deductions ..	1,512,505	676,610	147,132	22,957	28,542	..	2,387,746	..
Total ..	19,892,876	9,408,520	3,046,859	363,316	313,973	..	33,025,544	19,638 15 2
1907–8	40,797,367	7,737,178	5,573,169	1,472,566	17,817	16,439	55,614,536	44,875 8 5
Deductions ..	3,387,770	407,567	525,605	25,850	..	..	4,346,792	..
Total ..	44,185,137	8,144,745	6,098,774	1,498,416	17,817	16,439	59,961,328	44,875 8 5
1908–9	21,849,284	5,258,363	1,704,804	804,010	61,968	1,497,536	31,185,965	29,113 5 0
Deductions ..	844,703	401,857	59,427	71,288	3,549	141,526	1,522,350	..
Total ..	22,693,987	5,660,220	1,764,231	885,298	65,517	1,639,062	32,708,315	29,113 5 0

NOTE.—Deductions in the measuring of the timber are for visible and known defects.

It is computed roughly that if the present average sales of kauri continue—that is, of kauri held by the Crown—it will be disposed of in about six years.

15. Millers may have a year-or-two's supply on hand?—I think, in ten years at most it will be nearly all cut out, and I refer, of course, to Crown land kauri only.

16. When you take all that the Crown has and all that is known outside of the Crown, either in reserves or privately, as far as you know, how long would the whole thing last at the rate we are going?—They are cutting kauri at the rate of a hundred million a year, and the total kauri disposed of by the Crown during the year was 21,849,284 ft.

17. That would be twenty years?—Yes. The other timbers held by the Crown would be thirty-two years, but, taking the whole timber remaining, with the output of, say, 200,000,000, all the timber that is now remaining of 6,000,000,000, it would take about twenty-five years to cut out at the present rate.

18. Do you include in that King-country timber?—Yes.

19. Can you tell us how much is still on the Selwyn Estate?—We cannot very well tell. It was originally estimated, now it is measured prior to disposal. The chances are that it will not pan out as much as originally estimated.

20. *Mr. Mander.*] You have had good experience in kauri timber and were a practical man before you took up this business?—Yes, in bush-working and sawmilling.

21. Is it not a fact that in measuring a kauri-tree, however careful you may be, there may be some invisible defects?—Certainly.

22. And when logs are bought from the Government and delivered at the mill, is it not a fact that all these defects are visible, or the majority of them, and are allowed for? Suppose you worked out a bush and you delivered the timber to a mill, when you got all the timber to the mill the miller would examine the ends of the logs to see the shakes?—When he is paying his bush contractor he would see to the defects.

23. Consequently there would be a lot of deductions made when the timber was delivered at the mill that you could not see when measuring the trees?—Yes, that is so. We make deductions when the defects are visible in measuring the tree, but one cannot see hidden defects.

24. You remember that bush of MacCorroll's, and you believed you were giving him a fair thing?—It was a different system.

25. You went through that bush after the timber was cut, and you saw a large quantity of hollow trees in that bush?—Yes. There was a large quantity.

26. Consequently the price of 3s. royalty paid for that bush did not include the whole royalty?—How do you mean?

27. I mean the loss sustained through defective timber?—There was a deficiency of 500,000 ft. out of about 9,000,000 ft.

28. They say they lost about 1,500,000 ft.?—We took the quantities named out of their log-book.

29. They had to cut very fine?—Yes, very fine—right up to the branches. If it had turned out a sound bush they would have had about 1,500,000 ft. more than they bought.

30. There are cases where it tallies out a good deal less than calculated?—Yes; I saw some trees that, when they tried to fell them, proved to be only shells, and yet they did not show the slightest defects.

31. You know that the Waitakerei Bush, which was estimated at nine or twelve million feet of timber, only turned out about seven million?—Yes; I should not be surprised. There is a bush being measured now, and when the sawmiller called here to have it measured I asked him to look at it to make sure that he was satisfied with the timber. I told him plainly that we looked upon that bush as defective—so much so that I had doubts as to whether it would pay him to touch it. He went with his brother, and came back again, and applied to have it measured. It is being measured now. What could the Department do in a case of that kind?

32. Do you not think it is a reasonable thing to make some percentage allowance for invisible defects? You know that sometimes there is a shake in a log that goes in different ways and cuts the log in two?—The buyers are invited to go to the bush and inspect before they tender.

33. They cannot see these things?—They should make the usual allowance in their tender.

34. There is a very great difficulty there?—It is the easiest thing in the world. They can allow 10 or 20 per cent. for invisible defects.

35. Was it not a fact that 3s. was put on the bush in question?—It was bought privately without competition.

36. Why should it be sold by appraisement without competition?—I do not know. At that time it could be sold by appraisement.

37. Three shillings was the upset price?—He paid 3s., but I do not know whether it was the upset price or not, but it is usual to charge a little more when obtained without competition.

38. Do you not think that the millers here, in having to buy their timber in that way and hold it for a certain period, and run the risk of fire, &c., are heavily handicapped compared with the millers in the South, who pay on the sawn output?—There is no comparison, as he has to run the risk of loss by fire, flood, interest, &c.

39. Do you not think that all parts of the colony should be put on the same footing in regard to matters of that kind?—Certainly. I do not think you would sell a bush on the output.

40. In the olden times in measuring timber very few trees were ever measured below a 6 ft. girth, and now you measure them down to 3 ft. 6 in.?—Yes.

41. That makes timber dearer?—To some extent. There are often very few trees below 3 ft. 6 in.

42. That accounts very largely for the increase in the price of the logs to the miller?—That is so. The small trees are unprofitable—the first-class quality produced is less.

43. You admit that the percentage of valuable timber from a defective tree is much less than from a good sound solid tree?—You mean there is less profit. That is, some bushes are sappy and some are not sappy. With a 3 ft. 6 in. girth you must expect a good deal of sap. If the tree is 40 ft. long and will only give a 3 ft. 6 in. average girth in the centre for 20 ft. we only make it 20 ft.

44. Do you think it a fair thing in certain parts of the country, where it is impossible to get rimu and other timbers out, to compel the purchasers of kauri to take these timbers?—Is it fair that the rimu and other valuable timber should be destroyed as it has been in the past?

45. Is it not destroyed without their generally bringing it out?—They can make an effort to get it out. It may be that the larger mills now have outlived their usefulness, and smaller mills may be erected in the bush.

46. In these back countries, would it be possible to get timber out where there is no railway?—That depends upon the situation of the timber.

47. Seeing that the people have to buy this timber and leave it in the bush, is it fair to charge the price of that timber on to the royalty of the kauri that they do get out?—When we fixed the price of kauri at 2s. per hundred that kauri, if it was there only, and no other timber there, would be assessed, I think, at a higher upset price than is now done—that is, if other timbers were excluded.

48. That would be a fairer thing to do?—They know exactly the quantities of each kind of timber, and they can make their allowance when fixing the price for the kauri.

49. You put the upset price on your timber you say at 2s. 6d. per hundred royalty on the kauri, and you assess that as the price?—In all cases where there is a difficulty we always put the lowest schedule rate on the timber when we know there is a difficulty in getting it out.

50. That is fair?—Some will try it, and some will not. We do not force anybody.

51. Of course, if it were possible for a man to put a tramway into the bush, I suppose you would consider it quite natural to bring out the other timbers with it?—Certainly.

52. Rimu and totara and other timbers of that class will not float, and it seems to me to charge people for what you know they cannot get out is not right?—Sometimes they will not make an effort to bring these timbers out.

53. Do not those heavy timbers sink and block the creeks?—In some places they get the kauri out first, and the other timbers afterwards. In Omahutu there is a large quantity of kahikatea and other non-buoyant timber that is not put in the market. It will not be included in any sales. It is reserved. There are any amount of applications for it, but at the present time the Department will not dispose of it.

54. The millers are really paying a good deal more royalty for timbers in many cases than is shown on the surface?—In such a case as Omahutu.

55. You are not surprised at the price of kauri going up in the market?—I am not surprised. It may be shortly much dearer. They cannot sell it cheaper.

56. It cannot be cut out in such quantities in the future as it has in the past?—They must taper off by degrees.

57. Do you think you have got the full estimate of all timber on Crown and Native lands and private lands that is still standing?—I think the kauri, as far as Crown lands and State forests are concerned, will pan out as we have it in our returns. When it comes to Native lands and privately owned lands, there are any amount of private people who do not know what they have got themselves. The Natives may dispose of their land for settlement purposes, and the timber thereon may not be milled at all. There are portions of Native lands not carrying sufficient timber to warrant a mill going up, and this is the unfortunate part of it so far as the Province of Auckland is concerned—that is the reason why the mills do not pay so well. If it contains 20,000 ft. per acre it is all right, but if it only contains 8,000 ft. or 10,000 ft. per acre they would cut out an acre or more in a week, and when all charges are added what is there in it? There is a great difference in the different forms of milling—that is, there is a total difference between a rimu-mill and a kauri-mill. The reason why the expense is so much in connection with kauri is because it is so remote and there are so many charges. They must drive, and float, and raft, and do all kinds of things to get it to the mill. Then there is interest on the money, loss, and depreciation. The kauri-millers never really know what the timber is going to cost them until they get it into the booms, and I doubt very much whether they know then.

58. *Mr. Stallworthy.*] Who fixes the upset price?—I do.

59. Have you had any complaint about its being too high?—It is only natural that complaint should be made; I should not be surprised if complaints were made, but I have not heard of any. There are some sections that no offers are made for.

60. When you receive no offers, what do you do?—Retain the timber. If millers apply for the sections within six months and give the upset price they are sold.

61. Do you reduce the upset price?—Not until the Department have retained the section some time. If there is any special reason, then we may perhaps reduce the price; but I think a reduction of price has only been made once or twice. Sometimes millers apply for timber, and are not at all prepared to give a fair price. That is where there is no competition.

62. How long is it since the more exact measuring of the timber has come into force?—About five years.

63. Before then it was a frequent thing for millers to get a good deal more timber than they purchased, was it not?—Oh, certainly. When the quantity was estimated it generally turned out more than the estimate. Rumour says that is so, at any rate.

64. We had a complaint that nowadays the millers do not get the quantity that is estimated. How do you account for that?—I am not satisfied that it is so. We can identify any tree in the bush, and if they give us the numbers we can tell them the amount of the deductions. Besides, it is their duty to go and judge for themselves. At one time, if trees were put up, the millers went to expense in estimating them, and it was very costly getting expert men to value the bushes. Now, they need scarcely go near the bush at all. I doubt very much whether some of them do. The number of trees and everything else is all prepared ready for them.

65. Do they cut as high as you have been measuring, and as low?—Within the last two years they have been cutting much closer. At one time there was great waste in the bush, judging by the stumps and the heads left. I know of one case where they complained that they did not get their quantity, and I went and looked, and I could see at once where it was if they did not get it.

66. The closer measurement of timber by the State has led to more of it being brought into use?—I think that in all cases now, not only with Crown timber but all other, they are cutting much closer.

67. We were told this morning that as many as four hundred logs have been cut in the bush but have never come to light, having been broken to pieces, and so on. Is not that a tremendous waste?—It is unavoidable.

68. Would it not be better not to sell the timber at all?—If it were left standing it might only get burnt. There is a chance of getting it out. It may not be that it is all broken. Some might get broken, and some go out to sea. There are other ways of losing logs than by their splitting up. I believe that all sawmillers will have lost logs, more or less. At Taipa, north of Mangonui, the quantity of timber would not warrant their putting up sufficient booms to keep it, and so there is nothing to prevent a heavy fresh driving part out to sea.

69. Have you any idea of the conditions of the mills in the South?—No.

70. You do not know that all the mills are within easy distance of the railways?—No.

71. I suppose that if we had had railways here near these mills it would have saved an enormous quantity of timber?—Very likely. If you can tram the timber out there is no loss.

72. You might almost say that the country has lost in timber more than it would have taken to make a railway?—I should not like to say that. There are places where it would not pay to put a railway at all.

73. *Mr. Jennings.*] You said that there are sixty-two sawmills in the district?—Yes.

74. Are not a great number of them held by one or two persons? For instance, the Kauri Timber Company own mills?—Yes.

75. How many out of the sixty-two are held by that company?—There is one at Hokianga, one at Waimamuku, one at Te Kopuru, one at Mercury Bay, a mill that works part-time at Tairua, and a town mill.

76. How many mills does the Mitchelson Company own?—There is one at Herekino, one at Whangape, and one at Kaipara. They do not own any town mills.

77. What is the biggest area of kauri Crown land that is reserved at the present time?—The Waipoua State Forest contains about 23,000 acres.

78. Is it fairly well bushed with kauri?—It is the biggest forest the Crown has remaining.

79. Do the Maoris hold any kauri-bush land?—Very little indeed in Hokianga—that is, in that locality. They may have kahikatea and rimu, but very little kauri, I think.

80. Do private persons own kauri lands?—Not in very large areas in Hokianga. The Crown owns the greater part of the timber in Hokianga.

81. Is it possible to preserve the whole of this kauri bush—that is, reserve it for the State?—It is wholly impossible. That is my opinion.

82. Then, why does not the State dispose of it?—I do not think it is desirable that the State should put all the kauri in the market at once. They put in twenty-one million feet last year. What they are really trying to do is to sell all the scattered pieces and keep the large bush like Waipoua and Warawara. Further than that, Waipoua is distinct. As with the State forests on the West Coast, it is a problem how they shall get the timber out, and they cannot dispose of it satisfactorily in small lots. To deal with the matter in a practical way the Government should divide the bush into not more than three lots.

83. What is the quantity of kahikatea throughout the district?—There are 109,497,863 ft. on the remaining Crown lands and State forests in the Auckland Province.

84. Is there much demand for kahikatea up in this district?—There are mills cutting kahikatea only. The Crown disposed of a lot of that timber. They are also cutting timber off private lands.

85. What is generally done with the kahikatea here? Is it exported?—Yes.

86. Are you aware that there is a very great demand for it, particularly in the South, for butter-boxes?—Yes.

87. What price is paid for kahikatea here—I mean in royalty?—The Crown charges 6d. That is the lowest schedule rate. I do not think the Department has ever charged more than 6d., because there is practically no demand for it at present in remote bushes.

88. I presume the same difficulties are met with in getting the kahikatea logs out as are met with in connection with kauri?—There is greater difficulty, because kahikatea will not float.

89. *Mr. Field.*] Will you give us any views you have on afforestation and its particular effect in this district?—I think there is no time to be lost, that every penny the Crown gets for kauri and other timber it should invest in replanting.

90. What do you suggest it should replant?—The American redwood is well spoken of. I do not look upon myself as an authority on the proper trees that should be planted, but I would say that I am not sure that the cut-out forests are the proper places to plant. They are replanting at Puhipuhi, and after the timber is removed the fern springs up quickly, and while the stumps and other *débris* remain they are a menace with regard to fire. I think the Government should select open land, such as the gum land; and they should look to getting the timber to market at some future time, and not select a place where it would be very difficult of access or to get it to market. There is any amount of open land. It seems to be naturally adapted for growing trees.

91. Do you think the estimate made by Mr. Mitchelson this morning is reliable—that we might get trees to cut timber from in forty years, if the right sorts are planted in the right places?—We might thin them out in forty years, but I think they will take more than forty years to mature. That is only my opinion; I have nothing to back it up.

92. You heard his evidence on the subject?—I was here part of the time.

93. As far as you heard it do you agree with it?—Certainly.

94. You heard him mention some of the plantations of eucalyptus, ironbark, jarrah, and so forth, along the railway-line?—I saw those trees planted.

95. He said that a number of them were destroyed through the fern being allowed to grow and the fire to get in?—Yes, and they took special care, too; but there is always a chance of a spark from the engine causing a fire.

96. It is a rule, is it not, to plant trees alongside a railway-line?—Yes; but if they plant on open land it can be ploughed around the boundaries.

97. Judging by the plantations of eucalyptus close to the Mount Albert Railway-station, would you say that that is a good tree to plant?—I should think it was, amongst others. I think all sorts should be tried. There is a serious difficulty, too, about clearing the bush off hilltops and such places. They are making a big mistake, in my opinion, to denude all the land of bush, even for settlement purposes. I think that if the State nurseries would distribute certain trees to settlers who would undertake to plant them, it would be a good thing. I would compel every settler to plant a certain number of trees to the acre on his holding, and to look after them, too.

98. *Mr. Leyland.*] You told us about charging royalties on timber, but you did not touch on the question of measuring tawa—say, in the Mamaku district—where there is as much tawa on an acre—say, 8,000 ft.—as there is rimu. How would you suggest getting over that difficulty?—I know that tawa is not a popular timber, and that there is a prejudice against it. It would serve for many purposes other than permanent work, but that time may not have arrived. There are a few millers trying to push it, but the Auckland people, if they take a prejudice against a timber, will not use it. The remedy, if there is no demand for it, is for the Crown to hold it. If it is not marketable it will be in a few years.

99. What do you think of the suggestion that millers should be charged for the tawa if they take it, and not charged for it if they do not?—I would not give them the chance.

100. But to charge them for the whole of the timber—tawa and rimu—when they cannot sell it is very harsh, is it not?—It may be. In the place you mention there is not 8,000 ft. of tawa per acre. In this case there would be a higher royalty put on the rimu if the tawa were not included. We cannot take less than 6d. a hundred for the tawa, according to the schedule rates.

101. There are some parts of the Mamaku plateau where there is as much tawa as rimu?—It resolves itself into this: Should the Department dispose of the timber until the tawa is in demand? At the present time the millers naturally try to get the timber next to them when they have cut out their own timber.

102. But I want to point out that up there where they have freehold land and have tawa and rimu together, they have left the tawa standing, showing that they could not market it?—One of the millers with freehold land is trying his best to market the tawa.

103. I want to read two small extracts and see if you confirm the statements contained in them. This is the Government report for 1908 on State nurseries, plantations, &c., and on page 4 it reads, "As has been frequently pointed out, the cutting and utilisation of the indigenous forests by the sawmillers is proceeding at such a rapid rate in New Zealand that it is only a matter of a very few years (comparatively) when the greater part of our timber-supply must be obtained from abroad." Then, on the next page, we have this: ". . . . . also the introduction into Auckland (the home of kauri) of one or two shipments or part cargoes of Oregon pine (this timber for some purposes is a good substitute for kauri), and owing to the greater remoteness and scarcity of the latter, also the increasing difficulty of obtaining adequate supplies of suitable native-grown timber to meet local requirements, regular importations of Oregon or other pine in increasing quantities must be looked for in the future." This part of the report specially refers to Auckland. I should like to know whether you approve of that, and would confirm that statement?—That is so. It is the report published from this office.

104. You quite approve of that?—Yes.

105. In view of that, would you put an additional duty on Oregon pine?—The present duty is equal to the royalty we get for kauri, on the average. I would not put an additional duty on it. We are exporting timber and importing hardwood; and we ought to import any woods that are suitable for our requirements.

106. *Mr. Clarke.*] You mentioned that the sawmillers made contracts for the bleeding of the kauri-trees for the purpose of obtaining the gum. Is that done for the millers' profit?—Yes. It was done on one occasion at Omahutu.

107. So it would not come with a very good grace from the sawmillers to complain of imported timber having been subjected to the bleeding process, if they do it themselves?—It has been done on more than one occasion by themselves.

108. *Mr. Morris.*] You were asked a question about the great loss that the colony had suffered through some four or five hundred logs being lost. Was it not the sawmiller that suffered that loss rather than the colony?—It is not an unusual thing for a sawmiller to lose a lot of logs in the bush.

109. But instead of the colony suffering from it, it was really the miller?—I presume that whoever he bought the timber from was paid for it. It would be the owner's loss.

110. The Crown is not likely to make them a gift of it?—We are not so liberal as all that.

111. *Mr. Barber.*] In view of the very great difficulty there is in obtaining kauri, do you not think it would be a fair thing to place an export duty on kauri, or else to admit a substitute to take its place?—The export of kauri has been going on for the last forty years, and persons were encouraged to put up mills and expend capital in the export trade. Further than that, the Government sent an expert Home to try and find further markets. I can also remember timber being sent Home in regard to which the Government guaranteed to make good to some extent any losses sustained by the exporters.

112. Do you not think it is a fair thing when the kauri is short and is allowed to be exported free that we should allow those who require kauri here to obtain a substitute without taxation?—I think if we send timber out we should allow timber in.

113. *Mr. Ell.*] In placing a price upon tawa in a bush that contains a large quantity of millable tawa, is your object to force that tawa to be milled and placed on the market?—That is so.

114. The object is to prevent undue waste?—Yes.

115. If you did not make some charge for it they would take the good timber out and leave the other stuff behind?—Yes.

116. And it would not pay to go back and mill that?—That is so. I would like to say a word or two in regard to the protection of our forests. We have two permanent caretakers in the principal forest at Waipoua, and there are two others who work in conjunction with the Kauri Timber Company, whose land adjoins. They work half-time, and are paid by the Department and the company by arrangement. Previously in the two forests at Waipoua and Warawara it was the custom for bush-workers, after working their bullocks in the summer, to turn them out on the Crown lands in the winter, State forests, or anywhere else. The consequence was that they ate the undergrowth, and in the spring the owners sent in Maoris and others to round these bullocks up. These people used to camp in the forest at night and start fires, and to some extent we blamed them for some of the fires that occurred in the bush. At the present time no trespass at all is allowed in the forest under any circumstances whatever, not for shooting even. If any person's cattle run in the forest and the owners are known, they receive notice to remove them at once, and even then they can only go into the forest with the caretaker's knowledge. At one time the bush was leased by the Government for bleeding purposes, and in one cose where 266 trees were leased it was found that between fourteen and fifteen hundred trees had been bled by the contractors and others. Some of the trees, too, were bled most disgracefully; there must have been upwards of three hundred incisions in some of the trees. One person was found collecting gum in another part of the forest, and he was prosecuted, and it cost him between £200 and £300 in expenses, besides the loss of the work he had on his own contract. It was afterwards found that this gum still continued to exude from the trees, and to remove temptation the Department called for tenders for collecting that gum under certain conditions. We received three tenders for the work, but none were deemed satisfactory, so we let small contracts with the Maoris, to be terminable at a month's notice if they were found taking gum contrary to the conditions. They can only take the gum exuding outside the bark, leaving the incisions filled. In one year they obtained 550 pounds' worth of gum. When people find the gum removed they are not inclined to go into the bush. Now, the caretaker as he goes through the bush is supposed to gather as much gum as he can. He has in hand now about 2½ tons. Two persons have been charged with trespassing in the Waipoua Forest and fined, and one or two persons who got into the Omahutu State Forest were brought before the Magistrate and fairly heavily fined. Every possible precaution is taken to preserve the forests as far as possible. The Crown during the last few years has been very fortunate, inasmuch as fires have surrounded the forest, but did little or no damage, whilst private persons lost considerably. Last year a fire got into a forest we were measuring, and scorched about three hundred trees; but as the timber will shortly be put on the market very little damage resulted. In the North a breath of fire or of smoke even will kill kauri, as well as rimu, without leaving scarcely any mark of the fire at all. If a fire gets a good hold in the forest it is impossible to put it out.

117. *Mr. Mander.*] When you replied to Mr. Barber to the effect that it was a one-sided business to export timber and not to import it, you meant by that, I presume, that when a country wanted our timber and we wanted their's it would be unfair for us not to let their timber in?—That is so. The two timbers have different uses.

118. You did not mean you would allow Oregon or any other timber to come in to compete with our local timbers, and keep them out of the market and cause the closing of our mills?—I do not anticipate the import of any timber that would have that effect. I believe that our own timbers should be used for the purposes for which they are adapted. I feel that we are not making the best use of rimu, which from my point of view is one of the finest timbers for furniture.

119. You would allow in the long lengths of timber that we really want and that we cannot easily get locally?—Yes. I am convinced that long lengths, even in the early days as well as now, do not pay.

JOHN JENKIN sworn and examined. (No. 122.)

1. *Hon. the Chairman.*] What is your occupation?—I am a builder residing at Auckland.

2. Can you give the Commission any information in regard to the subjects we are inquiring into?—I may say my principal reason for coming here is to try to show that the price of timber in Auckland is far too high. We consider, as builders, that the price of timber in proportion to the extra cost, whether charged by the Government or any other charges, is far in excess of what we think it should be at the present time. We think the sawmillers of Auckland are getting much too large profits from it, and are therefore preventing buildings from going up which would otherwise go up. I have made out a statement of the increase of prices for the last ten years, and I have

the invoices to show the prices ten years ago and to-day. First-class kauri has gone up from 14s. to £1, an increase of 6s. per hundred; rough heart, from 12s. to 17s. 6d.; seconds, from 8s. 6d. to 12s.; rough lining, ½ in. thick, from 6s. 6d. to 9s., which is really an increase of 5s. per hundred on the amount of timber; tongued and grooved, first, from 16s. to £1 2s.; and medium, from 10s. 6d. to 19s. We do not know of any cost that should bring it up so high. The increase on mouldings, all of which are used largely in wooden buildings, has also been considerable. I will quote some commonly used ones. No. 251 has increased from 9s. to 13s., which is equal to an increase of 12s. per hundred feet of timber; No. 200, from £1 to £1 7s. 9d., an increase of 7s. 9d.; No. 202, from 14s. 6d. to £1 1s., an increase of 6s. 6d. on 100 ft. of timber; No. 259, from 17s. 6d. to £1 5s. 6d., an increase of 8s.; No. 215, from 14s. 6d. to £1, an increase of 10s. on a hundred feet of timber. There is nothing so far as I can trace that warrants any such increase. Doors, 6 ft. 8 in. by 2 ft. 8 in. by 1½ in., have increased from 11s. to 19s.; 6 ft. 10 in. by 2 ft. 10 in. by 1¾ in. have increased from 15s. 3d. to £1 4s. 9d. In that door there are 36 ft. of timber, the increased cost of which in the ten years would be covered by 2s. 3d., whereas it is 9s. 6d. Sashes and frames show a similar rise. I may say I erected a working-man's cottage of five rooms ten years ago for £240. I have worked the exact quantities out again at present prices, and the increased cost that would be due to the rise in timber and mouldings and joinery is just £45. That is the biggest item. Of course, there are other things which have increased in price, but nothing in proportion to timber.

3. Can you tell us what they were paying in wages ten years ago?—I can say what I paid myself as a builder. It was 1s. 2d. an hour ten years ago. It just makes exactly a difference of £7 in the cottage which has been discussed.

4. The labourer gets £7, and the miller gets £45?—Yes, that is so. I have not dealt with further figures.

5. A building ten years ago at a cost of £240—what would it cost now at present prices?—I have not gone into that. I thought, perhaps, you were only interested in the timber business.

6. This is part of the timber business, and we are inquiring into the builders as well?—Yes. I may say it would not cost more than £5 10s. extra for painting now as compared with then.

7. You say that ten years ago a cottage costing £240 would cost £45 more now for the timber than you paid then?—That is right.

8. Tell us, if you can, what cost is put on from then to now on this building. What would you build a similar building for now that you built ten years ago for £240?—I could let you know to-morrow morning. Wages £7 additional, and painting £5 10s., but I am not quite sure of the latter amount. I do not consider there is any difference in the price of bricks and mortar. In ironmongery there is not a great difference; it is chiefly in the timber. Plumber's work may be a little dearer, but not a great deal.

9. If you were tendering for this cottage you would add those items—namely, £7 for wages, £45 for timber, and £5 10s. for painting?—There would be at least a difference of £60 more than ten years ago.

10. We see there is £12 10s. difference in the workmanship of a cottage by way of increase now above what it was ten years ago, and the rise is on the timber—namely, £45—which includes moulding and joinery timbers?—Yes, that is so.

11. *Mr. Clarke.*] You can easily produce invoices to prove what you say?—I have them in my pocket.

12. Besides the rises mentioned there, is there not an extra charge made now that was not made ten years ago? For instance, so much per hundred for sorting out special lengths. Was that a general practice ten years ago?—No, I do not think it was. It is what they call select timber. If I was to order 5 ft. lengths they would charge me 1s. 6d. extra for that.

13. Notwithstanding the fact that this may be in ordinary building-lengths that are in every-day use?—Yes. I may say that I have given orders for a verandah-floor, and if you put in that it is for 5 ft. they charge you extra.

14. So that if you order to-day tongued and grooved stuff in select lengths, they would cost you £1 2s. plus 1s. 6d. for selection, and those same lengths would have cost you 16s. ten years ago as compared with £1 3s. 6d. now?—Yes, that is so.

15. Was there as much difference at that time in price for added widths and added lengths as there is now?—I think, just the same. I do not think there has been any change in that. I think it was only 6d. per hundred feet for every inch over 12 in. in width, and also in the long lengths.

16. Now, in a building of the better class is it not a fact that a very large proportion of it consists of either first-class or very nearly approaching to that?—Yes, nearly all.

17. So that the increased cost of a building would be increased a good deal now on account of the 6s. advance that you say there is on first-class timber, plus what difference there might be for select lengths as well?—Yes.

18. Then all mouldings have been raised all round?—Yes, all round. Those I picked came in with that particular house.

19. Ten years ago we paid 1s. 2d. per hour for wages?—Yes, and I am paying now 1s. 4d.

20. It has been commonly reported that builders are obliged to go to certain places for their timber. At any rate, there is only one price ruling. Have you any doubt if there is any combination controlling the price?—There is no question about that. There is a combination all right. There is no difference in the prices anywhere.

21. That is to say, you would not expect to get building-materials any cheaper from a man in the association than if he was out of the association?—If any one was to start he would soon find that it was to his interest to join the association.

22. With regard to the necessity of importing foreign timbers, you have heard particulars with regard to the near approach of the time when kauri will be no longer available. Do you not think, in view of those facts, and in the public interests, Oregon or some other suitable timber should be allowed to come in free to take the place of the shortage of kauri which is already almost upon us?—Well, I may say that I prefer to use our own timber as far as possible. I would only encourage the bringing-in of outside timbers with the view of bringing down the prices. I believe in the local timbers myself.

23. A suggestion was made in dealing with the question of trade combinations, while Mr. Mitchelson was giving evidence, that the Builders' Association might put their heads together to fleece the public. Do you think that possible?—I have been a member of the Builders' Association almost from the start, and I know of nothing whatever of that kind. There is no sign of any combination I am sure there is none. It would be impossible to do such a thing. We tender against each other, and there is no such thing. There is no sign of it. It could not be done for this reason: There are more builders outside the association than in it. In the largest contract to-day, although they are local men and old residents, the contractors are not members of the Builders' Association.

24. So that the objects of the Builders' Association are what?—It is a place for those who have no office in town to go in and write a letter and do their business. They have an office, and they meet once a month, or at least some of them meet. Another object of the association is with regard to the Arbitration Court. The association appoint one or two to represent them when the Court sits. Even before there was an Arbitration Court they had an understanding as to what wages should be paid, which I think is a good thing. I believe, too, it is a proper thing that we should have an understanding regarding the price for all material so long as it is a fair one.

25. You recognise that a combination dealing with raw material is on a different footing from a combination of manufacturers for protective purposes in their trade conditions?—It is quite different.

26. *Mr. Stallworthy.*] Have you any difficulty in securing your supplies of timber?—None whatever.

27. When you give an order for timber does it come from the yard?—From the yard generally. The scantlings, I think, are mostly off the saw, unless it is when they buy them from the country. Oftentimes the mills have them brought in boats, and then they are dry.

28. Have you any difficulty in securing seasoned timber?—I season my own.

29. I suppose people would not pay the extra price for seasoning?—They do not charge much extra. I very seldom buy seasoned timber. If I do not have it in the yard I can generally get it from the merchants.

30. What discount did you receive ten years ago?—The same as now.

31. The millers have not been trying to get fat at your expense?—No, it comes out of the general public.

32. Can you suggest any way in which we can deal with these people with the view of making them bring down their prices?—We trust to you.

33. Can you suggest any way by which we can deal with these millers?—I have heard evidence here, and they say that there is no such thing as a combination. I have no proof of anything more than I know. They have their meetings once a month. I have been in the confidence of some of them, and I am quite satisfied that there is a combination. They meet together and raise the price of timber occasionally.

34. You have heard that?—Yes, I have heard it. I know that they meet sometimes for the special purpose of raising the price of timber.

35. To raise it, or to fix a fair price?—To raise it.

36. You cannot give us any suggestion: how can we get at them?—I should say you have been gathering evidence now that shows what they pay for the standing timber, their other expenditures, and the price they charge. From this you will see what profit they have left. I do not know whether you can deal with them. The law may not allow you.

37. How do they live?—They live very well, judging by general appearances.

38. *Mr. Field.*] You have heard a good deal of the evidence of millers?—Yes.

39. Can you not give us any idea about their costs?—I cannot say that I can.

40. You heard the evidence of the secretary of the Kauri Timber Company, and the evidence of Mr. Mitchelson's company. You have heard what they say regarding the profits made and the dividends paid?—If I were to give my opinion it would be this: That it has been the Kauri Timber Company who have caused the trouble. They got into difficulties long ago, and I believe that the prices have been forced up to suit them where others have not needed it. Of course, it is very easy to persuade a man that a little more money in his pocket will not hurt him. I have had some of them admit this.

41. You heard Mr. Mitchelson?—That might be quite true. I was wondering why some of them who were interested and who have been prosperous have not been here to give their evidence.

42. We have had Mr. Goldie here?—He has nothing to complain of. He was very careful how he gave his evidence. I think, generally speaking, they are all wealthy men—I mean those millers. I do not include those who build houses.

43. You know the cost of production has gone up?—I am in touch with one man who has been working in the bush all his life, and he says that the chief increase in the cost lies in what they pay the Government, but that improved appliances have neutralised that, and have left the actual cost much as before. They have improved appliances to get timber out as compared with ten years ago.

44. The cost of timber throughout the world has gone up 50 per cent. in ten years?—I have not had much experience in anything outside the building trade itself, and the timber-merchants in Auckland.

45. I was glad to hear you say you preferred to use our own timber. You agree, if you were satisfied that the mills were milling at fair prices, that they would be entitled to the protection of their industry, except in lines where foreign timbers were needed?—I do not want to express an opinion on that. I do not like the idea of timber coming from a distance while we have our own. Of course, I do not know very much about Oregon timber, except that I do not believe that it would take the place of our kauri for outside work. I notice at present that only kauri is used for outside work. If it is true, according to the evidence you had here yesterday, that Oregon is equal to kauri, then it will soon make a difference, because there is too much margin of difference between the cost of Oregon and first-class kauri.

46. Do you not use matai here for outside work?—I do not know anything about it.

47. In some of the southern parts of the colony matai is very much favoured?—It is used here for flooring, but not much.

48. Our timber was given to us to use, not to destroy?—Yes.

49. You would like to see it used?—Yes.

50. *Mr. Leyland.*] Did you hear Mr. Milroy's evidence yesterday?—I only read what was in the paper.

51. He showed how small the profits were, and he proved what he said straight from the books. Everything he said can be checked. He said that the average cost of logs to the company was 6s. 3¾d. per hundred feet. It has been proved since that the average cost to the other millers is very much higher?—I cannot go into that at all.

52. With reference to special lengths, you remember at one time they were not ordered so much. We had an architect named Michell who introduced special lengths in every direction. Now, you understand that that made it very difficult for the miller to get his timber out like that?—Yes, it is difficult.

53. Do you not think the miller would be delighted to get out of the 1s. 6d. for the extra length and revert back to the old state of things?—Twenty years ago we always ordered lengths for everything.

54. It was in self-protection that the millers charged 6d. extra to try and get out of it?—Indeed.

55. You know, of course, that there are other millers outside the association?—Not in Auckland.

56. They will supply anybody?—No, I do not think they will supply anybody.

57. Will you admit that we have done our utmost to push rimu and matai on the Auckland market?—Yes, I admit that.

58. More than any one else?—I do not know about other people. You have often pressed me—sometimes, in fact, rather too much so.

59. You say you are agreeable that the millers should have a price that pays them?—I quite agree with that. It is better than it was fifteen years ago when they were running after you to see who was going to get the order.

60. I think the Commission is satisfied that they are not getting quite enough?—Not enough?

61. Did you hear Mr. Kavanagh give his evidence? He is disinterested. He said that he did not think that the price was high enough, and he felt sure it would go higher.

Hon. the Chairman: I do not know that he said he knew the price was not high enough.

62. *Mr. Mander.*] Why do you think the price of timber is too high?—Well, I stated that. I have heard the evidence, and I understand the extra charges that are being made, and they do not seem to me, even then, to account for the increased cost. I am also pretty well acquainted with the fact that two-thirds of the firms in Auckland, individually and collectively, are doing well. The proprietors are well off. They are buying up property all about in different places besides finding money for their own mills, and I take that as evidence that they are making money very fast.

63. I suppose that you know that the firm of Smith and Caughey are supposed to be very wealthy men?—Yes, they are supposed to be.

64. Do you not think, then, that there ought to be a Commission set up to inquire into the drapery trade to get to know why these men are becoming so rich and whether they should not reduce prices?—No; it is open for anybody to try. I never tried to get this Commission set up, as far as that goes.

65. Are you aware that during the last ten years the royalty on timber has gone up over 300 per cent., and in some cases 400 per cent.?—It was very low at first.

66. It has gone up from 1s. to 2s. 6d., 3s., and 4s.?—There is evidence of that.

67. Are you aware that the wages of the mill hands have gone up and the hours have been shortened?—I have heard so.

68. Are you aware that bushmen are getting as much as £2 15s. and £3 a week who were previously getting, say, an average of £1 10s.?—I have no knowledge of anything of that sort—only what I heard given here in evidence.

69. You are, I suppose, aware that the timber is very much further back?—Yes.

70. It is very much more difficult to get out—there is greater cost in transport to the mill, &c.?—Yes, I believe so.

71. Taking all those facts into consideration, do you not think there is some reason for timber having advanced in price?—Yes, I do, but not quite so much.

72. In view of its having been stated before the Commission to-day that the Kauri Timber Company have only made 2 per cent. on their capital and that the Mitchelson Company probably have not made that much since they started, do you not think there are some millers at least who are not getting fat out of the business?—Yes. I think it is time they took a leaf out of some of the others' books.

73. If other millers are exceptionally smart men and know how to manipulate the timber better, perhaps, and work night and day in order to do it, do you not think they ought to be compensated for their extra exertions?—I would give them every consideration.

74. Are you aware that there are numbers of millers outside this association that is spoken of?—No, I am not. I understand it is difficult to get timber excepting from those in the association.

75. Have you ever tried to do business with the millers in the King-country?—No, but I can tell you that two years ago my son went up to the Wairoa. He was going to build for himself, and I was building at the time. He had acquaintances up that way, and they told him that he could buy some very cheap timber up there. He went up and agreed to buy a considerable quantity of timber—good timber—at a very low price. He had arranged to bring it down, when the man he was buying from wanted to know where he was going to take it. On being told that it was going to Auckland, "Oh!" said the man, "that is a different matter. We cannot do it." My son asked why, and pointed out that he paid for it. "Yes," was the reply, "but I cannot sell to an Auckland man."

76. Are you aware that Mander and Bradley have been selling repeatedly to builders in Auckland from their mill at very low prices?—I will remember it now.

77. That has been the case, and we have been outside the association, and there has been no pressure brought to bear upon us to desist from selling timber in the Auckland market?—I should like to finish what I was telling you. My son was then told this: "If you go to Auckland and they will agree at the head office for you to have this timber, we shall have no objection." He came to Auckland, and went to the head office, and they said, "No, you cannot get it at that price. You can, however, get the timber down now that you have picked it, and we will put the price on it when it comes down."

78. Were some Auckland millowners also shareholders in that mill?—They owned it, of course. We could have used the timber up there, but we could not bring it down to Auckland. It was a very great reduction in price if we could have got the timber, and it was very good timber. I should say that in your case, Mr. Mander, there would be a difficulty in dealing for timber at a distance, unless you were prepared to yard it, because the timber for a building has to be delivered day after day.

79. You could not expect us to pick the timber out and supply retail orders unless we got a retail price for it?—No.

80. Are you aware that to-day you can buy from almost any miller in the King-country at the following prices: Ordinary building-rimu, from 14s. 6d. to 15s.; second-class rimu, 11s. and 12s.; rough-heart rimu, 13s.; and heart rimu, bridge quality, 17s.?—Yes. There does not appear to me to be any advantage in that. Comparing those prices with yours, there does not seem to be anything tempting about them.

81. That is direct from the miller himself?—Yes, I know.

82. Seeing that the merchant in Auckland has to buy from that miller, stack the timber in his yard, and classify and perhaps season it, and do all that kind of thing, would you not allow him a reasonable profit on those prices for doing so?—Yes.

83. Can you not in Auckland to-day buy those timbers at a reasonable advance on those prices?—Yes.

84. The only thing you have to complain about, then, is the price of kauri, I understand?—The prices generally. The general opinion is that prices have gone up so rapidly and so often that they are too high.

85. If you found that the best of these millers were not getting more than 1s. 6d. a hundred profit out of their timber, after deducting all charges, you would not consider that unreasonable, would you?—No, if that were so.

86. You spoke of Leyland-O'Brien. I suppose you will admit that they are one of the most successful firms in Auckland to-day?—Yes, but they are not the only ones.

87. Do you think 1s. 6d. a hundred profit would be unreasonable on their turnover, taking into consideration all the capital invested, the risks, and all the charges?—I should be quite willing for them to have a reasonable profit, but I am not prepared to say how much a hundred would be a reasonable profit.

88. If we told you that the evidence given before us is that the millowners on the whole have not been making 1s. all round, what would you say?—I should say it would be very hard to believe it.

89. The evidence we have had throughout the country bears that out?—I am quite prepared to believe that evidence was brought to make things look all right on the one side.

90. Do you not think it would be a wise thing for you yourself to have a try at the business, seeing that you consider there are such very large profits to be made?—I have often wished I had gone into it. I am only sorry I was not persuaded by Mr. Leyland when he first started.

91. *Mr. Morris.*] Are you carrying on active building operations here now?—Yes.

92. Have you had much experience of rimu as a building-material?—Yes, for the last five or six years. Until then I had scarcely seen it. We use it for scantling only.

93. Do you use it for beams at all?—Occasionally, but not much. Kauri comes first.

94 Have you been in Wellington at all during the last few years?—Yes.

95. There are some good buildings in Wellington, are there not?—Yes.

96. Most of the large beams up to 40 ft. long that have gone into those buildings, I think, have been cut out of rimu. Do you not think that what is good enough for Wellington ought to be good enough for Auckland, too?—Yes, I should think so. We are not fond of rimu in Auckland; it is not so easily handled as kauri.

97. It is not so light as Oregon, for instance?—No; it takes more labour.

98. That, of course, is a drawback from a builder's point of view?—That is right.

99. With regard to this question of combination, do you know that there are within a reasonable distance of Auckland twenty-two millers who are practically free-lances; they are not connected in any way with the Millers' Association? Could you not get your supplies from these millers without paying an exorbitant price to the associated millers, if they are charging you an exorbitant price?—It is hardly practicable to deal with any one at a distance. If any of the millers you refer to would come here and be outside the association and lower the prices a little they would get business; but to do it from a distance is very awkward. For instance, I get a tender accepted to-day, and have only a limited time to do the work in; and oftentimes I get half a dozen loads of timber on the job the next morning. I could not possibly do this if I had to deal at a distance, unless I got the material and stacked it. That would add to the cost.

100. I understand you to say just now that you had to stack your timber on the ground yourself to season it?—Not on the ground. I only referred to joinery when I said that. I have a joiner's shop. We do not need seasoned timber, generally, for the rough work of a building.

101. Do you make any of your own mouldings and that class of thing?—Yes, some of them.

102. Why do you not make the lot?—It means a lot of machinery and different irons, and so on. I run all the sash stuff and some of my mouldings. I do most of the joinery-work.

103. It appears to me that you have only got to send an order to a country mill, making the best terms you can, and you can be independent of the merchant altogether?—Some are doing that now.

104. From your experience in getting your own machinery, do you think you have derived any material advantage from it?—Oh, yes! it pays.

105. Do you give that advantage to the public when you are tendering for a job?—Yes, we tender accordingly; and, of course, that tends to lower the price. I should say there are a dozen builders in Auckland now who are running their own mouldings and doing their own joinery-work, whereas fifteen years ago there were not two.

106. Surely you do not consider that the merchant is taking any undue advantage of you, when you are supplying all that for yourself?—But that does not alter the fact that we have to buy our material from the merchants. If we did send away and get timber as you suggest, possibly the merchant here would say, "You are just making a convenience of us, getting the little bit of timber from us that you cannot get at the other place."

107. There are only fourteen millers in the South Auckland Millers' Association, and twenty-two outside?—Their timber is chiefly rimu, which is not much used in Auckland as yet. It is only lately they have taken to specifying rimu for scantling.

108. The whole of your evidence practically applies to kauri?—Yes, and unless they can sell rimu for less than second-class kauri it will not be used much. It scarcely takes the place of medium kauri, and if they charge a medium price it will not be used much while we can get the kauri. Kauri is handled easier, and in many ways we like it better.

109. I presume that the reason why rimu has come into use at all here is because of the high price of kauri?—Yes, no doubt.

110. *Mr. Barber.*] With regard to the estimate that you gave us for the erection of a cottage, you say that the building-material, including the joinery, has increased in price during ten years by £45?—Yes.

111. What did you estimate the increase in the price of ordinary building-timber in that case—at per hundred feet will do me?—At about 5s. 10d. a hundred, on the average.

112. Has ordinary building-timber, then, increased 5s. 10d. a hundred in this district in ten years?—Oh, yes!

113. Then, those who have stated that there has not been a very great rise in the price of timber have not stated the position accurately?—No, if they said that: I have here my invoices for ten years—invoices for every kind of timber you can mention, and almost every moulding. [Invoices produced.]

114. Do you experience any difficulty at all in getting any of your supplies from the associated mills?—No.

115. Supposing you were to purchase the bulk of your timber from a non-associated mill and then were to go to one of the associated mills, would they treat you as generously and as freely as if you had not dealt outside of them?—I could not say. I do not think they would refuse.

116. They allow you the builders' discount without any questioning, as long as you are a builder?—Yes.

117. What would you think of an association that asked you to sign this: "I hereby apply to have my name inserted on the builders and contractors' discount list, in consideration for which I agree to confine my purchases of timber to members of the Merchants' Association"?—That does not apply in Auckland. I have heard of it in the South.

118. What would you think if you were asked to sign it?—It would be pretty tough. I do not think they would do it here, although I would not expect them to smile on me quite so much if I went to a non-associated miller.

119. There are no restrictions prevailing in this district that you know of?—No.

120. You think, in view of what you consider the present high price charged for local timbers, and in order to prevent a further rise, it is wise to allow competition from outside?—Yes.

121. Mr. Field stated that he was told to-day that timber all over the world had increased 50 per cent. in ten years in the cost of production. Do you not think that is a sufficient guarantee that this country will not be flooded with imported timber?—I should think that is likely to be a check.

122. You spoke of the increased cost of mouldings. This is a report furnished by the Government Architect who was responsible for the erection of the workers' dwellings throughout New

Zealand: "I would like to draw your attention to the excessive charges in joinery, as can be seen in the price-lists. The following example will explain what I mean: 3 by 1 moulding: The sawn timber, at 14s. 6d. per hundred, costs 3s. 7½d. for the hundred feet run of 3 by 1, but the charge for the same moulding is 11s. 6d., showing 220 per cent. increase on the moulding." That is in accordance with your own ideas, I take it, as to the exorbitant increase in the charge for the preparation of these mouldings. Do you think that that example of 220 per cent. rise in the cost of the mouldings is a fair one?—I should think so.

DONALD THOMAS MCINTOSH sworn and examined. (No. 123.)

1. *Hon. the Chairman.*] You are the District Engineer for the Auckland Section of the railways?—Yes.

2. Can you give us any information with regard to the timber in connection with your works, as to the timber-millers and those who supply you?—I cannot tell you the names of the millers. I may say the supply of these materials is arranged by the Storekeeper.

3. Does he not consult you as to price?—No, that is his business. I specify the quality required.

4. Have you anything to do with the workshops?—No.

5. How do you arrange for sleepers in this province?—Contracts are let. Specifications are drawn up by the engineering branch, and the Storekeeper calls for tenders, which are submitted to Wellington, and there accepted or declined. The specifications specify quality and kinds of timber which are required.

6. Can you give us particulars of the different sleepers you use?—Yes. In 1903 we used 24,000 Australian hardwood and 23,875 totara; in 1904, 1,635 hardwood, 12,886 totara, and 18,179 puriri; in 1905, 2,652 hardwood, 34,059 totara, 15,360 puriri, 1,610 kauri, 5,557 creosoted white-pine; in 1906, 1,890 hardwood, 42,788 totara, 14,271 puriri, 1,419 kauri, 2,990 creosoted white-pine; in 1907, 1,746 hardwood, 28,206 totara, 11,257 puriri, 683 kauri, 8,724 silver-pine; in 1908, 18,512 hardwood, 30,900 totara, 4,000 puriri, 8,293 silver-pine; and in 1909, 24,663 hardwood, 12,474 totara, and 2,949 puriri.

7. If you could have got local timber, would you have put more in?—Yes, but we could not get them. I may say we prefer hardwood for curves and bridge-work, and we specify that to the Storekeeper.

8. How do you find the puriri stands as a sleeper?—Very well.

9. Will it stand as well as kauri?—As far as my experience goes, it will stand as well, although kauri sleepers in the track have stood very well. But sometimes we get good kauri and sometimes bad; a good deal depends on inspection. However, that is not peculiar to kauri.

10. *Mr. Stallworthy.*] Are you free to specify the quality of timber for any work on the railway?—For special timber-work I should specify special classes of timber.

11. Are you responsible for the sizes specified?—Yes, if I design the work. Sometimes the exact sizes are fixed in Wellington—*i.e.*, when designs are prepared there.

12. Can you tell us why most of the sizes are odd sizes, and not stock sizes, thereby causing the prices to be higher and the sizes more difficult to obtain?—I know nothing about sizes used in railway-trucks. I thought they were very ordinary sizes.

13. *Mr. Leyland.*] You have found in your experience that you sometimes absolutely require timbers which are not indigenous to New Zealand?—Yes. We find we cannot get New Zealand timber so suitable to do some work as ironbark and grey-gum.

14. Do you think it is a wise policy to embarrass their introduction in any way?—I should not think so. If I myself were building I know which timber I would use even if I had to pay double as much.

15. *Mr. Arnold.*] Can you tell us what the Railway Department is doing with regard to planting along the railway-line?—Nothing at all. We have no land. If I were asked I should recommend against it, because the areas are so small and the trees are so liable to be fired from one cause and another.

16. You know, of course, that the Department in the South Island is following the policy of planting along the lines?—Not now. They had to give it up, because in many cases the areas are so small. Another thing: when the trees begin to get big enough to be of any value they become a danger to the line. They may fall across the line. We have several small areas planted here, but they are so small as to be of no value.

AUCKLAND, THURSDAY, 13TH MAY, 1909.

WILLIAM JOHN COUSINS, Coachbuilder, sworn and examined. (No. 124.)

1. *Hon. the Chairman.*] I shall be glad if you will state in your own way, shortly generally, matters connected with your own business, especially respecting the timbers used by you?—A large percentage of the timbers that we use in certain classes of work are imported, more particularly from Australia. We also use New Zealand timbers. Unfortunately many of the New Zealand timbers that we find useful we have not been able to obtain. One timber in particular, the yellow kowhai. I have asked several times with a view of obtaining a supply of this timber, but without success. I am of opinion that if it were cut it would be a very marketable timber. We use it in place of hickory. It lasts better than the hickory at present being imported in the rim of a wheel. It is a fine bending-timber. Another timber that we can find good use for and which we

have had difficulty in getting is the white manuka. When cut at the proper season and seasoned properly we get as good results from it for light spokes as from the imported timbers. In this climate it is better than hickory. Hickory stands well in the sandy districts, but it does not stand the hard road as well as the manuka. There is another timber, the mangeao, a timber that we use extensively, and when we can get it guaranteed cut at the proper season we can still find use for it. When it is cut out of season there is a certain acid in the sap of the timber which eats its way through, and wherever the timber is filleted it will go black. With regard to manuka and kowhai, I may say that I have taken the rim out of a wheel that has been running just on sixteen years, and it was perfectly sound. It was taken off because it had been worn and burned down through being so often re-tired. Also, with regard to manuka spokes, I have had spokes that have been in a wheel running for twelve years, and they were in splendid condition at the end of that time. For heavier wheels, in New Zealand timber, we would use puriri or rata. The trouble is that we cannot get these timbers here at a payable price, and therefore we are forced to go to Australia for suitable timbers. I may say, for the information of the Commission, that I have carefully examined a sample of a gum-tree grown at Ellerslie, near Auckland, and it looked in every respect similar to the Australian timber, and from what I could see was equal to the imported article; but I could not speak as to its lasting qualities. This is a matter worth experimenting with, and I hope that this timber can be grown here successfully, as it is a very useful one in our industry. With regard to kauri, we have a difficulty in obtaining wide widths. In many cases we have to substitute steel for kauri. I am speaking of 36 in. stuff in particular. Up to the last six months we have had great trouble in this direction, but recently things in this respect have improved.

2. *Mr. Ell.*] Have you had any experience of the growth of planted trees here—say, oaks or elms?—I have seen an oak-tree fifty years old that had been cut down and cut into flitches. It had the appearance of being a fair quality, and I should compare it with the American forest-grown oak.

3. What size?—I have a tree now, about 2 ft. 6 in., that has been growing for sixty years, and it is about 12 ft., probably, to the first branch.

4. *Mr. Stallworthy.*] What steps have you taken to procure white tea-tree?—I have asked the bushmen many times to get it for us, but they tell us it would not pay them to go through the bush to get it.

5. What price would you pay for it?—We should be prepared to pay a good price for kowhai. It would be worth up to £2 per hundred feet for selected stuff.

6. *Mr. Mander.*] In what sizes?—Sizes that would cut into rims—1½ in. by 1½ in. up to 2½ in. by 2½ in.; also in planks up to 12 by 3.

7. I suppose you know that kowhai is a very scarce timber, growing along the banks of streams?—No, I have not had much experience regarding its growing qualities. I have seen some very fair trees in the Domain. Mr. Orchard, Inspector of Telegraphs, told me once that it grew in the South Island. I wrote to Dunedin, and made inquiries, but I was not able to get a supply of it. He said it grew much taller there, and that it was not so stunted as it was in the North.

8. *Mr. Stallworthy.*] How much would you give for white tea-tree?—It would be worth about £1.

9. In the same sizes?—Yes, for spokes it is generally cut into about 32 in. by 4 by 2. That is the usual size. It had to be split. You cannot saw it and make satisfactory spokes. Competition with Australia is the factor we have to contend against in the manufacture of spokes, because they can turn them out at a very low rate. There was one man here who made spokes, but he had to give it up, as he was unable to compete with Australia.

10. *Mr. Mander.*] I suppose it is a question of competition; but for that you would be able to procure the timbers you refer to?—I dare say, but they do not seem to bother themselves much to find it. They say it will not pay.

11. What quantity of these timbers do you use?—I could not say offhand. We use Australian spokes very largely.

THOMAS HENRY WHITE, Mill-manager, Kauri Timber Company, and President of the Auckland Sawmillers' Association, sworn and examined. (No. 125.)

Witness: Before subjecting myself to cross-examination I would like to make a statement of one or two little things that have happened since the Commission came here. As a matter of fact, I wish to vindicate my own character. When showing the Commission around the mill a few days ago you will remember I took you to our cutting-board, and I showed you a number of orders on the board. Perhaps you will remember the names of some of them. I heard afterwards that one gentleman remarked that I had faked the board—that is, that I knew the Commission was coming, and I had prepared things for them. I thought this was very unkind, particularly as it came from an old and dear friend of my own. To prove that the orders were *bona fide*, I asked the secretary to place the original orders on the table before this Commission, and they have been laid on the table. And I might say that I have on many occasions tested the various timbers, but through my removal to Sydney I lost most of my tables. However, in order to satisfy the Commission, on Mondey morning I made a further test. I have here three pieces of timber—Oregon, rimu, and kauri. You will observe that the three samples are as like as possible with regard to the degree of seasoning—I mean, they have not been picked so as to give an advantage to any particular timber. This [produced] is the piece of Oregon. You will observe how it broke. It broke at a pressure of 178 lb., with 3 in. deflection—that is, it bent down 3 in. before it broke. This [produced] is a piece of kauri. You will observe how it broke. It broke at a pressure of

201 lb., with a deflection of 4½ in. Strange to say, although I am not surprised at it, the much-despised rimu—the timber that the Oregon is taking the place of—broke at a pressure of 215 lb., with a deflection of 2½ in. [Sample produced.] I will leave those with you as exhibits.

1. *Mr. Hanan.*] Is that good heart rimu—the very best?—No, it is ordinary building-rimu, and this is ordinary building-kauri, and that is ordinary building-Oregon. I wish you to understand, gentlemen, that this test has not been "faked." If you have any doubt on the point, I have here the three pieces of timber that those samples were cut from. [Produced.] I am quite prepared to make this same test with these three pieces before the Commission.

2. *Mr. Jennings.*] What was the method of testing?—We got the piece of wood on two bearers. You will observe that there is a mark on each end. That was placed on two bearers, and the weight was slung in the middle, and it was gradually loaded until the piece of timber broke. The weight was then taken and weighed. They were all tested in the same way. Before I sit down for cross-examination I should like to mention this: Mr. Fraser, I understand, in order to show you the importance of the timber industry, came here and told you that he was at present manufacturing something like 3,000 pounds' worth of machinery for the Kauri Timber Company. At the present time there is a set of four boilers, which have been manufactured by the Fraser Company for the Kauri Timber Company, on exhibition at their works, and he asked me to state that he would be very pleased if the Commission could go and see them.

3. *Mr. Mander.*] I understand that you have had a very large experience in timber of various kinds?—I commenced in 1860—that is, forty-nine years ago.

4. You have worked, I suppose, among the timbers in America?—Yes. Well, I worked as a carpenter and joiner and machine hand.

5. I suppose you have some idea as to the durability of Oregon timber compared with our New Zealand timber?—No, I have not. Although I used a good deal of Oregon, I was not there long enough to see whether it stood or not. The only experience I have had as to the durability of Oregon is what I have seen here in the yards. Although I have worked on buildings and put up buildings in America I could not say how long the Oregon will last.

6. Is it not a fact that the Kauri Timber Company have recently sold their Sydney yard?—Yes.

7. When that yard was sold was there not a considerable quantity of Oregon in the yard?—A million feet.

8. Did you find that timber in a good state of preservation when the yard was sold?—When we sold the business in Sydney, lock, stock, and barrel, we had to take stock, and we came across a clump of 50,000 ft. of Oregon that was very badly infected with the white ant—in fact, it was riddled with it to such an extent that I had to make a very large allowance. But that was the white ant, which, I think, is not troublesome in New Zealand. I understand that one witness said it had to be dug out with a spade; but that was not in regard to the Oregon, but in reference to some white-pine that came in after being three months on the trip and the ship had leaked.

9. How long had that Oregon been in the yard?—I should say not more than twelve months. During the time I was in Sydney I handled, I suppose, about two and a half million feet of it.

10. What is your opinion in regard to the durability of Oregon as compared with rimu of the same quality?—My opinion is that it is not in the same street as rimu. I reckon that rimu is one of the finest timbers in the world for any purpose. I would not think of using Oregon if I could get rimu.

11. Have you any idea why the carpenters prefer to use Oregon rather than rimu?—Rimu is a little heavier. I have heard evidence given in this room that has not, in my opinion, explained the matter. You would not use Oregon for the same purpose as rimu. Rimu can be used for any class of joinery. If I had to make joinery I would as soon make it out of rimu as Oregon, because Oregon is hard to work in that way, but it is easier to drive nails into.

12. I suppose that is the principal reason why they prefer to use Oregon for framework—because it is lighter and easier to drive nails into?—It is lighter and softer. I do not know that a nail would stop in as long after it got there.

13. But that does not affect the builder?—No.

14. With regard to the expense of working timber at the present time, do you consider that the selling-price is out of proportion to the extra cost of production?—No. I think that the selling-price at present is, well, certainly not a very profitable price. It is much more difficult for me to make ends meet at my mill than it was when I was selling timber at 15s.

15. Irrespective of all the extra charges and the difficulty of getting timber out, you find that the quality of the logs now is not so good as it used to be?—It is not.

16. You cannot get the same proportion of heart out of the logs now that you could formerly?—You can sometimes get the same proportion, but it is pinhole heart.

17. Not first-class?—No.

18. Consequently that reduces the average price of the output of the mill?—Yes. And then there is the question of the fastidiousness of the architects and others. I have had joists and beams rejected because they had a knot in them as big as a walnut.

19. What is the highest upset price you have known the Government put on kauri timber of late years?—I understand that 4s. has been paid.

20. I mean the upset price put on by the Government?—I do not know. I had very little to do with that, but I know the royalty is much higher than it was.

21. I suppose that competition has been the means of putting the timber up to that price?—Yes, different millers wanting supplies. I think it is their own fault; they have bid against one another.

22. Do you not think that competition between the millers will also keep down the price to a fairly low level?—Yes; I know it. It is affecting us now.

23. This association that is spoken of does not regulate the price of timber to the extent that some people think?—No, it does not. Of course, we publish a price-list, but we are not in a position to swear that people stick to that. In fact, people coming to get timber often tell me that they can get it 10 per cent. cheaper from some one else.

24. And is it not a fact that there are millers outside the association who come into competition?—Yes.

25. And builders can get their supplies direct from the millers if they so desire?—There is nothing to prevent them.

26. You have had considerable experience, I think, in regard to the possibility of conserving kauri timber for future years?—I have been pretty well wherever kauri grows, all over the Island. I was inspector for the Kauri Timber Company for many years.

27. Your opinion, based on your wide experience, is that it would not be practicable to conserve kauri?—That is so. The best proof of that is the Puhipuhi Forest. I remember the time when Mr. Ballance came into power, when they said they were going to conserve the forest. They got Inspectors, at a big salary; but it did not conserve that forest. A fire swept right through it.

28. Do you remember what that forest was estimated to contain?—A hundred million feet.

29. Are you aware of the quantity that has come out of it?—I should be very much surprised if there were more than twenty million feet of sawn timber.

30. I suppose you are aware that the reason why the average of loss was so great was because of the small average size of the trees. A bush that runs a small average will lose more than a bush that runs a big average?—Undoubtedly.

31. You spoke of the Lord Glasgow tree at Waitakerei. You know that every effort was made to preserve that tree?—Yes.

32. Are you aware that Mr. Houston lit a fire on his boundary half a mile away, and that a spark flew into the top of that kauri-tree, and there was a bonfire in a few minutes?—Yes, I remember it.

33. You do not think it any exaggeration to say that a spark will fly half a mile or even more?—I should say it would fly more than that. There is a powerful draught when there is a kauri-bush fire. In one case it burnt the timber even in the dam.

34. What steps do you think the Government should take in order to provide for the future requirements of the country in regard to timber-supply?—They should reafforest, by all means.

35. You think that if the right kinds of trees are planted in suitable country before our timber-supplies are exhausted there will be other timbers coming on for practical use?—Yes. I remember not so long ago a man brought me a piece of timber that was grown in Ponsonby, called South African elm. It was only four years old, but the annual rings were exactly an inch. The tree appeared to me to have grown an inch a year. I think timbers of that kind should be grown.

36. You think that that is the most practicable way of meeting the difficulty?—I should say so, the same as they do in Norway. They replant their timber.

37. With regard to Oregon, do you think it would be advisable to allow long lengths to come in to supply the requirements of the trade?—No. I am very emphatic about that. I think the necessity for longer lengths has been very much exaggerated at this table. I am prepared at any time to cut long lengths. I have never refused a long-length order yet. My experience is that there is not 5 per cent. of our output in lengths over 26 ft.

38. Do you think it is wise to use kauri for long lengths if you can get a cheaper timber that will answer the purpose as well, or nearly as well?—If you knew how fastidious our architects are with regard to the kauri that is sent for them! Why, I have had beams, one after the other, 30 ft. long, sent back to me because there was an inch of sap on the corner; and they will not take a beam with a small knot in it.

39. They take Oregon with knots in it?—Yes. It is something new.

40. It is difficult, is it not, to get Oregon pine for long beams without knots in it?—I never saw any such in my life.

41. And it is pretty rough stuff as a rule?—Yes.

42. You think there is no absolute necessity for the long lengths?—I do.

43. What about the South?—Here of late in the buildings that have been put up they have in many cases used iron girders with a 9 by 2 in the angle, and in other cases they have used two flitches with an iron flitch between, bolted in. There is no occasion for these long timbers much now.

44. What do you think of rimu for a beam?—I think it is as good a timber as there is in the world. I used it in Wellington for all the purposes that kauri is used for here.

45. How about if you cannot get it all heart?—Of course, if you want to get a thing all red heart you may have difficulty; but any practical architect would not expect it.

46. If ordinary rimu, with a fair proportion of sap in it, is used for beams in a brick building, do you think the dampness in the bricks will rot the ends of the timber?—If it will rot rimu, what will it do with Oregon?

47. It is said that Oregon is all heart and rimu is not?—Oregon is a fir and rimu a pine, and one will absorb wet where the other will not.

48. Do you think it would be possible to protect the ends of the rimu where it rots on the bricks?—Yes; but there is no occasion for it. If there is occasion for it with rimu, so there is with kauri or any other timber.

49. You think that where there is a reasonable possibility of our being able to supply our own requirements in this country, it is unfair to allow American timber to come in and compete?—I do. As far as my company are concerned, we are not particular about this Oregon business,

but I speak as a worker myself. I say that every million feet of sawn timber that comes in here does the working-man out of £2,500. It takes 5s. a hundred in wages to manufacture timber, and this million feet must displace a million feet of our local stuff. I know that my sales have fallen off one-third, but I cannot say it is all through the Oregon; some of it is through the depression.

50. As a general principle you believe in protecting our own industries?—Yes, when we have any amount of the local material.

51. What have you to say about the imposition of an export duty on kauri?—I think it would be monstrous to do anything of the sort. If you did put a duty on it would throw a great many men out of employment, and you would gain nothing by it. You might as well try to conserve the gold in the Waihi Mine. What is the use of trying to conserve a thing that is vanishing every summer?

52. Do you think it would affect the trade very much if this cry for long lengths were satisfied by making some reduction in the duty on long lengths and putting that reduction on to the smaller sizes of Oregon that come directly into competition with our own timber?—What would there be to prevent their cutting the long lengths into smaller ones?

53. Do you not think that the cost of conversion and the extra price paid for the long lengths would make it too dear to do that?—Perhaps it would. I notice that 710,000 ft. of Oregon has come here, and it has not, as Mr. Clarke said, come from British Columbia, but was loaded at Portland, in the United States. There is a great deal of building-timber in that quantity. There are some long lengths, but they are not anything like a large percentage of it.

54. What has your experience been so far in regard to the importation of this Oregon? Has it tended to reduce the cost of building to the working-man?—No.

55. Do you think it is likely to do that?—I do not. I think it is a great shame to charge all the increased cost of building to timber. There are a great number of things dearer which you people do not think about.

56. What proportion of the extra cost of building does the rough-sawn timber bear?—I do not mean to say that it has not shared, but other things have helped. For instance, I am at present getting a lot of painting done on my own properties, and it is costing me more than 25 per cent. more than it did when I had them painted before. Again, the architects are getting another 1½ per cent. on their plans.

57. The architecture is also more elaborate than it used to be?—Yes.

58. What do you think would be the average extra cost of a six-roomed house due to the increase in the price of timber?—Averaging the timber at £1 a thousand, and reckoning 12,000 ft. of timber, it might be £12.

59. Would you say it was correct if a man stated that it would be £40 or £50?—I should have a doubt about it. I should like to see the quantities run off first. Of course, I could build a four-roomed cottage now for £200, and put up the same-sized house and make the cost £500. It depends on the class of stuff put into it.

60. Supposing it could be shown that Oregon coming into this country would reduce the cost of building to the working-men, would you be in favour of giving the benefit of the reduced price to the working-man?—No, I do not think the working-man wants it.

61. He would rather have a dear loaf and money to buy it with than a cheap loaf and an empty pocket?—Yes, I think I would.

62. *Mr. Stallworthy.*] You know Mr. Jenkin who gave evidence yesterday?—Yes.

63. He told us, with reference to a cottage that he built ten years ago and which cost him £240, that he had gone into the matter, and found that for the same cottage now the price of timber and joinery would be £45 more, the wages of those engaged in its construction £7 more, and painting £5 10s. more. Do you see any reason to doubt his estimate?—No; but I should like, first of all, to know at what time that cottage was built for £240. Was it during the depression, when the sawmillers were public benefactors—when they cut each others' throats to give the timber away? Perhaps that was when the house was built.

64. He said it was ten years ago?—There was a time when we were absolutely giving the stuff away. I supplied it at a loss for a long time. Then, too, I should like to see the plans of this particular cottage. I am helping to build cottages almost every day in the week, and I have not seen an enormous change.

65. Is he a capable man as far as getting estimates out and calculating cost is concerned?—I think he is one of the smartest builders we have got here.

66. So the figures are correct, no doubt?—Certainly, I would not dispute them for a moment.

67. Another statement made by the same gentleman was that his son went to the Northern Wairoa district and purchased timber, and when the seller found that it had to go to Auckland he refused to supply it; that the young man had to come to town, and was told in this city that he could have the timber at a price to be fixed here?—I do not believe it.

68. Although Mr. Jenkin swore it here on oath?—I cannot help that. There is no man in the Kaipara connected with the association. There is no man in the Kaipara that we care ten cents about as to what he does with his timber.

69. It would not be one of your own millers?—Oh, no!

70. Could he not buy his timber cheaper at Northern Wairoa than here?—I believe it is the same price in the Kaipara that it is here. Do I understand you aright, though?

71. He said his son went to the Northern Wairoa district and purchased some cheap timber, but that when they found it was to go to Auckland he could not bring it away—he was told he would have to get the price fixed here?—He would have to pay the same in the Kaipara as here. The same price-list is in operation. I do not know any reason why he could not bring it to Auckland. I never heard of such a thing before.

72. Can you give us any idea as to how the association fixes the prices?—I fix them myself sometimes. Perhaps the shoe may begin to pinch some member of the association. He may meet Leyland or me in the street and say, "We have got an order for 28,000 pieces in a certain length, and we cannot afford to give them all this unless we get something extra," and we meet and say that it is worth a little more.

73. The cost of production is taken into consideration?—Yes, it is generally done after we get a bump.

74. It is not only to get another shilling profit?—No. I may say that in the Strand Arcade, recently built in Auckland, there were 28,000 pieces of lining, so-many 12 ft., so-many 13 ft., so-many 14 ft. lengths, and so on. When I was a joiner part of our trade was to learn how to make a join, but now they expect the sawmiller to do that. If we cut the timber to the exact lengths they order naturally we have a yard full of waste, and do you mean to suggest we can afford to give that away? It is a luxury, and they must pay for it. We have one firm of architects in this city who cut the weatherboards all one length. I can do far better by selling to a dealer than to a builder.

75. Are there any timber-merchants in this city selling outside your prices?—I really do not know what they are selling at. If I am to believe what the builders say, Yes, they are. They say to me, "If you do not give another 10 per cent. off I will take my order away. I can get it all right elsewhere." I say, "All right, old man, go and get it." Competition will always keep the prices down, particularly when the times are hard. There is no ring so far as I am concerned. A man came to me the other day and wanted to know why I charged so much for a piece of moulding. He said he could get it somewhere else. I asked him why he did not go and get it, there was nothing to prevent him; but he could not.

76. We had it in evidence from Mr. Mitchell, architect, that a person was prepared to do a certain work at 10 per cent. less, and could not do it because of the association, and a builder told us the same yesterday?—He told me that in my own office, but I did not take him seriously. They seem to know more about my business than I do myself.

77. Your company is building a mill at the Barrier?—Yes.

78. What is it going to cost?—That is a big question to answer. I know that at present we are spending over £3,000 on machinery. I should say that mill will cost at least £10,000. Of course, it was decided upon whilst I was in Sydney.

79. And the period of cutting you have ahead of you at that mill?—Fifteen to twenty years. All this has come out since I was at Sydney. I was away nine months.

80. *Mr. Jennings.*] Can you give the Commission the reason why there have been delays in supplying orders to various people both in the South Island and here?—At present we are dull, very dull. We have fallen off at least a third, and yet I cannot get the orders filled with anything like speed because they are all such special orders and widths. We get orders for hundreds of thousands of feet of 14 in. and over, and of course we cannot pick that timber up every month. But we send fifteen or twenty thousand feet away South every week, although we are harassed to death to do so.

81. Has your company ever refused any person who wanted timber if he was a good mark or paid cash?—No.

82. You do not do business that way?—No. I am pressed to-day with first-class orders, and if a man came along with plenty of money to-morrow and said, "Get me 100,000 ft.," I would not refuse it, but he would have to give me a little time.

83. Does your company dispose of much kahikatea?—Not the Kauri Timber Company, but other companies connected with it.

84. Much kahikatea?—Not much.

85. Have you any knowledge of totara?—The general knowledge that all millers have.

86. What is your opinion of totara so far as durability and strength are concerned?—I should say, so far as longitudinal strain is concerned, totara is not so good as the timbers I have mentioned, because it is inclined to be close-grained and brittle. But for other purposes it is one of the most lasting timbers in the world. It makes good joinery.

87. Can you tell us the number of men employed in the mills in the bush by your company?—About 2,500 in all classes. I think in the Provincial District of Auckland there are about five thousand men employed in the timber trade, and I fancy the Kauri Timber Company employ about half of that number. At all events, I have always thought so.

88. You have had a good deal of experience of timber, and you are also a Visiting Justice to the prison?—Yes.

89. With reference to your evidence about utilising our timbers as quickly as possible, what do you think should be done to provide a substitute for this timber? Do you think it is a good policy to have prisoners tree-planting in various parts of the Dominion?—I think it has a very beneficial effect on the prisoners, and I think it is a good thing for the country. I think reafforestation is the only thing to save the country.

90. Have you any knowledge of the trees planted?—I have never been at Waiotapu. I understand they are growing gums, redwood, Douglas fir, totara, and some of our quicker-growing trees.

91. Have you any knowledge of the bush in the Waimarino, south of Taumarunui?—Yes.

92. Have you seen the amount of bush there: do you think there is any danger of a famine in timber occurring in this country for a great number of years?—No, and neither does anybody else who knows anything about it.

93. Have you any knowledge of fires in the bush in that part of the country?—I saw the country on fire before I went to Sydney. I know all round Taumarunui timber was burned.

94. Does this sawmilling organization comprise the South sawmillers?—No, they have an association of their own. We call ourselves the Auckland Sawmillers' Association.

95. *Mr. Hanan.*] Do you apprehend any increase in the price of timber in the next five years?—At present, no, but I should not be a bit surprised to see one in five years.

96. Taking a broad view of the situation, do not the indications point to an increase in price during the next five years?—So far as I am concerned I do not think so, although circumstances may arise.

97. As the milling-timber gets cut out, does not that point to an increase in the price of timber?—You may have other things introduced as substitutes.

98. What are they?—They are now using iron and ferro-concrete and many things they did not use before.

99. But based on conditions as they are?—I do not know. If you ask me straight, I know of no reason why I should say there is a likelihood of timber rising in the next five years.

100. Are there not more difficulties in the way of getting milling-timber?—Yes.

101. Do not these difficulties tend to increase the price?—Once in a while, but competition will keep them down.

102. But, if the cost of production goes up, will competition keep down the price to what it is now?—It has done so in the old days. I have seen competition bring down the price until we were selling at a loss.

103. What has been the increase in price during the last ten years in timber?—About 4s.

104. Have the difficulties of obtaining the timber increased?—We are bringing timber now from places from which we should not have dreamt of bringing it before.

105. Are the difficulties of obtaining timber increasing now in the North Island?—No. I think we are getting timber from as bad places as ever we shall get it. As I said before, I used to be an Inspector and go round the bushes, although I have not done that lately.

106. And as good timber?—Oh, yes! the timber is just as good when you get it as ever it was.

107. Do you get as good, and as large quantities, as you did ten years ago?—No, but the timber when it comes forward is as good.

108. Do you obtain, so far as the North Island is concerned, as good timber in as large quantities to-day as you did ten years ago?—I have to answer that by asking, Are you speaking now of sawn timber ready to go out, or logs at the booms.

109. I am speaking of both?—So far as sawn timber is concerned, there is as good timber being sold to-day as ever was cut in New Zealand.

110. And in as large quantities?—No.

111. Have the quantities of really good timber decreased to-day as compared with ten years ago?—No, it has not decreased, but the demand for these particularly wide sizes has increased. That is the cause of the whole trouble.

112. I think it is important to know if you can cut the same quantity of good milling-timber now as you did ten years ago?—Yes.

113. And at the same price?—Oh, no!

114. Has there been a substantial increase in the price?—Yes.

115. Do you mean to say that the price so far as that class of timber is concerned will not increase in the next ten years?—So far as I know, no.

116. What has been the increase so far as wages are concerned during the last ten years?—I should say about 10 per cent. I do not think the men are getting too much money, though.

117. At what do you put down the increase in the cost of production during the last ten years?—I should say one-fourth. I do not know the increase. I am only making a guess.

118. When the milling-timber of the North Island is cut out, then this avenue of employment for labour will cease?—No; other timbers will be growing by that time. This reafforestation will, I hope, provide us with timber fit to mill. Then, the land the timber is cut off will be employed in dairying, farming, and so on.

119. Is there not every reason to believe this avenue of employment will cease?—I do not think so.

120. Do you believe in conserving timber?—No.

121. Your idea is to get rid of the timber as quickly as possible?—It is no use trying to conserve a thing you cannot reproduce, and which may be burnt before your eyes.

122. You wish us in the future to depend upon imported timbers?—What do you call the future? In fifty or a hundred years from now you and I will be dead, and I cannot say, but I think that by that time, if things have advanced in the building trade as they have lately, we shall not want such a lot of timber as we want now.

123. Take the South Island?—We shall be building in ferro-concrete by that time.

124. Do you know anything about the South Island?—I have been all over it.

125. If your ideas are sound about providing substitutes, why are you so strong on the question of reafforestation?—There are many reasons. Although this building in which we are sitting is of brick, there is a lot of wood about it, and so it will be with these new buildings in the South when you and I are dead.

126. Has your kauri trade fallen off with Wellington?—In the inferior lines very much so.

127. To what do you attribute that?—Mainly to Oregon.

128. Do you know the condition of the Wellington market?—Things are pretty bad. I hear the sawmillers saying so all round.

129. Would your timber here compete with the West Coast timbers in Wellington?—I suppose it would: I do not know.

130. How do you compete with the West Coast mills down there?—We should compete in our cheaper lines, with our second-class, although I do not think we do. I think the West Coast people have pretty well a monopoly of that. It is Oregon that has knocked them out.

131. Do you know anything about the conditions of living in the South?—No.

132. Or about the timber-supplies?—Only what I have read since the Commission commenced.

133. *Mr. Field.*] Do you see any sense whatever in putting an export duty on kauri?—No. On the contrary, it would be a ruinous thing to do. We are suffering at present from a depression which such a duty would intensify. It would throw a great number of men out of employment.

134. Would it tend to help the sawmillers in other parts of the Dominion?—No, it would be worse for them.

135. With regard to southern orders for kauri, the complaint down South was that they have not been able to get first-class timber when they wanted it at times?—The only reason is the one I have given you—the fastidious and difficult orders they send us. We are supplying them all the time. It is impossible to fulfil these difficult orders offhand. The timber does not grow in New Zealand.

136. Would you be able to do any more for them if an export duty were put on?—No, it would make not a bit of difference to them. I have never neglected the southern trade, but I cannot do the impossible.

137. You are quite satisfied, with others, that it is impossible, or next to impossible, to conserve our kauri forests, even if it were desirable to do so?—I know it is absolutely impossible from what I have seen myself.

138. Are you one of those who hold in regard to our kauri forests as with our other timber forests, that as we want them so we should use them?—Yes.

139. And you are against seeing any more valuable timber burnt if it can be avoided?—Yes. I always look upon it as a sin to see good timber burnt.

140. You are aware that a very large area of country has been burnt?—I have gone over miles of such country.

141. Just now we are undergoing a period of depression not only in our timber trade, but in other directions?—Yes.

142. It has been said that as other industries are suffering, so the timber industry should suffer; but should it not rather be said that where a number of industries are suffering and one can be helped we should endeavour to help that industry more in a time of depression than at other times?—I think so.

143. Have you seen the Oregon pine on the wharf?—Yes.

144. You have not a very high opinion of it?—No, But I have seen worse. I do not think the Oregon I have seen here—I do not wish to depreciate the value of any man's stocks—is as nice a class as I used to handle in Sydney. This latter lot seems to be a little better.

145. We are told this Oregon here is all heart: do you agree with that?—I think to a certain extent that is true. I think that point is lost sight of—there is very little sap on an Oregon log at all. In winter-time the tree is absolutely leafless. I have been in the forests in British Columbia when the trees looked like a lot of ship's masts. The sap is clean down, and I really do not remember seeing sap in an Oregon tree.

146. We are told that the Oregon that comes here is merchantable quality?—The schedule you have will answer every question better than I can.

147. We are told that the merchantable is exactly the same timber as selects, and cleans, and ship's decking, &c., except that there are more knots in the merchantable?—You are quite right about that. It is the same as the difference between first-class kauri and rough-heart kauri. It is the same tree, and I have no doubt the lasting properties would be as good, but it would not be as good timber for finished work. I might say that during the time I worked in America we never used Oregon for joiner's work.

148. What did you use it for?—For beams, joists, studding, and once in a while for door-jambs, and so on; but in the joiner's shop where I worked we had eight or nine kinds of timber to do the work kauri does here.

149. Was it the custom to use it as weatherboarding?—I never saw Oregon used as weatherboarding until I saw it so used in Auckland.

150. There is a good deal of knot in the Oregon that comes here?—Yes, like flies in a butcher's shop.

151. I saw a house at Avondale weatherboarded with Oregon, and although the building has only been up eight months the timber shows the knots separating from the boards?—I have not seen the house, but I know a large house built of Oregon supplied by Leyland, and the weatherboarding is all flaking. In the early days in San Francisco they used to use Oregon as a pavement for some of the sidewalks, and the way it flaked would take the sole off your boots in no time. The men used to wear gauntlets in handling it in the yards.

152. I think you said we did pretty well without Oregon before it came here in large quantities?—Yes.

153. In 1907 we only imported 5,000 ft. here and 100 ft. in Wellington, whereas in the last sixteen months there have been imported into Auckland something over 7,000,000 ft.?—Yes, and that is displacing seven million of New Zealand timbers. I reckon that means £17,500 taken out of the working-man's pockets. We pay 5s. in wages to produce 100 ft. of local timber.

154. And about seven millions have been imported into Wellington?—If Wellington can be supplied—and I know it can—with rimu and other timbers from the West Coast, it means the working-men are losing 5s., if not more, on every hundred feet.

155. And when miller after miller tells us that this timber has been supplanting second-quality rimu and rough-heart rimu, you can readily understand that?—There is no question about it. It must be displacing that quantity of local timbers.

156. You would not be surprised to see the stocks of second-class timbers increasing at the mills?—You can see it all over the country if you want to.

157. *Mr. Field.*] You know that holders of valuable timber areas have to burn their forest because they cannot mill it profitably?—I think so.

158. You said we did very well without Oregon timber?—Yes. It has not cheapened the cost of building; on the contrary, I think it has increased it.

159. As it does not decrease the cost of building, who has been benefited by it?—The people of Vancouver have benefited.

160. Who received any advantage here?—I suppose some of the merchants would not handle it for the good of their health.

161. Have the benefits been confined to the timber-merchants and the builders?—I should say so.

162. You said that people like a new thing. I understand however that it is much softer, and lighter, and easier to work than our New Zealand timber?—Yes, it is softer and easier to work for framing purposes.

163. Our own restrictive shipping laws I understand place our timber at a disadvantage with Oregon in this country in the matter of deck-cargoes?—I have seen timber on those vessels nearly up to the fore-yard. The vessels are specially built that way. They had ladders to get down from the top of the timber to the hatchways. They carried ten times as much on their decks as our ships are allowed to carry.

164. What timber is Oregon competing with in Auckland?—Medium rough heart and second-class kauri and rimu.

165. Have you had any experience of totara?—I have cut a good deal of totara in my time.

166. We have had some questions raised regarding the price the timber-merchant gets for his mouldings?—An architect came to my office and asked me by what right I charged 14s. 9d. per hundred feet running He told me to do things I could not do. You must bear in mind that the price of first-class timber is £1 a hundred, and specially selected timber like that I can sell to the joiners for £1 2s. We get 2s. 6d. per hundred for matching, and that would bring it up to £1 3s. 6d. These people will not make a joint, and we get another 2s. for that. It must be borne in mind that we are compelled to carry a stock of £4,000 of this class of material, of which we have 193 patterns, as may be seen from this book. I may say that this book has been prepared at great expense. When we decided to alter our catalogue we consulted the architects, and we asked them to send us their fancy patterns, with the result that we put in 193, and we have got, therefore, to carry a stock of 193 different kinds of mouldings. I may add that of all lines none depreciate, twist, and get discoloured more than mouldings. Mr. Clarke saw a piece the other day.

167. Did you bring us those orders which you copied on the blackboard the other day?—Yes, here they are. Our people want these back. They are the genuine articles. Here is one from Andrew Miller. There are others from Mr. Daniels, of Masterton; Mr. Dickson; Messrs. Reid and Gray; Hogg and Co. (Limited); Messrs. Waddell, McLeod, and Hopkirk, of Wellington, and Prouse Bros. (Limited). Honourable members of the Commission will notice that these are generally orders which cannot be readily executed, and necessarily some little time must elapse between the receipt of the order and the execution. To supply all these requirements is not as easy as to take a tin of jam from the shelf of a grocer's shop and hand it to the customer. In the old days we used to have uniform sizes for weatherboarding. Now the architects specify their own sizes, and they will not keep to the standard size. This, of course, means a little delay and increased cost. I ask any practical member of the Commission to look at these orders, and tell me whether they can be executed in a few minutes.

168. How do you get on with the men in your employ—the millmen and the men in the bush?—I have never had a cross word with any of them in my life. They gave me recently a £25 gold watch and my wife a gold bangle. I hope my men and I are friends.

169. Have you got an award here?—Yes.

170. Do you pay the award, or more?—We cannot pay less; but when I see that a man deserves it I pay him more—that is, if I get a chance. It does not do to let it be known.

171. *Mr. Leyland.*] In the early part of your evidence you said something with reference to the association?—Yes.

172. You have told us that there are a number of mills outside the association. If any of the mills inside the association wish to leave, is there any bar?—No bar whatever.

173. Any one leaving the association would not be penalised in any way?—No.

174. Supposing they sold timber under what we consider a fair rate?—No penalty whatever.

175. They can buy where they like?—Yes.

176. They have left you, are leaving you, and they are still living?—Yes.

177. Regarding moulding, you told us that a number of people run moulding as well as members of the association?—Yes, any amount of them.

178. Even builders run mouldings?—Yes.

179. It cannot be said in any way that we control the price of mouldings?—When I was working at the trade as a boy we used to get 4s. per hundred for matching flooring. Had I been asked by the overseer to put in so many more beads I should have wanted more money, and that is the position to-day.

180. Some mouldings are very expensive to make?—That is so.

181. For mouldings like this sample you have to select the timber specially, otherwise a large percentage of them would be useless?—Yes, they would have to be thrown out.

182. And you sell it for 13s. 3d. It is not a very big percentage considering what has to be thrown out?—That is so. I do not want the business.

183. Take a small ceiling-batten: is that first-class timber?—We never run moulding out of anything else except first-class timber, and the very best of first-class timber, and seasoned.

184. Take the 9 by 1 for flat-cutting timber?—You only get four pieces out of it.

185. It takes labour?—It takes more to flat-cut it.

186. Some pieces then twist and warp?—Yes, and they are all lost.

187. When run into moulding some are spoilt, others are rough, and you have to keep a man cleaning them up?—Yes, and some of them you cannot clean up.

188. All that adds to the cost?—Yes.

189. You have to keep them in stock?—We have 4,000 pounds' worth at present.

190. That means interest?—Yes.

191. Do they not sometimes get soiled?—Yes.

192. When you have to find special lengths you have sometimes to give a 14 for a 12?—Yes, very often.

193. It might be said, seeing that this timber is £1 6s. 6d. with discount off, and only £1 in the rough, that that was a big profit on the face of it?—Yes, but it is not.

194. The builder might think it was too much?—I do not think it is too much.

195. Coming to this question of southern orders, I want to clear up a little misunderstanding. When I was in your mill I was a little amazed, and I said they must have known we were coming. That would never have been in evidence had it not been for some friend of yours bringing it out?—If you are charged with a little reflection on your character you would take the first public opportunity of refuting it. There was a case in point which I might cite. Some four years ago the Judge made a remark that kauri timber in a certain case was sold cheaper in Sydney than it was here in New Zealand. I gave evidence in the box later, and on my going into the box the Judge did not like the question cropping up. The mistake arose in this way: The Kauri Timber Company in Sydney supplied the Oregon, but we supplied the kauri from here, and as it all came from the same company they concluded that it all came from Sydney, whereas the Oregon came from Sydney and the kauri was supplied direct from New Zealand. I was manager of the Kauri Company in Sydney. This list will show you the price of kauri as sold in Sydney. The following is a quotation from our "Current Monthly Price-list," issued December, 1908, at Blackwattle Bay: 1 by 1 to 10 by 1, £1 6s. 6d., £1 4s., £1; 12 by 1, £1 7s. 6d., £1 5s., £1 1s.; 14 by 1, £1 8s., £1 5s. 6d., £1 1s. 6d.; 16 by 1, £1 8s. 6d., £1 6s., £1 2s.; 18 by 1, £1 10s. 6d., £1 7s., £1 3s. 6d.; 20 by 1, £1 13s. 6d., £1 10s.

196. You told us about the great difficulty you had in supplying southern orders, and the impossibility of getting them?—That is true.

197. How long have you had to struggle to supply some of these orders?—They generally have to wait some time. They get a little every week. If I can manage to scrape up 30,000 ft. I divide it over my customers.

198. When a new order comes in it cancels the old one?—Yes, we reckon so.

199. In the matter of breaking-strains, there are tests and tests. There are tests made by scientific people?—In one of the works that I have read there is an engineer's statement to the effect that rimu is a stronger timber than Oregon.

200. This is all-heart rimu. There is no question regarding the durability of all-heart rimu. We have it on evidence that they have more orders for heart rimu than they can supply. They only produce a very small percentage of first-class heart, and they tell us here that Oregon is not competing with first-class rimu at all. It only competes with the O.B. rimu. I contend that O.B. rimu is better in some places than kauri?—There is no sap in Oregon. The tree does not carry any sap like rimu.

201. It will carry a belt of three or four inches?—I have never seen it. Oregon sap never bothered us at all.

202. The sap does not go down in the tree. It only undergoes a chemical change. Is it not better to cut in the winter?—They say so. I do not think it applies where the timber is evergreen. My theory is that wherever the timber is growing all the year round the sap never goes out of it. I worked in Portland. I do not remember seeing very much sap in the trees in Portland.

203. Sappy Oregon is sent to China, because it turns black when crossing the Line?—I have seen a little sap under the bark on the edge of the timber, and that is where the sap is generally.

204. I can show you sap three or four inches thick in Auckland. I will take you along and show you the sap?—I am always ready to learn.

205. Now, coming back to these tests. The American universities have made a series of tests. The Canterbury College have made tests, and they have put Oregon in the very front rank. The District Engineer of Railways at Greymouth told us that in his department they placed Oregon ahead of rimu. Amongst Tasmanian hardwoods it takes a first place, so that it must have a good breaking-strain?—I feel satisfied that it is not equal to the same practical strain as New Zealand timbers.

206. What do you think would have been the result of this test if this had been sap rimu and exposed to the weather?—I think that the sap makes it stronger, but if exposed to the weather it might be different.

207. We have it in evidence that the acids in the sap set up a fermentation, and in a large piece of timber like a log it is set up more readily?—Yes.

208. You mentioned Mr. Fraser's name. He has got the contract for the Harbour Board sheer-legs, and they want long timber, and though they object to Oregon they are glad to take it?—Yes, it is suitable for that purpose.

209. So far they have had eight pieces, averaging nearly 40 ft. long?—Yes. Oregon makes very good spars. I remember a vessel once coming in here, on her way from Newcastle, with her fore and main masts sprung. They were 65 ft. long and 3 ft. at the butt. I supplied the captain with new spars, and it cost him £120 for each. He growled about it at the time, but after he had got the spars fixed he said to me, "I could have got those spars in Oregon for about the same number of dollars that you have charged me pounds, but I think they are worth it." He was satisfied.

210. You know as a miller that long lengths do not pay?—I would ten times sooner cut ordinary timber at £1 a hundred than 50 ft. lengths at 44s., because the latter upsets everything in the mill—it throws everything back.

211. You only get a small percentage of long-priced timber out of long logs?—Yes, and the rest goes to the front of the yard, where it is cut up into whatever lengths are required for ordinary orders, so that we only get the long price for one piece.

212. Would it not be beneficial, then, to allow these long lengths of Oregon to come in?—I do not think it a good thing to bring anything in here that we ourselves can produce.

213. Mr. Julian is doing a big waterworks job, and is using a lot of Oregon. Is it conceivable that he could have used ordinary building-rimu for that?—No, but he could have used kauri.

214. There is a Fort Street job in which there are 50,000 ft. of 14 by 2. Would that have been ordinary building-rimu if it had not been Oregon?—It could easily have been rimu.

215. But would rimu have been acceptable to the architect or the proprietor?—As I said before, some people would rather have Dutch than colonial cheese, although the latter is just as good. Oregon is a new thing: they like to have something new.

216. We have had evidence from architects who have had experience in Oregon timber not only here, but in other places?—I do not say that Oregon is a bad timber; but I say that while we have got better timbers here we should utilise them.

217. Up to the present all the jobs I have mentioned have gone in in Oregon?—Do you know why? Because they will not take kauri with a knot in it as big as a walnut, or a little bit of sap on one end.

218. Has it not been customary to use kauri in all such cases as those I have mentioned?—Yes. I had a man, the other day, condemn a 14 by 2, and when I asked him why, he said it was because the tree had been tapped for gum. I asked him how he knew that, but all he would say was that he did know. I took the timber away and used it for joinery.

219. A lot of Harbour Board punts have been built of Oregon, have they not?—Yes.

220. My firm supplied four 60's, 14 by 14, to Mr. Bailey the other day. Is it conceivable that he would have taken them in ordinary building-rimu?—He is making his money in the country, and the Harbour Board are supported by the money that is made in the country, and they should get their timber in kauri.

221. The shipbuilders along the water-front are continually getting Oregon spars. Do you think they do not understand their business?—They would sooner have kauri spars if they could get them. I have said that Oregon is good for spars.

222. Dalgety and Co. the other day wanted some timber supplied in a week. The order was given for kauri if it could be supplied in the time, but owing to the long lengths and large quantity required the firm applied to could not do it; so they came to us, and we said we could do it if they would take part kauri and part rimu?—It was unreasonable of them to expect it to be done in that time.

223. I have gone over a number of big jobs in Auckland where Oregon has been used instead of kauri, and in all these big jobs they have saved from 2s. 6d. on ordinary lengths, up to 6s., 7s., 8s., and 10s. on long lengths, as the difference between kauri and Oregon. Has that cheapened the cost of those jobs?—If you say they have saved that much, I suppose it has; but at the same time it has prevented a certain amount of money being circulated here.

224. Are you a director of the Ellis and Burnand Company, having four mills in the King-country?—I am.

225. *Mr. Clarke.*] You said that you did not think the white ant would be likely to be troublesome in Oregon pine in New Zealand. Is it troublesome in any other timber?—I have never heard of the white ant here. It may be; but, as I say, I have never heard of it in this country.

226. You said that some architects were fastidious with regard to timber when they were not satisfied with what you supplied. There would be no reason to suppose, would there, that your judgment would in any way be superior to the architect's in that matter?—It would be equally good. I know a piece of timber as well as any architect. I do not for a moment say that they are all fastidious, but the architects themselves know that I have had a very rough time with some of them. I have had beam after beam sent back just for fun.

227. Do you claim that your judgment in the matter of timber should be treated as practical, and the judgment of an architect as fastidious?—No; there are architects in Auckland whose judgment I would go by more than my own; but there are others I would not.

228. You said that merchants could get supplies of timber from non-associated mills. Can they get them at lower prices than the associated millers are charging?—I do not think they can, though builders always say they can. Almost every builder that comes to me will say, "Look here, I want another 10 per cent. taken off. If I go to some one else he will give it to me."

229. Will he say who the "some one else" is?—No. He will say, "I cannot tell you who he is, because if I do you will crush him. He is not in the ring." As if I cared! But, of course, that is only fudge on the builder's part.

230. Are any of those who are outside the association able to turn out a big all-round order for all classes of building-material?—If they could not, and they came to me to help them I would do so. I do it very often.

231. Having come to you, is it not a moral certainty that they would have to come to your prices?—Certainly.

232. And those who are not in the association are equally bound to the same prices as those that are in—must they not be?—I do not know that. If a man has got a line of timber that he wants to get rid of, there is nothing to prevent him, even if he is in the association. He does as he likes with his own business. I do, anyway.

233. Can a man who has a sawmill outside the association——?—I cannot answer you, because I have not got a mill outside the association.

234. You spoke of rimu as a pine and Oregon as a fir. What do you mean by the distinction?—One has a very close, dense grain, and the other is open.

235. Do you think that the fact of one being a pine and the other a fir would make any difference in the commercial value of the two timbers?—I do not know about the commercial value, but in our trade, where I was brought up, we would say that a fir would not be so good a timber as a pine. I do not say that there is any scientific basis for that.

236. With regard to the testing of timber and the samples that you showed us, you will admit that this rimu one is heart rimu, will you not?—I did not look to see if it was or not. It is a piece of ordinary building-rimu.

237. But that piece is all heart, is it not?—It is a piece of O.B.

238. Is it sap or heart?—I do not know. I do not think any man in the room could tell.

Mr. Morris: It is all heart.

Witness: Then I will admit it is all heart.

239. *Mr. Clarke.*] Admitting that it is all heart, and seeing that we have had evidence that only from 6 to 10 per cent. of rimu can be supplied in all heart, is it fair to compare a piece that will produce 7 per cent. heart with a piece that will produce 100 per cent.?—That piece is taken from timber that we can supply you with 10,000 ft. of. It was taken out of a 4 by 2, and they do not take the very pick of the timber for 4-by-2's.

240. Is it an easy matter to get a good supply of all-heart rimu such as would be suitable for first-class joinery?—Personally I cannot say, but I think they must be able to get it, for I see any amount of first-class joinery made of it, both here and in Wellington.

241. Would you be surprised to know that not many months ago I tried to get 1,700 ft of all-heart rimu, 2 in. thick, fit for immediate use, and, though I tried every place in Auckland, including your Mount Eden mill, I was not able to get it?—You mean you could not get it dry?

242. Yes?—That is very likely.

243. Would you be surprised to know that I was unable to get it at the Hamilton mill?—The timber up there is seasoned by means of a dry kiln. They could have given it within a few days.

244. I want to know whether or not you are aware of the fact that it is difficult to obtain dry rimu suitable for joinery?—No, I was not aware of it. I am getting it pretty well every day.

245. If there are such difficulties, you would not be surprised that architects would not specify it in larger quantities for joinery purposes?—I think that one of the reasons why architects do not specify rimu in very large quantities is this: Take, say, a door—it is harder to work and harder to hang. I can make a kauri door for about half as much as a rimu door—that is, in labour.

246. With regard to future supplies, you do not believe there is going to be a timber-famine?—No. I do not think there will be any scarcity here for the next fifty years. There might be in kauri.

247. You think, then, that these reports issued by the Government are not to be depended upon?—That is a question I will not answer. I am only giving my opinion.

248. If the official reports run in a contrary direction to your opinion, are you open to conviction?—No.

249. You would not believe the statement of Mr. Kavanagh, for instance, that thirty-two years will see the North Island supplies worked out?—Does he mean rimu and all?

250. Yes?—I should hardly be inclined to credit it. I think he might possibly be liable to mistake. But, if he said that, I dare say it is true. He knows more about it than I do.

251. Then, seeing that we are within one generation of the end of our supplies, do you not think it is a matter of extreme urgency that a policy of afforestation should be followed?—Yes; I have said that already.

252. *Mr. Morris.*] Would you think it an unreasonable thing if one of your mill-managers at Kaipara sold a quantity of timber to a visitor, and, on finding that the stuff was to be made use of alongside your town mill, refused to supply it?—I would not repudiate any arrangement I had made. What had it to do with the manager where the timber was going? The purchaser need not have told the manager. Anyhow, it would not have happened with me.

253. The supply of kauri has given a great deal of trouble here. Do you not think this country will stand still when the last kauri is cut?—No. I think it will be a good job when the last kauri is cut. When I first took charge of the Auckland mill they told me I would only have seven or eight years left of kauri-supply. That is twenty years ago now; so when they say now that the supply will only last fifteen or sixteen wears I am not at all scared about it.

254. You are satisfied, then, that if all the kauri was cut now the building trade and every other trade in the colony would go on just the same as usual?—I think so.

255. With regard to Oregon, I saw some 8-by-3's and 10-by-3's on the wharf, and half of them were sap. Do you think the public are getting value for their money if they imagine they are getting all heart?—I really could not tell you now what the relative values of sap and heart Oregon are. The sap might be nearly as good in Oregon, for all I know.

256. Have you any idea of the amount of sap in rimu?—I do not think there is a very great deal.

257. Do you think it is more than an inch, as a rule, right round the log?—No. I thought that rimu did not carry very much sap.

258. The idea is current—in Auckland particularly—that all the wood that is not of a dark colour in a rimu log is sap. It is not sap by any means?—Where would you expect to get the sap in a tree?

259. On the outside of the tree?—Then, if you took a totara log and took a piece right out of the centre and put it outside because there was a white streak in it, and an architect came along and said, "I will condemn that; it is sap," would not that make you a little bit sceptical as to whether he knew anything about it or not? I have had that happen. There are different colours in the timber, you see.

260. *Mr. Barber.*] With regard to this blackboard, I do not think any one ever suggested there was anything improper in the orders: the only thing I heard suggested was that the orders were genuine orders, but that some were selected and put on the board in the morning?—I make no selection.

261. You put in these papers to show that the orders were genuine?—I accept the explanation.

262. You have given us the original orders: can you tell us if any of these particular orders have been supplied? Take Stewart's, for instance?—I expect the most of it has been completed. Some goes forward evrey Saturday. I can tell you after dinner if the order has been fulfilled.

263. Why should there be any difficulty or delay in supplying an order like that?—Look at the order—20 by 1, 14 by 1, and 12 by 1. How many feet of kauri logs do you think will have to be cut to supply that timber? Any practical man could not have selected a more difficult order to fulfil.

264. Well, take Prouse's order, which is a mixture of small lines?—I tell you over and over again each of these orders goes forward as we can get the timber.

265. If this timber is sent in different shipments, does that not add to the cost of carriage?—Not a farthing—it costs so much per hundred. In addition, we have two sailing-ships running all the time from the Kaipara to Dunedin and Christchurch with timber.

266. With regard to the increased cost of a workman's cottage, you say timber has gone up £1 per thousand?—I said, about 4s. a hundred—£2 per thousand.

267. Evidence was given yesterday that ordinary building-timber had gone up 5s. 10d.: do you think that is correct?—I do not think so. You must bear in mind that all this is subject to a discount of 5, 10, 15, and 20 per cent.

268. You say that on the importaion of Oregon the workers of this country have lost £17,500?—I say it costs about 5s. to produce a hundred feet of colonial timber, and I say that every million feet of timber imported takes £2,500 out of the pockets of the workers. I say they lose 5s. a hundred at least, and so they do.

269. That is, so many million feet of Oregon took the place of kauri?—I did not say kauri.

270. We are told that red-pine has only just been introduced into this market, and has been very little used?—I do not think it took the place of kauri. I think it has taken the place of New Zealand timbers, and inferior timbers particularly.

271. How much rimu has been used for building purposes in Auckland?—Go on the top of Mount Eden and look round the enormous number of suburban residences all built of red-pine, or very nearly all. This has been so much so that we had to establish a yard and mill at Mount Eden to supply red-pine.

272. What do you do with your second-class kauri?—I will tell you that in committee. We have markets for it, unless there is an export duty. Then we should burn it.

273. If this Oregon has taken the place of kauri—and evidence in other parts of the Dominion confirms that impression—instead of being a loss it has been a gain to the country, because if this timber is exported, and a higher price obtained for it than is paid for timber which takes its place, there must be a gain?—I do not reason that way at all.

274. The evidence has been that there has been a shortage of kauri all over the Dominion, and the importation of Oregon has taken the place of kauri to a large extent, and Oregon is being landed here at between 11s. and 12s.?—I do not know that it is. It is cheap if it is. It costs more than that in Sydney.

275. If the importation of Oregon relieves to a small extent the consumption of kauri in this Dominion, and that kauri is exported, then for every thousand feet of kauri exported the country gains the difference between the price of imported Oregon and the exported kauri?—The thing you are losing sight of is that the timber which this Oregon is displacing is not exported. You cannot export it: you cannot give it away to send to Europe.

276. You say that the shipping laws prevent a deck-cargo to any extent being carried?—I do not make any point about that. It is so.

277. You did mention it?—I said I had seen ships in Puget Sound loaded nearly up to the fore-yard, and that one vessel came here and took timber to Sydney under better circumstances than our own ships could do. I want to say I am glad to know we have our maritime laws.

278. I was surprised to see a schooner in this harbour loaded above the deck-house?—That was a scow. She would not sail any other way.

279. But there are deck-cargoes on scows?—Yes, but restricted too. You cannot go above a certain height.

280. In proportion to the depth of that vessel the deck-cargo is a great deal more than on the deck of the vessels you have referred to?—The cargo of a scow is all on deck. I may say I am President of the Shipowners' Association, and we have given this matter very careful consideration. I do not want to jeopardize any man's life.

281. You told us that the price of 50 ft. kauri would be £2 4s.?—Less 10 per cent.

282. You tell us you cannot supply an order for 60 ft. lengths?—I cannot cut longer than 56 ft. The price would be probably be £2 10s. per hundred, but that would be by arrangement.

283. Do you think it is fair that a person requiring these lengths should be compelled to pay £2 10s. if he can get something which he or his architect thinks equal for the purpose for a little over £1?—Yes, if he is making his living in the country. I had to pay more money for a suit of clothes in San Francisco than I do here, but I got $1½ more pay per day.

284. Do you apply the same principle to everything?—I do myself.

285. Then you would agree that the woollen industry of this Dominion, which is receiving a protection of 25 per cent., is very unfairly treated?—Yes, and I always buy my clothes from them. I like to encourage local industry.

286. *Mr. Arnold.*] With regard to the non-associated mills, can you tell me how many of these non-associated mills sell the whole of their output to the associated mills?—I do not think any of them do. We used to take all Mander's cutting at one time, but we do not now.

287. Is it not a fact that the majority of these non-associated mills are in the hands of the associated mills?—Absolutely that is not true. As a matter of fact, these non-associated people would, I suppose, ship out of the country.

288. They are quite independent?—Quite so.

289. You tell us that Oregon has a great number of knots and flakes, and that it is an inferior timber?—Of course, the timber speaks for itself.

290. And, on the other hand, the importation of this Oregon has not caused a decrease in the price of building?—I have not heard so.

291. What is the explanation of the increase of its use in the Dominion if it is an inferior timber and has not reduced the cost of building?—I dare say somebody is making money on the handling of it. I do not know of any other reason for it.

292. You think that the merchant or builder is making a larger profit, and is therefore putting an inferior article on the market?—I should not like to put it that way. It is because, I think, they are making a larger profit, but I do not think it is fair to say they are putting an inferior article on the market. A man buys Oregon with his eyes open.

293. The architect or builder might know, but the consumer does not?—I do not mean to say that Oregon is rubbish, but I do say it is not equal to the colonial timbers whose place it has taken.

294. But the reason of the increased consumption is that somebody is making a larger profit on it?—I should think so. They are not doing it for the good of their health.

295. Do you know anything of the importation of manufactured doors and sashes?—Yes.

296. Are many being imported?—No, but it is going to come. I have seen thousands of doors manufactured in the State Prison of San Francisco, and some of these doors have been sent to Australia.

297. And from Sweden?—I understand they are going to Sydney from there, but I have never seen them here that I know of. Of course, they have a very high protective duty in Australia now.

298. Do you not know that large shipments have been imported specially from Sweden to the southern ports?—I have heard of them, but have never seen them.

299. You think it is coming, though?—I think so. Unless the Government rise to the occasion we might be flooded with that kind of thing. I know these doors can be made so much cheaper in America. I know that Chinamen are employed at the work in America.

300. Do you know the duty on imported doors and sashes?—Two shillings a door, I have heard.

301. It is 20 per cent., and on Oregon it is 25 per cent. Do you not think it is an extraordinary thing that an increase should be asked on a 25-per-cent. duty on a raw material, and there is no request for a change of duty on the manufactured article?—You see, this Commission was not set up to consider the manufactured article, but to consider the timber business. Had we known for a moment that the question of joinery would come in, you would have heard something more about it. These doors have only come in recently.

302. So has Oregon?—Oregon has been in for years. All these doors are made by machinery; there is not a shaving taken off by hand. The only thing that is done by hand is the gluing-together.

303. Do you know of any other raw material, except timber, that has a duty of 25 per cent.?—I cannot say.

304. You think it is a fair thing that timber should be taxed over 25 per cent.?—I think it is a fair thing that Oregon should have a higher duty to prevent it flooding the market and throwing men out of employment.

305. *Mr. Jennings.*] Can you tell us if sawmillers, besides paying royalties on the trees, also pay county and other rates as occupiers of the land?—I understand so.

THOMAS MAHONEY sworn and examined. (No. 126.)

1. *Hon the Chairman.*] You are an architect, of Auckland?—Yes.

2. Will you please give us your views in regard to this inquiry?—I have seen the scope of the inquiry. And, first, as to the increased price of timber, I have the price-lists of the various timber associations for a good many years. I have been comparing them, and I find, taking rough-heart kauri, the price has increased between 1901 and 1907 from 15s. to £1, a net increase of 33 per cent.; medium has increased about 36 per cent., and tongued and grooved has gone from 17s. to 22s., all showing an average increase in price of something from 30 per cent. to 35 per cent. Joinery has gone up 20 per cent., and other lines 40 per cent. For instance, a gate I find quoted at 19s. 3d. in 1900 has been raised to £1 10s. in 1907; another gate has been raised from £2 4s. 6d. to £3 6s.: mantelpieces have been raised from £2 2s. to £2 14s. 3d.: sashes from 17s. 9d. up to £1 3s.: making an average rise of somewhere from 25 per cent. up to 40 per cent. and more in the case of joinery. That increase in the cost of timber and joinery has added largely to the cost of a cottage. I will take Mr. White's estimate of 12,000 ft. of timber in a cottage. The average increased price per thousand is somewhere about £2 10s. That means £30 extra cost of the material for a cottage of that size. Labour has gone up correspondingly in price. To give a practical instance: I got a small cottage built in the year 1903 for £260. I wished to get the same cottage built the other day, and the lowest tender was £338. That is an increase in the price of about £78. I have been connected with architecture for a good

many years, and I find as a result of this that there has been a gradual deterioration in the quality of the timber used in houses. Not only has the quality of the timber been reduced, but on an estate with which I am connected as consulting architect I have frequently to reject many specifications because they are getting the timbers down to too small sizes. You cannot get a building done for a reasonable price, owing to the increased cost of timber and material. Then, in regard to Oregon and kauri, I know instances of Oregon used alongside kauri twenty years or more ago, and it is standing equally well and showing no signs of decay. I have seen a house built of Oregon pine forty or fifty years ago, and the timbers are sound and in as good condition as when they were put up. I might say that a good deal of the difficulty that architects find in dealing with timber is that it is always unseasoned. It is almost impossible to get it seasoned. Plastered houses have almost gone out of use on account of the shrinkings and twistings of New Zealand timbers. The Oregon has the advantage in that it does not shrink so much on end. It is also better seasoned. At any rate, it has had some seasoning. Our rough timbers are really unfit to use in buildings.

3. What class of timbers?—All of them—the kauri, rimu, &c. They shrink, and the whole structure yields. I am using some Oregon now in place of medium kauri.

4. Are they long lengths?—No, but I have used long lengths. A few years ago we were getting His Majesty's Theatre built. We found it was impossible to get the beams in kauri here, and so we got Oregon timber from Sydney. The cost of kauri was prohibitive. On several occasions where I could not get kauri or rimu in long lengths I have used Oregon instead.

5. Are you using Oregon now for buildings?—I use it for the interior of buildings. I prefer kauri or rimu for outside work. I like Oregon for studs. All sappy timbers are affected by the borer to a large extent.

6. Do you mean that rimu is affected by it?—Yes, it is badly affected by it. I had a sideboard that was made of rimu. I took it to be heart of rimu, but it was all eaten up in nine years—completely destroyed by the worm.

7. Have you not seen buildings here that have been removed?—Not of rimu. It is only within the last few years that rimu has been used in Auckland.

8. You have not been where rimu has been largely used?—I have erected buildings in Hastings, and down south as far as Wellington. I have not seen them since they were built.

9. I have not heard it stated that the borer goes so suddenly into rimu?—It does here. In fact, heart of kauri after a number of years is affected by it.

10. How soon have you found kauri affected by the borer?—I do not think it attacks new wood. It is only when the wood is old and seasoned. I have a building now, built of the heart of kauri forty years ago, and it is in a very bad condition owing to the borer.

11. Have you tried rimu sufficiently to warrant you in stating that the borer will take it in ten or twelve years?—Only the example I have given you of the sideboard.

12. Perhaps that was an old piece of wood when it was put in?—No, it was good wood.

13. It may have been old timber?—It might have been cut from an old log. I know of a church in Cambridge the seats in which are affected by the borer. The borer I speak of is a very small insect.

14. *Mr. Mander.*] You say that the price of timber has gone up considerably?—Yes, I am quoting the period between 1901 and 1907.

15. Do you know anything of the reasons that have caused timber to go up?—No.

16. Do you not suppose that there may have been very legitimate reasons for timber going up?—There may be. I have not considered the reasons at all. I am merely stating facts.

17. You know that the royalties on kauri timber have gone up from 1s. to 3s. and 4s. per hundred feet?—No, I am not aware of that.

18. If you knew that to be the case you would naturally conclude that timber would have to be put up to meet that?—Certainly.

19. If you knew that bushmen's wages went up from £1 10s. a week to £2 10s. and £2 15s. per week you would consider that provision would have to be made for that?—I should expect the price of timber would go up.

20. If timber was much more difficult to get at now than formerly, and a great deal more loss in sap and deterioration, you would also consider that that additional expenditure and loss would have to be provided for in the sale of the article?—I should expect it to go up in price, but I am utterly unable to say how much. I do not know whether the rise in price is legitimate or not.

21. You say that a cottage taking about 12,000 ft. of timber would go up in price about £78?—Yes.

22. Twelve thousand feet at £2 10s. a thousand makes £30 extra on the rough material?—Yes.

23. Subtracting £30 from £78 leaves £48; to what do you attribute this balance?—The cost of labour has gone up—viz., painters, bricklayers, &c.

24. I suppose the cottages built now have a little more fancy work?—No. Although some might have a little more, the building I cited was on the identical plan of the older houses, and there was no fancy work in it.

25. Have you any fear of timber going up very much more than its present price?—I do not know anything myself of the circumstances of milling; but I should say, from the way it has gone up of late years, that it is equally liable to go up in the future, owing to the increased difficulty in getting kauri out, and a probable further increase in wages.

26. You only refer to kauri?—That is so.

27. As you are aware, a very large area of rimu, totara, and matai timbers has been opened up, and the mills are competing very keenly with one another for the market?—The price-lists for rimu and other timbers always remain 1s. behind kauri. Whenever kauri is raised rimu goes up.

28. You know there is a heavy freight on timbers from the King-country?—Yes.

29. The millers up there now are merely eking out an existence?—I know nothing of the conditions.

30. You could go up there to-day and buy them out at less than they cost?—I should not be surprised at that.

31. You must come to the conclusion that millers are not making too big a profit out of their timber?—If that is the case they may not be. I am unable to form an opinion.

32. Do you not think that probably in the future, brick, cement, and other materials than timber will be more extensively used in the construction of buildings?—I think, myself, that timber will gradually be displaced, except for flooring and joinery, and that brick or concrete will take its place.

33. The price of timber cannot go up much higher?—As timber itself it might go up. There will always be a certain amount of timber required for building. I suppose with the increases of population the demand for timber will keep up, although the quantity used for building will be less.

34. Have you seen asbestos used outside?—I have never used asbestos outside.

35. Are you aware that there is a large building constructed of asbestos in the King-country?—No.

36. You have not heard of any houses in Christchurch being constructed of it?—I have heard a remark to that effect.

37. The high price of timber brings these materials out in competition?—It may or it may not.

38. Do you think that the borer will get into rimu much more readily than into kauri?—My experience is that it does.

39. Was it not an exceptional case that you spoke of?—No, I do not think it was exceptional.

40. Was the borer in any other part of the house?—The kauri was untouched.

41. Would you be surprised to learn that the house I lived in as a boy is still standing, and it is built of rimu?—No; I presume it would be heart of rimu.

42. It was the whole produce of the log?—It might be.

43. Would heart of rimu in a building last as long as heart of kauri?—I have not had sufficient experience to form an opinion. My practice has been principally in Auckland, where we used practically nothing else but kauri. I have used quantities of rimu in the Waikato in buildings there, but that is quite recent.

44. You regard it as good for furniture?—Yes, I do. Rimu is inferior to kauri in strength. It takes second place. Kauri and Oregon are about of equal strength, rimu comes next, and then totara. My tests are Government tests—the Railway tests of the Engineer's department. The breaking-strain of a piece of wood about a foot long in kauri is 130 lb., and 120 lb. for rimu.

45. Do you not think that, if you took a piece of heart of each timber, the rimu timber will bear the greater strain?—No, I do not think so. It is very difficult to get rimu as strong in the grain as kauri. Rimu is more liable to shakes. The tests I quoted were averaged over many pieces of timber, so that they are reliable. Rimu as a timber in compression sideways is stronger than kauri, but as a beam its breaking-strength is inferior to kauri.

46. *Mr. Jennings.*] All things being equal in the matter of seasoning, &c., would you give preference to our New Zealand timbers?—I would, yes.

47. *Mr. Field.*] You referred to timber not being seasoned. Can that difficulty not be got over?—It might be, but we must deal with what is delivered to us. We cannot get it seasoned.

48. Cannot you specify?—No, I could not. The timber would take a year or two to season at the very least. It is impossible to stack it on the ground in time. Most of the buildings must be put up quickly.

49. You say it is practically impossible to season our timbers, then?—Yes, for a building contract. In most cases a building must be put up within six or twelve months from the date of contract, and there is no time to stack the timber and season it unless you get it seasoned from the mill.

50. We have managed to get along pretty well, notwithstanding?—No, no; we have never been able to turn out a satisfactory plastered building here. The twistings and the shrinkings of the timber prove that.

51. Does your experience extend to other parts of the Dominion?—Down as far as Wellington.

52. Have you not seen plenty of plastered buildings?—I stayed in one at Timaru, and it was as badly cracked as any building we have here. It was badly seasoned timber that was the cause of the trouble.

53. If the timber is filleted?—No. It takes a long time to season New Zealand timbers. I should say it would take four or five years. I do not know how long joinery timber is kept in stock, but that would give you an idea.

54. Do you tell the Commission that practically all plastered houses are cracked?—Yes, without exception, all of them up here.

55. There are plenty of houses not cracked?—There may be in the South.

56. You make no complaint about the price of timber?—I make no complaint. There is, however, a complaint in this way: that it has compelled our architects to use inferior timbers—that is, timbers of a lower quality than they would like, and of lesser dimensions than they would like.

57. Do you say that the merchants and sawmillers are making too great a profit?—I express no opinion on that.

58. Would you use Oregon where we could get it?—The only place I have used it was in outside doors, and it stood well—as well as kauri in that position.

59. How long have you used it?—This particular instance which I have in my mind is about twenty-five years ago.

60. I suppose there is Oregon and Oregon?—There are different qualities, and some are more knotty than others.

61. Have you seen a shipment which has just arrived here?—No. What I have seen has been imported for some time.

62. There is a layer of a kind of corky substance between the harder layers?—Yes, it is softer between the rings. They extend a little in the butt of the tree.

63. That seems to come out?—Yes.

64. Does that not indicate that it is not first-class timber?—No. I have seen it used in straight edges with excellent results.

65. With regard to the older buildings, I suppose you will admit that it is very difficult for a man to tell the difference between certain timbers?—Yes, it is difficult.

66. Are you quite satisfied that the timber in the house you spoke of is Baltic pine, and not Oregon?—I am quite sure that it is Oregon.

67. There is a similarity in these timbers?—Yes, but I am certain that it is Oregon.

68. *Mr. Leyland.*] Seeing that it is necessary that we should have these imported timbers, do you not think it is far better that we should import direct and save extra charges?—Yes, I think so.

69. In cases were Oregon has been used is it not a saving, seeing that it costs less than kauri?—Yes, that is so

70. Would you favour an additional duty being put on Oregon?—No, I would not.

71. *Mr. Clarke.*] With regard to the position of the architect as agent for the consumer, do you not think that the architect should be allowed to use his own judgment in the interests of his client as to whether or not he uses Oregon *versus* O.B. rimu, seeing that Oregon is already taxed to the tune of 2s. per hundred feet?—I think that is sufficient protection. I think the employer always relies upon the judgment of the architect.

72. If you were told, as we have been on evidence, that the architect should be educated up to the use of O.B. rimu where kauri was not available, would you attach much importance to that opinion?—I do not know what is meant by being "educated up."

73. Is that not another way of saying that the architect should be compelled to take it?—If the duty were put on to such an extent as to prohibit the importation of Oregon, you would be practically compelled to use rimu.

74. It having been admitted on the evidence before this Commission that rimu on the average consists of from 6 to 10 per cent. only of absolute heart, free from defects, it follows that the balance must be defective or sap. Do you think, in view of this, it is fair to compel the architect to use that in exchange for either heart of kauri or heart of Oregon?—I do not think that, if in the architect's opinion the quality of the rimu was not satisfactory, he should be compelled to use it.

75. *Mr. Morris.*] Regarding the borer which you referred to, are you satisfied that there was no white-pine connected with the building?—Perfectly satisfied. In Auckland we have had so much experience of white-pine and the rapidity with which the borer destroys it, that we do not allow it to go into a house at all.

76. There is no doubt in your mind that it was rimu?—I am perfectly certain it was rimu.

77. This is the first instance I have heard of it being attacked. I have seen white-pine consumed and the rimu left untouched, practically, when they were nailed together?—White-pine will go in four years. What I told you was an absolute fact, as also the instance of the church at Cambridge. They were well-made church-seats, but riddled all over with the borer. It is unquestionable that it is subject to the borer here in Auckland.

78. With regard to end shrinkage in timber, do you find much trouble?—We find it in all New Zealand timbers—rimu, kauri, matai, &c.

79. Is it not more in kauri?—Rimu is very nearly as bad.

80. I have never heard it before?—It is so.

81. Does Oregon shrink end on?—No.

82. It is rather curious that our timbers should be an exception?—That is a peculiarity of all New Zealand timbers.

83. Now, with regard to this question about sap rimu, do you make any distinction between sap, or the white portion of the tree that is generally called sap, and what is generally known as O.B. rimu?—The whiter timber is more often heart than sap. The rimu sent here as O.B. is of a very poor quality indeed. It is the outside of the tree, full of splits and shaky stuff. It is most inferior.

84. Where does this stuff come from?—I do not know. I have often had very great doubts about letting it into a building at all.

85. Have you any objection to using what is called rough heart of rimu?—I have no objection to use it where it is not bearing any strain, but where it bears a strain I object to it. It is shaky heart, and there is very little else that it can be used for.

EDWARD BARTLEY sworn and examined. (No. 127.)

Witness: I have been twenty-eight years an architect, and before that a builder for about fifteen years.

On several occasions in our institute the question of the utility and advantages of using Oregon pine have been discussed, and without exception the opinion has been expressed that it would be a great advantage if we could use it for all our wood-frame building in place of either kauri or rimu, in consequence of the two latter timbers' shrinkage endways. As a result we have

had now for many years to abandon the use of plastering in our building. Our ceilings are either wood or pressed steel. As you will notice, in this building all the ceilings are pressed steel, and even for this kind of ceiling they must have Oregon pine battens to fix it to: pressed-steel ceiling fixed on kauri battens are ruined in a few months, and it is so also as regards the walls. In our best wooden villas we have still to use scrim and paper. As a result, in a very short time it is all hanging in bags, more especially on wet days. We all feel, if we use the Oregon pine for the frame, it will revolutionise the whole of our villa-construction by enabling us to plaster our walls and ceiling. Of course, the pressed-steel ceilings are a great improvement on our wooden ceilings, but the time must come when, by the constant use of a few designs, they will become monotonous, and even the very best steel ceiling cannot be compared to a plastered ceiling. We all feel it a disgrace to our profession to think we cannot finish our villas in a better mode than a steel ceiling and a papered wall.

As regards the durability of Oregon pine, I must only mention two cases, although many others are in Auckland. One is in Durham Street West, a store erected fully forty years ago; the floor-joists to-day are in a perfect state of preservation. The other case is a cottage erected forty-six years ago at the North Shore: even the weatherboards are Oregon pine, and quite sound. In 1863, we had Oregon pine brought to Auckland by Henderson and McFarlane, and, although they were millowners, it was used in Mr. Henderson's residence in large quantities, even to all the flooring. This was a brick building, and must have cost between £6,000 and £8,000. In 1884 I also used Oregon pine for the inside main columns of the synagogue: these were in one length from the floor to the roof in front of the gallery. I selected this timber because I knew it would not cast. As far as durability is concerned, we know that the very best of timbers will decay if placed in unfavourable positions. In my experience I have renewed the ground floor and joists of a building in Queen Street three times, although it was all heart of kauri, but in such a position that ventilation was next to impossible, with a result that the timber was destroyed with the "dry-rot," a fungus known as *Merulius lacrymans*. I have known 12 by 3 all-heart-of-kauri joists quite destroyed by this fungus in less than fifteen years. Even the puriri, once considered everlasting for house-blocks, is now seldom used on account of the New Zealand white ant. The totara, a much softer timber, will last much longer than the puriri for either fencing-posts or house-blocks.

As regards the tests given of strength of the various timbers, they do not always give a correct standard, and for many reasons. The samples are invariably stated to be selected, and the pieces of timber will be 1 in. square, and the supports 12 in. apart. Now, the breaking-strength of kauri is given at 662, of rimu at 720, and of Oregon pine at 560. Of the two first I witnessed the tests; the latter is as published. But we do not know under what condition they were made to compare them with the first two. And you will see as regards the first two how unreliable it is when we consider a selected piece of all-heart rimu is used, and when we know the impossibility of getting even a few beams or joists equal to the test piece—at least, it is so with the rimu as supplied by our Auckland timber-merchants: 75 per cent. will have either shakes or gum-streaks, and O.B. timber is nearly all sap. But it is not so with kauri—we can get, at any rate, 90 per cent. of these joists of equal quality as the test sample. Therefore, it is a fallacy to say that rimu is stronger than kauri: in practice, we know it is not. I may say, in passing, that the test you were told of this morning was no test at all, because it is always laid down with regard to testing that if the piece of timber is 1 in. square the bearings must not be more than 12 in. apart; and if they are 2 ft. apart the sample must be 2 by 2: therefore, to take a piece of timber about 4 ft. or more long and 1 in. square, and break it in the way Mr. White described, is not, it is very evident, a reliable test. Then, too, it is no use taking a bit of perfect timber, and saying it will break at a certain strain. As I have already stated, if you go to a beam of rimu you will not find one in fifty that will be of that quality. Of two beams of the same size, I would take kauri in preference to the rimu. In my opinion, it is no use trying to praise up Oregon pine and say that it is equal to kauri in strength. For my own part, I do not think it is equal to kauri. But, of course, we have no standard—at least, I have not seen it—a standard that we can rely on. It is doubtful if Oregon has anything like the strength of kauri, but, at the same time, it is a great advantage in trussing-work to know your timber is not going to shrink endways. I have just completed an arbitration case—a dispute in a building contract. The beams were 50 ft. span, built up with two flitches of 14 by 3 rimu. The trussing was of the cradle design. These beams shrank 1¼ in. in the length, with the result that the beams settled down 7 in. in the centre. This could not have taken place if Oregon pine had been used, because we know that it does not shrink endways. My experience is that rimu and kauri will shrink just about the same. In the case I am speaking of we know for certain that the beams shrank 1¼ in. in the length. They were not in one length; they were pieced. As far as the question of duty, and so on, is concerned, I do not think it is a matter that we as architects should go into. We give you facts, and it is for you to find the remedy.

1. *Mr. Mander.*] With regard to rimu being subject to the worm, you heard what Mr. Mahoney said this morning?—Yes.

2. Has that been your experience?—No, I have not found the worm in the rimu, but you must understand that we have only been using rimu this last few years. I may say that the Bank of New South Wales here was built under my supervision, and rimu was specified for that building in preference to kauri for all the beams and joists; but it was specified that it must come from New Plymouth. None of our rimu went into the building. At that time I suppose we could not have got any rimu to put into it; we were not cutting rimu then.

3. Do you think that the case instanced by Mr. Mahoney was an exceptional case?—Of course, there are so many of these borers. There is a very tiny kauri-borer that has made its appearance within the last few years. The hole is only the size of a pin—not a pin's head—and is very destructive to the heart kauri in our buildings.

4. When the timber gets very old?—No; buildings about twenty years old are infested with it.

5. That is not common, is it?—No; but when once it gets into a building it will go through it

6. Is it not a fact that sometimes chests of drawers are made with rimu on the outside and some kahikatea inside, and the borer gets into the kahikatea and from it into the rimu?—That is disputed—whether the kahikatea-borer will attack any other timber. We consider that it will only attack kahikatea. I have repeatedly seen in a partition that the kahikatea boards would be completely destroyed, and kauri boards alongside would not be touched. I do not know the borer that is attacking the rimu. Speaking about these borers reminds me of a case where, in the basement of a house, two packing-cases had been placed against the studded wall quite apart from each other, and in both instances a borer had appeared in the packing-case and gone into the studs and riddled them. Another case that I know of was in the basement of a house, fully 8 ft. or 9 ft. high; the boys had put up a workshop in one corner out of packing-cases, and in both instances the borer went completely through the building.

7. Of what kind of wood were the packing-cases?—They were English packing-cases.

8. Is it not possible, in the case that Mr. Mahoney referred to, that the borer may have got into that sideboard in the factory, before it went to his house, and not been perceived?—I understood from Mr. Mahoney's evidence that it was a new sideboard.

9. What is your opinion in regard to the utility of rimu timber for building purposes—for framework, &c.?—I feel very strongly that it is time we should give up this abominable scrim-and-paper business in the very best of our houses; and we can never do that unless we get a timber that does not shrink endways. You can quite imagine a ceiling-joist going across a room, say, 16 ft. long. If that joist is going to shrink even ¼ in. on end the ceiling must come down.

10. A shrinkage of ¼ in. would bring the thing down?—It is bound to. It is bound to clip off all the key of the plastering. As a matter of fact, we cannot put up a plastered ceiling in Auckland. But I must qualify that in this way: they are making plaster-work now in sheets, and are screwing it up.

11. Is it asbestos?—No, not asbestos. In that new shop of Stewart Dawson's the whole of the ceiling is made like that, with sheets about 4 ft. square, and screwed up.

12. Does it not seem strange that they have been building with rimu timber in the South for all these years, and there has been no very great inconvenience experienced, as far as we can learn?—Do you know if they plaster their rooms?

13. In many cases. We held our meeting at Greymouth in a building that was plastered. There was certainly a crack where the chimney went, but that was attributed to the foundations not being quite solid, otherwise the building was as good as this one that we are in, all over?—Well, our experience here is as I state. It is only within the last eight or ten years that we have been using rimu; but with kauri we have had to abandon plastered ceilings.

14. For what special purposes do you think it necessary that Oregon should be allowed to come in?—We want it for all these studs and ceiling-joists.

15. The studs for the framework of a building?—Yes. I am specifying it now. I specified it for three or four of my last villas.

16. Do you not think that if it came into competition with our own timber for the framing of buildings in this country, it would be very injurious to the millowners and the working-man?—It cannot possibly affect the kauri, because we are not using the Oregon pine in the same way that we would use the kauri. We have got to fall back on rimu. It will decidedly affect the rimu-millers.

17. Considering that there is a very large area of rimu in the King-country and other parts that must be destroyed by fire if it is not utilised, and the railway freight on it and the labour, and everything else lost, do you not think it is much better for us to utilise our own timber if possible?—Yes, but do you not think it is important that we should be able to improve our building-construction? Do you not think that it matters that we have still got to scrim and paper our villas, some costing £2,000?

18. Would not the use of American timbers in the lath-and-plaster work answer the purpose, without the framing?—No. It is the very frame shrinking that causes the trouble. The frame shrinks—the studs and the ceiling-joists.

19. Would that happen if the timber were reasonably seasoned before being put into the building?—No.

20. If the colonial merchants kept large-enough stocks to insure the seasoning of our own timber, would not that overcome the difficulty?—Our experience is that it is almost impossible to get seasoned stuff. We get it green—absolutely green. It has been a constant source of complaint this last few years.

21. Up to the present we have only heard that it is really necessary to get Oregon pine in for long beams—not for framing at all. We were told it was not being used for framing?—If people still keep on scrimming and papering their walls, the rimu will do just as well as Oregon pine.

22. It is only for expensive buildings that you think Oregon is needed—where plastering is necessary?—Yes; where we want to use plaster we must not use rimu or kauri.

23. I suppose that if Oregon were allowed to come in for those purposes, there would be great difficulty in keeping it from being used for other purposes?—Oh, yes! of course.

24. *Mr. Field.*] You spoke of buildings forty years old?—There is one in Durham Street that is forty years old; the one at Devonport is forty-six.

25. What kind of Oregon is the one in Durham Street built of—just similar to that which comes here now?—Yes, just the same. The cellars are about 7 ft. high; you can handle the joists there.

26. What part of this particular building is built of Oregon?—We know that the joists are. It is a brick building.

27. The joists are absolutely protected from wet, of course?—Yes. They are in the basement, but they will be 6 ft. away from the ground.

28. Are the ends in contact with brick?—Yes, built in the brickwork.

29. Are you aware that we understand that Oregon will not stand in contact with brick? After a few years it has been taken down?—No, I have not heard that.

30. Did I understand you to say that rimu will stand a higher strain than kauri?—In the test that I witnessed it stood a greater breaking-strain than kauri, but that was because it was always selected pieces of timber.

31. According to the evidence of, I think, Mr. Mahoney, the opposite was the result in the case he mentioned?—Yes.

32. Showing that these tests do not seem to be very reliable?—No, they are not.

33. With regard to shrinkage lengthways: have you been in Wellington and seen the buildings in that district, many of which are finished with rimu?—I have been in Wellington several times.

34. Have you not seen there that the joists do not open?—If you get seasoned timber, of course, it will stand all right. There is no doublt about that.

35. The whole question is one of seasoning, then?—Yes, undoubtedly, one of seasoning.

36. If you could get our timber seasoned you could use it for ceiling-joists?—Yes, if it were twelve months old after it was cut we could use it—for framework, not joiner's work.

37. With regard to the sideboard that Mr. Mahoney mentioned, do you know of any similar case to this remarkable one?—I know that a friend of mine bought a piano, and when he had had it in the house only a few months they began to find a grub in the furniture in the same room; and when they examined the piano they found that the grub had evidently been brought into the house by means of this piano, and it was at once carted away. The piano turned out to be completely riddled in parts. I attribute that to the same kind of thing.

38. *Mr. Leyland.*] You have told us about a building in Durham Street: perhaps you will be interested to know we were shown an Oregon beam in Dunedin that has been in use as a bressummer for over forty-four years, and which, when exposed in the course of some alterations, was found to be perfectly sound; and so far as my experience goes I have not been shown any Oregon that has decayed under similar conditions and tests?—I only gave you the case I knew myself. It was only last week a builder told me that some time ago he had to take down buildings in San Francisco for street-widening purposes, and in every case these Oregon bressummers were perfectly sound. They had been erected thirty-five years.

39. You know that as a rule joists vary in length, and to supply seasoned rimu joists would it not mean keeping an enormous quantity of timber in stock?—I quite agree it would be almost impossible to get on with a building. You would have to wait ten months to season the framework.

40. Would you, as an architect, and representing your customers, like to see an extra duty put on Oregon?—We are anxious to have the Oregon here to use it, especially if we have to go in for anything like trussing. What is the use of a timber if it is shrinking endways from us every day?

41. Do you think the present duty of 2s. on it is quite sufficient?—I think so.

42. *Mr. Clarke.*] With regard to the question of doing away with long beams in Oregon and using local timbers in flitches, as has been suggested, do you think that would be practicable and good construction in many instances?—Well, in the case I mentioned in which I was arbitrator they could not get the beams in rimu, and the only chance they had was to get as long as they could and build them up, and then put flitches of iron in the middle to bolt them together, but that did not help it.

43. That would simply add more weight to the truss?—Yes. I will admit the truss was not the very best of design.

44. We have been informed that in Invercargill the practice is, as soon as a contract is obtained, to order the joists forthwith; that the order is then passed on to the sawmiller, who cuts as quickly as he can in rimu, and sends it to the building: do you think it would be at all in the interests of good building and good construction if we should adopt that system here?—There is not the slightest doubt it would tend to prolong a building. Instead of us giving four months to build we should have to give double that time.

45. That would mean a loss of time in the building and a consequent loss of interest on the value of the money expended in that building?—It would mean extra cost undoubtedly.

46. If, to obviate that, it was decided that the joists and other timbers were to be seasoned, would that not also add to the cost of these joists owing to storage and the interest on the value of the joists during that time?—Yes, it would all tend to increase the cost.

47. Seeing that a good substitute for kauri, and a timber which is held by many to be superior to rimu, is found in Oregon, is it not good business to import Oregon for scantling and purposes of that kind?—Unless we have to fall back on rimu. We know very well that the day of kauri is rapidly going, and it means we shall have to use rimu and nothing else if we cannot get Oregon pine.

48. You have heard it stated in evidence that there is an unlimited market for kauri, say, in Australia for about 19s. If we send a hundred feet to Melbourne and get 19s. for it, and we buy a hundred feet of Oregon on the Auckland wharf for 12s., are we not gaining money by the process?—Who gets the money?

49. The difference in the value remains in the Dominion?—I do not know that it does, because I understand that the Kauri Timber Company is owned by capitalists on "the other side."

50. With regard to the value of rimu in plaster-work, do you think it is advisable to use rimu studs in plaster-work inside?—I undoubtedly prefer Oregon. Perhaps I have a fad that way, but there is no mistake about it.

51. *Mr. Morris.*] I think you told us that the tests you gave us were the average of about fifty?—Yes.

52. Do you think that would be a fair test to apply in regard to the strength of rimu, against which you seem to be prejudiced?—I say it was a fair test. But what I say is this: they were all selected pieces of timber. Now, you get a piece of rimu all heart like that and say that test is to be the standard for a beam 20 ft. long, 18 by 9. Why, three parts of it will be flaws. But you can go to our kauri and get a piece like that and know that it is perfect. You will get the kauri beam without a flaw, crack, or knot. I say the two standards are unfair. It is raising up rimu above kauri when we know by experience that it is not so.

53. Is it impossible to get timber such as you have quoted out of average-sized rimu-trees?—We cannot get them here. You might have them down South.

54. Did you experience much difficulty in carrying out your building operations previous to 1907–8?—I do not know that we have any difficulty in carrying out our building operations at all. I have never said so.

55. The total amount of Oregon imported here that year is only 5,587 ft.?—Yes.

56. I want to know how you managed to get on without it?—I have never said we had not plenty of timber.

57. I understood you could not get on without it?—We can do without it, but I say we can do a great deal better with it.

58. Last year you got here 5,932,767 ft. of Oregon; so it is evident you must have fallen in love with it very quickly?—Bless you, I used it years ago. I used it as far back as 1863.

59. But you have been all this time trading and working amongst kauri?—Yes, 90 per cent.

60. And you think there is no other substitute in the colony for kauri, and that you must import Oregon to take its place?—Unless we use rimu. I presume you are talking about rimu.

61. I am talking about the fact that we have plenty of timber in the colony without importing it?—We have not in Auckland.

62. We are told that owing to the difficulty in getting rimu for joists and that sort of thing—12 by 2 and 12 by 3—you prefer to use Oregon instead; but has not this Oregon timber to be purchased and kept in stock by the merchant here?—Yes.

63. Why should he not, in the name of common-sense, stock rimu just the same?—That is what we should like to know.

64. If the merchant kept rimu there would be no difficulty in getting it?—If he kept dry rimu.

65. I think he ought to be able to buy rimu for 11s. and 11s. 6d., which is on the same basis as he gets Oregon alongside the wharf, and if so there must be a bigger gain to the country by buying rimu than by buying Oregon?—Who is gaining?

66. The timber-merchants?—We have none in Auckland.

67. What do you call them?—Sawmillers.

68. Is it not a distinction without a difference?—No. A timber-merchant is always understood to be one who buys a quantity of timber to sell again. We have nothing of that in Auckland. The sawmiller cuts the timber and sells it direct to the builder.

69. *Mr. Barber.*] Have you used within recent years long beams of kauri for joists and that sort of thing?—A few years ago we would never hesitate for a moment in ordering 50 ft. good beams. I know it is difficult to get them out of the bush now.

70. What kind of joists do you put in some of the big new brick buildings?—The greater part are 12 by 2½, and they will be about 24 ft. long. There is no difficulty in getting them now.

71. Do you use many of these now?—Yes.

72. Do you think it is extravagant to use kauri for that kind of work when there is a shortage of kauri? Do you not think that timber could be placed to better advantage?—But it appears to me if we did not use kauri at all it would go out of the place.

73. Were you here this morning when Mr. White gave his evidence? He seemed to lead one to believe that an order from Stewart and Co., of Wellington, which included 12-by1's was a difficult order to comply with?—I have just been using them in a building now, and I have had no difficulty about them.

74. *Mr. Hanan.*] Do you consider that the price of timber when sold by the miller to the consumer is too high?—At the present time I do not think it is. It has risen, say, 4s. to 5s. per hundred this side of eight or ten years, and I can quite understand it is costing the millers a great deal more to produce it now than it did ten years ago. They have to go further back, and they have to pay more for the timber and more in wages.

75. As to the price of timber when sold by the miller to the middleman?—We have no experience of that here.

76. Has there been a falling-off in the building trade in the last eighteen months in Auckland?—Yes, considerable.

77. To what do you attribute this falling-off?—The tightness of the money-markets.

78. I suppose you have a lot to do in your business with the erection of houses for the wage-earners of Auckland?—No; that sort of house would be built without an architect.

79. Can you express any opinion as to whether the price of timber and the cost of building homes for the wage-earning classes in Auckland is within their reach or beyond it?—Most certainly it is within their reach. I can give you one reason why it must be within their reach. We have a population of 80,000 in Auckland and suburbs, and the returns of the Auckland Savings-bank show that last year there were 39,000 depositors, with £1,110,000 to their credit.

80. May not the reason why all this money is in the savings-bank be that the cost of timber is unreasonably high and the cost of building is unreasonably high?—We have had no land boom in Auckland to any extent.

81. If timber was cheaper and the cost of building was lower, would that lead to increased building by the working-classes?—Most certainly it would, but I do not think that our working-classes are poverty-stricken.

82. *Hon. the Chairman.*] In referring to the necessity for Oregon you stated that it was nonsense to expect that we could go on papering, and that it was necessary in a building of £2,000 to plaster. Do you not think that a man who can put £2,000 into a building could afford to pay even a duty on Oregon?—Certainly. That is the reason I have refrained from going into the question of duty at all. If we wanted the material, the price of the Oregon would not stop us for plastering purposes if we wanted a good job.

83. I thought Mr. Clarke did not put the case to you fairly with regard to that chimney. My recollection is that the brickwork that was in there was fair in the middle and near the centre?—If that is a mass of brickwork, then I say that the brickwork must have split. Do you know whether that chimney was boxed in?

Hon. the Chairman: There was nothing to show. On the walls where there was no chimney there was no crack, as far as I remember.

84. *Mr. Mander.*] Have you ever known of a crack in buildings plastered with Oregon?—I do not know that I have used it in any case for plastering. If the chimney is standing in the middle of the house, and the building is rising through the swelling of the clay, then it must crack.

ALFRED MCKENZIE, Foreman of Works, Harbour Board, Auckland, sworn and examined. (No. 128.)

1. *Hon. the Chairman.*] Can you give the Commission any information concerning the timber you are using in the harbour-works?—During the last twenty years I have been using Oregon off and on, but not for wharf-building. At present I am using a good deal of Oregon in punt-building for the Harbour Board. I have also used kauri. I have been nineteen months with the Auckland Harbour Board.

2. *Mr. Mander.*] Would you not find totara as good for building punts as Oregon?—It is more durable in the water, but it is too short in the grain for our work.

3. Do you find Oregon stand the water fairly well?—Not any better than kauri. We sheathe with totara.

4. Have you any experience of the durability of Oregon in wharf-building?—I have never used it in wharf-building.

5. Do you use it for anything else beside punt-building?—Only in small sheds.

6. Have you any experience of the durability of it in small sheds?—Yes, after twenty years it is as good as ever. It is as good as kauri for that sort of work. I have had no experience of rimu.

7. *Mr. Stallworthy.*] How long is the Oregon for punts?—Forty feet, and the price is 14s.

8. *Mr. Leyland.*] Have you had much experience in connection with Oregon?—Yes, a good deal.

9. Have you required long lengths, such as spars?—We use Oregon for masts and for derrick-booms.

10. You find these 40 ft. lengths suitable for punt purposes?—They are used for the whole length of the punt, and they have not to be butted.

11. You got them for 14s. when you ordered over 20,000 ft.?—Yes.

12. We had not to manipulate them?—There was about fifteen or twenty thousand feet on the job about five days after it was ordered.

13. Could you under any possible circumstances have made O.B. rimu—not heart rimu—do for this purpose for which you are using Oregon?—No, I could not. It is not suitable timber. It is not free from shakes. There is a lot more dead-weight in the buoyancy of a punt if constructed of rimu.

14. We paid 7s. 6d. for this timber in the ship's slings, and it costs us 3s. 6d. to 4s. to get it into our yard, so do you not think the price is reasonable?—It is a very reasonable price. We paid more than that in Sydney for it.

15. You said you were supervising the punts that you were having built of kauri?—No, that is not my business.

16. Do you know whether the contractor has had any difficulty in getting the timber he required?—He told me he had been stuck up for timber, and that was three or four days after he started.

17. *Mr. Barber.*] If you built these punts of kauri instead of Oregon, for which you are paying 14s. per hundred feet, what will be the price of the kauri?—£1 0s. 6d.

18. So that the local authority is saving 6s. 6d. on every hundred feet?—Practically.

THEODORE BERNARD JACOBSEN, Architect, Auckland, sworn and examined. (No. 129.)

Witness: I am an architect in Auckland, and my people came to New Zealand in 1842. When I left school I learnt the trade of a carpenter and joiner before I was allowed to study my profession. My father was of opinion that an architect was handicapped unless he was practically acquainted with building-construction. While learning the trade I served every night in my father's study. I served five years afterwards in my father's office, and I have been thirty years on my own account. I feel therefore, as an architect, that I am in a position to speak of New

Zealand timbers. In 1842 my father, who was an architect and engineer, erected a building in Nelson of rimu. Three years ago I went to see my mother, and when there my father called my attention to a house. He said, "I erected that in 1842. See how sound it is. Go and see for yourself." I went over and asked permission to look at the building. The lady said, "I have been in this house fifty years." On examination I found that the building was erected of rimu, and was as sound as a bell. My father also erected the Nelson College in 1855, and it was destroyed by fire about three years ago. It was built of rimu and white-pine. Timber should be cut in the summer, and not in the winter, when the sap is up. If you put an auger-hole into matai in the summer-time you will find that the sap is not in the barrel, but is feeding the limbs and foliage. Matai is the most durable timber, and rimu comes second. My father had a vessel built in 1842 of pukatea timber. It is a very stubborn grain of timber, and it was used for making butter-barrels and boat-building, because it was free from taint and of great stubbornness, &c. It is a very valuable timber. When I came up to Auckland ten years ago, I made inquiries concerning their timber resources, and they told me they relied upon kauri. It fills me with great pain to find gentlemen coming here advocating the use of foreign timbers. I think that we should look after our own interests, even although the merchant might make a little more out of Oregon. I do not think that men who spend their money in erecting mills in this country and employing thousands of hands should be discouraged through one or two agents, and I also consider it unfair for any one interested in Oregon as Mr. Leyland is to adjudicate in the inquiry. It is not patriotic on the part of gentlemen who have made their money out of New Zealand timbers to now come before the Commission and urge and advocate the free importation of Oregon. I have always held the principle that we should guard the interests of our fellow-citizens, and advocate what is good for them in general. I consider this a very serious investigation, and I hope the Commission will succeed in its labours. I do not agree that there should be a ring. I object to rings. We should see that the men who fell the timber are properly paid, and also that the millowners receive a fair return. Kauri, in my opinion, is not the best of New Zealand timber. The only redeeming feature about kauri is that it is easily worked. The best New Zealand timbers are matai first and rimu second, in my opinion. They stand well. I have known of kauri not more than seventeen years old, 9 by 5, which you could crush in your fingers (Sailors' Home, Auckland). Of course, I am aware that all timbers, when exposed to air and damp, will decay. Timber will not rot when the air cannot get at it. I was prejudiced against Oregon when I was twenty-five years of age, in consequence of a building I saw in Christchurch—the D.I.C. building in Cashel Street. Mr. C. C. Cuff was the architect, and it was erected for Mr. Hallenstein, and you will find the manager there still. Mr. Brown will give you all particulars *re* Oregon used in the building. The joists and beams were of Oregon, which in five years afterwards was completely rotten. It cost the company from £2,000 to £3,000 to replace this timber. When I came up here to Auckland I was the first to advocate rimu, and rimu as a building-timber cannot be surpassed. As regards wind and weather, as I have already said, all timbers will give way. I notice, too, that we import foreign timber for wheels, which is a great shame: rata and totara should be used. What I have seen of Oregon would lead me to believe that it is good enough for rough lining and inside studs. Even if we should sacrifice 2s. a hundred by way of royalty it would be better to do so than allow foreign timbers to come in. We should keep our money here, and should find employment for thousands. The life of Oregon is twenty-five years; it has no solidity, and it has too many knots. Solidity goes towards durability. I have worked timbers myself as a boy. I have won more competitions than any other architect in New Zealand, and, I think, carried out more buildings in construction.

WILLIAM ALFRED HOLMAN, Architect, Auckland, sworn and examined. (No. 130.)

1. *Hon. the Chairman.*] Do you wish to make a statement?—No, sir; if you put questions to me I think that is all that will be necessary.

2. *Mr. Stallworthy.*] It has been stated that architects are responsible in a great measure for the use of Oregon—that the builders have to use it because architects will specify it: is that so?—I suppose that is so. If it were not specified it would not be used. In a measure we are responsible for it.

3. Do you know of any inducement being held out to architects to specify Oregon by those who hold Oregon stocks, or anything of that sort?—No, I do not.

4. Architects are not tempted?—No. I have never been asked to specify Oregon.

5. If the architects specify Oregon it is simply because they believe that is the best timber for the purpose?—Yes.

6. *Mr. Leyland.*] Do you hold the opinion that it is wrong to bring in Oregon?—No.

7. You hold the opinion that for certain purposes it is specially adapted?—Yes. It is by the judicious use of different timbers that you can produce a better job. For instance, you would not use Oregon throughout, but you would place it where it was best suited; and the same with kauri.

8. If an architect has no interest in the timber business and has made a special study of the right use of timber, do you not think he has a right to use Oregon if he thinks fit?—Decidedly.

9. A small mission church is being built in Ponsonby, and I notice that it is all Oregon. If that timber had not been Oregon, is it possible it might have been ordinary building-rimu?—No, I am quite sure it would not have been. It would have been kauri.

10. Do you think that the Oregon pine is making up for the shortage of kauri chiefly, or is it replacing much rimu, seeing that it costs more than rimu?—I think it helps to make up for the shortage of kauri a great deal. We use it for joisting, framing, and roofing timbers, especially in large brick buildings.

11. Where it is specially adaptable it replaces kauri?—Yes; and we use it for studding where you require lath-and-plaster partitions.

12. *Mr. Clarke.*] Do you think the introduction of Oregon pine has helped in the matter of supplies and has met the difficulty in getting full supplies of timber at short notice?—Yes, it has undoubtedly helped.

13. Do you not consider that for plastered work in a building it is specially beneficial to use Oregon?—Yes, decidedly. It is preferable to either kauri or rimu for that.

14. You are aware that our kauri-supplies are diminishing and that they will not last very much longer?—Yes.

15. Do you not think it is a good business policy to eke out our supply by the introduction of another timber which is equally suitable for rough purposes?—Yes, I do.

16. And do you not think it is good business to substitute Oregon for kauri in heavy joisting, when the same kauri timber could be cut up and used for joinery and thus put to better use?—Yes; that is what I am doing myself. I am specifying Oregon for joisting where kauri would otherwise have been used.

17. Therefore you are liberating that much kauri for use for a purpose for which it is eminently suitable?—Yes.

18. Do you not think that the present duty on Oregon—about 25 per cent.—is a sufficient tax on the raw material—*i.e.*, 2s. per hundred feet?—It seems to me to be plenty. I do not profess to know much about that part of the matter.

19. You are aware that the price of timber has risen considerably within the last ten years, are you not?—Yes.

20. Do you think that has had anything to do with the shortening of building operations?—No; but, in reference to the smaller class of buildings, it may have affected these.

21. You think it is more a question of ways and means, with respect to the money-market?—Oh, yes! that is undoubtedly the cause—the tightness of money.

22. *Mr. Morris.*] Do you not consider it would be good business on the part of the people of New Zealand to use our own supplies of timber for our building-work, instead of sending the money to a foreign country and buying supplies from them, when there is no need for it?—So far as the timber is suitable, certainly.

23. Seeing that we have within get-at-able distance of Auckland a couple of thousand million feet of native timbers that are probably as good for building purposes as the Oregon timber, do you think there is any necessity at the present time to import it?—I think the Oregon for certain purposes is preferable to kauri and rimu, and, of course, we like to give our clients the very best results obtainable.

24. Did you find any difficulty in supplying your requirements here with the limited amount of Oregon that was brought in, for instance, in the year 1907?—Oh, yes! You could not get very much Oregon then; there was very little here.

25. Did that hamper your business in any way?—I could not say it hampered it, but it would have been a great deal better if we could have had the Oregon. There were often delays in getting the kauri—great delays. If you wanted long stuff you had to wait months for it.

26. If the kauri had been kept in stock in the same manner as Oregon, there would not have been any delay in getting it into use, would there?—I suppose not; but, then, it was not.

27. Have you any particular objection to using rimu for building purposes?—No, not for certain purposes, but I would not use it throughout. I would prefer to use other timbers for some purposes. I would use ordinary building-rimu in an ordinary dwellinghouse for the framework in the ordinary way. The first-class rimu, if you can get it seasoned, makes very nice moulding, and we usually use it for that where we want to show the timber. I think there is room for all the timbers—rimu, and Oregon, and kauri.

28. Do you think that the architects in Wellington and Christchurch, who have put rimu joists up to 40 ft. long and over in very large buildings, made a mistake in putting that timber in—that they should have got Oregon or kauri?—No, I would not say that. It is generally understood that the rimu timber in the South is far better than it is in the North.

29. Is that your objection, then, to the use of it here—that the timber itself is not very good?—It is not so good as it is in the South Island. That is generally understood. I would not say that the architects there have made a mistake in using it. Probably they could not get anything else—they had no choice.

30. We have just had a gentleman telling us that a house built of rimu in 1842 is still in a good state of preservation?—I have seen kahikatea shingles last for fifteen years, but it is the exception and not the rule. That particular stuff was cut off dry ground, and was picked.

31. I want to get from you an expression of opinion as to whether it is not a good business proposition to keep the money for timber in our own country and employ our own men in producing the timber?—I understand what you want, but I think there is room for all the timber, all the same.

32. At the present time half the mills are not anything like being employed?—There just happens to be a slackness now. If things had continued to go on as they were going when heart Oregon was first brought into the market it would have taken us all our time to get supplied quickly. We could not possibly get seasoned rimu, and in a wet state rimu is not fit to use.

33. Is not that another argument why the builders should stock it, as they do Oregon, in large quantities, and so be able to supply their customers?—They have not had time to stock it. The orders have come in so quickly that it has taken them all their time to cut it and supply it. I know that orders have been given for dry stuff which could not be supplied. On one occasion I went to Hamilton, to Ellis and Burnand's yard, when we were building a dwellinghouse. I went through the yard and had a talk with either the yard foreman or one of the principals—I do not,

remember which—and he said, "It is of no use; we cannot give you the stuff. The trees are standing in the bush which your order will have to come out of." I asked, "What about this lot in the yard here?" and he replied, "That is seasoned stuff; we want that for joinery." That was a little over a year ago.

34. You will recognise that this is due to the fact that the merchant does not wish, if he can help it, to carry a large stock of timber, which would involve a large outlay of money?—Of course, if they did carry a large stock it would be a great deal better for those building; but that seems to have been the difficulty—they do not seem to have been able to get it quickly enough.

35. *Mr. Barber.*] Do you find any difficulty in getting your requirements in kauri now?—No.

36. They are able to supply everything you want?—Yes, what we order.

37. So there is no shortage of kauri?—No. There might be for long lengths. I will not say we have not had to wait. We very often have to wait, but we get it in the end.

38. Is the difficulty becoming greater?—Yes, it is, decidedly.

39. You think that the longer we go on without a substitute the greater the difficulty will be?—Yes, it is bound to increase. Another thing: the kauri timber is running out; there is no doubt about it. You get timber now that will not last like it did years ago, because it is out of young trees.

ARTHUR GRAYSON, President of the Auckland Builders' Association, sworn and examined. (No. 131.)

1. *Hon. the Chairman.*] Can you give us any information with regard to the matters that we are inquiring into?—I have no statement to make, but I will answer any questions that are put to me.

2. What class of buildings do you put up—large and small?—All kinds.

3. Have you any difficulty in getting the timber you require?—Not just now. Twelve months ago we had great difficulty. There has been a decided slackening in the trade, and consequently the supply has caught up to the demand. For some years prior to that it was very difficult.

4. To get the class you required?—Any class of timber, rimu particularly.

5. Do you deal largely in rimu?—Latterly we have used a good deal of rimu in dwelling houses, more particularly for the framework and ornamental portions of it.

6. Not for weatherboards?—No.

7. *Mr. Clarke.*] You are President of the Builders' Association?—Yes.

8. If it were suggested that by any means the Builders' Association is in collusion with the sawmillers or with any other body of men to obtain undue prices for work, would you say there was any truth in the suggestion?—None whatever.

9. The purpose of the association is simply to deal with the conditions of the trade, then?—Yes, the condition of the trade; Arbitration Court matters principally, I think. We have no benefits or penalties; we are not a close corporation in any way.

10. Is it not a fact that the Builders' Association is on good terms with the sawmillers, and that there is no antagonism between the two bodies?—There is none that I am aware of. I have dealt with the firms here for a number of years, and have never heard of any difficulty.

11. With regard to the cost of building now as compared with the cost of building ten years ago, we had evidence from Mr. Jenkin, one of the members of the Builders' Association. I should like to quote the increases in price that he has given, and see if they agree in the main with yours?—I have a lot of invoices here, which I will hand in. [Produced.]

12. Do you remember what the price of first-class kauri was ten years ago?—Fourteen shillings a hundred.

13. And it is now?—£1.

14. What was rough heart ten years ago?—Twelve shillings. It is now 17s. 6d.

15. Second-class was about 8s. 6d.?—Medium was 10s. 6d. Now it is 17s. That is the biggest rise—6s. 6d. a hundred feet.

16. Half-inch rough lining?—It was 6s. 6d., and now it is 9s.

17. How much was first-class tongued and grooved at that time?—It has risen 6s. a hundred, and medium has risen 7s. The same thing applies to the rough timber—it has risen just in proportion.

18. Have mouldings risen in the same proportion?—Rather more.

19. And manufactured work, such as is made in the factories?—A particular door cost 14s. ten years ago, and now it is £1 3s. 3d., a rise of 9s. 3d.; and another door which cost 10s. 6d. is now 19s., with a lower discount now than we got then.

20. Striking an average, as was done by Mr. Jenkin, to say that the rise in about ten years has been 6s. a hundred feet would be about correct, would it not?—Yes, that is about the average.

21. Do you think the rise in the price of timber has in any way impeded the progress of the building trade?—Undoubtedly. To my knowledge it has.

22. Do you think that if we could get a suitable timber to fill the gap caused by the shortage of kauri, at a reasonably cheap rate, it would be an advantage to the consumers of timber in this Dominion?—Yes, I do, to the working-class more particularly. People now are trying to build a house, and find that they cannot, because it costs too much money, timber being the chief factor.

23. Did you hear it stated by the official who is classed as a Timber Expert that the timber in this province will be worked out as a milling product in about thirty-two years?—No, I did not hear that.

24. Assuming that to be correct, would you not consider that, from a builder's point of view, the outlook is rather serious with regard to future supplies?—Yes, it is. They tell us the price is inclined to go up rather than come down, on account of the shortness in the supply.

25. Is it not certain that it must rise, in view of the short duration of our present supply?—Yes.

26. Do you think it good policy that the building trade and the consumers of timber should have to depend altogether upon foreign sources of supply?—No, it is far better to have our own timbers if possible.

27. Will you give us your opinion as to what would be the effect on the building trade, supposing we were depending on foreign supplies—say, from America—in the event of war where our supplies are being carried from?—We need not wait for a war. We saw only recently in the wheat trade where supplies were being cornered in time of peace.

28. Do you not think it is a matter, not of opinion, but of absolute necessity that the Government should take immediate steps to introduce some scientific and practical scheme of tree-planting?—Decidedly.

29. *Mr. Stallworthy.*] You say it is easy for Americans to corner timber, and we have it locally stated there is a ring in this city. Is that your opinion?—Yes, it is a combine amongst themselves. They may not call it a ring.

30. But when we refer to a ring we refer mostly to a combination to keep up prices: is that your opinion?—They fix the prices amongst themselves, and there is no departing from it. There is no competition as amongst builders.

31. In spite of there being some millers outside the association, do you say there is practically no competition?—Practically so.

32. I presume, as a builder, you try to get your timber outside the association?—Yes.

33. Have you found it difficult to do so?—Yes, we have to fall back on the old firms every time.

34. In addition to the rise in the price of timber in the last few years, has there been any difference in the quality and classing?—Yes, the prices have gone up and the quality has gone down. Undoubtedly the classification is not what it used to be.

35. Has the rise in the price of timber had a dulling effect on the building industry?—Yes.

36. When were your busiest years?—I cannot say exactly. Builders have had a very good run of business for the last five or six years.

37. Have not recent years been much more busy than ten years ago, owing to advances to workers, and so on?—Yes, far more work was offering in the last ten years than in the previous ten years, speaking from memory.

38. Have you formed any estimate as to the number of buildings going up in this city in a year?—I could not say.

39. If I said that a thousand were going up in Auckland and suburbs, would that be near it?—I think that would be rather under the mark.

40. We have been told that builders, in going to timber-merchants for supplies, often state that they can get their supplies cheaper from other persons: do you think it is a fact that builders play this game upon timber-merchants?—My method is to ask a firm for a quote, and then I go to the next one, and if their quote is anything at all lower than the first it is their order.

41. You say you go from one to the other for quotes?—Not now, because they all sell at the same price.

42. How long since?—For a number of years past: ever since the Sawmillers' Association came into vogue.

43. Can you get any different discount?—Not that I am aware of.

44. *Mr. Field.*] Have you any objection to this so-called combination?—No.

45. If you were a timber-merchant or sawmiller, would you be inclined to do the same thing?—Yes, I would like builders to do the same thing.

46. You say prices have increased a good deal in the last few years, speaking particularly of kauri?—Well, rimu has gone up just the same. As sure as kauri went up rimu went up in proportion.

47. But you have only been using rimu here for a year or two?—Not very long. Rimu has only come in since medium kauri has been difficult to procure.

48. Do you suggest that anybody is getting undue profits?—The balance-sheets will tell that better than I can.

49. You are not prepared to say so of your own knowledge?—No.

50. Have you gone into the question of the cost of production: have you worked it out?—I have often heard it discussed, but I never gave it much thought. I know shares have been going up on the exchange, and that is a very good sign.

51. You have heard of the evidence given here as to the profits which timber-millers have been making?—No.

52. What are you paying for ordinary building-timber?—For first-class, £1 in the rough; for rough heart, 17s. 6d.; for medium, 17s.; and for second-class, 12s.

53. What do you use most of in building a workman's cottage—two-thirds medium kauri at 17s. 6d.?—Latterly we have had to drop that altogether because it is not procurable, and use rimu and Oregon.

54. We understand that the price of Oregon is in excess of the price of ordinary building-timber?—Not of medium kauri, but of O.B. rimu.

55. If you could get a better class of rimu could you not build as good a house as you could of Oregon pine?—It costs more to work it in the first place. A better class of rimu means a harder rimu, and it costs more in labour.

56. You have heard something of the complaints of the millers further south, and you know of the large increase there has been in the importation of Oregon since 1908, amounting for the whole colony to something like twenty-two million feet in sixteen months: I suppose you can readily understand the effect of this on the milling trade where this Oregon is competing with O.B. rimu?—Yes.

57. And as we have down there apparently a class of rimu thoroughly fitted for ordinary building purposes, do you not think it is a pity we should allow this competition?—No; it is a pity they do not start a trade in Auckland and sell it cheaper, and then we should not have to import and buy Oregon. If you send your stuff here and it is good, the people will buy it.

58. Do you not know that the prices in Wellington are very much below profit-earning?—That might be recently, but there is no guarantee they will not go back in twelve months time.

59. There is no guarantee that the importation of Oregon will not continue as in the past?—No. So long as there is a demand it will be imported.

60. *Mr. Leyland.*] Not all the builders in Auckland are members of your association?—No. We have about seventy-five members, and there are somewhere about three hundred builders.

61. Some of the leading builders are in the association, and the others are not?—Quite so.

62. But still the impression is abroad that the Builders' Association is a ring, although, of course, we krow that is perfectly absurb. But do you not think people may be equally mistaken about the timber ring?—Well, the results are so different.

63. I have got a list of the millers who are not members of the association?—That may be.

64. No possible coercion could be brought on these people to fix their prices. For instance, Mander and Bradley and Mitchelson are supplying Auckland with timber, and we cannot bring any pressure to bear on them?—If we go to Whangarei or to the Wairoa for it we can buy it cheaper except for the freight.

65. Then, the cost of production applies all the time?—That is so.

66. There are plenty of people not in the association who are also making joinery?—Very few who are anything of note are not members of the association.

67. Mr. Milroy gave us the figures from the books of the Kauri Timber Company, who get their logs cheaper probably than other millers, to show the rise in the cost of production in recent years. Do you not think that the increased cost of production is the cause of the rapidly increasing rise in the price of timbers?—That is a very considerable factor towards it.

68. You said the balance-sheets show?—Yes.

69. The Kauri Timber Company balance-sheet shows that since they started in business they have only averaged 2 per cent.: do you think that is enough?—No.

70. As an investor would you like to only average that?—I should be very sorry.

71. Mr. Mitchelson said that for five years they had not made any profit, and that last year they lost £5,000, but that this year they had been more fortunate and had made 9½ per cent., but that did not include any amount for depreciation. Do you not think that timber is sold fine enough?—They are not cutting for the local trade.

72. The reason is that they are getting a better price by sending it away?—That might be.

73. Leyland and O'Brien supply the local trade, and they have sold timber cheaper than they could have got for it if they had branched into the export trade. Do you think they ought to be penalised for that?—No.

74. Do you think a special law should be passed because our balance-sheet is better than others because we did a big turnover on a smaller capital?—No. I can quite see the position from your point of view, and I would do the same thing if I was a miller.

75. There cannot possibly be any ring about the purchase of Oregon?—No.

76. Some builders have brought it here?—Yes.

77. And anybody who can pay for it can buy it?—Yes.

78. *Mr. Mander.*] Do you not think the increased cost of production justifies an increased charge on an article produced?—Certainly.

79. In your experience, has the introduction of Oregon into this country reduced the cost of material for a workman's cottage?—No.

80. Do you think it is likely to do so in the future?—Not if rimu is cheaper, but up till quite recently it was not a question of price: we could not buy the timber.

81. But now there are so many mills in competition with one another in the King-country and you can deal direct with them if you think fit, do you not think you will be able to get supplies in the future and at a reasonable price?—I know a man in the joinery trade who has just been up to the King-country mills trying to get heart rimu, and they would not take an order.

82. But would they not have taken his order if he had given them an order for a reasonable proportion of other classes in connection with the first-class rimu?—I cannot say. He wanted heart rimu.

83. Is it your opinion that we should protect to a reasonable extent those commodities we can produce, and let in commodities which we require and cannot produce?—To a reasonable extent.

84. Do you not think it would remove the difficulty if Oregon were allowed to come in for long beams that our timbers cannot be used for?—I prefer to let it come in as now, or even at less duty than now.

85. I suppose you prefer to use Oregon to rimu?—It makes a better job, and is easier to work.

WELLINGTON, THURSDAY, 20TH MAY, 1909.

CLEM KNIGHT, sworn and examined. (No. 132.)

1. *Hon. the Chairman.*] What are you?—I am a timber-worker at Dannevirke.

2. Can you make a statement with regard to the operations of the timber industry in your district?—I have a written statement here, drawn up at a public meeting of timber-workers held at Dannevirke. It is as follows:—

The timber-workers and mill employees of the Hawke's Bay District held a meeting at the Club Hotel, Dannevirke, when it was proposed by Mr. H. Irvin, and seconded by Mr. Tapp, That Mr. Clem Knight represent the timber-workers at the Commission to be held in Wellington. The resolution was carried unanimously.

As delegate for the workers, I was asked to have the duty on Oregon pine advanced considerably or the importation stopped altogether, as through the importation of this timber the following mills have been closed in our district: Tiratu Sawmill Company (3), Union Timber Company (1), Bartholomew's (1), Holt's (2), Manson and Co. (2), Carlson's (1), Hawke's Bay Timber Company (2), Morrison's (1), Fairburn's Timber Company (2)—making a total of 15 mills that have had to close down, employing each twenty hands, at an average wage of 10s. per day: total, £3,600 per month. Besides this, many other mills are working short-handed, and will close down unless something is done.

The freight on Oregon from Vancouver, 7,000 miles, is 2s. 7½d. per hundred feet, whereas the freight from Dannevirke to Wellington, 133 miles, is 3s. 2d. per hundred, and every hundred feet of Oregon imported means at least 4s. 6d. less wages for us workers.

Of the hundreds of men in our district thrown out of employment through the Oregon many are still out, while others are forced to take casual work at any odd jobs, which means that they are earning about £1 10s. per week instead of £3 per week, which is little enough these times for a man with a wife and family. Two of the workers whom I represent stated at the meeting that while working for the millers they averaged £11 per month, and now, working on the Piripiri roads for the Government, at 1s. per hour, which is not a living wage, they averaged £7 3s. 6d. per month, and had to find their own picks, shovels, &c. One milling firm alone in the Hawke's Bay District have in the past been paying £12,000 per year in wages. At present their mills are idle, and the tram-lines rotting, all on account of the importation of cheap Oregon.

Personally I have worked constantly for one firm of millers, at a good wage, as yardman for seven years until they closed down at the end of last year; but I was fortunate in being out of work only five weeks, although the firm for whom I have been working for the past few weeks are forced to close, as they have no orders; so that, when I return, my first job will be looking for work; and I am a married man with a family. Since coming to the Hawke's Bay District I have never seen so many men out of employment as there are at present.

That is all I have to state as from the meeting.

3. Is there any statement you wish to make to the Commission on your own account?—I would like to state that I know for a fact of hundreds and hundreds of acres of bush which is being burnt and of many more acres that will be burnt, because the settlers will not be able to wait to have it milled, and they cannot get rid of it at the present time at all.

4. Which mill did you leave?—The Tiratu Sawmill Company. I have been working in the timber-yard for seven years.

5. Then, you were not engaged at mill-work?—No; I have been at the mill-work for a few months since Christmas, as the mill has been working short-handed owing to the scarcity of orders.

6. You cannot give the Commission the cost of getting the logs to the mill?—No.

7. What distance had they to bring the logs before they landed them at the saw-bench?—About six miles by tram, by horse traction.

8. *Mr. Field.*] You say you were appointed by a meeting of the Dannevirke sawmill-workers?—Yes. The timber-workers and sawmill employees adevertised a public meeting to be held in order to send some one to Wellington to represent them before this Commission.

9. Did this meeting have its origination amongst the men only?—Oh, yes! it was only the men who had anything to do with it.

10. I mean to say, you have not come here to help the sawmillers only?—Not exactly. I think as a rule the workers have been cutting against the millowners, although in my experience in the past the millowners have always paid me higher wages than the award.

11. Have you an award in your district?—Yes; but the wages all round have been higher than the award.

12. Then, taking it all through in your district, are the men satisfied?—Yes, as satisfied as it is possible for a working-man to be satisfied. I do not think the working-man is ever satisfied. But they should be satisfied, because, as I say, they are getting more than the award rate of wages.

13. Do you or do you not recognise that the millers are paying you as much as they can afford to pay?—I am sure they are from what I have seen and heard about it. I am satisfied they are paying every bit as much as they can for wages. I do not think, in my experience, that there is any class that pays higher wages than the millers. I know I never worked for higher wages than I have been getting for the last seven years.

14. Have you men got any impression as to whether the millers are making a big profit or fortune, or are just getting along?—It was stated at the meeting I represent that the millers are making 2d. per hundred.

15. You talk about the trouble in the sawmilling industry in your district being due to the importation of Oregon: do you workers recognise that it must also be due to some extent to the stringency in the money-market, through things being bad in the country?—Yes, we recognise that it is a bad time and that money is tight; but all the workers I have ever spoken to seem to think that the Oregon is playing a big part in stopping the mills.

16. How many men do you say are out of employment in your particular district?—I said "three hundred," but there are many more. That number refers only to the mills closed down. But many mills are only working half-time. It takes at least twenty men to work a mill full-handed, and if a planer is going it takes twenty-four. Some of the mills I have mentioned are only working with half the number of men.

17. But there are considerably more than three hundred men out of employment or working short hours?—Yes.

18. Are a fair proportion of these men married men?—You might say the majority of them are married men. I know the majority are married men.

19. What is to happen to these men if the present condition of things continues?—I should like to know. I do not know what is to happen to me, amongst them. I have had good wages in the past, but I have been buying a house, and if I get out of work I know it is a very serious affair. If the mills were going I could get a job any day, because I am not working all over the place, and I have a good reference. But we cannot make work.

20. Are there many married men, with families, completely out of money or nearly out of money?—I was just speaking to one married man who worked with me. He is right out of work, and has a wife in the hospital. We cannot help him, because we cannot help ourselves.

21. You think there is genuine distress amongst the sawmill-workers?—I am certain there is. If they are getting groceries, someone is going short; they are not paying for them.

22. When a man has been the best part of his life working in a sawmill is he well fitted for any other kind of work at once?—Of course, I have always heard it stated that a sawmill hand is no good at anything else; but at the present time they are willing to tackle anything, although I do not say they are quite as good at the start as other men.

23. Do you know whether the sawmillers have been a help to the settlers in and around your district—that is to say, whether they have milled the timber of the settlers and so provided them with funds?—I know cases where the millers have taken timber at a price off the settlers when the settlers could not have afforded to put down a plant to mill it themselves, so I suppose that has done them a good turn.

24. Do you know a number of instances of that kind?—Yes, two or three instances.

25. *Mr. Barber.*] How many were present at the meeting held at the Club Hotel?—I did not count them, but there would be, I suppose, considerably over twenty.

26. You say there are fifteen mills closed in the district and a number of others working half-time?—Yes.

27. And you say there are three hundred men who are directly affected by the closing of these fifteen mills?—Yes.

28. If there were only twenty present at the meeting it shows that the men took very little interest in their own welfare?—Of course, people might look at that in a different light. Of course, these three hundred men are scattered about the district. And, again, they know what a meeting of that kind means. Of course, I could not afford to come down here on my own. That meeting meant putting their hands in their pockets to pay some one's expenses to come here, and many stayed away on that account. That is the only reason I know.

29. These men want some benefit, and they want the expense to be borne by these twenty?—When you say that I might say that a benchman working at our mill went round amongst some of them afterwards and they put their names down to guarantee a shilling or two. These were men who did not attend the meeting.

30. Who was the person at the meeting who stated that the millers were getting 2d. per hundred?—Thomas Hall, of Dannevirke. He is working for the Government at the present time for 1s. an hour.

31. How is he in a position to say the millers are only getting 2d. per hundred?—I did not ask him. As I said, that was the statement he made at the meeting.

32. It did not come from a miller himself?—There were no millers present.

33. How long on an average have these fifteen mills been working in the district?—I cannot say.

34. Surely you have some idea?—Well, I have only been in the district some seven years, and many were working long before I went there. I know most of them have been working seven years. I never inquired how long they had been working when I went there.

35. However, they were all working when you went there?—So far as I know.

36. What area did each of these mills have in your district?—I cannot give you the area.

37. Is it not a fact that the majority of these mills have cut their bush?—No. I was speaking to a millowner on Sunday—Henry Carlson. I said, "I hear you have cut out." He said, "Yes, I have. I have three years' cutting, but I have to cut out because I cannot get any orders for the timber. There is no use cutting it and letting it rot."

38. Do you know what is the average output of these mills?—I cannot give you that information.

39. Has Gammon's mill recently closed down at Dannevirke?—Yes. I have not mentioned that mill in my statement. They probably have cut out. They started some time ago at Ohakune.

40. I was in Dannevirke at the beginning of the year making inquiries about timber, and I was told that the timber industry was practically at an end in the Dannevirke district: do you say that that information which was given to me was true or untrue?—I cannot say whether it is going to be at an end. It all depends on the Oregon.

41. Is it not a fact that the timber is getting difficult to obtain, that settlement is going on, and that the bush is practically invisible from Dannevirke?—I am not very keen-sighted, and I can see any amount of it. There is plenty of bush there to be milled.

42. Do you say that the statement that the timber industry is being worked out at Dannevirke is untrue?—I have no doubt if they keep on it will be worked out.

43. Has not Dannevirke been a milling district for a great number of years?—I cannot give you the time, but I know there is plenty of good milling-bush around Dannevirke.

44. How many mills have been working in that district besides the fifteen that have closed?—I have not counted, but there are not many.

45. You said the freight on Oregon was 2s. 7½d.?—Yes; that was what I was given to understand.

46. Where did you get that information from?—From some of the workers.

47. A shipment came to Auckland last week, and we were told that the freight on that was 3s. 6d.?—Well, I only know that the freight I have given was stated by some of the workers at the meeting.

48. If a Customs officer said the freight on that cargo was 3s. 6d. would you take that as correct?—Yes.

49. Do you know what additional amount of duty is asked for on Oregon?—I know what we should like. We should like it stopped altogether.

50. What increase is asked for?—I have not mentioned any increase, but my instructions were to ask that it should be a considerable increase.

51. Do you know that the present duty on imported Oregon is at least 25 per cent., and do you not think that is a very high duty for what might be classed almost as a raw material—an unmanufactured material, at all events?—I do not think it is. I should like to see it stopped altogether.

52. Would the workers be prepared to agree to a similar increase of duty to protect other local industries, such as the boot and clothing industries?—I have not interviewed them about that at all.

53. Do you not think that the sawmill-workers of Dannevirke in asking for a further protective duty are levying an additional tax on the workers in other parts of the Dominion who are not directly interested in the timber trade?—No.

54. Do you not think the cost of timber is increasing the cost of the erection of houses and thereby increasing the cost of rent to the workers in the cities?—I cannot say I have thought of that. Of course, if the worker has got the money he is always prepared to pay a fair thing.

55. You say the millers in your district pay a higher rate of wages than the award stipulates: was the award arrived at by mutual agreement between the two parties, or was it an award of the Court?—All I know is that it is the Timber-workers' award. I have never taken a great deal of interest in it because I have had no trouble about getting a good wage myself.

56. You do not know whether the award was mutually agreed to between the parties or was an award of the Court?—I cannot say.

57. If you say these three hundred mill hands are out of work owing to the importation of Oregon, how do you account for such a large number of carpenters being out of work in your district as well as throughout the Dominion?—I cannot give you any reason for that.

58. *Mr. Hanan.*] Where has been the market for your mills in New Zealand?—Wellington and Napier, and all along the line between these places.

59. Have you any competition in those markets from mills in other districts?—I have not known of any in the past. I do not know about the present time.

60. Do not the West Coast mills compete in the Wellington market?—I could not say anything about that.

61. And the Taihape mills?—I could not say.

62. Then, to what extent has Oregon displaced orders from your mills in the Wellington market?—The orders that the mills have been getting lately—the mills that I have been working for—are practically nil.

63. You have told us that Wellington is a market of yours; you have also told us that you know the West Coast has a market in Wellington?—I do not think I said I knew that.

64. Then, if you do not know whether you have competition from the West Coast, how do you come to the conclusion that Oregon has ruined your trade in Wellington? May not the competition from the West Coast have ruined your trade?—Well, I have never heard that it has.

65. Who has told you that Oregon pine has displaced your Wellington orders?—No one told me that.

66. How do you come to form that opinion?—My opinion is based on the workers' opinion that Oregon right throughout New Zealand has been displacing the rimu, and matai, and other timbers that we work amongst.

67. What do the workers base their opinion upon?—I could not tell you what they base it on. They have read the papers, I suppose.

68. What do you yourself base your opinion upon?—What I am given to understand by all the workers and what they have read in the papers about the importation of Oregon pine.

69. Then, your evidence here as to the effect of the importation of Oregon is simply based upon what you have been told?—It is the evidence of all the workers that I represent.

70. Do you not think that when you come here to give evidence you ought to know something about the market in Wellington, so far as Oregon coming into it is concerned, before you come to the conclusion that the mills in your district have been shut down owing to importations of cheap Oregon timber? How do you come to that conclusion?—You would know if you were a worker and were thrown out of work through Oregon: you would know the reason.

71. But evidently you do not?—I do.

72. Then, to what extent has Oregon displaced New Zealand timbers?—I cannot go into figures with you. I simply know that Oregon has displaced the other timbers, but I have not got the figures for Wellington showing how much has been sold.

73. If you know that, can you not let us know how you know that?—I have told you how I know.

74. Simply from what you have been told?—Simply by what the workers whom I represent have told me.

75. They have made a statement, and you accept that and repeat that statement here: is that the position?—Yes—a statement that I believe.

76. Founded on what?—On fact.

77. What are the facts?—You know as well as I do.

78. Then, you base your recommendation to this Commission on statements that have been made to you by the workers in your union: is that so?—That is right.

79. You do not know what quantities of Oregon have come into the Wellington market?—I have not got the figures.

80. You do not know what quantities have come into the other markets?—Yes.

81. What quantities?—About twenty million feet have been imported into New Zealand.

82. Where has that gone to?—I expect it has gone into some buildings.

83. Has it gone into Wellington?—I have never traced where each shipment has gone to.

84. Do you not think you ought to know what quantity has gone into the markets that your mills supply, in order to know whether it is affecting your mills or not?—I do not think it is necessary. I do not wish you to understand that the timber from our mills is not sent to other places than Napier and Wellington. I just mentioned those two places.

85. In the other places have you not competition from other mills?—I could not say.

86. Then, it may be competition from other mills that has hurt you?—No, I do not think so.

87. Take Wellington, for instance: Do you not know whether you have any competition from Wellington?—I do not know of any besides the Oregon pine.

88. All you know is the Oregon pine coming in?—That is all.

89. You say the freight on Oregon pine from Vancouver to New Zealand—7,000 miles—is 2s. 7½d. per hundred feet. Now, what is the freight from Dannevirke to Wellington—133 miles?—Three shillings and threepence.

90. What do you base this statement of yours upon: "Every hundred feet of Oregon imported means at least 4s. 6d. less wages for us workers"? How do you come to that conclusion?—Simply that it is 4s. 6d. out of the workers' pocket. The workers would get that if timber that we are working amongst were used.

91. Do you mean to tell me that if Oregon did displace your orders to the extent you believe, there would be 4s. 6d. less wages for you workers?—Yes, I believe, all that, if not more.

92. But if it is competition from the West Coast that is displacing your orders, what do you say then?—I have never heard of that.

93. Have you ever heard or known of any trade depression in connection with the sawmilling industry prior to eighteen months ago?—I have never known of any that affected us workers.

94. You had never had a depression in the sawmilling industry at the Dannevirke mills before eighteen months ago?—Mills that I have been connected with have never closed down for it.

95. There had been no failing-off in the orders of the mills previous to eighteen months ago?—I could not say that. The mills that I have been connected with have had enough orders to keep going, prior to eighteen months ago.

96. I suppose you really speak from the conditions of your own district?—Yes.

97. You do not know much about the conditions prevailing elsewhere?—I know more about the local conditions.

98. In in Southland a number of mills have closed down and the millers have told us that Oregon pine comes very little into competition with the New Zealand timbers in their markets, would that influence you in your belief?—I should be surprised, that is all.

99. Why would you be surprised?—Because I have never heard of such a thing.

100. When was the last arbitration award made in your district?—I could not tell you the exact date.

101. Would it be two years ago?—I have not taken much notice of the awards, because I have always got more than the award wages. I could not tell you the exact date.

102. Why are they paying wages above the arbitration award in your district?—I have never asked them. I suppose they think a man is worth more.

103. Is sawmilling labour plentiful or is it scarce?—You can get plenty of cheap men there now.

104. And they are paying the arbitration award even now?—I could not say since Christmas. Any mills that I have worked for before then were paying more than the award rate.

105. up to Christmas they were paying more than the award rates, notwithstanding the fact that some of the mills had been shut down: is that so?—Yes. I got more than the award rate up till towards the end of last year. Of course, the mills would not be paying any wages while they were shut down.

106. What duty do you suggest should be placed on Oregon pine?—My instructions are to try and get the duty advanced considerably.

107. What do you suggest—another 5s.?—I would leave it with the Commission. Those are all the instructions I have.

108. Do you suggest a prohibitive duty?—I do not think it would do any harm to us workers.

109. Do you believe in the establishment of a State sawmill?—I do not know anything about it.

110. Do you know anything about the price of timber?—No.

111. Do you know anything about the increases that have taken place in the price of timber during the last five years?—No.

112. Do you know anything about the class of bush in your district?—Yes.
113. What class of timber are you cutting now?—All classes.
114. Are the areas nearly cut out?—There is any amount of timber there yet.
115. First-class timber?—All kinds.
116. Good heart rimu?—Good heart rimu, good heart matai, second-class, all kinds.
117. Plenty of it?—Plenty of saleable timber.
118. Would you favour an increase in the price of timber in the interests of the workers?—I only know that if the millers do not get a fair price for the timber they cannot afford to employ us to mill.
119. Do you think the workers could stand an increase?—I have not thought of that.
120. Do you think we should try and conserve our rimu forests?—I think it is rather useless to try to conserve them.
121. You do not believe in conservation?—I believe in it, but I do not think it is possible, on account of fires.
122. To sum up your view, am I correct in stating it as this: You believe that, although it may be to the disadvantage of the majority of workers in New Zealand to place an increased duty on Oregon, yet to benefit the timber-workers whom you represent you would favour an increased duty on Oregon?—I do not believe it would be to the disadvantage of other workers.
123. And you base that opinion upon the conditions prevailing in your district—the men being out of work?—I base it on what I know and what has come under my notice.
124. If Oregon is kept out of New Zealand, will not that tend to increase the price of timber to the worker?—I do not think it would make much difference to the worker.
125. How do you come to that conclusion?—I do not think the millers would get more than a fair price.
126. What would keep it down?—The stuff would rot in their yards.
127. But if people want timber they must have it. What is to regulate the price of timber?—I suppose the sense of the man who has got it to sell.
128. Have you ever heard of combinations and trusts in business?—Yes.
129. As a worker, would you leave business relationships to the individual, to form combines and trusts?—Of course, I am not here to arrange their prices for them.
130. Do you believe in combines and trusts?—I do not believe in trusts if they are to the detriment of any of us.
131. Then, you would not leave business matters entirely to the will of the individual?—Of course; I could not tell you who fixes the price of all the other goods that we must have.
132. *Mr. Jennings.*] Are you a practical sawmiller? What do you do in the sawmill?—No, I am not a practical sawmiller. I have been working in a timber-yard for seven years, classing.
133. You are a yardman?—Yes. I have not worked in a mill for any length of time.
134. How long have you been in the Dannevirke district?—A little over seven years.
135. Is there a Sawmill-workers' Union in the district?—Yes.
136. Do you know anything about the royalties that are paid for timber?—No.
137. Can you give the Commission any idea as to the area of land containing milling-timber in that district?—No. I could have told you if I had known I should be asked the question.
138. Have you any rough idea?—I know there is several years' cutting for the mills up there, but I could not give the exact area.
139. What are the different timbers in the district?—Matai, rimu, and white-pine are the three chief timbers milled.
140. Have you and idea of the total number of men employed in the bush and the sawmills together?—No, not without reckoning them up.
141. Do the workers in your district object to the competition of mills in the Dominion?—I have never heard of any objection to any local competition.
142. Your objection is to the importation of foreign timbers, milled under different conditions?—That is so.
143. Are you a married man?—Yes, with a family.
144. Speaking as a married man, what has been the general effect of the sawmilling industry in such a district as Dannevirke? Has it not led to the prosperity of the Dominion as a whole?—During the past seven years the mainstay of Dannevirke has been the milling industry.
145. If the sawmilling industry was attacked in any way by larger importations of foreign timbers, what, in your opinion, would be the effect on the prosperity of the workers and the Dominion generally?—I should not like to say. It would be pretty hard on us. We should have to try and find "fresh fields and pastures new," I suppose. We should lose our work, and there is no other industry in the district.
146. Do you know of your own knowledge or from reading whether the importation of Oregon or other foreign timber has lessened the cost of timber to those requiring it?—No, I do not know that.
147. Have you any knowledge as to what the effect of fire has been in the Dannevirke district? Do you remember a very great fire there about fifteen years ago, or did you hear of it?—I was not there then, but I have heard of it.
148. Can you give the Commission any idea as to the effect of that fire?—I would rather not say anything about it.
149. Have you any knowledge of your own in reference to the destruction of bush by fire?—Yes. The summer before last the fires were raging all round, and there was a good deal of good bush destroyed.

150. As a practical man, then, you think it is not possible to save bush if it were conserved?—I think it is impossible to save it, unless you can clear away every bit of scrub and all the logs, and so on, from all round, because once a fire starts you never know where it is going to end. It is wonderful the way it will travel along over old timber or logs.

151. Have you any idea what effect the rise in wages paid to the workers has had on the price of timber? Have you worked it out at all?—No, I could not say anything about that.

152. *Mr. Leyland.*] You told us that the freight for Vancouver is 2s. 7½d. a hundred. Here is an invoice and a bill of lading, which show that the freight is 3s. 6d. Do you not think it possible you have been misinformed?—Has any Oregon been imported at 2s. 7½d.?

153. Yes?—Well, that is the information I am going on.

154. It averages more than 3s. Do you not think that your workers have not been fully informed?—We might not be right up to date. They thought the freight on one importation would be a fair thing to go by, I suppose.

155. If you are not fully informed on that particular phase of the question, do you not think it is possible you may not be fully informed on some other phases of it?—We are only human.

156. In Auckland we were told by witnesses that they had used Oregon in place of timber that would have cost them from 2s. 6d. to 10s. a hundred more than they paid for the Oregon. Do you not think that in that case it lessened the cost to the purchaser?—I suppose there is no gainsaying the case that you have mentioned.

157. The millers and the workers in Australia made an attempt to get a duty placed on New Zealand pines, including white-pine. Would you have liked to see them successful?—I do not know much about that.

158. With reference to the mills working half-time, are they similar to the mills that were stopped: would they produce about the same quantity of timber?—I should say about the same.

159. Would 5,000 ft. be too much for a day's cutting at one of those mills employing twenty hands?—No.

160. How many mills were working half-time?—I could not give the exact number.

161. Would you say fifteen?—I could not say.

162. Do you not think you were rather stretching it when you suggested that the timber that was sent to Wellington and Napier has been replaced by less than a fourth of the amount?—I did not say Wellington was the only place timber was sent to by the millers.

163. You do not send to the South Island?—I do not know where they send it. I know they have always got rid of it before and they cannot get rid of it now.

164. *Mr. Clarke.*] You have said that a good proportion of the supplies from your district is sent to Wellington and Napier?—Yes, a large quantity is sent to Wellington and Napier.

165. If, as has been stated before the Commission, the West Coast millers claim to have lost the sale of about 90 per cent. of the timber displaced through the importation of Oregon, and the North Island Millers' Association claim to have suffered almost an equal loss—that is to say, between the two they have lost the impossible amount of 180 per cent.—can you explain how you could have suffered any loss at all?—No, I could not explain that.

166. Do you say, then, that the statement of the other millers referred to cannot be true?—Somebody may have been labouring under a multitude of erroneous ideas.

167. You say that in your district there is plenty of good heart rimu. Can you tell the Commission what percentage there is of good heart from the log there is in your district—I mean good heart, free from gum and so on?—There is a good lot of average rimu in the district, but I could not say by looking at the trees how much heart there would be in that.

168. With regard to the future needs of this country, do you recognise that so far as your district is concerned it is pretty rapidly approaching finality so far as sawmilling is concerned?—Well, as I have said, there is a lot of good timber there yet, but I do not say it will go on for ever. I know that in other parts of New Zealand there is plenty of virgin bush that has never been touched at all so far as milling is concerned.

169. But so far as your own district is concerned is it not a fact that there is not nearly as much work doing in the sawmilling business as there was two years ago?—It is practically at an end now on account of this importation of Oregon pine, but if you put a stop to that the mills would be working straight away, so far as I know.

170. Do you not recognise that you have not a very large supply to work upon? There is no new timber coming on, is there?—Not that I know of.

171. Then, your only supplies are being rapidly worked out, are they not?—The mills have been working away up to now. I could not say myself how many years the supply will last.

172. In view of the fact that there is so short a supply ahead, do you not consider immediate steps should be taken to replant and that afforestation should be begun on some proper system at an early date?—I could not tell you how many years that would take before that forest would be fit to work. I should be fairly old, I am afraid. For the coming generation it might be of some use.

173. What work would there be for the Sawmillers' Union of the coming generation unless something of the kind is done?—I suppose they would have started new industries by that time.

174. You do not agree with the suggestion contained in Mr. Field's question: that the sawmiller is a groovy kind of man, and would not be good at all-round work?—I could not answer that question.

175. *Mr. Morris.*] During last month there was 508,731 ft. of Oregon timber imported into Napier. Was there any difficulty in obtaining supplies of timber from local sources during the last six months?—Not that I know of.

176. You have told us that a number of mills have closed down during the past few months, and that during that period orders have been going to America for Oregon pine; and, when you

say you do not see the necessity for introducing Oregon at all, does that mean that you could have supplied a great deal more timber from your district?—Yes, if we had the opportunity. I do not see any necessity for Oregon.

177. What is the price of timber at the mills at Dannevirke?—I think at present it is any price.

178. Any price you can get?—Yes, that is right.

179. You will agree that we managed to get along very well up to the beginning of last year without any Oregon practically?—That is so.

180. And you think there is no necessity for its importation at the present time?—None at all. It may benefit some people over in America, but what I have to do is to look after myself.

181. Do you think it is the place of the New Zealand Government to look after the interests of the people in America?—I think they would just as soon help them as us.

182. Do you not think we have enough to do to mind our own business?—Yes, I agree with you there.

183. And do the best we can for ourselves?—Yes.

184. You do not, of course, know anything about the selling-price of this stuff?—No.

185. You could not say whether the people have derived anything from its importation?—No.

186. You were questioned about the West Coast supplies. Can you give any idea of what is sent from your district into this market?—I could not. We are only workers, and they do not give us those figures.

187. But you believe in the principle that we should do our best to protect our own industries?—That is true.

188. *Mr. Ell.*] You believe in this country doing its best to protect its own industries?—Yes.

189. You are aware that there are employed in the furniture-making, cabinetmaking, and joinery works of this country a large number of men?—Yes.

190. You are aware that the men working in those industries have wives and families dependent on them?—Yes.

191. Suppose the different industries making furniture for workmen's homes, instead of getting timber at 13s. 6d. a hundred, had to import it at £2 10s. a hundred, would that not have the effect of increasing the price of those articles of furniture to the people?—It seems as if it would.

192. Are you aware that rimu is largely used for furniture and cabinetmaking purposes?—Yes.

193. Employing a lot of labour?—Yes.

194. I think you told us in your evidence that if trees were planted now you would not be on earth when they matured?—That is what I think about it.

195. What are the industries going to do in the meantime if we do not make some provision for the supply of timber?—I do not know anything about that.

196. You see, if they have not a supply of cheap timber for the furniture and joinery-work it is going to affect the men employed in the industry?—As I said before, there is plenty of untouched bush in the country to keep the industry going for many years to come.

197. When I tell you that the Chief Forester of this country says that the earliest period at which we can expect any timber from the planted districts is forty years, you will admit there is necessity to make provision for the future in the meantime?—As I said before, it would be no good to us people.

198. I want you to look at it in the interests of your children and of my children who are now at school?—I am going to get mine a Government billet if I can.

199. I want an answer to my question?—If you can do a good turn to the children who are coming on, by all means do it.

200. You represent the southern part of Hawke's Bay?—Dannevirke is where I live.

201. In the report of the Forestry Department there appears this statement: "In the southern part of the Hawke's Bay District the supply of milling-timber is rapidly becoming scarce, and it is estimated that in four years' time there will be few, if any, mills working, and already mill-owners are securing forest areas outside the district." Can you say from your seven years' knowledge that the Forestry Department is wrong in making that statement?—I should certainly think the timber would last longer than that. I do not say every mill would be working, but there would be mills going longer than that.

202. If the Department say the number of mills at work in 1905 was sixty-one and that in 1907 the number had dropped down to thirty-eight, would you consider that to be a correct statement?—I dare say it would be.

203. Showing that there is a shrinkage in the milling-area they have to work upon, and that they must have cut out a good deal of the area?—Of course, the mill cannot keep going without any bush. When you get a fire through the bush and the grass comes up there is no more timber grown there: I admit that.

204. You were asked whether you were in favour of a State sawmill?—That is a thing I do not know much about.

205. Are you aware that the workers throughout this country at their political labour conferences have passed resolutions in favour of State sawmilling, and that that is recognised as a part of their policy throughout the country?—I think I did hear something about it.

206. I am only putting the question to you because it seemed rather peculiar for a worker to come here and say he has not thought much about that question?—Probably I should have thought more about it, but I would not tell a lie: I have not thought much about it.

207. Seeing that there are numbers of men out of work and that we have only planted some 9,400 acres of land in this country for the future supply of the million people we have at present

—and we may have double the population in fifty years—do you think it a desirable thing on the part of the Government to do some planting, seeing that the Government will always require timber and that our natural forests are being rapidly cut out?—If the plantations turn out well I think it will be a really good thing.

208. *Mr. Arnold.*] What wages do you receive?—Ten shillings a day.

209. Are you a head yardman?—No.

210. Can you tell me what the wage is for an ordinary yardman?—Eight shillings and eight pence, according to the award.

211. What is the average wage that has been paid by the millers?—We reckoned it up at the meeting I represent, and we put it down at 10s. Some get more and some less, but that would be about a fair average.

212. About what amount of lost time do you reckon there would be in the twelve months?—I cannot speak with regard to those working in the bush, but in the yard where I have been working I have not lost a single day except holidays, and during seven years the only holidays I have had have been Christmas Day, Good Friday, and the other regular public holidays. It is different, of course, in the bush.

213. Can you tell me what a sawyer gets in the mill?—Well, they get anything from 13s. to £1. I know one man who gets 16s.

214. What is the award?—I could not tell you.

215. Can you give the award wages for any of the other classes of machinists?—No, I have not looked it up lately.

216. Can you tell us the amount of wages paid to other first-class machinists—the planing-men?—I know one man who gets 12s. 6d.

217. What is about the average throughout, because you have said the men get more than the award?—The average wage, so far as we could get at it at the meeting, was 10s. Some get more than that and some get 9s. 6d.

218. What about the engine-driver?—I do not know much about engine-drivers. I only know that the engine-driver where I have been working for a few weeks gets either 10s. or 10s. 6d., but I do not know what has been paid throughout the district as an average wage.

219. What about the shoeman in the bush: what does he get?—There is no set price. If the miller gets a good man he gives him a good wage.

220. Can you tell me about the average throughout the district?—No.

221. Do you know the amount of the award wage?—No.

222. Do you know anything about the log-trollyman?—They generally get from 9s. 6d. to 10s.

223. What is the award?—I could not say. I have not seen it for some time.

224. Do the men get ordinary pay for overtime, or do they get extra pay, such as time and a quarter or time and a half?—Where I have been working there has been no overtime. We are always there handy when the whistle blows.

225. You say there is no overtime in the bush?—I could not say as to that.

226. What does the award provide?—I think time and a quarter for the first hour, and, after that, time and a half.

227. How many hours a week do you work?—Forty-eight hours.

228. Does the award provide for forty-eight or fourty-four hours?—Probably the award would only provide for forty-four, but, as we get a bit over the award wages, if you reckon it at overtime we get something more than if we had overtime wages.

229. You think you work four hours a week overtime, and that for those four hours you get paid more than overtime wages?—I think the award provides for forty-four hours a week, but I could not say for certain.

230. Is it not an extraordinary thing that you do not know the award, and you do not know the wages paid throughout the district, and yet you tell us the men are getting more than the award wage?—That is what they all tell me, and I know I am getting more than the award wage.

231. When was your union formed?—I could not give you the exact date.

232. Where are the headquarters of your union?—In Wellington.

233. When was the case before the Arbitration Court?—I do not know.

234. Who conducted the case?—I do not know. I did not take much interest in it, because I was getting more than the award wages.

235. Are you a member of the union?—I have been. I do not think we have had a meeting since before last Christmas.

236. Can you explain why that meeting you represent was not called by the union officials?—I do not know anything about that. It was to give all the timber-workers a chance to come to the meeting, whether they belonged to the union or not, so as to have a fair representation.

237. But could not the union have called the meeting in the same way?—Yes, any one could call a public meeting.

238. If the union had called the meeting by circular, do you not think you would have had two hundred present instead of twenty?—I cannot say anything about that. I only know the meeting we had.

239. You do not know why the men have not sent one of their experts to give evidence here, who knew all about the award and the wages being paid?—I only know I was appointed, knowing that the men were getting more than the award wages, so I never thought there would be an inquisition like this.

240. You do not know why the union did not take any steps in this matter?—I cannot give you an answer to that.

241. Do you not think that the importation of Oregon has tended to keep down the price of timber?—Well, of course, I do not know what the price of timber is at present. I asked one miller, and he said the price was any price.

242. Do you not think that timber might be very much higher than it is to-day if it were not for the importation of Oregon?—Well, of course, you say "very much higher," and I do not know how much higher that would be.

243. Any higher, if you like?—I cannot answer that question.

244. Now, if the workers in the cities are likely to have to pay higher rents and higher prices for their commodities owing to the rents paid by the shopkeepers, and if the farmers and the residents throughout the whole district, the majority of whom, of course, are workers, have to be taxed to a very considerable extent to keep a few sawmill-workers going, do you not think there must be a standard at which that must stop?—You may be right.

245. If Oregon is now taxed to the extent of 25 per cent., in addition to freight, and if there is freight and a half charged for it on the railways, do you not think that is nearly sufficient?—It does not seem to have been sufficient in the past.

246. And you cannot tell us to what extent you would recommend that this duty should be increased?—My instructions were to try and get the duty advanced considerably or to stop the importation altogether.

247. As a worker, you know that your men are now being thrown out of work in consequence, you believe, of the importation of Oregon, and you want that rectified?—Those are the words I told you the meeting wished me to state.

248. Have you worked in the bush at all?—No.

249. I suppose you cannot tell us to what extent the bush is being cleared and what amount of timber is being left standing?—No.

250. Do you know to what extent your mills are up to date in machinery and method of working in comparison with other North Island mills?—I think personally that any new mill that was going up now would have more up-to-date machinery than the older mills have got, but the mills in our district, so far as I know, are just about the same as any other mills put up at the same time.

251. Do you not think it is in consequence of the smallness of the mills and the limited amount of their capital and the want of up-to-date methods and machinery that the miller has not been able to make his mill pay?—I do not know of any case of that kind.

252. Is there any white-pine in your district?—Yes, there is still some.

253. Are you milling white-pine at present?—We are not milling at all now. They have milled white-pine.

254. For export purposes?—Yes, I believe it was cut for butter-boxes.

255. Have you any knowledge as to whether it would be wise to put an export duty on white-pine?—I do not know about that.

256. If the dairymen and farmers state that they cannot get white-pine for their butter-boxes in sufficient quantities, do you think they should be protected by keeping white-pine in the Dominion?—I have not thought about that.

257. Do you know anything about the kauri trade?—Nothing.

258. Have you heard that a very large proportion of the Oregon imported is simply taking the place of kauri?—I have not heard that.

259. Would you be surprised to know that such is the case?—Yes; I never heard that a lot of kauri came down here, but, of course, it might have. Where I come from there is no kauri at all.

260. Do you know whether it is a fact that a very large proportion of the imported Oregon is being used in long lengths, which cannot be supplied in rimu?—I have heard that the Oregon is in long lengths.

261. Do you know whether long lengths in rimu can be supplied?—Well, I would like you to tell me what you call "long lengths."

262. Anything above 25 ft.?—We call a long length from 22 ft. to 24 ft. At present there are plenty of 22 ft. lengths, and I suppose if we got an order we could cut them longer. The log is not cut longer than 22 ft. in the bush unless there is a special order to be filled for a longer length.

263. Would you have any objection to long lengths—say, from 25 ft. up to 40 ft.—coming in free?—I have no instructions about that from the meeting.

264. If these lengths cannot be supplied in rimu, do you not think they should be permitted to come in free?—It has not been proved to me that they cannot be supplied.

265. Well, if they cannot?—I cannot go against my meeting like that and say that Oregon should come in free.

266. You are simply voicing the opinion of your meeting, and not your own opinion?—I am here to advance their views—that is what they asked me to come for.

267. And you think then a duty should be put on all Oregon?—Yes, those were my instructions.

268. *Mr. Stallworthy.*] You have been seven years mostly engaged in classing timber?—Yes, as it comes from the mill.

269. You deal with the whole output of the log as it comes from the mill?—Yes; it all comes straight from the mill to us. We class it as first-class heart rimu and heart matai; what is called "O.B.," which is part heart and part sap; and second-class, which is knotty timber or timber with shakes.

270. Taking rimu, into how many classes do you put it as to quality?—Heart rimu, O.B. rimu, and second-class rimu. If there is a special order for picked heart rimu we pick that out.

271. Can you give us the proportions of the classes that you would get from a log?—Of course, the most we should get from an ordinary log would be O.B. timber.

272. What proportion?—I cannot give you the exact proportion.

273. Approximately?—No, I cannot, because some logs are heart right to the bark almost, and, again, you might get another log which is just heart in the centre, with plenty of sap, which might cut all into O.B. timber. But the biggest percentage would be O.B. timber.

274. What percentage of a log is waste?—There is not much waste at the present time. They cut right up to the bark. The slabs are a good deal smaller now than they used to be, because they do not throw much out now.

275. What quantity of timber was there in the yard when you last worked there?—I suppose there would be considerably over a million feet in the yard I was working at.

276. How long ago was that?—Before Christmas.

277. And the Christmas before that, was there anything like that quantity?—No. When we stopped the yard had a bigger stock than ever we had.

278. Do you know the selling-price of timber?—No.

279. *Mr. Mander.*] You say you believe the opinions expressed by the men who attended the meeting you represent are representative of the views of the workmen in the district?—I cannot say that. I know other men in the district are of the same opinion, because they gave some money towards my expenses.

280. You have been asked in regard to the reduction in the price of building in consequence of the introduction of Oregon: from your experience, do you know that the price of an ordinary workman's cottage has been reduced since the introduction of Oregon into this country?—No, I cannot say I know that.

281. Do you think that it is possible that the price of a workman's ordinary dwelling will be reduced, seeing that Oregon is landed here at a somewhat higher price than rimu?—Where I come from most of the men are renting houses.

282. I am speaking about the cities?—I do not know much about the towns.

283. I suppose you believe that the things we can produce in this country should be entitled to some measure of protection against outside competition?—Yes.

284. If you went round the Wellington yards, for instance, and saw that these yards contained about two-thirds of their stock in Oregon timber, and that they were cutting this timber into smaller sizes for building purposes, would you not naturally come to the conclusion that that Oregon was coming into competition with the local timbers?—If the merchants said they were selling it I would certainly believe them.

285. If you went through their yards and saw them handling it, naturally you would come to that conclusion?—I have seen plenty of timber in a yard which was not being sold.

286. But they would not have it there if there was no intention of selling it?—That is what they get it for.

287. Do you not think our local timbers, such as rimu, totara, matai, and so on, will answer as well in the future for all ordinary purposes as they have done in the past?—I certainly see no reason why they will not.

288. I suppose you have had no experience of Oregon timber at all?—No.

289. In regard to the timber that is imported here at something over £2 per hundred feet for furniture, seeing that rimu and other local timbers could be got for less than half that price, do you not think that such timber is only imported as a luxury?—I do not think there is anything much nicer than heart rimu, but that is a matter of opinion.

290. But if people choose to import oak from England or America at £2 or £3 per hundred feet, do you not think that is only a luxury that well-to-do people can afford? Do you think the working-man would be inclined to import such timber?—I do not think so.

291. Do you not think that the working-men at Dannevirke would very rapidly complain and kick up a fuss if they did not receive the terms the award provided?—I admit that the working-man is pretty hard to please.

292. He must be fairly well treated now, or else he would be dismissed?—I am no better treated at the present time than I was seven years ago.

293. In consequence of the wages you are getting you are satisfied with your present conditions?—Yes, I have always been satisfied with the wages.

294. Is there any real dissatisfaction amongst the working-men?—I do not know of any except losing their work.

295. Do you think if you were employed by the Government in a State mill you would be any better treated than you are being treated now?—I cannot say. I have had no experience of a State mill.

296. *Mr. Ell.*] I asked you, if the furniture-manufacturers who are making furniture for the homes of the people had to pay £2 10s. per hundred feet for imported timber instead of 12s. 6d. per hundred for New Zealand timber, would that not increase the cost of furniture to the people?—I do not know anything about the importation of timbers.

297. If they had to pay £2 10s. instead of 12s. 6d. per hundred, you told me that would increase the cost of manufactured furniture?—I will stick to that if I said it.

298. Suppose there is no rimu available for our furniture-making industries at 13s. 6d. and that it cannot be had, would not our furniture-manufacturers have to import timber?—I have never thought about that.

299. Surely that is a simple-enough question: if the timber is not available in the country will they not have to import it?—Yes, but you are only going on supposition.

300. But I am putting the question to you?—I do not know anything about that. I do not know what they would do.

301. If they could not get New-Zealand-grown timber, would they not have to import timber?—If they wanted timber and there was no timber in New Zealand they would have to get it from somewhere else.

302. And pay possibly a good deal more than 13s. 6d. per hundred feet for it?—I cannot say.

303. As these industries require cheap timber, do you not think it desirable that we should make some effort to conserve our supply of native timbers until such time as the trees we are planting now become available for milling purposes?—If you can conserve the timber I say it is a splendid thing to do.

304. *Mr. Field.*] You say there were twenty or more men at this meeting. Would the men attending that meeting have a considerable distance to travel, and would there be difficulties in the way of attending the meeting?—They are scattered about at the present time working where they can get employment.

305. Were you astonished, then, at not more than twenty men attending the meeting?—We did not expect a great number to attend the meeting because the people were scattered about, and then it also meant putting their hands in their pockets to send a delegate to Wellington, and the men cannot afford much.

306. Do you honestly believe that in speaking to-day you represent the views not only of the twenty men at the meeting, but the views of the sawmill-workers in your district?—I have no authority for saying that, but I believe these would be the views of all the workers.

307. You were told just now the freight on Oregon was 3s. 6d., but would you be surprised to know that the amount you stated just now—namely, 2s. 7½d.—was absolutely correct as the existing freight a few months ago?—I think everything said at the meeting was correct so far as the men knew.

308. As to the quantity of timber still to be cut in the Dannevirke district, is there enough to keep most of the mills going for some years to come?—Yes, as far as I know.

309. Can you tell me how many millions of feet these fifteen mills that have closed down would cut on an average per year?—I cannot.

310. Do you think they would cut on an average a million feet each?—I should say that was something near the mark.

311. That is to say, these fifteen mills were cutting fifteen million feet in the year?—Yes, that is right.

312. Do you know what classes of our timber Oregon mostly comes into competition with?—It would be O.B. timber.

313. Is it the ordinary building-rimu that it mostly comes into contact with in this part of the country?—Yes.

314. What portion of a mill's output of a million a year would be O.B. timber?—By far the biggest part would be O.B. timber, but I cannot state the exact percentage.

315. Then, in view of the fact that Wellington is one of your markets, if in Wellington alone in one year five and a half million feet of Oregon is imported, that must be a serious competition for your mills to face?—Yes, no doubt it would be.

316. I suppose it is true that if a miller cannot sell one-fourth of his output it is a serious dislocation of his business?—Yes.

317. It would mean throwing half his men out of employment, if not closing his mill?—Yes.

318. It has been suggested to you that we have it in evidence that the importation of Oregon timber has reduced the cost of building: can it be possibly said that that is true when our ordinary building-rimu, which is the material we generally build cottages of, is very considerably lower in price than Oregon?—It would seem only feasible that builders would use O.B. rimu.

319. *Mr. Barber.*] You said in reply to myself that you could not answer for the balance of the three hundred men who failed to attend that meeting?—I said I could not answer on oath.

320. How is it you have changed your opinion?—I have not said so on oath.

321. *Mr. Hanan.*] Has your union any funds?—They may have.

322. Why are you not a member of that union?—I simply said the union had not had a meeting since the end of last year.

323. Are you a member of the union?—I am a member of the union so far as I know. The last meeting was before Christmas.

324. Has your union any funds?—I cannot tell you exactly what funds they have.

325. Have they any funds?—I cannot tell you what funds they have.

326. You do not know if they have funds?—I am afraid they are not too well off.

327. You do not know, as a matter of fact?—I do not think they have much funds.

HENRY SMITH sworn and examined. (No. 133.)

1. *Hon. the Chairman.*] Are you a sawmill-worker?—Yes, an engine-driver at a sawmill.

2. What is about the quantity of timber your mill will turn out per day?—When we are full-handed, from 5,000 ft. to 6,000 ft.

3. Are you working full time at present?—No, we are working short-handed. Only about two-thirds of the men that are generally employed are working.

4. To what do you attribute the falling-off in the number employed?—The falling-off is due to the shortness of orders.

5. What do you think is the cause of this shortness?—We have been led to understand that it is the importation of Oregon pine.

6. Do you think that is the whole and sole cause?—We working-men believe it is the sole cause.

7. Do the working-men not understand that there has been what the merchants and business men call a tightness in the money-market?—Well, we have heard that, but we are working-men who have been reared in the bush, and living away back there are not many of us who take the newspapers regularly; and then what is going on in the money-market is one of the things that do not really interest the sawmill and bush workers. I may state that since May last we have noticed that trade has been falling off considerably, and since May last at one mill close to where I am working they have made, I think, only twenty-three days and are only employing half the men they were employing before; and even then the employer has cut the timber for a large house for himself, simply to keep his men together. There are seventeen mills, I think, close round where I am working, and only four of them, I think, are working, and that only about half-time. Last month I myself earned only £5 for the month. I did not get in quite eleven days—some were not full days. This month so far I have got in, I think, eight days—that is, up to Monday night. And the rest of the men working in the mill are in the same position.

8. The last witness attributed the slackness in orders solely to the importation of Oregon pine: do you agree with him in that?—I agree with him in this way: Up to May last very little Oregon had come into the country, and up to that time the mills were kept going; while from then up to the present time the output has been falling off. I may say that almost the whole of our output comes to Wellington.

9. You do not send much to Napier?—No, none.

10. Your trade, then, would be with Wellington and local?—Wellington and local. There is not much local trade.

11. *Mr. Field.*] Do you not wish to make a statement?—No; I am prepared to answer questions.

12. Where are you working?—At Smith and Sons' mill, nine miles out of Eketahuna, at Atea.

13. Can you give the Commission any idea of the condition of the workers there—whether actual distress exists, or what the position is?—I can assure you, gentlemen, that there are about a hundred men out of employment just round there, and their position is getting worse than one likes to think about. These men have been hanging on expecting that trade would improve, and they have hung on there until they are not in a position to get away. Most of these men are married men with families, and it is coming to this now, that they are just getting a day's work now and a day's work again. Very few of them have homes of their own; there is no work in the district for them other than sawmilling; they are living in rented houses, and they have stayed there until they simply cannot get away; and what the winter is going to be like for them it is very hard to think. I can give you as an instance the case of a man—a very good man, who can turn his hand to anything in the mill—whose child got into another standard at school the other day and wanted some books. He had not got the money for them, and had to borrow books from the teacher till he could get it. I am afraid there will be other cases like that in the district.

14. Whom do you represent?—The workers at the few sawmills that are working now.

15. How many sawmillers are there there?—Seventeen mills, but I could only manage to see the hands at a few of those close handy. The mills are very scattered there. I am taking in a radius of, I suppose, a little over twenty miles when I speak of seventeen mills.

16. You said that thirteen mills have closed down out of seventeen?—There are only four working that I know of.

17. Would there have been enough bush to keep those mills going for some time to come, but for the present slump in the industry?—Yes. I think we have the smallest piece of bush at our mill, and I think we shall have another three years' cutting. There is other bush that we can get. We are cutting off settlers' land, in dead timber—timber that has been felled.

18. How were you appointed to come down here and represent the sawmill-workers? What happened?—We heard that the Commission would be taking evidence from the workers, and I sent round and got a few of the men together to see if we could not send a representative down here, and they appointed me. I have the resolution of appointment here. [Resolution produced.] There are a few more names there—about twelve or fourteen, I think—than we had at the meeting.

19. Supposing you had called a meeting by advertisement, at short notice, in a season like the present, when the roads are bad, would you have been surprised if there had been only a comparatively small attendance?—No, not at all. It is a very scattered district.

20. You would not feel that the men were not in earnest in the matter, because they did not turn up at a meeting?—Most decidedly not.

21. Do you honestly believe that you represent to-day the views and feelings of the men working in the sawmills in your district?—I do.

22. What is it you have come to say to this Commission concerning the importation of Oregon pine?—We believe that the falling-off in the orders coming to our district has been caused by the importation of Oregon pine. It may be that there is not a great deal of it used just now in Wellington, but it has been brought into the country, and the money had to go out of the country to buy that timber. If that money had not been sent out of the country to buy that timber it is more than likely it would have been used to buy some New Zealand timbers, which, we believe, are equal in strength and quality to any Oregon pine that you can ever bring into New Zealand. With regard to long lengths, I think we can cut just as long lengths in the New Zealand bush, if there is need for them, as you can get here in Oregon pine. But until Oregon pine came into Wellington in long lengths we never heard of these long lengths. I never heard of long lengths unless it was for piles for Harbour Board works or something like that, and I myself have helped to square them up to 90 ft. in length. That was all done with the broad-axe, but if it were necessary for those long lengths to be cut, I can assure you we can cut them. It is only a matter of altering the

big bench. The timber is in the bush to get the long lengths from, more especially up the Main Trunk line. I will guarantee they can cut up to nearly 100 ft. lengths there. So I cannot see why there should be brought forward a suggestion to let long lengths of Oregon in free. What I want to impress upon you, gentlemen, is that we do not want anything from you but justice. If there is anything required in the timber line that we cannot produce in the country, not a worker in New Zealand would have a word to say about it; but we believe our timbers are equal to and often better than any Oregon pine you can bring here. With hardwood timbers it, of course, is a different matter. Our timbers are not so strong as the hardwood; but with regard to Oregon pine, rimu will stand, I think, as much strain as any Oregon that you could produce, and I do not think the Oregon will last half as long as rimu. I know rimu posts that I myself put in the ground when I was fourteen years of age, and I shall be forty-six on Monday next, and if there is a man here who has got an axe that he can chop them with, well, he has got a very good one. They are like a piece of stone, and if you can get any Oregon pine that will last that long I should like to see it. I saw a balk of Oregon on the wharf to-day. It was cracked open; you could put the whole blade of your knife into it. You will not find anything like so big a crack as that in heart of rimu if you cut it in the balk. All we want you to do is to protect our own industries. If we have not got a timber that is as good and as easily worked and can be produced as cheaply as the Oregon pine, then, of course, we can say nothing. I do not think you can find any timbers in the world that are better to work than ours. As for lasting qualities, we have got totara, matai, rimu, and white-pine, and I do not know whether the Oregon can take the place of either one of them—not even white-pine, because it will not make a better butter-box.

23. We have been told that Oregon is easier to work than much of our timber?—It may be—the clean part of it.

24. And that it is lighter to handle?—Well, what advantage is that? I doubt whether it is easier to work and lighter to handle, unless you take a piece of rata or maire.

25. I suppose you will agree that the present trouble in the sawmilling industry is due to some extent to the slump that has occurred throughout the Dominion generally, apart altogether from the Oregon?—Yes; we must agree to that, of course.

26. But the fact that in 1907 only 100 ft. of Oregon came into Wellington, and that in the last fifteen months 6,784,000 ft. came in is to your mind, is it not, an indication that Oregon pine has affected the industry?—Most decidedly.

27. Every foot of that timber that has been used must have displaced a foot of our timber?—Yes.

28. A large number of the workers in your district are married men?—Yes, quite two-thirds, I should think.

29. Men who have been employed in the sawmilling industry all the working period of their lives—do they find it easy to tackle other work?—I do not know that they would find it easy to tackle other work. They are men who can adapt themselves to anything else pretty readily, but that is not the point. They cannot go to a farmer and tell him that they can plough, or to a storekeeper and tell him that they know how to do the work in his store. They would pick it up quickly, no doubt; but who is going to employ them when they have had no experience at anything but sawmilling? No man who has a business now wants to employ learners, unless they are boys.

30. As to the relations between the millers and the men, how are they up in your district?—The millers and the men seem to work very amicably together.

31. Have you got a union up there?—No.

32. Then there is no award?—No.

33. Are the men satisfied, then, with their wages?—Yes. At the mill at which I work no man gets less than 9s.

34. Can you give the Commission any idea as to whether the millers are doing well—that is, making a lot of money—or not doing so?—I do not think that in our district they are making a lot of money, because they are taking the dead logs off the sections of the settlers, and they are not easy to get, and there is a lot of waste timber in them; and then we have a long way to cart—nine miles.

35. And the prices are not too good?—No, I think they are not; but I could not tell you what the prices are.

36. Can you tell us whether the sawmiller has been of substantial assistance to the settler in your district?—Most decidedly he has. Just about our district the whole of the sawmills must be an assistance to the settlers, because they are taking the timber off the settlers' ground, which has been felled some years. Mind you, it is nearly all very hearty timber there; the sap has gone off, and the worm does not get into it very much there. They are paying the settlers royalty for the timber, and they are clearing the logs off the ground.

37. Do the mills give employment to settlers in certain cases?—Yes. At the mill where I am working a settler was employed.

38. Do you say the proportion of long lengths required is very small as compared with the output of the mill?—Most decidedly I do.

39. We have been told it is something like 1 per cent.?—I do not think it is that. Of course, I am speaking of anything over 20 ft.

40. Now, you have come here to-day demanding an increase of duty on Oregon pine?—No, I would like to see the thing kept out of the country, because I do not see that we require it when our own timbers are equally as good. I cannot see why we should import into this country timber which we do not want. I think it is only a speculation on the part of somebody to bring cheap timber into the country. They want to make a bit of a "divvy" out of it. That is what the people up my way think about it.

41. You have told us there is real distress amongst the workers in your district?—Yes.

42. And, unless there are some other industries started up there, many of the men with their wives and families will be thrown on charitable aid during the winter?—I cannot see anything else for it. Those men cannot get away, and the workers cannot get any credit from the storekeeper. He has to pay cash down every time he gets his stores.

43. *Mr. Barber.*] You said, I think, that the name of the firm for which you are working was Smith and Sons?—Yes, it is my father's mill. I have nothing to do with it except as an employee.

44. Why is it called Smith and Sons?—There is a brother of mine in it. I have not the slightest interest in it.

45. You have not come here to advocate the interests of the employer at all?—No.

46. What is the output of your mill?—We go from five to six thousand a day, according to how the logs come in.

47. That would be an output of about a million a year?—Yes.

48. And did the other mills which closed put out about the same?—One or two of them perhaps did a little more.

49. But you would take that as about an average?—Yes.

50. Then those thirteen mills would have been putting out about thirteen million feet a year?—Yes.

51. You heard the last witness say there were fifteen mills closed in his district, and that the output of each would average a million?—Yes.

52. Well, putting the two together just from Dannevirke and Eketahuna, without taking into consideration at all the other districts like Taihape and along the whole of the trunk line which are also supplying Wellington, how do you account for five millions of imported Oregon being responsible for the closing of mills that were putting out twenty-eight million feet per annum?—I do not know how to account for that. We do not know how much has been imported. Of course, we hear of these millions of feet coming into Wellington, and we know our own trade is going, and a large number are being thrown out of employment.

53. A return furnished by the Customs Department states that in fifteen months only five million feet was imported. Can it be possible that five million feet coming into Wellington would be responsible for the closing of twenty-eight mills producing twenty-eight million feet?—You would not think so.

54. Now, as to the Oregon that is being imported into the country, a great deal of it is in long lengths?—Why cannot we supply it in rimu?

55. Do you say you can supply the long lengths in rimu?—Yes, and the timber all heart.

56. Have you any difficulty in getting rid of heart?—Yes, we cannot get orders for anything.

57. The evidence before this Commission is that there is not enough heart to supply the requirements?—I think if they sent orders up our way they would get plenty of heart.

58. We have it in evidence that the percentage of heart in red-pine is so small that the mills cannot supply orders in that direction?—Has that evidence come from people connected with mills up this line?

59. That is the evidence given throughout the Dominion. You say you can supply heart in long lengths. Suppose you were asked to supply 40 ft. lengths of heart, what would be the price?—I could not tell you the cost, as I have nothing to do with arranging the price.

60. For ordinary building-timber up to 25 ft. let us take as a basis 12s. in Wellington: are you aware that to get 40 ft. lengths you would have to pay 6d. extra up to 30 ft., and after that 9d. extra, and then 1s. a foot extra, so that by the time you get to 40 ft. you have to pay, in addition to the ordinary price, at least 12s. per hundred more because you wanted it in that length?—I do not know anything about the prices.

61. Do you think it fair to ask the consumer to pay 100 per cent. more for his timber in long lengths when a substitute can be got at a much lower price—a substitute which architects consider in some respects is superior?—The question of whether it is superior or not is, I suppose, a matter of opinion. The timber has not been long enough in the country to be proved. What price would Oregon be at the same length?

62. The price would be 17s. or 18s.—say, £1 to give you a margin, and the other would be £1 4s. at the very least?—Well, you certainly have an argument there.

63. I think you said you could produce up to 80 ft. lengths?—I say if there was a demand for it the bench could be arranged for it just as well as for the other lengths.

64. A 40 ft. and 50 ft. length is frequently required, and you can see yourself that the price would be very high to the consumer?—Well, that is taking an outside length. I suppose there are very few lengths of that sort even in the Oregon that comes to New Zealand.

65. You say it is impossible for the mill hands who are out of work—and I do not dispute there is hardship—to find work in the country?—Just about that district, it is.

66. Can you explain why it is we are always being told that if city workers will go to the country there is always plenty of employment for them, and that the mistake they make is in always hanging about the towns?—You might just as well tell a bushman to go to town to look for work.

67. You said, in reply to Mr. Field, that the sawmilling industry has assisted settlement in the district. When the bush is removed is there not work for the farm labourer in improving the land, and does not settlement provide labour for those people when the bush is worked out?—No, because the settler can do nothing with his land unless he is able to stump it. When he has got it felled, burned off, fenced, and the grass-seed in, that is about as far as he can get with this bush country for a number of years, unless it is flat country which can be readily stumped. It costs a lot of money to stump the land. By the time a man has his land fenced, grassed, and stocked, he has very little money left for stumping the land.

68. You say it is a mistake to assume there is work for unskilled labour in the country?—Yes, up where we are, I am sure it is.

69. *Mr. Hanan.*] Do you know anything of the conditions of the market in Christchurch, Dunedin, and other places like Invercargill, so far as obtaining supplies of good heart rimu is concerned?—Nothing whatever.

70. Do you know, roughly speaking, how much has been sent out of New Zealand for Oregon?—No.

71. Do you know the output of the mills in New Zealand during the last twelve months?—No.

72. Can you tell us how your mills compete in the Wellington market with the West Coast mills? Can you undersell them?—I do not know what the freight from the West Coast to Wellington is.

73. You do not know how much timber has come from the West Coast to Wellington during the last twelve months?—No. I know some has come.

74. Do you know that numbers of carpenters, bricklayers, and others have been out of work recently?—Yes, I know that from the newspaper reports.

75. Do you know how much Oregon has come into Wellington during the last eighteen months?—I think I heard one gentleman here say there has been about seven million feet.

76. Do you know how much came in before you came to the conclusion that we ought to put a duty on Oregon?—I have never troubled my head about putting a duty on Oregon at all.

77. Did you know before you came here the quantity of Oregon imported into Wellington during the last eighteen months or twelve months?—I did not know the amount, but I know the amount was considerable.

78. Do you not think it is necessary for an intelligent man, before coming to a conclusion as to prohibiting the importation of a certain article, that he should know how much of that commodity comes in and to what extent it affects the local market, more especially as you allege your mills are affected, also as to the supplies of heart of rimu available in the South, also as to the amount of money that has been sent out of the country? Do not those facts weigh with you?—No, I do not see that they should.

79. Then you would prohibit an article coming in without making any inquiries in the direction I have indicated?—What do we want Oregon here for when we have timber as good, and that can be produced at the same cost?

80. You have just told me that you know nothing of the conditions of the southern market so far as obtaining supplies?—We are talking about this market here.

81. Then, in the recommendation you make, you are simply looking to the conditions of the Wellington market?—I am speaking for my own district, and the rest of the workers in New Zealand should do the same.

82. Do you know how the importation of Oregon affects the workers of the South Island?—No.

83. Do you think it is to the benefit of the workers of the South Island that Oregon should come in?—I think it would be to their benefit if it were kept out, because they have as good timber down there as we have here, according to what I have heard from men working down there.

84. How many years ago?—Only about a couple. There are any number of sawmills down South.

85. And all doing well?—Not since Oregon came in, from what I have heard about it.

86. Have any of the mills that shut down opened since November?—Yes, there was one opened, I think, on Monday.

87. Is that not a good sign?—A jolly good sign, when the poor workers have done nothing since November.

88. Does it not show that the sawmilling industry is getting on its feet again, and that there is a revival?—A very poor revival.

89. But if a mill is opened does that not point to things improving?—There was another one closed on the same day. How about that one? It was a bigger mill, and the owner employed about twenty men.

90. Was that due to the falling-off of orders?—Yes, he could not get an order, and he knocked off last Saturday.

91. How was he doing up to that date?—He had been just scraping along. He reduced his hands and put his timber into stack, just keeping his men together.

92. When did this falling-off in orders take place so far as the mills in your district are concerned?—They have been falling off ever since last May, but they managed to scrape along until November, when there was a general stoppage.

93. Do you consider the price of timber too high for the worker?—I do not know exactly what the price of timber is just now. Just lately I believe there have been considerable changes in the price of timber, but unless a man takes the trouble to ask his boss the price, he is not likely to tell him.

94. How long have you been connected with the sawmilling industry?—About twenty-five years, off and on.

95. There have been depressions in the industry prior to last May?—I do not know of any serious depression. The mills never had to close down.

96. Have you never known of a slump in that industry during the last twenty-five years?—There may have been some slackness at times, but nothing to cause any serious trouble.

97. Do you think if the importation of Oregon were prohibited it would put the sawmilling industry in a prosperous condition?—I think if it had been kept out from the first the money that has been sent out to buy it would have been put into rimu.

98. Do you consider, if we put a prohibitive duty on Oregon, it would place the sawmilling industry in those districts on a prosperous footing?—It ought to do something towards it, certainly.

99. Do you express that opinion although you do not know the amount of Oregon that has come into the Dominion during the last eighteen months?—I heard one gentleman say that seven million had come into Wellington.

100. You believe the fact of that seven million feet of Oregon coming into Wellington, and operating not only against your mills, but also against the mills on the West Coast, has been in itself the cause of the sawmilling industry in your district being in such a state?—That is the conclusion we came to.

101. How much do you think, so far as your district is concerned, Oregon has displaced?—The only conclusion we can come to is that it has displaced the whole lot.

102. That is in your own district; but you compete with the West Coast mills, do you not?—But are the West Coast mills working? I have heard that some of them have had to close down.

103. The orders for Oregon have not affected your district solely?—No, I should be a fool to think that.

104. Before coming to a conclusion do you not think you should consider how much Oregon has come into Wellington to displace orders for your district?—We did not think it necessary to inquire how much had come in. We considered quite enough had come in to bust us up, anyhow.

105. Do you not think you should have ascertained how much before coming to an intelligent conclusion?—Perhaps I should have done so.

106. Do you still hold the opinion that if five million feet of Oregon came in, the effect being distributed between your mills, the West Coast mills, and others—that that has been in itself the cause of your mills being closed down?—I cannot say it has been the sole cause. The state of the money-market may have had a little to do with it.

107. Has it not had the most to do with it?—I think the importation of Oregon has had a lot to do with it. The money that has been sent away for that seven million feet of Oregon would have gone a long way towards assisting us here.

108. Does the importation of Oregon induce people to build, or does it retard them from building?—I do not think it has made any difference.

109. Is it not a fact that cheap money and prosperous conditions tend to an increase in building, and that increased building means increased orders for the sawmillers?—Yes.

110. If the building trade has fallen off, is not that due to depression rather than to imported timber?—It certainly would have something to do with it.

111. Has it not a great deal to do with it?—Well, it has a great deal to do with it.

112. *Mr. Jennings.*] The sawmiller uses the waste timber from the settlers' land?—Yes.

113. Do you know what royalties are paid for the timber?—We pay 6d. per hundred where the mill is cutting now.

114. Are there any Crown timber lands in the district?—No.

115. Is the same price paid for timbers in your district as is paid here in Wellington?—I cannot tell you, because I do not know the price of timber.

116. Now, the question was put to you why the sawmill and bush hands did not obtain employment on farms in the district: is it not a fact that most of the holdings in the district are small holdings?—Yes. I think they generally run about 100 acres.

117. Therefore, the man and his wife and family do practically all the labour that is necessary?—Yes. Most of them milk cows for the factory.

118. I think the impression you intended to convey was that if the importation of Oregon to the extent of seven million feet had not taken place the sawmills that have closed up and the men who are out of work would have participated to a very great extent in obtaining orders, thereby keeping the mills running?—That is it.

119. Do you know of any Oregon being used in your district?—I do not, although I did hear there was a little came up that way the other day.

120. Have you any knowledge yourself as to the durability and strength of Oregon as compared with our local timbers?—No; but I know very well that our own timbers are pretty strong, and I have seen them stand some pretty good tests. I have had hold of small pieces of Oregon at different times (although I have not had the handling of large balks), and they were not to be compared in strength with pieces of our timber of the same size. I am quite satisfied of that.

121. How many sawmills are in the district?—I think there are seventeen within a radius of twenty miles.

122. Is there much timber in the district not cut yet?—Yes, a good deal is left yet. It is very difficult to get at.

123. Most of the timber is on lands that the settlers have taken up from the Government?—Yes, mostly.

124. What is the class of timber there?—All rimu. There are just a few ratas.

125. *Mr. Leyland.*] You have been asked to explain how five million feet could interfere to the extent that you think: have you any idea of the total amount of timbers used in Wellington in the course of a year, exclusive of kauri?—No.

126. Do you think it is fifty million?—I do not know, but I think it must have been up to this year at the rate timber was coming down the lines.

127. Well, five million is 10 per cent. of fifty million; but we have been assured by those who sell this timber that at least 75 per cent. of that five million feet is sold to replace kauri, so that would reduce the competition with New Zealand timbers to 2½ per cent., so that it could not possibly affect the mills producing timber for Wellington to more than 2½ per cent. of their output?—You are quite right there.

128. Now, with reference to the money going out of the country. I am a kauri-miller and a rimu-miller. I am not an exporter, but other kauri-millers are exporters, and by sending out a

million feet of kauri at 19s. 3d. per hundred and buying Oregon to replace it at 9s. per hundred they bring two sovereigns in for every sovereign sent out of the Dominion, and surely that is a gain and not a loss?—Who is getting the gain?

129. Seeing that Oregon only affects our timbers to this small extent, would it not be fairer to look for other causes for the depression in the timber industry at present? Now, during the last two years our exports have fallen off by £9,000,000, which means that every man, woman, and child had £9 less to spend: has that not had an effect?—I suppose so.

130. Seeing that the outputs of our mills have more than doubled, do you not think that overproduction should share some of the blame?—Of course, put the blame where it should be put.

131. *Mr. Clarke.*] Did I understand you to say there is a union in your district?—No. If there is I know nothing of it.

132. You are within the Wellington Industrial District?—I suppose we are.

133. Do you not think that you should have made yourself acquainted with the fact that there is a Sawmillers' award that covered the whole of the Wellington District, and that, whether you know it or not, you are working under an award?—Well, I know we are getting in our mill a larger wage than the award. There is a Timber-workers' award posted up in our mill.

134. But the point is this: Seeing that there is an award in your district, how is it that the union of workers has not sent a representative?—I do not know.

135. There is a Sawmillers' Union which includes the whole district, is there not?—It has never affected us. None of us have had anything to do with it. There are no union members about there that I know of.

136. The fact that the award rates are exhibited in your district and mill is proof that the award is current in your district?—This is a paper that came from the Government office to be put up in the mill showing the rate of wages to be paid. That is the only thing posted up.

137. Then the union of workers in your district has not seen fit to raise any complaint in the matter of the importation of Oregon timber, but only the independent workers?—Just the mill-workers.

138. But no official connected with the union has raised any question about that?—None that I know of.

139. Has it occurred to you that the sawmillers and timber-merchants themselves may have been responsible for the introduction of Oregon by raising the price of timber unduly high?—That is a thing I know nothing about.

140. You do not know whether the price of timber is high or not?—I do not know the price of timber now at all. I know there have been some alterations lately.

141. Do you think that the introduction of Oregon will at least have a tendency to keep the upward prices in check?—Well, I should think the importation of Oregon would have a tendency to bring it down, or else the people would use Oregon in preference to our own timbers, if our own timbers went up any higher.

142. Then, does that not prove that the introduction of Oregon will enable prices to be so regulated that the workers of this country will not have to pay an undue rate for their timber?—But cannot the Government arrange a price for timber, or arrange so that it should not exceed a certain price, and do away with the importation of Oregon?

143. That is not an answer to my question: If the introduction of Oregon, as you have admitted, will have a tendency rather to lower prices, or keep them in check, will that not be a guarantee to the workers of this Dominion that timber will not go to an exorbitant price?—I do not think it would be fair to work it that way—simply to have Oregon held over us as a sword: "If you do not keep the price of timber down we will just bump you in another load of Oregon."

144. Do you consider you should be allowed to take your timber up to any rate?—No. I say, let the Government do away with the importation of Oregon, and pass an Act that timber shall not go over a certain price, and make sure that that price is paying the miller, so that he can pay his men, and when he gets further back make a difference to that man a long way back in his railway freights.

145. If you advocate that, would you not say it would be equally fair to pass a law to insure a certain profit to the bootmaker as well as to the sawmiller?—I suppose they do that now, pretty well. I do not know much about bootmaking.

146. With regard to the comparison of Oregon with local timbers, do you not think it is a mistake on your part to pretend to judge as to which is the best, seeing it is not your business to work timber, but merely to drive an engine?—I have worked timber in most of its phases. I have built houses and done cabinetmaking, and worked from one end of a sawmill to the other—in every department of a sawmill.

147. If you were told that the consensus of opinion of experts who are working timbers—namely, builders and architects, whose business it is to know and understand the properties of timber—is that Oregon will compare favourably with our local timbers, would that not modify your opinion as to its being inferior? Do you not think their judgment should be taken as being of considerably more value than your own?—I would take notice of a New Zealand carpenter's opinion—not a man just out from Home, but a man who has worked our New Zealand timbers. But I have not a very high opinion of architects, because they have not had to go into the bush and chop and work the timber. It is all very fine for these gentlemen to sit in their offices and say this timber is this and that timber is that, when they simply do not know anything at all about it.

148. But you would allow that the opinion of practical men who are working the timbers is of some value?—Most decidedly I would take the opinion of a practical man.

149. *Mr. Morris.*] If you heard a builder advocating highly the merits of Oregon pine would you not probably think he was making more profit out of the working of it than out of our native timbers?—Most decidedly, because it is easier to work and lighter to handle, which means less labour.

150. In regard to the question of heart rimu, there is heart rimu which is specially suitable for cabinetmaking and joinery-work, but that only constitutes a very small percentage of the heart rimu you generally produce?—Yes.

151. I suppose it is a fair estimate to say that 20 per cent. of the timber produced is heart rimu?—Up our way I should say more than that. I believe the rimu there, with the sap on it, is two-thirds heart rimu. Where we are cutting there is not once inch sap. It has all burnt off or fallen off.

152. I suppose you know there is some other factor at work besides Oregon that is curtailing the amount of timber that is required in the timber trade?—Yes, I can honestly say I must admit that.

153. But still this Oregon pine you will notice is all the time enlarging the trouble?—Yes, that is where our objection comes in. We want to stop it.

154. The importation of it does not seem to be curtailed at all?—Then it is time to stop it. Perhaps during this meeting they may be bumping in three or four million feet on the wharf, and our boys waiting for something to do.

155. Of course, you know, being for the last thirty years in the trade, that we have managed hitherto to get along very well without it?—That is just what I was trying to tell the gentlemen before. We never wanted Oregon pine in New Zealand until twelve or eighteen months ago, and now every one seems to want it.

156. Do you think the workers or labouring-classes in the towns derive any advantage from Oregon coming into the market, seeing that it is retailed at 17s. 6d. per hundred feet, whilst native timbers are being retailed at 14s. 6d.?—It cannot possibly be. I was speaking to a man on the wharf this morning, and he told me he was a sawmill hand. He left Wanganui to come down here to see if he could get work in the city. He told me he was working on the wharf when he could get work. I asked him why he did not go back to the bush. He said, "I cannot. I am earning on an average £1 10s. per week, and I have a wife and child, and I cannot get them away. I asked him if he did not get plenty of work in handling the Oregon timber that comes in, and he said, "No, the darned Yankees unload it themselves and we have to look on." I suppose there were five hundred unfortunate men on the wharf this morning looking for work.

157. Then, this great advantage that the country is deriving from the importation of Oregon is rather hard to find?—I think the Yankees take all the advantage back in the boat with them. If I was a wharf labourer I think I should want to have a fire about these stacks.

158. You tell us that the settlers derive a considerable advantage through the utilisation of our native timbers?—Yes. My father's mill where I am working now has been cutting the timber off the lands for five settlers. We are now cutting off two more, and there are three more we are going to cut off. Otherwise that timber would simply rot away or be burnt. We pay them 6d. per hundred feet royalty, and the ground is cleared.

159. Can you tell us why it is that the farmers when they meet at Farmers' Unions are always carrying resolutions urging the Government to import timber free, as the present price is a great burden on them? Evidently they have forgotten the time when they sold their timber to the miller?—I do not think these resolutions come from the farmers up our way. They will not say anything until their timber is cut. I suppose they come from the places where the timber has been cut off by the millers, and the farmers have a cheque to buy Oregon pine with. So far as our district is concerned, some of the farmers work in the mills, and they sent me down here.

160. Is it not a fact that a great number of men throughout the sawmilling districts do not belong to the union?—I have been in the sawmilling industry at Dannevirke and in the Raetihi districts, and I have never been in a sawmill yet where I heard any talk about joining the union.

161. Then, so far as the sawmill men in the country districts are concerned the unions are practically unknown?—I have never been asked to join a union.

162. And you never paid any subscription towards it?—Not one farthing.

163. Consequently, there is nothing at all unreasonable in your being here to represent the workers in your district when the union does not take any cognisance of the difficulties you are in?—Nothing unreasonable at all, because I never heard of a unionist up there. I suppose the fact of the matter is we have always had a good wage—I suppose one of the best wages paid in New Zealand—and the union delegates have never thought it worth while to interfere.

164. Are you aware that the Government were subsidising a line of steamships between this country and Vancouver up till a short time back?—Yes, I saw it in the newspapers.

165. And probably that is responsible very largely for a lot of this Oregon being brought into the country?—I have no doubt it helped them to pay the freight on it.

166. I suppose you do not believe in that policy?—Well, hardly. I think while we are at it we ought to pay the men's wages on the boats, too—it is a pity to do the thing by halves. That is just about our opinion of it in the bush.

167. *Mr. Arnold.*] Did I understand you to say, in answer to Mr. Morris, that the men had sent you here because the union had taken no notice of your position or tried to do anything for you?—No. He asked me why it was the union had not sent me here, and I said we had no union.

168. Are you aware that at the last annual conference of the Trades and Labour Councils of the whole Dominion held in Wellington a resolution was passed asking the Government to increase the duty on Oregon so as to protect the millers and sawmill-workers? Do you know they did so?—No, I do not.

169. Would you be surprised to know they did that?—No, but I do not know it.

170. *Mr. Stallworthy.*] If the millers told us that the arbitration awards had forced up wages in your district, that would not be true?—No.

171. It has had no effect in that direction?—No. There has always been a high rate of wages in our district.

172. As high now as ever they were, or have they gone higher?—No, about the same. Wages run from 9s. to 14s.

173. Do you know of any mills in your district that sell their whole output to any one firm?—I never heard so.

174. *Mr. Field.*] Is that timber growing on land that is fit for settlement?—You could not plough it.

175. If the milling of it becomes unprofitable will it be eventually burnt or allowed to rot?—Yes.

WELLINGTON, FRIDAY, 21ST MAY, 1909.

ANDREW QUINLAN sworn and examined. (No. 134.)

1. *Hon. the Chairman.*] What are you, Mr. Quinlan?—I am a sawmiller at Nireaha. I wish to read the following statement:—

I, Andrew Quinlan, sawmiller, having an experience of sawmilling as workman, contractor, and employer since 1873, state that during the period between then and now I have seen many periods of depression in the timber trade, but do not know of any more widespread than the present. Possibly this may be accounted for in some degree by the large number of mills now in existence in comparison with what were formerly in use, thus making the depression felt over a larger area. The depression now existing, to my mind, is caused in a great degree by the inflated land-values here and the generally depressed state of trade throughout the commercial world, intensified locally by the large importations of Oregon pine into this country. The latter, though looking small in quantity, may be, and, in my opinion, is, one of the chief causes of the depression existing so far as the Wairarapa centre of the industry is concerned. Formerly we could sell our product readily in the Wellington market, now I do not know of any sales being effected in the city. I myself have not sold any O.B. timber in Wellington since last June, though formerly it was my market for this class of timber. I see large stocks of Oregon in every yard, but we get no orders for rimu. I may say that during the last ten years I have been cutting off Crown tenants' lands in the Stirling district, with a few freeholders. In none of the sections was the area greater than 200 acres. I bought the timber, standing, from the settler, built the mill, and started cutting the timber which the settler was obliged to destroy if he acted up to the regulations of the Land Board. Instead of him having to pay for the felling of his bush we paid him money for it, removing the heavy timber and converting it into a commercial article, thus giving employment to workmen, including many of the struggling settlers themselves. I have no hesitation in saying that in more than one case we have been the means of assisting many of those now prosperous settlers in retaining their holdings. I append a list of persons who, as settlers, I have paid money to in the Stirling district for the timber on their holdings, also a list of the wages paid yearly to the men in my employ whilst cutting same. There are seventeen mills in and around where I have been cutting this last ten years, and they are all with one exception cutting off either Crown tenants' holdings or privately owned land in small areas somewhat similar to my system of dealing with the settlers. In addition to the moneys paid to settlers and as wages, we should have some credit for the number of people who are employed catering for the mill employees' requirements—viz., butchers, bakers, grocers, blacksmiths, &c. At present there are six of those mills to my knowledge completely idle, though they have yet green bush to work on. Four of those are the largest mills in the north Wairarapa, and when fully manned give employment to sixty men, whilst of the remaining eleven some are working half and the others quarter time. I am perfectly safe in stating that at least there are over 110 men less employed in this district this winter as compared with last. I feel there is a duty devolving on our Government to protect an industry which so largely employs labour. I know of no article the selling-value of which is so largely returned to labour as that of sawn and manufactured timber. I am confident that seven-eighths of the selling-price is distributed in this way. I have had some slight experience of the durability of Oregon for sleeper purposes. In 1873 Brogden and Co. laid the railway-line through the Taieri Plains with Oregon sleepers. These sleepers had all to be replaced within a very short period, and I am unaware of the Railway Department ever having repeated the experiment.

	£	s.	d.
For the last ten years I disbursed in wages the sum of	14,074	9	7
For carting (five years and a half)	1,399	10	0
Heavy traffic license (county by-law)	125	0	0
Total	1,524	10	0

Cost of Production per Hundred Feet.

	s.	d.
Royalties	0	5
Logging	2	3
Maintenance (oils, saws, files, repairs, removals)	0	6
Horses, bullocks, losses, and feed	0	5
Tramways-construction and sinking fund	0	8
Sawing at mill, and yarding	1	6
Plant, sinking fund, and interest	0	6
Legal expenses, stationery, stamps, &c.	0	2
Insurance and rates	0	2
Tramway, delivery at siding, and labour	0	6
Total	7	1

Money paid to Crown Tenants and Freeholders (only Four of the Latter) for Right to work their Bush.

	£		£
William Tarr	200	A. Redpath	48
George Edwards	65	William Bayliss	15
Charles Nordell	280	— Okerstram	10
William Syvensen	50	William Stack	35
— Price (freeholder)	20	Arthur Berry	125
— Lovegren	30	William Cox	68
Benjamin Nicholls (freeholder) ..	10	— Tocker	135
— Cooper (freeholder)	25	— Gardiner	25
— Fulton	5	— Hardiment	95
— Mason	9		
— Larsen	17	Total	£1,288
W. Rasmussen (freeholder) ..	21		

2. Is there anything you wish to add?—I have explained in my statement that I did not pay royalties under a royalty system, and I think most other sawmillers are doing the same: they purchase outright the standing timber, and of course that avoids a lot of trouble in the matter of collecting royalties. We assess the value of the timber and give the settler a lump sum; consequently our royalties are not so great as in other places. I have spread the foregoing statement over a period of ten years while working on the Crown tenants' land under this condition. I have only a small sawmill, and I gathered from the evidence given here yesterday that some of the mills then referred to had not been so long in existence in the district as mine has, but I think they are all carrying on in a similar manner to the way I have been. I have three and a half years' work in view on the green timber; consequently I shall have to make some arrangement with the holder of the section for a further term At present my mill is closed. I have about 120,000 ft. of timber in the yard. I was fortunate enough to be able to keep going until ten days ago, but now the mill is closed. We are only in a small way. I have still five men working, repairing trams and bridges, and I hope to get a start again some day.

3. Do you know anything you can state to the Commission that you believe is the cause of this trouble of closing down the mills?—There are not the orders; that is the only thing I know of.

4. What is the cause do you think?—I understand from pretty reliable sources that seven million feet of Oregon have been imported into Wellington within the last fourteen months. This would displace an equal amount of our local timbers. That is one of the causes, I believe, with the widespread depression all over the world. There is a lack of building operations at present; we must not attribute the whole trouble to Oregon pine importation.

5. *Mr. Field.*] Where are you milling, Mr. Quinlan?—At Nireaha, in the Forty-mile Bush.

6. What is the output of your mill?—I can cut 5,000 ft. a day — in fact, could cut about 600,000 ft. a year, and that is what I have cut the last ten years. Our bushes are small; we have to move, and have some difficulty in continuing trams, and when you cut out in one place you might have some little delay about getting into the next sections.

7. You do not cut a million feet a year?—Six hundred thousand.

8. How does the size of your mill compare with the other mills up there?—It is just a medium mill.

9. You heard mention made yesterday of thirteen mills closing in one district, and twelve or fifteen in another. Do you know those two districts?—I have known Dannevirke for years. Mr. Smith referred to our district yesterday, and I think he was slightly in error with regard to the number of mills being closed there. I know of only six, but he may know of more. There are six closed out of seventeen, to my knowledge.

10. What is the average output of those mills?—Some of them are greater than mine, and five of them cut a good deal more than mine. They would cut over a million feet, and a few would cut about the same quantity as mine, and the rest perhaps two hundred thousand feet less.

11. Would it be a fair thing to say they would cut half a million a year?—More than that; 600,000 ft. on the average.

12. And twenty-eight mills would cut something like seventeen million feet in a year?—About that.

13. And the market for those mills is mostly Wellington?—Wellington. Palmerston North and Wanganui also used to be markets, but the principal one is Wellington.

14. What do you find the Oregon pine chiefly competing with—first- or second-class timber?—It cuts us out in the O.B. rimu altogether; in fact, I can get no orders for heart of rimu either. I should be only too pleased to supply that at present.

15. What proportion of your output does the O.B. rimu comprise?—I do not think you could get scarcely any more than a fifth first-class heart of rimu. There are so many small trees without any heart at all.

16. Some of the timber is matai and kahikatea?—Yes.

17. What proportion of the total output of a mill would ordinary building-rimu form—three-fifths?—I would not say that. If you include heart totara and heart matai you will have a very big percentage added to the rimu.

18. It has been suggested that the importation of this Oregon into Wellington is a mere bagatelle, and could not have seriously affected your industry. I want to know whether the 6,784,213 ft. that has come into Wellington in the last fifteen months is not such a large amount that it will seriously affect your mills?—There is no question about that. If you take six million feet into our market it must necessarily displace that quantity, or something approaching it, of

our timber. I do not suggest that we in the Wairarapa would supply it all: Hawke's Bay and Taihape would have their share. Supposing our share were two million feet, Oregon must displace timber from our district to that extent.

19. It is suggested that a large portion of the Oregon that comes to Wellington supplants kauri, and not rimu at all. Is that true?—I really do not know—I have no knowledge of how it affects the kauri trade. Our interest is centred in the rimu, and we know it affects us.

20. You have been through the timber-yards here. Have you noticed them cutting Oregon up in all the yards and using it regularly?—I have not been in the yards this time, but I walked round them when I was in Wellington a short time ago, and I saw them cutting it up.

21. Is it a customary thing to see what I saw just now—a cartload of 4 by 2 Oregon?—Yes.

22. To be used for small buildings?—Yes.

23. You heard the two workers' representatives give evidence as to the condition of the workers in their particular districts. Is there likely to be real distress this winter if the present state of things continues?—There will be distress until the workers are again employed. But I have great faith in the ability of an ordinary bushman to get over a difficulty. If there is a possibility of doing so he will get over it.

24. Do you see much possibility of his doing so, assuming the mills close down?—Not in that industry. To my knowledge there are at least 110 fewer men employed in the sawmilling industry than there were this time last year.

25. Are a fair proportion of the men married men?—The great bulk of the men in our district are married men.

26. You probably saw something in one of the papers concerning the condition of our labour-market and the number of men that are going to Australia in search of work?—I just glanced at the paper—I did not read the article you refer to.

27. Apparently there is going to be a shortage of employment in the towns; would it not be difficult, then, for those men who can get away—the single men—to find work, even in the towns?—There would be very little opportunity, I should think, from what I can see, down here.

28. I suppose you cannot speak as to the quality of Oregon timber?—Not further than what I have told you as to its durability when used for sleepers. I should think the Railway people would have a knowledge of that.

29. What has been your experience as a sawmiller—have you made a large fortune out of it?—I think it is the experience of most men in the industry that there is a sort of fascination about it; but I think it is the worst thing a man could enter into. As a money-making thing it is the worst, I think, that a man could put his son to. As I say, there is a fascination about it that keeps a man at it when he has started.

30. Are you milling on land that is fit for farming purposes?—The man clears the ground immediately after we mill it, and oftentimes they cut out 50 or 100 acres and burn it while the miller is there. Oh, yes! we are really settling the place.

31. You are paving the way for the settler to make his money out of it by farming?—That is so, and giving him employment besides.

32. Assuming that Oregon pine continues to come in in large quantites from now on, what is going to be the result to the milling industry in your district? Are you all going to close down, or what?—We shall go through the Insolvency Court.

33. That means the mills will close down?—If this depression continues for a period of another four months the Official Assignee will be busy amongst the small sawmillers—I do not know about the big ones. When you gentlemen close us all up through your neglect, then you will have the monopoly you speak of.

34. It has been stated more than once that if our own timber is destroyed we shall be placed at the mercy of Oregon: do you think that is a correct statement?—I have not the slightest doubt about it. I think that where Oregon comes from they are the champion "grafters" of the world, and will not exclude little New Zealand from their system.

35. Will it be the smallest mills that will go under first?—Certainly.

36. Will the closing of these mills have a tendency to increase the holdings of larger and bigger mills?—Really, I do not think that. I believe these big people have very nearly acquired the whole of these holdings now: I do not think there are many more left. It will diminish the opportunities for the small settlers to get their timber worked and placed on the market.

37. Take the case of a small mill going into bankruptcy and the Official Assignee selling: who is going to buy?—Nobody, under those conditions.

38. Not even the larger men?—No. Our stocks do not suit those big men; our engines are too small. There would be no sale for us.

39. One of the results of the closing-down of the industry in your district will be that the capital employed in the mill will be lost?—Oh, yes! unless some venturesome man might give half or quarter price for the thing.

40. Then, of course, the men will be thrown out of employment?—Yes.

41. And what is going to happen to the standing timber?—I suppose the settlers in our district will have to chop it down. The Land Board have been very kind to the settlers in recent years; they have given them an extended period in which to remove the bush, so as to allow the settlers to get some return from the standing timber. I presume that if the mills were not there, it would be necessary for the settlers in their own interest to fell the timber and get the ground under grass. Our district is a grazing district; there is scarcely any land there that is not fit for dairying or sheep-raising, and as soon as we clear the bush it is utilised.

42. The continuance of the present trouble will mean the ruining of the miller, the throwing of the men out of employment, and the destruction of the timber?—Exactly. Some people are under the impression that this timber can be conserved.

43. What is your view of that?—They have not had an opportunity of judging, I should think. It is a splendid thing to conserve if you take an area of 30,000 or 40,000 acres; but take 1,000 acres of bush or less in the centre of a district and try to conserve it. The settler will burn, and once a fire scorches our trees they die. New Zealand trees in this respect are not like the Australian trees. The latter will shoot up again, and so will the Oregon; but go and look at a rimu-tree three or four months after it has been scorched, chop off the bark at the root, and you will find a little grub. This grub will not attack a green tree, but it will go for a scorched tree, and that tree is ever afterwards only second-class or third-class. In another twelve or eighteen months that tree is quite dead, and perhaps a little later another fire comes along, and it is all burned. It is utterly useless to attempt to conserve a thousand acres of bush if it is surrounded by small settlers who are clearing their own land.

44. Do you mean that bush can be preserved in large areas?—Yes. I believe that if you took a forest of 20,000 or 30,000 acres, and protected it from outside influences such as fire, and had no small settlers close to it, then you could conserve it.

45. You would have to clear all the dead timber away from the edges and keep the settlers away?—You would have to select a place where there were no small settlers right up to the edge of the bush.

46. You think that scheme would be feasible?—I believe it would.

47. You will realise that our railways would suffer pretty considerably by the closing-down of the mills?—I presume so, if they did not get any timber to carry.

48. What do you pay the railways in your district in a good year?—I could not tell you. It is the people at the other end who pay the freight You could get a return from the Railway Department of the earnings of what is known as Quinlan's siding.

49. If all the mills in your district and the Hawke's Bay District suddenly closed down, would it seriously affect the railways?—I should think so. If you have a railway carrying perhaps a hundred thousand feet of timber monthly, it should pay better than when it is not carrying that.

50. You are a strong believer in putting our timber to the best possible use—namely, milling it?—By all means.

51. Have you any idea of the proportion of milling-timber in your district that has been destroyed, as compared with the amount that has been milled?—An immense amount has been destroyed—far greater than ever has been milled; but I could not estimate the quantity; it would be something marvellous.

52. It is only a remnant that you have got left to mill?—Yes.

53. You say you have enough bush there to keep you cutting for three years and a half: what about the other millers—have they got a few years' cutting left, most of them?—Yes, some of them seven or eight years'.

54. With regard to duty, I understand that you millers are asking that an increased duty be placed on Oregon pine?—I do not want any duty on it at all; I want it prohibited altogether.

55. Some people contend that it is necessary to have Oregon pine here for long lengths only; others that it is necessary to have it for all purposes. What have you to say about that?—I fail to see why it should be so. Take heart rimu, heart matai, heart totara, and O.B. quality of timbers of that class: to my mind, the heart is much better than Oregon. Having a knowledge of the durability of Oregon in the ground, I cannot imagine any of those other timbers not to be 150 per cent. superior, as far as durability goes. I am confident that you cannot beat O.B. totara for building purposes; and I consider that O.B. rimu is equal to Oregon pine in every respect, judging from my experience of it as timber in sleepers.

56. A timber-merchant stated yesterday morning that he would not put ordinary building-rimu into a house that he expected to last a fair number of years; he said it would be suitable for a house he did not expect to last more than twenty years. Is that a correct statement?—That gentleman's experience may have been with the rimu that has been perforated with the little grub that I have spoken about. That timber will decay very soon. I have a house myself which I have lived in for the past fifteen years, and it was built ten years before my time. That makes it twenty-five years old, and it has only had a couple of coats of paint on it during the last fifteen years, and the outside is only rough weatherboards, not rusticated timber; but there is no deterioration yet, as far as I know.

57. That is O.B. rimu?—Yes, sawn timber.

58. Would you have any hesitation in putting your house up of O.B. timber—that is, the part for which O.B. is suitable?—Not the slightest.

59. It is a good sound building-timber?—Yes.

60. The same gentleman told us that he had had a house built of it fifteen years ago, and if you went round the wainscoting you would find the powder from the borer all about?—He has got the timber that I told you of.

61. Have you met with any general complaints from people who have built houses of rimu, as to the borer troubling them?—Not generally. They do not complain to me, but I know of the thing.

62. Would you expect the borer to tackle a house built of good, sound O.B. timber within fifteen years or any other limited period?—If you fell a rimu-tree in proper season without a borer in it, while it is green, you will never get the borer in it; but if you get the tree I am telling you of, which is already infected with the borer, he will remain in it, and will attack the timbers alongside of it.

63. It has been suggested that it is a good thing to send 100 ft. of kauri away from New Zealand and receive 19s. 3d. for it, and get 200 ft. of Oregon back for the same money. Do you agree

with that statement?—If I had an interest in an Oregon mill I would advocate that system, but being a New Zealand settler, and having an interest in this country, I should most certainly oppose it.

64. Would your policy be to keep all our own money and get as much of the other fellow's money as possible?—Well, I reckon that is the proper system.

65. I suppose that is the way other nations go to work—they consider themselves, and not what other people think of them?—We should.

66. You know that the millers made an offer to the Government to put their books into the hands of the Government and to mill at a price to be fixed by the Government, as a way of getting over the present difficulty?—Yes.

67. What have you got to say on that matter?—I was here when that proposition was made. I have not conversed with any of the sawmillers since on the subject, and I am giving my own opinion. If this Commission desires to delegate any person to come with me to my place, he will be quite welcome to inspect the whole of the documents I possess in this connection; and I think I can say that the other millers would do the same.

68. It has been asked here over and over again, "Assuming that we assist the sawmilling industry as the millers ask, how are we going to protect the consumer from timber going up to an unreasonable price?" Do you think it possible for a Government Board or a Board of some kind to be set up, similar to that which deals with flour and wheat—some Board that would regulate this matter and recommend that the duty be taken off if timber got more than a reasonable price?—I think there ought to be a scheme of that description. Although the present lot of sawmillers might give their promise, we might have a new lot in ten years who knew nothing about the conditions; so it would be necessary to impose some conditions such as you have with regard to flour and potatoes. I believe that if you could meet us in that way we should be only too pleased.

69. Do you think it is a practicable scheme?—I believe you could do it. It is a matter that requires a good deal of thought and consideration, but I believe it is possible that such a system could be adopted.

70. You millers naturally want some profit on your milling. What would you regard as a fair profit over and above the cost of output?—We ought to get from 1s. to 1s. 6d. a hundred clear profit, in view of the risks we run and the nature of our business. It is not like anything else. Once you cut a tree down it diminishes the value of your property.

71. These mills that are keeping going at present working half and a quarter time, and selling at the low prices now prevailing—can it be said that they are making money?—There are none of them making money.

72. They must be milling at a loss, must they not?—We try to avoid that if possible. I may say that I never saw the men so willing to meet us as they are now. They say, "If you have not got anything to do we will take a week off." That is one reason why I think we are not losing money, though we are not making it.

73. Have there always been pleasant and friendly relations between the millers and the men in your district?—We have never had any trouble.

74. There has been no occasion for the union to come in and take a hand, has there?—I do not think I ever saw a union man up there. I believe they come sometimes, but we never see them. We have never had any friction.

75. It was suggested yesterday that because a meeting of sawmillers called for the purpose of appointing a delegate to come down here was attended only by something more than twenty men, there was a lack of interest on the part of the sawmill-workers in the matters being inquired into by the Commission. Do you think that is so?—I do not know how the meeting in question originated, but I am confident there is no lack of interest in this Oregon-pine question as far as the men express themselves to us.

76. They are keenly alive to the dangers of the situation?—They are very keen about it. The mills, you see, are not very conveniently situated, being three and four miles apart, and it may be that all the men were not aware of the meeting.

77. We have been told that our timber is unfit for the framing of buildings where plastering is to be done. It is said that our timber twists and warps, and therefore it is necessary to have Oregon for the framing of buildings that are to be plastered?—That does not apply to rimu.

78. The timber those gentlemen are using is miro. We have strong evidence from Auckland to that effect?—That is what I should expect from miro scantling. It is always alive.

79. Do you know anything about the Auckland rimu?—Yes, that stuff that grows amongst the kauri is horrible stuff.

80. Do you think it was the architect's experience of that class of stuff that led him to make the statement he made?—Well, I have only seen that which grows amongst the kauri timber.

81. You have made up your mind that it is unnecessary to have Oregon here, and that we do not really need it?—We do not need it, and to my mind it is a very improper thing to have it here in preference to our own timber.

82. Now, there has been a great outcry about the scarcity of long lengths?—It is a most singular thing in my experience up in this district that while they are building these large places in Wellington, although I can cut up to 30 ft. and 40 ft., I have never got an order for long lengths. Well, I did get one order for 32 ft. lengths at one time from Mr. Stevens, of Messrs. Halley and Ewing, but that is the only one. If these people were to give us orders for long lengths such as they give the Oregon millers, and stock only to a quarter of the extent they are stocking in Oregon, there would be no difficulty in supplying the trade here with long lengths. But, unfortunately, my experience is that if we do get an order for 22 ft. or 23 ft. lengths we get the demand, "Send this down to me in four days—the contractors are waiting." With the Oregon it is quite different. They stock it in readiness, and were they to treat us in the same way there would be no difficulty.

83. You would be on equal terms with the Oregon people if they stocked your timber in the same way?—Exactly.

84. It is suggested, and with some justification, that timber may be called a raw product, and that therefore we ought not to impose a heavy duty upon it. Do you regard it as a raw product, or as a partially manufactured product, or a solely manufactured product?—Well, I reckon it is a raw product on the day it comes to the mill, but so soon as you put a saw through it, it becomes to a certain extent manufactured, and after it goes through the plane it is still more a manufactured product.

85. You are aware that on other manufactured products, such as boots, tobacco, spirits, and so forth, we place heavy duties with preferential duties added, and that on raw products, as a rule, we keep the duties down. If, therefore, this were a raw product, no doubt Parliament ought to consider whether we should put a heavy duty upon it or not; but you do not regard it as a raw product?—Not when it is sawn. It was a raw product when it was standing in the forest, to my mind.

86. Do you think when we are putting heavy duties on such articles as boots, which a man has to purchase for his wife and family several times in a year, that it is reasonable to further protect an industry producing a commodity for housebuilding which a man would not purchase perhaps more than once in a lifetime?—Yes, I should say so. I think the same principle ought to apply.

87. What you ask us to do now is to seek to protect the remnant of our timber—the larger portion of it having been ruthlessly destroyed—and that the duty is to remain only so long as the remnant of our timber lasts?—Remnants take a long time cutting out.

88. You think the State ought to make every effort so far as it possibly can to protect our industry and allow the remainder of our timber to be milled?—Yes.

89. *Mr. Barber.*] Where is your mill situated?—At Nireaha, in the North Wairarapa. It is about nine miles back from Eketahuna.

90. How many miles from the railway-line?—About four miles.

91. Have you a siding into the mill?—I have a siding on the railway. I run a truck tram out to the main line, about four miles.

91A. How are the other mills in the district situated?—One of them has a tramway, and the others are carting their timber on wagons.

92. Have they any great distance to cart it?—The furthest is, I think about twelve or thirteen miles. The bulk of them would be from four to seven miles.

93. You are nearer than the others?—I am very conveniently situated in comparison.

94. What milling-bush have you?—Six hundred acres at present.

95. Is that Government lease?—Yes.

96. How long have you had that?—It is two years since I placed the mill there, but I had the right to cut bush for some time prior to that. I had some other timber to cut besides that.

97. With regard to your evidence in reply to Mr. Field as to the output of the mills, &c., it rather conflicts with the evidence of two witnesses we had yesterday?—Of course, the Dannevirke mills are not the same as our mills. They are much bigger.

98. One of the witnesses yesterday said the output of those mills was about a million feet per annum. In reply to Mr. Field to-day you led him to believe that the output of the mills was considerably less?—I gave the average as about 600,000 ft. per mill.

99. You said, instead of the output of those mills being twenty-eight millions it would be more like eighteen millions?—I can quite understand how the man made the mistake.

100. You differ from them in regard to the output?—I think I have a better opportunity of knowing, myself.

101. Now your cost of production works out at 7s. 1d. At what do you sell the timber?—I have gone to some trouble in making out a table extending over a period of ten years. During that time I sold one million feet at 5s. 6d., two million at 6s. 6d., and one million at 8s. (that is the average because some of the second-class stuff was sold at 3s. 6d.); one million at 8s. 6d., half a million at 10s., and 100,000 ft. at 12s. a hundred.

102. That is the average price over a period of ten years, not the price to-day. I should like to know the cost of production to-day?—It is just about the same—about 7s. a hundred.

103. What is your selling-price now?—My average price to-day would be about 8s. 4d.

104. That is at the mill?—No, on the trucks.

105. What is the carriage from there to Wellington?—I think 2s. 8d. from my siding.

106. That is 11s. in Wellington?—Of course, I am willing to sell at 8s. if I can get a customer, but I want to get 8s. 4d. to make up the 11s.

107. Then you have a good many difficulties to contend with if the logging and hauling cost you 2s. 3d.?—I do not think we have as great difficulties as other people. Ours is fairly easy country to work.

108. The greater difficulties of the others would add to their cost of production?—There is no doubt about that.

109. If Oregon is to be kept out of the country, what is to be the limit of the cost of production that the consumer has got to bear?—I think the answer has been suggested by Mr. Field. The principle you have already applied to corn, flour, boots, and so on, might apply here.

110. Looking to the difficulties the millers have to contend with, I do not say they are making an undue profit, but if they take upon themselves undue difficulties which add to the cost of production, are the public to be expected to go on paying that increased cost?—If a man makes a bad bargain in planting his mill he should bear the cost himself. The question to my mind is, what is a fair price for timber?

111. I do not refer to bad bargains of that sort. You have sold timber as low as 4s. 6d. a hundred, and you have gone up as high as 12s. You know the price of timber has gone up owing to the difficulties experienced in obtaining it, and is it fair that the public should be expected to pay that increased cost beyond its value to-day, when they can obtain an article of equal service?—Well, apply the same principle all round. Let us have free-trade; then we shall arrive at some conclusion, and all be happy.

112. You are advocating that Oregon should be kept out altogether. What is your opinion of an export duty on kauri?—My opinion is that it would be most improper. I am not interested in kauri at all, but I think if you put an export duty on an article which brings money into your country and employs labour very largely, it is a highly improper thing to do. I think it would be more reasonable to put an export duty on wheat and butter, because the people require to eat those things daily here.

113. What are the farmers going to say to that?—You are afraid of the farmers, I suppose.

114. You do not believe in New Zealand timbers for the New-Zealanders?—Most certainly I do.

115. Then why are you in favour of sending kauri to other countries when we want it badly in New Zealand?—If you apply that principle, suppose a great demand sprang up for rimu for export to-morrow, and we had orders for ten million feet, and you people put on an export duty, we should be in the same depressed state as we are in at present.

116. If the people are being deprived of something that is necessary for them, such as kauri, you do not believe in admitting something to take its place?—I think an export duty on timber would be a system of robbery by legislation.

117. With regard to this borer, we heard one of the sawmillers say yesterday that the borer was in a certain house he had built twenty-five years ago, and that the dust from that borer could be seen lying about every morning. Is that the borer that attacks the tree immediately after the fire has gone through the bush?—Yes.

118. I have some photographs of the work of the borer, and that which attacks the woodwork in a house is very much smaller than that which attacks the tree. It is surely quite a different insect?—I do not think so. I think it has been in the tree from the very first after the fire has been through. Have you seen the borer start operations?

119. No, but we have seen the result of its operations in all its stages. The insect which attacks the trees makes a large hole, and is quite distinct from that which attacks the timber in a house. How do you account for that?—Of course, it is a scientific question, and must be a matter of opinion so far as we are concerned.

120. You also have a difficulty in getting rid of your "heart," and cannot sell it any better than you can sell ordinary building-timber?—That is so.

121. Do you know Mr. George A. Pearce, Chairman of the South Auckland Millers' Association, and manager of a timber company up there?—No.

122. I asked Mr. Pearce this question, "Do you admit that a 50 ft. length would be £1 5s. a hundred more than ordinary building timber?" and he replied that he would not take an order for heart of that length. Does not that evidence confirm the difficulty there is in getting heart?—Yes. In Gammon's Bush, for instance, there is very little heart. It is mountain country, and probably that man had the same class of country if there is a scarcity of heart. I have seven or eight thousand feet of it in the yard now.

123. That is not a big stock?—No; but I cannot get rid of that even. As to the long lengths, there is no difficulty in getting them. I can get up lengths of 35 ft., and should be glad to have the order. Even with the greater facilities for stocking than they have in town, we never get an order for them.

124. Would it not be an advantage to the industry if you could get them stacked away from the town, where there is plenty of fresh air and plenty of cheap land, rather than ask the town merchants to do it?—Seeing that the town merchant is willing to do it for foreign timbers, I do not see why he should not do it for ours.

125. Mr. Field asked you whether you thought it right to export 100 ft. of kauri and receive, in exchange for that, 200 ft. of Oregon, and you replied that if you were an Oregon miller you would advocate that?—That is so.

126. Would you as a rimu-miller advocate the same principle?—Mr. Field asked me if I thought it advisable to export 100 ft. of kauri at 19s. a hundred, and import 200 ft. of Oregon at £1, and I said if I were an Oregon miller I should advocate that principle. I still say that. It would suit me down to the ground.

127. Would the same principle actuate you in advocating the prohibition of Oregon if you were not a rimu-miller?—If I was not a rimu-miller I would not be here advocating the prohibition of it at all. There is no question about that, but whether I should be actuated by the same principles is a different matter altogether. I am here at this moment simply because I am a rimu-miller.

128. *Mr. Hanan.*] I suppose you have thoroughly studied this question of placing a duty on Oregon?—No, I have not. I have not studied it more closely than the average man, I presume.

129. You are quite satisfied that the slump in the milling industry is due to the importation of Oregon?—No.

130. Would you say it is the main contributing factor in the depression?—I say it intensifies the depression.

131. You say it is a factor, but not a large one?—I say it is one of the contributing factors.

132. Give us the other contributing factors in their order of importance and effect?—Do you refer locally or generally?

133. Well, generally?—Then I presume I must be of the same opinion as many others. There is a financial depression throughout the world which is causing the depression.

134. And the next?—Well, locally I consider that a great deal of the depression existing in New Zealand is in consequence of the boom in land-values created by land speculators in a great measure; and, thirdly, so far as our business is concerned, to the importation of Oregon pine.

135. Would you not include a falling-off in the building trade?—That is a natural sequence to the boom bursting in land-values.

136. Are these the main factors?—That is my opinion: there may be some other causes.

137. First of all, we have a financial depression general throughout the world: we have its effect in New Zealand in a trade depression; we have a tightness in the money-market; we have a boom in land-values; we have a falling-off in the building trade, and an amount of unemployment; and we have Oregon coming in: these in your opinion are the factors contributing to the sawmill depression in New Zealand?—Yes, and a shortage in our exports, too.

138. Now, can you say—I suppose you can, or you would not make the recommendation—the amount of Oregon that has come into New Zealand which has actually been used?—I cannot.

139. You cannot say the amount that has been used?—No.

140. You have no idea of the amount that has actually gone into consumption?—No.

141. Do you know the amount that has come in?—I understand, from the same source as I got my other information from, that in the last fifteen months twenty-two millions have come into New Zealand.

142. Who informed you?—Mr. McKone.

143. Do you know whether he got his information from documents or from statements in the newspapers?—I cannot tell you. I asked him to get that information for me.

144. Will he give evidence to-day?—Yes.

145. Would you contradict the statement that not half of the Oregon that has come into New Zealand has been sold and gone into consumption?—I should not contradict it at all.

146. Do you not think you ought to be in a position to contradict that statement if you are of opinion that Oregon has played an important part in contributing to the depression in the sawmilling industry?—No, I do not.

147. Not if half of the stuff which has come in has not gone into consumption?—I do not think it at all.

148. Do you know anything about the Wellington market here?—We used to, but not lately.

149. Have you been round the yards at all?—I have not gone into the yards yet.

150. Do you know whether they have large stocks of Oregon on hand?—I think they have mostly. I would like to see the space of these large stocks filled with our timbers.

151. But not to be there and no sale for it?—It might as well be our timber as Oregon.

152. Do you know anything about the sizes of the Oregon imported?—I have been down at a couple of vessels unloading at Wellington, and I saw all sizes.

153. Would you contradict the statement that over 60 per cent. of the Oregon timber that has been sold in New Zealand has been over 12 by 2?—I should not contradict it. I suppose all these statements are utterly reliable.

154. You are giving evidence here, and asking us to make certain recommendations that are going to affect the whole of the Dominion, and my desire in examining you is to show you have not studied the question, and that you do not possess certain information that you should before coming to a conclusion: Are you aware that over 60 per cent. of the Oregon that has been sold in this country has been over 12 by 2, or do you know the size of the preponderating amount of timber that has come in?—No.

155. Then you do not know what classes of New Zealand timbers particularly have been displaced, so far as sizes are concerned, by Oregon coming in?—Well, presumably it would not matter if this Oregon was brought in up to 12 by 12 if it is recut down here.

156. But has it been?—Some of it has been: there is no doubt about that.

157. Much?—You know I am living over a hundred miles from here.

158. But the cutting of it would give employment?—Yes.

159. Do you know that the Oregon that has come into New Zealand has for the most part been of the very best kind?—I do not know anything about that. I know the Oregon I saw thirty-six years ago was not very good.

160. I may take it you have really never gone into this question thoroughly?—I have gone into it so far as it affects our industry, and that is all.

161. Do you not think these are facts you ought to have had before you to know whether it affected your industry seriously or not?—Well, I say it has affected the industry.

162. If you are not in a position to say whether the half of that imported has gone into consumption, how can you come to the conclusion that it has affected your industry?—If I was a farmer, and in the habit of selling my potatoes to a merchant every year for a series of years, as I have been here, and I sauntered down one year with my sample of potatoes and found all his space filled with Tasmanians, and was told "I am very sorry, Mr. Quinlan, but I am getting my potatoes this year from Tasmania," I should conclude they had affected my industry. What we contend is that this market was our market for a great portion of our timber.

163. Who has the better business with Wellington—the West Coast or the Wairarapa people?—I do not know. We always have had a market here. The West Coast sent timber here, too.

164. They send more timber from the West Coast than from your part?—I do not think so.

165. Would you say the slump has been due to the West Coast timber coming in and displacing yours?—Not at all, and even if it did I would not object to a New-Zealander competing against me, because I should know I was labouring under similar conditions.

166. Do you know if the West Coast timber has been displacing your timber?—Not in a great measure.

167. Is it not a fact that more timber has been coming from the West Coast year by year to Wellington than from other parts?—I do not think so, year by year. I know more has been coming in during the last eight or nine years than formerly did, but latterly I do not think the amount has been anything approaching what it was.

168. You do not know the quantity of timber coming from the West Coast during the past eighteen months?—No.

169. Do you think that if the timber areas granted to sawmillers were increased that would lead to better plants being established?—I do not know if there are areas up here to take up. That might apply to the West Coast.

170. Do you think that increased timber areas should be given to sawmillers?—It does not affect us up here. We are dealing entirely in our district with the settlers.

171. You are not in a position to express an opinion?—No.

172. Have you anything to say in regard to sawmilling plants?—Nothing.

173. Do you think they could be improved?—I do not think so for our class of work.

174. Do you know Gammon's mill?—Yes.

175. Am I right in concluding that where you have a mill on up-to-date and advanced lines, like Gammon's, that enables timber to be sold at a cheaper price?—I do not agree with you.

176. Do you think that he can or that he cannot compete to better advantage?—I think so far as rimu and small totara bushes and even the Ohakune district bushes are concerned (of course, time will tell who is the wisest) that some of the small men will live where some of the big ones up there will not.

177. Then, if we were to increase the timber areas with a view to encouraging bigger plants being erected that would not in your opinion tend to a reduction in the price of timber?—If you had large areas and facilities for transport there would be no question about it. But in New Zealand—and I have been over a good bit of it, except in the kauri districts—I have not seen many forests to warrant such extensive plants as some people imagine to be necessary.

178. Do you know anything about the conditions prevailing in the South Island as to the supply of good heart rimu?—I know the conditions obtaining in Otago and Southland.

179. Do you know that New Zealand timbers are admitted into Canada free?—I am not aware of it.

180. Have you ever made any inquiries as to there being a splendid market in Canada for New Zealand rimu?—No, I have read it in the papers; but it does not follow that the statement is correct.

181. A gentleman in Auckland who is interested in Oregon pine recommended that we should attempt to exploit the market in Canada with our timbers, whilst their timber should be admitted here free: what is your opinion as to that?—I should say that gentleman had a big stretch of imagination.

182. Have you been to Canada and made inquiries as to the market there?—No.

183. On what do you base your opinion that it is a stretch of imagination?—I think he was having a joke.

184. You do not base this on any facts from inquiries you have made?—No.

185. You think we should keep our rimu here for ourselves?—I think we should utilise our own products as against foreign products.

186. Would you say we should conserve them?—I should say, utilise them.

187. Would you say we should get rid of it as quickly as possible?—I say, utilise it. I do not wish anything destroyed.

188. That is for to-day: you do not consider the needs of the future at all?—I say utilise it when it is there; do not leave it until it is past utilising.

189. Can you give us any information as to whether there is any monopoly existing in connection with timber areas in your district—on the North Island Main Trunk Railway?—I know of none.

190. Has there been any speculation so far as taking up timber country on the North Island Trunk Railway is concerned?—I do not know anything about that. I understand most of the country has been taken up.

191. Was there not a rush by speculators to get hold of bush country?—Yes, and I understand a great many are sorry they went into it.

192. *Mr. Jennings.*] In reference to the last question put to you, was not a lot of these bush lands taken up for *bona fide* purposes by settlers and others, and not merely for speculative purposes?—I quite believe that.

193. Can you give the Commission any evidence as to the increase in the price of local timber in Wellington during the past five or ten years, as compared with the price to-day for, we will say, a house of six rooms?—Well, I have been in the habit of building houses myself. I have been a timber-merchant as well as a sawmiller at Mangatainoko. I built a good many houses round Pahiatua, and I am building a couple for myself at present. The price of timber for a six-roomed house eight years ago was about 10s. to 10s. 6d. per hundred. To-day it will be 11s. 9d. per hundred.

194. Are there local rates for timber as compared with town rates here?—Oh, yes! there is no railage.

195. What I wish to know is this: do the local residents get cheaper timber as compared with people living at a distance from the mill?—If a man is building a house close to our mill, we do not charge him cartage out to the siding, and the same with the wagon—they get the benefit of that. I consider that in our district there has been an advance of 1s. 3d. in the price of timber all over.

196. How many thousand feet of timber would be put in a house of six rooms?—Sixteen or seventeen thousand.

197. Would a farmer in your district have to pay as much for those 16,000 ft. of timber as a man here?—No.

198. What reduction do you give him?—He would have his 2s. 8d. a hundred extra to pay here, I presume, and probably some cartage from the station to his building in addition.

199. In purchasing the timber from the settlers, I take it you absolutely save this timber from being wasted or burnt?—There is no question about that.

200. If the sawmillers did not purchase from the settlers it would inevitably be burnt or destroyed?—It takes a long time to get away with these big trunks, and it would take a long time to clear a man's section.

201. Have you any differential railway rates in your district in regard to the various classes of timber?—There is a differential rate in regard to totara. If we send totara down I think it is 2d. per hundred more.

202. Is there any kahikatea in your district?—There used to be a fair quantity, but there is not much now.

203. In your opinion, would a system of branch railway-lines tend to lessen the cost of timber?—There is no doubt about that, but it is too late for our district. We cannot warrant it. Our areas are too scattered, and the expense of laying a tram is too great.

204. Do you supply sleepers to the Public Works or Railway Departments?—I used to, but they have discontinued the use of totara now.

205. What class of timber is most suitable?—Totara was the only class of timber I used to put into them, and sometimes matai.

206. Can you give the Commission any information as to the life of a totara or matai sleeper?—I do not know what is the matter with the North Island matai, but I do not think it is nearly so good as the South Island timber. I cut sleepers in Catlin's River thirty years ago, and I was down there a short time ago and saw a portion of the line near Balclutha, and the man told me they were some of the old sleepers we cut. But I do not think the matai in the North is so good. I have put them in lines for iron tramways in the Dannevirke district, and in seven or eight years' time they were only a shell. I know there are totara sleepers at the Pahiatua Station which have been there for the last ten years, and they are still sound. I think seven or eight years would be quite long enough as the life of a sleeper.

207. Have you any knowledge of the creosoting-works at Woodville?—Yes, I have supplied them with sleepers.

208. What effect has that process on the life of, say, a kahikatea sleeper?—I cannot tell you that from my own knowledge. They tell me it prolongs its life five or six years.

209. Have you any knowledge of the Powellising process of utilising waste woods or soft-woods?—None.

210. You have had a good deal of experience throughout the Dominion in both Islands?—Fairly good.

211. If this desire on the part of some people to conserve our local timbers were followed out closely, what effect would it have on settlement in various parts of the Dominion, and particularly in the North Island?—I think it would retard it very much.

212. And would the effect of conserving a large bush of, say, 20,000 acres for a period of twenty-five years have the effect of cheapening timber at the end of that period?—I do not think it would have the slightest effect on the value of the timber at the end of that period.

213. *Mr. Leyland.*] Those big stocks of Oregon that you saw here have not gone into consumption?—Quite so.

214. In getting at the proportion of timber that has gone into consumption and competed with New Zealand timber, we should have to deduct those stocks?—We claim that we were quite capable of stocking those yards, and giving the purchasers accommodation.

215. So far as the actual consumption was concerned, the stocks held must be deducted?—We should have to allow for them. It has not been sold.

216. If you were a timber-merchant as well as a sawmiller, and you found that your customers demanded an article like Oregon pine, would you not feel it your duty to supply them?—Yes, that would be my business.

217. You told us that you paid £14,000 in ten years in wages?—Yes.

218. If you were a sawmiller and paid £37,000 in one year for wages, you would not be likely to do anything that would destroy your business?—No.

219. We pay over £37,000 in wages in one year as rimu-millers and kauri-millers?—Indeed.

220. If you had 30,000 pounds' worth of logs lying in creeks and rivers, you would not be likely to import Oregon if you thought it was going to destroy your business?—That is so.

221. In reference to the long lengths, you are not in touch with the demand for them. The kauri-mills have supplied large quantities of long lengths until quite recently not only in the Auckland District, but also to the other portions of New Zealand. There has been a very large demand for them. All the kauri mills nearly have arranged to cut long lengths. We have cut up to 80 ft., and that has been to meet the local demand. Now, however, great difficulty is experienced in getting these lengths because the timber has got farther back, and consequently a demand for long lengths in Oregon has sprung up, and it is a genuine demand. All of the long lengths in Oregon that have come into Auckland have gone into consumption as long lengths. Half the spars of 12 by 12 and upwards on board the "Elsa" were sold before she had finished discharging. Over forty of them were wanted for one order. Does this not go to show that there is justification for the trade, and that the rimu-millers are not able to cut such lengths?—That may be. Our position here is such as I describe—that is, we have not had orders for such long lengths.

222. *Mr. Clarke.*] You said in your statement that about seven-eighths of the selling-price of the material was distributed in wages. Do you mean the selling-price of timber throughout the Dominion?—I was speaking about our own district.

223. That did not refer to the actual cost to the consumer of timber?—Well, I think a very large proportion of it is distributed also there.

224. Seeing that the average price runs out at about 18s. 9d. per hundred feet, would you say that seven-eighths of that represents labour?—I should not wonder a bit if it did by the time the carter has carted it to the consumer. It has to be put through the machine and stacked in the yard. I have made a calculation which I think is fairly correct.

225. You spoke about the depression, and thought if it continued it would be likely to put a number of the small millers into the hands of the Official Assignee within the next twelve months. Do you think it is a good national policy to charge the community with a high-priced material just for the purpose of keeping such a frail set of business concerns in existence?—I do not think it is a proper thing to do at all. I do not suggest it even. I was asked the question what would be the result; and if this depression is not removed in some way there is no avoiding such a result as I have indicated.

226. Do you think that the prohibition of Oregon would have the effect of keeping these mills going on a paying basis?—It would materially assist.

227. With regard to the conservation of timber, I understood you to say that Oregon matures in twenty years. Do you know anything yourself of the nature of Oregon?—No. The captain of the "Addenda" told me something, and that is all I know. He said that timber planted when he was a boy twenty years ago now formed a portion of the cargo.

228. Do you ask this Commission to believe that the Oregon that is imported here and is now in use is the result of twenty years' growth?—The captain said so.

229. Would you take the captain's statements in preference to the information contained in the handbook issued by the Canadian Government, where it is stated, "Trees 300 ft. in height are not rare, the average height of those felled for lumber being over 150 ft. Trees of a greater diameter than 7 ft. are rarely cut, though those of 8 ft., 10 ft., or 11 ft. diameter are not rare"? You would not ask us to believe that timber of that height and average size is likely to be grown in twenty years?—Is that general? Is that a general statement applicable to Canada as a whole?

230. Speaking of Oregon or Douglas fir, what I have read is the statement of the Canadian Government?—I should take it that there would be variations in the growth of timber in Canada just as there is in New Zealand. Some of the districts of Canada might not produce trees of 8 ft. girth.

231. We are speaking of Oregon pine, and the effect of what has been sent here on the local market. You can see yourself by looking in Stewart and Co.'s yard lengths as long as 50 ft. and 16 by 16 square?—Yes.

232. Do you ask us to believe that timber of twenty years' growth is displacing rimu?—I was told by the captain of the "Addenda" that from a twenty years' growth he cut 80 ft. sticks out of the forest. He gave me this argument to show the utter futility of attempting to keep Oregon pine out. He said, "It will grow up there so rapidly that you cannot keep it out of your country."

233. That is your only authority?—That is all.

234. You stated also, comparing Oregon with local timbers, that heart of rimu is much better than Oregon. How much heart of rimu could you supply in long lengths such as Oregon is used for?—If you give me the order to work in in a general way, I will supply you with any quantity of heart of rimu up to 35 ft. lengths, but I do not want you to give me an order to cut long lengths exclusively. Give me an order to work in so as when a tree suits I can take it, but do not hurry me with it. Do not say, "I want so many lengths of heart of rimu in a few days." If you give me the necessary time to spread the order I will give you any quantity of rimu and long lengths.

235. Does that not mean that you can only supply orders that are now being filled by Oregon by being given more time, and by the accumulation of a large amount of timber that might be thrown on the hands of the builder for the time being? Can you supply large quantities of all heart of rimu without any conditions that the builder shall take whatever else may be the product of the log?—No builder ever wanted me to give him the product of the log yet. I can supply lengths up to 35 ft. in ordinary time—anything up to 12 by 14 by 3 in heart rimu.

236. You said that you cannot beat O.B. totara, and that O.B. rimu is equal to Oregon as a building-timber?—Yes, as a building-timber.

237. Do you state that O.B. rimu, which necessarily contains a large amount of sap, is equal to timber that is all heart?—Is there no sap in Oregon?

238. No. The Oregon that we have here is all heart, and we can get all heart at the quoted prices?—You take all the best quality of Oregon. My statement was that O.B. rimu was equal to O.B. Oregon, and heart of rimu was superior to heart of Oregon.

239. There is no such thing as O.B. Oregon. Is O.B. rimu equal to all-heart Oregon as a building-material?—If you assert that it is all heart, I think from what I see of it I should be inclined to put O.B. rimu on an equal footing with this Oregon that I am acquainted with for durability. I have seen it down South years ago, and I think that O.B. rimu is equal to any Oregon that I know of for durability.

240. Do you know of any Oregon here that contains a large proportion of sap?—No, I do not.

241. You know that No. 1 merchantable contains all heart. Are you in a position to dispute that?—I should think, from what I saw, it was heart, because there were a lot of knots in it.

242. From the point of view of the builder, you stated that rimu was fit for use in connection with plastering-work. Have you any knowledge of practical plastering?—I have supplied totara laths.

243. Do you know anything about rimu in plaster-work?—No.

244. If architects and builders throughout the whole of the Dominion, wherever they have given evidence on that point, said that none of our New Zealand timbers are really good as the basis for plaster-work, and that Oregon is eminently suitable for such purposes, would you dispute their opinion?—I do not know. I would not like to say what I think about those gentlemen.

245. Do you make the reservation that your opinion as to the value of timber for special purposes should be put on the same plane as the evidence of builders, architects, and master plasterers?—It is the first intimation I have ever had of this. I have been about forty years in New Zealand, and this is the first time I have heard the question raised that our studding in rimu was not suited for plastering outside.

246. Apparently you have not considered this subject; and should you not tell us that you have not considered the matter in connection with the evidence of other people who are continually doing that class of work in plaster?—I have never heard the question raised before.

247. With reference to the long lengths, you stated that, if your local timbers were stocked as Oregon is stocked, you could supply these and keep them in stock. Do you not think that the timber-merchants and builders know their business, and that they are in a position to judge as to the results of stocking long lengths?—I quite believe they ought to know it.

248. Would it not be necessary to keep O.B. rimu under cover?—It would not be necessary to keep it under cover. You might fillet it.

249. You think it would not be necessary to keep it under cover?—It would remain two or three years if filleted.

250. It would cost a very large amount for additional storage purposes?—Yes.

251. Would not the cost of this be added to the price to be paid by the consumer?—Yes.

252. With regard to the relative cost of building, when you spoke of the rise being from 10s. 6d. to 11s. 9d., does that mean in your own district only?—Yes, that is right.

253. Then that evidence is of no value whatever from a national point of view?—I cannot tell you about Wellington or Auckland.

254. *Mr. Morris.*] You told us that in Canada trees grew 300 ft. high, whilst you had information from the captain of the "Addenda" that this timber was brought into use within twenty or twenty-five years from date of planting?—That is so

255. It would be no surprise to you to know that the Canadian agent told us that they could reproduce marketable timber there in twenty-five years?—No, not after what I was told.

256. These trees may have been growing for five hundred or a thousand years, but they can and do reproduce timber in that country in the old stumps?—Yes, that is what that gentleman told me.

257. We have had evidence before this Commission from the Canadian representative that this is a fact; and that bears out your statement?—Yes.

258. Do you know anything about the supply of timber in this market? Do you think there was any serious difficulty in supplying this market previous to 1908?—I do not think so. The market was fairly well supplied.

259. There was a period at the beginning of the year when there was some difficulty in supplying timber owing to a number of the millers being burned out?—Yes. For about six or eight weeks we were all putting out fires. It only extended for a short period of time.

260. Since then you could have supplied a great deal more than the demand had you had the opportunity?—Yes, all of us.

261. Can you tell us whether the public has derived any advantage at all from Oregon coming into this market?—I could not tell you whether the public have reaped any advantage or disadvantage.

262. At the present time timber is being sold for anything the merchant can get for it?—Our timber is, I think; but I do not know about Oregon. I hear they are holding up the price of it.

263. We were told that the banks were selling a lot in town as low as 10s. 6d. per hundred?—Yes.

264. If the public has got no advantage from this, why should we have it brought into the country?—It is not my wish that it is coming in, I can assure you.

265. I suppose you recognise that the selling-price of this timber will practically be controlled by the selling-price of the local timbers generally?—That portion of it that is coming into competition must necessarily be. Those long lengths, if they are taking the place of kauri, would not affect us in this district.

266. Have you not been in the habit of supplying long lengths in this market for joists, beams, &c.?—I supplied up to 25 ft., 26 ft., and 30 ft., but not very much. I never got an order except it was an urgent one.

267. Did you experience any difficulty in getting these long lengths down to the market?—No. When you come to get 30 ft. heart rimu you want a decent tree. You cannot shift your rope and take out your tail-blocks to get out this big tree. You want to work it when you are working your smaller timbers.

268. The merchants are carrying very large stocks of Oregon in big sizes and long lengths. Do you think if they were to adopt the same policy with regard to our native timbers they would be in a position to supply any orders that came along?—Yes, to my mind they would.

269. What is your idea about employing our own people? Judging by the Press, there appears a great dearth of employment for men in all branches of trade?—I very strongly believe in preserving our own industries and assisting our fellow-workmen. We are all in the same boat. In this country there is very little difference between a workman and his employer.

270. I have heard some mention made regarding figured rimu. Did you ever have to supply any quantity of this for ordinary building purposes?—Yes, sometimes

271. In the building of workmen's houses?—We deal with the merchants principally. I do not think we have sold any timber to a private individual in Wellington during the last nine years.

272. Those high-priced timbers are practically a luxury, and they compete with the foreign imported woods?—I have not had any extraordinary prices for the heart of rimu. Of course, there are times when people fancy a special class of timber, and they are prepared to give a decent price for it, and they will go to two or three shillings a hundred more. This would come from cabinetmakers locally, not from Wellington.

273. *Mr. Ell.*] In answer to a question you admitted that you had not had any demand made upon you for long sizes?—That is so.

274. Are you aware that there has been a demand for long sizes in kauri for beams and stringers in big buildings?—I am not interested in kauri.

275. As a matter of fact, kauri has been used in long lengths for such purposes?—I should have thought it would be a mistake to put such expensive timber as kauri into such work.

276. You are aware that the price of kauri has gone up a great deal lately?—Yes, so I have heard. It is a timber universally appreciated, and they are willing to pay for it.

277. You are aware that in the building industry long sizes and long lengths are required?—Yes, in some buildings.

278. Seeing that they are necessary to the building industry, what would you say to the suggestion to leave the duty on the longer lengths, and increase the duty on the smaller stuff, such as 4-by-2's, and so forth, so as to protect the local miller and enable him to market the rough rimu that he cuts out of the forest?—As a compromise, if I could get nothing better I would agree to it.

279. You said just now that you believed entirely in the prohibition of the importation of this timber, and the consequence of that would be that the people would be constrained to use the New Zealand timbers entirely?—Yes, or otherwise Australian. We have no objection to that, because we recognise that is a timber we cannot do without. Otherwise I believe honestly we have in our own province timbers suitable for all our requirements but that special class of timbers.

280. You are aware that kauri is used for cabinetmaking, joinery, boatbuilding, and coach-building, and thereby employs a great deal of labour in this country: do you think it would be a wise thing, in face of its special adaptability, to constrain the people to put kauri into huge beams in buildings?—I have told you that I think it was a mistake to do it, but there is a remedy. We have an equally good timber in rimu, suitable for the purpose.

281. Would you be surprised to know that a timber-merchant in this town knows that the high-class figured rimu has been selling out of this country at nearly £3 a hundred?—Indeed, it is news to me.

282. Are you aware that figured rimu in Christchurch for cabinetmaking purposes is fetching £1 4s. a hundred?—I am not. Of course, you know there are some people who are quite willing to give you anything over the local price for some specially figured rimu.

283. I am talking about the ordinary good dressing-lines for cabinetmaking purposes—£1 4s.?—I have known nothing approaching it to be given.

284. Are you aware that £1 8s. a hundred has been paid for selected rimu?—I am not.

285. You know that rimu is used for the finishing of our buildings, for skirtings, panelling, mantelpieces, and doors. Is it not beautiful timber for finishing-work?—It looks very nice.

286. Would you still say, in the face of the natural fitness of that timber for this high-class work, that we should prohibit the importation of Oregon, and make the people use that timber for the rougher work that Oregon is more suitable for?—It is only a small quantity of heart of rimu that you will get, and in getting that heart you are also producing a great many other classes of timber—second-class and O.B. If you give me an order for heart of rimu—for this nice figured timber—I cut down my beautiful trees, and send you this heart, and you leave on my hands the second-class and the O.B., which is fully four-fifths in most cases of the contents of the log, and you ask me to leave that to rot simply to allow you to get this one-fifth of beautiful heart.

287. Would you approve of a suggestion to have a duty put on the smaller sizes when you might be in a position to market your rougher kind of timber cut out of your logs?—I said if I could get nothing else I would be satisfied with a compromise.

288. Are you aware that the people in the country districts living near the mills are not always getting the benefit of their proximity to the mills, and are you aware of the instances where they are charged—at Feilding—15s. a hundred, while a builder could go to Palmerston North and buy it for 13s. 6d.?—I never heard of such a thing. It does not obtain in our district.

289. Are you aware that people at Rotorua are asked 14s. 6d. a hundred, the same price they are asked in Auckland?—Do they rail it up there?

290. The timber is produced quite near to them?—I do not know anything reliable about that, but generally a gentleman who resides close to your mill gets the benefit of his proximity to the product.

291. What price do you sell your timber at on the rail close to your mill—O.B.?—I have been selling it as high as 9s. 3d.

292. What is the lowest price?—Eight shillings now. It pays me to do that, but I do not like going any lower.

293. With regard to the present depression in the building trade: you are aware that it has very seriously affected the building industry all over New Zealand?—Yes; in fact, we have all reduced in consequence of that, prior to our knocking off altogether.

294. You imagine that has been the greatest factor in bringing about the difficulty in the milling industry?—No doubt about that.

295. You spoke about having seven or eight thousand feet of heart of rimu suitable for cabinetmaking purposes?—I have said as much.

296. What are you prepared to sell that at on the truck?—Twelve shillings and sixpence.

297. You say you are milling entirely on settlers' lands?—Yes.

298. So then the Government have sold land which was covered with milling-timber?—Exactly.

299. I want to ask you as a man of experience would it not be a wiser policy for the sawmiller to precede the settler?—I have always thought so, and I still think so, as it would save a great deal of national loss.

300. It would save a great dealt of national loss?—Unquestionably.

301. By making it easier for the settler to get on his land?—Yes.

302. In consequence of the settler being handicapped with logs, and without them he gets very much more time to get that land under cultivation?—Certainly.

303. If it is milled first and the miller is constrained by the regulations to cut his bush out clean, then it is a great help to the settler in getting on to that land?—Of course, it has been a valuable assistance to them. I asked one settler to come down and give evidence, but I do not know if he will be here to-day.

304. Are you aware of any great quantity of timber which has been burnt on valuable land in the ordinary course of settlement?—It is really marvellous; it is such a stupendous thing that I could not give you an estimate of it in my district alone.

305. *Mr. Arnold.*] Would you be surprised to know that an engineer on the West Coast, because he could not get long lengths, big sizes, of good heart of rimu, had to take Oregon for mining purposes?—I should be surprised. Was it for bearing strains?

306. I presume so?—I should be surprised, in a district like the West Coast, and do not understand there being such a difficulty unless he wanted all heart of rimu. I think there are there some districts, like others up here, where there might be a difficulty in getting such timber on account of the want of older forests, and it is not easy under such circumstances to get a large quantity of heart, but in a general sense I should be surprised to think that the West Coast could not produce sufficient heart for the purposes.

307. In Auckland there is a very large bridge being built, and a quarter of a million feet in long lengths were required, and could not be procured. What would you do in a case like that if you were to prohibit the importation of Oregon?—They will regret it. I would not build it at all.

308. The bridge was not being built of Oregon—it was a concrete bridge; but the temporary timber-work had to be built of wood?—Were they very extraordinary lengths?

309. Some of them up to 70 ft.?—That is extraordinarily long for this district; but there are always some exceptions.

310. Surely if these are two instances, and others could be quoted, would not that modify your view with regard to the absolute prohibition of the importation of Oregon?—Most certainly, if it is an important thing. In any case, there must be some exceptional remedy, I imagine.

311. We had evidence in Auckland from the Canadian manufacturers' representative, who stated than 60 per cent. of the imported Oregon coming into Auckland was 12 by 12 and over. Can you say that those lengths could be supplied in heart of rimu?—Not in our mills if they are required. But how many of them are required?

312. They are imported in these large sizes, and I take it for granted that they are used in those sizes?—I think they are just shipped off as they are for convenience. I do not think they are specially ordered in those sizes, excepting in a few special cases.

313. If these are required in those sizes they could not be supplied in heart of rimu?—No, I do not think so. I admit that.

314. In reply to Mr. Morris a few moments ago you said that with regard to the importation of Oregon the duty had gained no advantage, and that the Oregon timber you have seen is not superior to heart of rimu?—I do not think it is superior.

315. And the price is not lower?—That is what they tell me.

316. Then, what is the real complaint with the merchants; if it is not being sold at a lesser price, and it is an inferior timber, what is the real complaint they have?—Well, we see it coming into competition with our timbers, and it is displacing our timbers.

317. Actually the public are paying a higher price for a lower-grade timber?—I do not know, Mr. Arnold. There is some mystery about the whole business from the start.

318. There must be an explanation, must there not?—There should be, and where it is I do not know. I wonder what system it comes in under, and how the Customs people arrive at the quantity coming in.

319. The Customs know the quantity and the price?—From the ship's manifest.

320. That is all right. Do you think it is in consequence of an understanding between the merchants and the architects or the engineers in specifying Oregon?—I have a very strong suspicion that way. That is all I can say about it. There is some mystery at work somewhere.

321. You think the merchant is receiving a much higher profit?—I do not know where it is, but there is some secret work if it was only found out.

322. You have told us that the selling-price of Oregon is controlled by the price of rimu. Do you not think it is the other way—that the selling-price of rimu is controlled by the price of Oregon?—No, sir; my contention is that Oregon timber suitable for house-building purposes was brought into competition with O.B. rimu for the same purpose, and the people prefer the rimu. The Oregon must have come into competition with it.

323. You do not think that rimu would be a higher price to-day if it were not for the importation of Oregon?—I do not. I think that this depression would just have brought matters probably to about 6d. difference, or something like that. This remains at present. In consequence of the Oregon without this depression the price would have receded.

324. And Oregon is not the cause of the reduction?—In a measure it is.

325. Has it not prevented the price going up still higher than it has been?—You could not sell timber when there was no demand for it, it does not matter what Oregon was at.

326. The question of the number of workers unemployed has been emphasized, and you see this morning that not only builders, but labourers of all kinds are out of work. That is not due to the importation of Oregon, of course?—I do not think so. Of course, it affects the people working in the sawmills. It strikes them. If there are five sawmills here, and foreign timber comes in here and is used, it must displace that quantity of timber cut here, and if our operators had the opportunity of working at that timber there would not be so much depression in our trade.

327. You do not suggest that there would be no depression?—No; I suggest there would be a certain amount, but it would be benefited by that trade.

328. In all probability there would be a percentage of men out of work, and your mills would be slack if there were no importation of Oregon?—That is so.

329. I just want to go back to the question of labour. We were told yesterday that there was no union in your district. What have you to say to that?—Well, I think I was the first unionist in New Zealand. That is a bush union. I am the first president of the Bushmen's Union in New Zealand formed in Dannevirke some twenty years ago. I have been in touch with unionists all along, and I have advised every man to join a union, and I believe I am alone in the sawmills in urging this course. I have asked many of my men to become unionists. That is a singular thing to say, and there is no union up in our district. I heard the evidence of Mr. Smith, and they could not possibly be in touch with the unionists unless they went to Dannevirke. We know nothing about it up there, but our men, of course, get the benefit of the award.

330. The award under the Arbitration Court?—Yes, the association.

331. And your association was one of the cited parties?—Quite so.

332. So that the union, wherever its headquarters may be, does operate over your district?—Yes; it is subject to the award at the request of the union.

333. You are really under the operation of the award? Believing in unionism, I take it for granted that you are a member of the Employers' Association?—No.

334. Is there such an association?—There was an association some years ago, but I have not heard anything of it lately.

335. I mean the Sawmillers' Association. You are a member of that?—Yes.

336. Has that association a price-list that you all sell to?—Yes, it had.

337. You do not hold strictly to it now?—No.

338. Then the individual members of the association can sell for less than the agreement if they wish?—They have a free hand, as long as they put the invoices through the association for the purposes of collection.

339. Do the orders go through the association?—Some.

340. Do you pool your orders?—We do not get them.

341. If you do get them?—Every one seemingly is on his own. He is getting what he can. If he is a good man he will put it through the association. If the money is good the association will take the risk of collecting it.

342. To what extent during the last two years has your association limited the output of any mill?—There has been no limit.

343. Did you not receive instructions twelve months ago to limit the output to about two-thirds?—No, sir; the first intimation I have had of it is now. I have never heard of it before.

344. I am not very sure whether we are to have the secretary or the president of your association to give evidence here?—You are to have the secretary, and you have the president now. The gentleman filling that position has gone to Europe, and I have been made temporary chairman until he returns.

345. Will you tell me what relationship there is between your association and the merchants' association?—I do not know as much about the relationship with the association as our secretary does. He will be the better man to deal with that question, as his information would be more accurate than mine.

346. You attend the meetings of the association yourself?—We have our monthly meetings, but we have not orders from any merchants at all.

347. Have you ever received instructions from your association not to supply a certain merchant because he refused to join the merchants' association?—Not to my knowledge.

348. Have you ever received instructions from your association not to supply a certain builder?—Yes.

349. Because he refused to join the association?—Oh, no! I have had a refusal myself in that direction. A builder comes to me when things are good, and wants timber. I submit his name for approval to the secretary, and his finances were not in such a way as to make it right, and I got the intimation not to supply excepting at my own risk.

350. Would you be surprised to know that your association has instructed its members not to supply a certain merchant or builder simply because he refused to join another association?—I should be surprised, but I have not any knowledge of it myself.

351. *Mr. Stallworthy.*] Do you work in your own mill?—Yes.

352. In the manual work?—I am generally about in the bush, the trams, &c.

353. It takes up your whole time?—Yes, excepting going home on Saturdays.

354. What stock of timber have you got now?—About 120,000 ft.

355. I think you said just now that before the slump you were getting 9s. 6d. for your timber?—Yes.

356. Was that the average price?—It was the price for O.B. I think it is a fair thing to call O.B. the average.

357. So that you were making 1s. 6d. a hundred on your timber: is that so?—Yes, somewhere thereabouts.

358. On your output that would come to about £450 a year: is that so?—Yes.

359. Is that clear of all expenses? In giving us 7s. as the cost of production you included everything, did you not?—Yes.

360. Is there nothing else you could fairly include in that cost?—No.

361. So that until the slump came you were making a clear 2s. 6d. a hundred, which is equal to £750 a year on your output?—Yes.

362. And what was the cost of your mill?—I had my mill set down at £1,350.

363. You spoke of rimu and rimu—of it being safe to build of one sort of tree and unsafe to build of another sort. How is the consumer to distinguish the timber of the one from that of the other? Is it possible?—I do not know how you are going to tell it.

364. The consumer has to take the risk?—Yes. Still, there is not a great deal of that timber comes into use. To my mind that is the cause of these borers.

365. Is your mill still working?—It was until about ten days ago.

366. And it stopped for want of orders?—I cut away for almost a month without any orders at all. I did not like to shut up altogether.

367. *Mr. Mander.*] Have you ever heard of any large quantity of 75 ft. or 70 ft. lengths being used for building purposes?—No.

368. Do you not think that these long lengths of Oregon that we have heard about would be cut up into shorter ones to meet the requirements of the trade?—There is no doubt about it in my mind.

369. What quantity of such lengths do you think would be used in the town of Wellington in a year?—I have not had much building experience in Wellington, but I have spoken to several of the builders here, and Mr. Hunter, who built the Town Hall here, told me that that was the only occasion when he required any extraordinary lengths in Wellington. He is one of your oldest builders, I think; and even then I do not think the lengths were 70 ft.

370. If the merchants in Wellington were to give orders ahead, and keep long lengths of rimu in stock, do you not think they would be able to meet all the ordinary requirements of the trade?—I do. If they would give us the orders ahead we could stock the timber and have it down here. I know that some millers can cut 80 ft. lengths. I cannot cut more than 40 ft. lengths, but it does not take a great deal more in putting down your plant. But we never get such an order.

371. You look upon it as a very exceptional thing?—Very. I think any carpenter will tell you that.

372. I suppose you consider rimu equal almost to any other timber in the country for cottage-building and ordinary building purposes?—I do. I consider rimu a highly suitable timber for ordinary building purposes, and for joists required to carry a strain.

373. Until recently had you ever heard any complaints about the durability of the timber?—No. I was surprised to hear the remarks of some of the gentlemen to-day, that O.B. was only durable for twenty years. I am prepared to dispute the assertion.

374. You have had many years' experience of rimu?—Yes.

375. What is the oldest house built of rimu that you have known?—I know a rimu house that was built in 1871 in the Catlin's River district.

376. That is thirty-eight years ago?—Yes.

377. Do you know the state of preservation of that house?—It was a good house when I was down there four years ago.

378. You do not think it would be any exaggeration to say that a house built of ordinary fair rimu timber would last fifty or sixty years?—Not at all. You will need to paint it occasionally to keep the moisture out, of course.

379. Do you think it would last as long as Oregon? I suppose you have had no experience of Oregon at all?—Not further than what I have told you with reference to sleepers.

380. Do you think it likely that a timber such as Oregon, which grows in twenty-five or thirty years, would be as durable as a timber that took perhaps a thousand years to grow?—It should not be. I should not think so. My deduction would be that it could not possibly be a durable timber.

381. I suppose you have heard it stated that the Oregon timber we get here is all full-grown timber?—The captain of the "Addenda" himself told me that some of the cargo he brought in that vessel was the second shoot from trees that he formerly cut when a boy. He said that some of the lengths 80 ft. long were shoots, and he was going to exploit this market.

382. You would be surprised if you heard that in the Oregon landed by the "Elsa" on the Auckland wharf there was pith at one corner and the sap on the other of a 9 in. plank?—No, under the circumstances.

383. That could not be a very old tree?—No.

384. It is your opinion from what you know in a general way that Oregon is really competing with rimu and putting certain sizes of it out of the market?—There is no doubt about that. You can see it in the streets being taken round in carts.

385. If your ordinary building-rimu is put out of the market you will naturally have to charge a very much higher price for your better qualities of timber, for finishing purposes, &c.?—I think that if our ordinary building-rimu is put out the other will be out, too.

386. Seeing that Oregon is being landed here at a slightly higher price than rimu, do you think there is any probability of it bringing down the cost of building to the ordinary working-man?—I should not think so. It is a mystery to me how they can bring this timber here and say it is selling at that price. I think it must be selling at a lower price, if the facts were known.

387. I suppose you know that some cargoes have recently been landed here which the merchants did not take up, and these cargoes are now being put on the market at about 10s. 6d. a hundred feet?—Quite so.

388. I suppose that would affect the market temporarily?—Yes.

389. I suppose that as a general principle you believe in protecting the commodities that we can produce ourselves?—Most certainly.

390. You would not make any exception of timber in regard to that principle?—No.

391. And you would conserve the interests of our own workmen?—Yes.

392. And circulate the money in our own country?—Yes. I am quite in accord with that principle. I think that if these people are to be permitted to compete with us they should be subject to the same restrictions that are imposed upon us.

393. With regard to supplies for future generations, what would you propose?—I think the Forestry Department are going to do good work if they can preserve the forests in some remote part of the country. But it is a very big question. In view of the rate at which Oregon grows in America, I believe you will have an inexhaustible supply for all time, so future generations never need despair.

394. In the meantime you think we should utilise our own products and make the best use we can of them?—I do. We should utilise them while the opportunity exists, because it is passing away, to my mind. On the West Coast you may be able to conserve your timbers, but I am confident that up North it is impossible.

395. I suppose you believe in the present method of tree-planting adopted by the Government as a wise course?—Yes. Of course, you want to take great precautions to preserve the trees afterwards.

396. *Hon. the Chairman.*] What are the wages under the award of the Arbitration Court in your district?—For benchmen, 1s. 3d. an hour, or 10s. a day; tailer-out, 9s. 4d.; crosscutter in the bush, 9s. 4d.; and the other men, 8s. 8d. The award is so-much an hour, but it works out as I have stated. We have always paid more than the award.

397. How much more?—Our benchman gets 12s., the tailer-out 10s., and the others 9s. No man likes to be regarded as the lowest-paid man, and it does not pay any sawmiller to have the worst class of labour.

JAMES MALCOLM, Engineer to Horowhenua County Council, sworn and examined. (No. 135.)

1. *Hon. the Chairman.*] Can you give the Commission any information about the matters it is inquiring into?—I cannot tell the Commission much about the cost of timber-production; what I came to tell you about was the lasting qualities of Oregon pine, according to my experience of nearly forty years. I was working as a carpenter in Dunedin in the early seventies, when Oregon pine was first introduced into the colony, and I used it in buildings myself and saw it used in several other buildings, and I know that in some cases it had to be taken out a good many years ago and other timber substituted for it. I saw some wharf stringers of it, and I was told on good authority they had only been in use seven years, and I tested it myself and found it completely rotten. When it was taken off the piles it looked as good as it was the day it was put in, but it was preserved with coal-tar; inside it was completely rotten. I tried the stringers in a good many places, and found them all the same. I have seen Oregon pine used for staging and even for scaffolding-poles, and after four or five years' use the bottom ends—which are placed in a cask to keep them steady—have been all rotting off.

2. How would Oregon compare with rimu for standing the weather?—It will not compare with rimu at all for standing the weather, in my opinion. No doubt, it is good for large beams, or joisting, or anything like that inside, but I am perfectly sure it is no good outside.

3. What sort of a rot was this that you found—a rot that was caused by any grub?—No; it seemed to be absolute rot.

4. Not dry-rot?—No. With the wharf stringers the wet had got into the stringer where the spikes were driven in, and it was absolutely rotten like pulp, when the skin outside was broken.

5. *Mr. Field.*] You have noticed perhaps that window-sashes are being made of Oregon pine?—Yes.

6. Do you think that a safe thing to do? Do you think those sashes will last?—If they are kept properly covered with paint and kept dry they may last; but I should not like to use Oregon for window-sashes.

7. We have had evidence that there are buildings forty-four years old, built of Oregon, that are sound to-day. Could you tell me whether there any other timbers that are really durable and are very like Oregon?—There are many firs that it takes an expert to tell from one another.

8. The Baltic fir and a number of American firs are hardly distinguishable?—Yes; it takes an expert to distinguish them.

9. Do you think that a man who was not an expert might be mistaken, and think that what was really Baltic pine or another American fir was Oregon pine?—I should not be a bit surprised. Mind you, there may be buildings in New Zealand the framing of which is forty-four years old; but I would not believe for a moment there was any Oregon boarding on them. I have here a piece of timber of a sort that was looked on before I left Home as being the most useless timber imported into Great Britain, and I know for a fact that this piece has been in use as a weather-board for forty-five years. That is Norway spruce. [Produced.]

10. Was that on the outside?—Yes; it is the feather edge of a weatherboard.

11. You say that Oregon will last all right inside if it is kept from the weather and the damp?—Yes.

12. Would not the same be true of our timbers?—Certainly. Oregon might be used for long beams, but I do not see why we should use it for anything else at the present stage.

13. You think that we could do with our own timbers for practically all purposes?—Yes. I do not know who is getting the benefit from the Oregon pine at present. A good deal of it is

coming up into our district. I do a little as an architect, and I have asked the builders many times how much it costs them. It costs them from £1 1s. to £1 3s. in Wellington, and then there is the railway freight—freight and a half in this case. And who is getting the benefit? Not the people who are getting houses built, at any rate.

14. Although it is costing more than our own timbers it is making its way into use?—Yes, because totara now is at almost a prohibitive price, and it is the only thing that will at all take the place of totara for sashes.

15. Can you tell us whether it is true as reported that some of the weatherboarding of the new Maori College at Otaki, or some of the adjacent buildings, is Oregon?—I did not see the boarding put on, but I saw the frame after it was erected, and I think it is all Oregon pine.

16. Have you heard that any of the outside covering is to be of Oregon?—No.

17. At any rate, you are sure it would be a mistake?—Yes, if they used Oregon.

18. From your experience, would you say that all the timber for that building might have been obtained out of our own woods?—Yes, certainly.

19. Our own millers could have supplied them, and they would have been as good for the purpose?—Certainly.

20. *Mr. Barber.*] With regard to the Oregon that you mentioned having to be taken out down South: where was that?—At the First Church, in Dunedin.

21. There was some peculiarity about that, was there not?—No, it was ordinary Oregon. The ends of the rafters were set on an Oamaru stone corbel, and, of course, it will absorb as much water as you like to pour on it. The water from the outside kept this stone wet, and it was the wet from this stone that caused the rafters to rot.

22. Do you know that the late Chief Forester, Mr. Matthews, reported on that?—No, but I think I know as much about it as he did.

23. The reason he gave why these timbers failed to last was that they had been bled for turpentine?—I never saw turpentine in Oregon.

24. We know there is no turpentine in it, and therefore in this case the timber was not Oregon?—It was Oregon. There is no doubt about that. I do not think you could puzzle me with any timber that is in use. I can assure you that it was the same class of Oregon as that which is in the market to-day.

25. However, your opinion is that this evil effect only happens to Oregon pine when it is put in a damp place?—Certainly. I am not going to condemn it if it is put in a dry place.

26. *Mr. Leyland.*] You are of opinion, I take it, that Oregon is all right if it is judiciously used?—Yes, in certain places.

27. In the Canadian Handbook which I have here they say that it is locally used for construction-work of all kinds, fencing and railway ties, and in the manufacture of furniture. Another report here by a number of scientific men says that it is one of the most useful constructive timbers they have. Would you say they are talking about something they do not understand?—The climate might have something to do with it, but I am perfectly sure we have never got any good results from it here. I do not know whether the Commission got any evidence down South with regard to some local bodies down there trying it for bridging purposes, and finding it a failure. The Taieri County Council there had to substitute ironbark for it in a very short time.

28. Do you think that for beams and joists in brick buildings heart Oregon is more suitable than sap rimu or rimu that is part sap and part heart?—It has only one advantage, in my opinion. Its lasting qualities are not better than those of our own timbers; but for use in three- or four-story buildings, it is much lighter on the walls than our own timbers. I do not know of any other advantage that it has.

29. But do you not think it would last better than sap rimu?—I do not think so. I never saw our ordinary building-timber rot, if it is kept perfectly dry.

30. We had evidence given by an architect in Auckland that he had removed buildings that had been up thirty-five years in California, and that Oregon in them that had been on the ground was found to be quite sound?—I do not believe it. It is nonsense. I heard something said to-day about the borer getting into our ordinary building-timber. I do not think the borer will ever touch our building-timber if you keep it right away from kahikatea. I think it is always infected from kahikatea.

31. It has been suggested before the Commission that we get an inferior class of Oregon here because it has been tapped for turpentine. What is your opinion of that?—I do not believe that, either. I never saw turpentine in it.

32. But in this particular church that you referred to, Mr. Matthews said the architect was so surprised at the Oregon going that he traced it to the port of shipment, and found that it had been tapped for turpentine. If it had been tapped for turpentine, would you not think it was not Oregon?—I am perfectly sure it was Oregon.

33. You do not think there might be similarity between it and another timber?—I am perfectly sure there is no similarity.

34. Then you think that that architect was wrong?—I am sure he was.

35. And that that evidence is not worth anything?—I am sure it is not worth anything to this Commission.

36. You are the County Engineer for Horowhenua?—Yes.

37. That is a rimu district, is it not?—Yes.

38. *Mr. Clarke.*] With regard to durability, do I understand you to discount the value of Oregon for general purposes or only for engineering purposes, such as bridges, and so on?—All outside purposes—for any work that is exposed to the weather.

39. Even for painted work?—It is very difficult to preserve anything with paint unless you have something durable underneath.

40. If you were informed that it has been used in the past for the doors of large sheds on the wharves of the Auckland Harbour Board, and that it has stood the test of time there very well, would that cause you to modify your opinion?—I have had no experience of it painted. My experience of it has been only where it has been exposed without any covering at all.

41. Your opinion would not be against Oregon for inside purposes?—I have nothing to say against Oregon for inside purposes such as joists, roofing, framing, or anything like that. I am sure it is all right for that; but why use it when our own timber is just as cheap and just as good?

42. Do you say our O.B. timber, which is very largely composed of sap, is equal to all-heart Oregon for inside purposes?—I think so. I have never come across O.B. timber rotten inside unless affected with the borer.

43. Is that not a very important qualification?—Yes, but are you sure the borer will not affect Oregon pine in the same way?

44. Is it not generally admitted that heart timbers will stand the effects of insect borers better than sap?—It is very difficult to say what is heart of Oregon pine. If the tree is twenty or thirty years old, what is the heart worth?

45. From your experience as a professional man, would you not say that the timber commonly imported here must of necessity be timber of considerable age and large growth?—You would certainly think so, but if you look at the logs at the end you will see the grain very far apart.

46. In a general way, if architects and builders assert that for building purposes, inside work, they very much prefer heart of Oregon to O.B. rimu, would not that coincide with your judgment?—Well, there is this about Oregon: I believe a carpenter can fix more of it in a day than he can O.B. rimu, because he gets it so much straighter, and the long lengths also are a help in that respect. I see nothing against it at all for inside work, only I say our own timber can be made to do.

47. Even although it costs the community considerably more to do with it?—I have yet to learn that it costs the community more. The merchants seem to me to get all the profit out of it. Some two months ago I called at a company's yards and asked what they would deliver Oregon to me for. They said, "If you take it in the stack you can have it for 15s. a hundred, but if it is cut up it will be £1 1s." Who is getting the benefit—the merchant or the consumer? That is the point.

48. That is a point the Commission would be very glad to have some information upon, and if you can furnish it you will be doing good service. Do you not think in a general way the retail price and the price to the consumer is out of all proportion to the cost of importing the timber from abroad?—Certainly I do. I have heard it is landed here for 7s. 9d., less duty, and the duty is 2s. They asked me for the timber 15s., or £1 1s. if they cut it for me. I have frequently asked the builders in my own town what it costs them for Oregon for their inside work, and the usual reply is £1 3s., and they have to pay freight and a half on the railway for it going up.

49. *Mr. Morris.*] Do you not think the reason why the builders prefer this timber generally is that it is much lighter to handle and easier to work?—It is not easier to work. If you are a practical carpenter you will know that it is about the worst timber you can work with. If you cut it across with a handsaw it is all right, but in any other way it is the worst timber you can handle. You cannot dress it to make any job of it.

50. In Dunedin to-day they are selling this Oregon timber to the public at about 19s. a hundred feet, and the native timber at about 14s. Can you see where the public is getting any advantage out of it?—None whatever. If I built a house for myself to-morrow I would built it entirely out of New Zealand timber.

51. Do you think the reason why this stuff has been pushed so much of late is that there is a bigger profit to be made out of it than there is out of the native timbers?—Not the slightest doubt about it. It is a craze, and when the New Zealand public take up a craze they run it to death. My opinion about Oregon is that it is going to last only a very short time. The people will soon get to know what Oregon is.

52. We have heard a lot about sap rimu. What is actually meant by "sap" in the rimu-tree?—It depends entirely on where it is grown. Grown on hill country you will find rimu heart almost to the outside, but in rich swampy land you will get far more sap in proportion—as much as five or six inches of sap on that class of land. On the hillsides you will get heart up to an inch or an inch and a half from the bark.

53. Do you recognise there are two hearts in the rimu?—Yes.

54. And is the outer heart good durable timber for building purposes?—Yes. I have heard so much about this sap rimu and the disadvantages of it that I am getting sick and tired of it. I do not admit that rimu carries the large percentage of sap generally attributed to it. If you keep it dry it is just as good as Oregon, and it is no more susceptible to the borer than I believe Oregon pine will be found to be.

55. What do you think about the durability of heart of Oregon in a log of, say, 9 in. in diameter?—I do not know that there would be very much heart in it. I am not an expert in Oregon, but I know we do not want it while we have timber in this country suitable for our requirements. I have given my opinion of Oregon pine before this Commission was thought about, and I look upon it as the most useless timber that comes to our country.

56. With regard to these long lengths we have heard so much about, do you think longer lengths than 45 ft. to 50 ft. are required except for special purposes?—No. You could not use any length much over 25 ft. without a bearer or some support underneath. You would not think of stretching an Oregon beam more than about 25 ft. without something to carry it.

57. You think it should be the first duty of our Government to protect our own industries and employ our own people?—Yes. I think it might be a fair thing for the Government to admit Oregon at its presnt duty in lengths of 50 ft. and over.

58. *Mr. Mander.*] You have heard it stated that if sap rimu were used for beams in brick buildings the ends of it would decay?—With all timbers it would do the same.

59. Under the same conditions would not Oregon also decay at the ends?—Certainly, if the damp gets near it. But rimu will not decay in a brick building if it is kept perfectly dry. I have seen rimu in a brick building forty years old, and it is still all right.

60. If a beam containing a certain proportion of sap is put in a brick building, and kept away from the damp, it would last just as long as Oregon in the same position?—Yes.

61. You think Oregon would decay just as rapidly as rimu?—I am sure of it.

62. You think, taking rimu all round, it is really first-class building-material, and that it is not necessary to import Oregon?—No, unless you want lengths of over 50 ft.

63. Have you ever heard of 70 ft. lengths used in building?—I have never seen them used. Goodness knows—they might be put into buildings, but I do not see any sense in putting in beams of that length, because they would break of their own weight unless there is some support.

64. Then these 70 ft. lengths must be cut into shorter lengths in order to be utilised?—Yes. And with regard to these 70 ft. lengths there would be the difficulty of getting them away from Wellington. You could not get them on our steamers, and on the railway the cost would be prohibitive.

65. Have you ever known timber in a house built of ordinary building-rimu to decay in ten or fifteen years?—Never. I had a house now thirty-nine years old, still standing and sound.

66. You do not think the sap rimu is more susceptible to the borer than the sap kauri?—No. I do not think there is any risk of the borer if the timber does not come in contact with white-pine. That is the way I believe it is always infected. I have known of walnut furniture in five years riddled with the borer by coming into contact with white-pine.

67. You think there must be some special conditions when the borer gets into the timber in a short time?—Yes. I heard a witness say to-day he believed the same borer was in the tree from the time the fire had gone through the bush. I do not think it is the same borer at all. I do not think you will ever find the borer in the timber of a building unless there is white-pine about it.

JOHN ANDERSON sworn and examined. (No. 136.)

1. *Hon. the Chairman.*] What are you?—I am a sawmiller, residing at Masterton.

2. Will you tell the Commission whether you consider this Oregon pine is in any way detrimental to your business?—We have no doubt that Oregon or any other timber that is imported into New Zealand is a detriment. We feel that every foot of foreign timber imported does away with a certain amount of our local trade. I am not going to say that the importation of Oregon pine has brought about the present depression, because we must all admit there has been a certain tightness in the money-market; but I say that the replacing of any quantity of our New Zealand timber by foreign stuff has helped the depression to some extent, and it has done a certain amount of damage to the sawmillers. Had that foreign timber not been brought into the country, naturally our own timbers would have been used, and that would have given our own people a little to do. Half a loaf is better than no bread. I think it would be a good thing if this Commission could see its way clear to impose an additional 3s. duty on Oregon.

3. Making it 5s. altogether?—Yes. The Oregon pine is competing mostly with our ordinary building-timber—that is, O.B. If we had been able to get rid of our small stuff we might have been able to continue, and I do not think there is a sawmiller who can afford to go in and cut clean heart. I have never turned a wheel since last November. I had to close down owing to the shortage of orders. I have rough country to work and many expenses, and I could not afford to keep going. The consequence is I am simply stranded.

4. *Mr. Field.*] Where is your mill?—At Mangamahoe.

5. What was the output of your mill?—About 5,000 ft. a day when I am working full-handed.

6. How many men do you employ?—Seventeen.

7. They, of course, are now all out of employment?—Every one of them.

8. Do you know anything about the position of the other mills in the district?—I do not really know. I have heard it said So-and-so was closed, and So-and-so was working a little, and some other mill was doing nothing, but I know nothing for certain. But I do know of one mill which the men are working amongst themselves at a loss, and one of them told me that for one month their wages averaged 2s. 11d. And one of my old hands, who has been working at a mill which is doing a sort of half-time work, told me he had got in six hours and a half for the week. That is only what I have heard, of course.

9. You regard the position as serious?—So far as I am concerned it is most serious. I have never had a fire in the place since November.

10. What do you think will happen if the present state of things continues for six months?—It will mean, I suppose, that all the weaker mills will have to go to the wall.

11. Are a fair proportion of the men employed up there married men?—Yes, at my mill nine of them were married, I think.

12. How are the married men going to get on?—I could not say. I suppose they will have to do the best they can, like the rest of us.

13. Is there other work up there for them to go to?—No.

14. Is your bush on private land?—Yes.

15. Is it land that will become farming land after the bush is felled?—Yes, I suppose so.

16. What is going to happen if the milling is unprofitable?—I suppose the bush will be felled and burned—some of it.

17. Did you hear Mr. Quinlan's evidence this morning?—No.

18. Can you say anything as to whether the miller has been of assistance to the settler in your district?—Undoubtedly. He has kept a certain number of men employed.

19. And they have assisted the settlers by taking their timber and paying them royalty?—Yes.

20. Has a very large area that was fit for milling been destroyed in your district?—Yes.

21. Do you agree with the other witnesses who have spoken that we should make the best use of our timbers and not destroy any more?—I think so.

22. You said you desired an extra duty on Oregon: what would you say with regard to the big logs which at present apparently come into the Dominion duty-free?—I should say there should be a duty on them also.

23. You think that so long as these are left free they can come in and be recut here?—Yes.

24. And you think, if there is an increased duty put on sawn timber and no duty on logs, that would be the result?—Yes.

25. How do you arrive at your opinion that the importation of Oregon has affected you badly?—There is a certain amount of Oregon used in building, and I presume, therefore, that so much New Zealand timber is being shut out. It has been practically thrown back on our hands. We have had no orders for it.

26. Have you seen anything of the use of Oregon?—Yes, I have seen it used in different buildings here.

27. Have you been in the timber-yards at all?—Yes.

28. Have you judged from what you have seen there that it is being used continuously?—Yes, and I have also met drays in the street with it.

29. Is it being used for all purposes or only in big pieces?—I have seen some match lining and rusticating made out of it.

30. I suppose you cannot tell us anything about the durability of it?—No.

31. I suppose you do know something about our own timbers?—Yes.

32. Are you satisfied that our O.B. rimu is a good building-timber and a lasting timber?—I might state that the late Mr. Price was cutting on a section I had myself, and he put up a bridge over a creek, using four rimu stringers. I do not say he got the best of rimu, but they were there for sixteen years, to my knowledge.

33. Would it be correct to say, taking an average lot of our O.B. rimu, that it would be unfitted to be put into a building if that building was expected to last more than twenty years?—Oh, no! I built a house myself of second-class rimu eighteen years ago, and it is there yet.

34. Is there any sign of perishing about it?—Not so far. The only thing that went was some verandah posts and flooring that were exposed to the weather.

35. Have you had any trouble with the borer in rimu timber?—Not where I am cutting. I have seen borers in rimu.

36. That is to say, in sap of rimu?—Yes.

37. It has been said that where the borer gets into rimu it is probably due to the fact that there was also white-pine in the same building: do you think that is correct?—I would not like to say.

38. At any rate, you do not know of any serious objection to rimu on the ground that the borer gets into it?—I never heard any.

39. Can you tell us anything about the statement that our timber is unfitted for the framing of houses where plaster is to be used, because it warps and twists and cracks the plaster?—I have never had any experience of it.

40. Have you ever heard it is unfitted for plastered houses?—No.

41. Did we get along pretty well here before Oregon timber was imported?—I think so.

42. Do you think our own timbers supply practically all our requirements?—I think so.

43. You do not, so far as you know, consider Oregon a superior timber to ours?—Not what I have seen of it.

44. What is the impression conveyed to your mind from what you have seen of it?—I took it to be a timber which, if exposed outside to the weather, would soak up the water very quick and decay.

45. As a sawmiller, what profit would satisfy you over and above the cost of production?—I should be satisfied with a shilling.

46. If you got a clear shilling you would not ask for more?—No.

47. You know that the consumer requires to be protected against unreasonable prices on the part of the sawmillers and timber-merchants: have you any suggestion to make as to what limit should be placed on the price of timber for the protection of the consumer?—No.

48. Do you think the suggestion is feasible that has already been made by the sawmillers that the Government should appoint a Board or Court to deal with timber in the same way as they deal with wheat, flour, anl potatoes at the present time—namely, that if they go above a reasonable price the duty comes off?—Yes, I think it would be a good thing.

49. You think such a scheme is well worthy of consideration?—I think so.

50. And you as a miller would be quite willing to submit to that?—Yes, if I got a shilling clear profit.

51. You consider yourself rather a small miller compared with some of them?—Yes.

52. Have the small millers and the large millers got along well together?—So far as I know, there has been no attempt on the part of the large millers to undersell or squeeze out the small millers.

53. You can quite understand a large miller with plenty of capital acquiring the bush of a small miller underselling him with that end in view: has anything of that kind been done?—Not that I am aware of.

54. You say it is the small man who will go under first if the present trouble continues?—Undoubtedly the weakest man will always fall first.

55. Have you any idea why it is the builders seem to prefer Oregon to our timbers?—Well, from what I have heard and from the little I have handled, I think they take it for the lightness.

56. Have you heard that it is softer and easier to work?—Yes.

57. That would be something in its favour from the user's point of view?—Oh, yes!

58. Have you compared the price lists of Oregon and our timbers in the city here?—No.

59. Do you know which is the dearer?—I do not.

60. Do you consider it is a fair thing to consider the conditions of producing timber here and the conditions of producing timber in America, and that where there is an inequality of conditions, that inequality should be made up by the imposition of a duty, so as to put our millers on a fair footing with them?—Yes, I think that is a sound principle.

61. It has been said that the mills, notwithstanding the depression, are still increasing in numbers in some parts of the country: that cannot be said concerning your part?—No.

62. You say the Oregon mainly supplants the ordinary building-qualities?—Yes.

63. I understand from that that you can sell your better-class timbers?—Yes.

64. Is it possible for a miller to live who can sell only first-class and none of his second-class?—Of course, it is possible to live provided he has sufficient capital.

65. But he will lose money?—I think so.

66. *Mr. Barber.*] With regard to these bearers across this stream, Mr. Field asked you if it was ordinary building-timber, and you said "Yes"?—Well, they were squared stringers.

67. But the ordinary building-timber would be outside the square, and there would be only heart left?—Oh, no! there was some sap in them.

68. But would they not be better than O.B. timber, inasmuch as they would have the whole of the heart in them?—Yes, they would be a little better than O.B. timber.

69. You are a member of the Wairarapa Sawmillers' Association?—Yes.

70. Is that association in any way connected with the Wellington Merchants' Association?—Not that I know of.

71. Was it ever connected with it?—I cannot tell you—not to my knowledge.

72. Whom do you deal with now?—I am dealing with anybody.

73. Whom would you supply?—Anybody who comes along.

74. Would you supply a private individual?—Yes.

75. Would you supply a private individual last year?—Yes.

76. You are quite certain of that?—Yes.

77. Then, of course, you could not have been associated with the Wellington timber-merchants? I had nothing to do with them.

78. Your association is quite disassociated from the Wellington Merchants' Association?—So far as I know.

79. *Mr. Leyland.*] I suppose you would be glad to know that the price of Oregon is rapidly increasing?—I am very pleased to hear it.

80. And you will be glad to know that very few orders for Oregon are going forward to America?—I am glad to hear it.

81. Mr. De Schryver, of Auckland, who imported thirteen million out of the twenty-one million which has arrived in the Dominion, informed us that he has only an order for one million, and that is part of an order nearly twelve months old?—I am glad to hear that.

82. I suppose you are aware that most of these orders went forward before the depression set in?—I do not know when they went.

83. And the depression, you will admit, has affected the sale of Oregon in common with other timbers?—Yes.

84. *Mr. Clarke.*] You said, in reply to Mr. Field, that Oregon being so much easier to work was the reason why some people were in favour of its use: does that not mean that the consumer pays less for his timber in a worked-up state, seeing that it costs less in labour?—I cannot say whether it would cost less or whether you would get the labour any cheaper. I presume he has to pay so-much a day whether it is hard timber or soft timber.

85. But if a man can fix 150 ft. of Oregon where he can only fix 100 ft. of any other kind of timber, would it not come cheaper in the construction of a building, and to that extent would not the consumer get the benefit?—I do not think it would make that much difference. It is not that soft.

86. If there is any difference at all, if a man can fix for, say, 10s. in Oregon what it would cost 12s. in rimu, would that not be a gain of 2s. in the cost of the building?—Yes.

87. So that so far as the lightness of Oregon and the facility for working it are concerned, that is all to the benefit of the consumer?—I suppose it is.

88. *Mr. Morris.*] Do you not think it is more to the benefit of the builder?—No doubt the contractor would reap the benefit.

89. Do you think the contractor gives that benefit to the man who employs him?—I do not think so.

90. Is the class of rimu you are engaged in of fair good quality?—Yes.

91. And you say Wellington was your chief market before this depression set in?—Yes.

92. How much stuff used you to send here per month on an average?—Anything between ninety and a hundred thousand feet.

93. Did you ever get any orders for long lengths?—Yes, I got some for 35 ft.—a few pieces.

94. Were you able to supply them?—I did.

95. Were they satisfied with them when they got them?—I never heard anything to the contrary.

96. You know that the majority of the long lengths of timber used in this city for years were supplied from the rimu-mills round about your district and various other places?—Yes.

97. Do you think the architects were doing justice to the people who employed them in putting that timber in?—I think so.

98. Of course, we have been told that where long lengths and beams of that sort have been used a great deal of it was in kauri?—Well, I do not know of any.

99. Do you know that a good deal of second-class kauri was put into this market a few years back in competition with rimu?—I cannot say. I did not hear that.

100. You consider any way that we should protect our own industries and employ our own people and keep our money in the Dominion as much as possible?—That is right.

101. *Mr. Ell.*] What class of bush are you working?—Rimu.

102. Any other kinds?—It is practically all rimu. I might get an odd white-pine or totara.

103. Is there any other large timber in the bush?—No.

104. What is the smallest size you cut down to?—Anything that is at all payable. I take them down as low as 18 in. in diameter.

105. Anything under?—I do not think so.

106. Are you aware that some millers cut down to 10 in. in diameter?—I do not know.

107. Are you aware that it is the general practice to cut down to a foot and 15 in.?—I should not like to say. I have never seen it.

108. If you only cut down to 18 in. you must leave a good deal of timber in the bush?—Not a great deal. There are very few small rimus there.

109. Is it a State forest you are cutting in?—No, private land.

110. Is there any beech in your forest at all?—No.

111. Is there any what is called "New Zealand cedar" in your bush?—No.

112. Is the land you are cutting over settlers' land?—Yes.

113. What is the yield per acre on an average?—I suppose anything between twenty and twenty-five thousand feet.

114. Then, the Lands Department of this country sold to the settlers this bush with twenty to twenty-five thousand feet of milling-timber to the acre on it?—I suppose they did.

115. *Hon. the Chairman.*] How long is it since this land was purchased from the Government?—I should not like to say, but I think it must be close on twenty years.

116. So there was not so much competition for the bush then?—No.

117. What do you think is the principal cause of the slump that now exists in the sawmilling industry?—No doubt the tightness of money has a great deal to do with it, and the importation of this foreign timber helps a little too.

118. Of course, with the slump existing, the importation of this foreign timber rather piles on the agony a bit?—That is true; it does not relieve us.

WILLIAM HENRY BENNETT sworn and examined. (No. 137.)

1. *Hon. the Chairman.*] What are you?—I am a builder and contractor, of Wellington, and I represent, as chairman, the executive of the New Zealand Federated Builders' Association.

2. Will you please state to the Commission what you wish to say in regard to the subject of our inquiry?—As I recognise that an ounce of fact is worth a good deal of hearsay and opinion, I have taken the liberty of putting part of what I have to say in writing, especially as I have to quote a good few figures and prices:—

As a mass of evidence has of necessity been a repetition of statements bearing on the subject under inquiry, I wish to confine my remarks to one or two points, and in doing so will take as a basis the price-lists issued by the Wellington timber-merchants, and that of Langdon and Langdon, Sydney timber-merchants, for April last year, about the time the discussion *re* cost of timber was taking place.

First, then, O.B. timber (which in years gone by was, "Take it as it comes off the log, but now is practically all sap") is listed at 14s. 6d., but if 75 per cent. heart were required the price would be 18s., or 3s. 6d. per hundred feet more; and, further, if it were clean—that is, without knots or other defects—though green, the price rose to £1 4s.; the labour in each case being the same. These prices apply to lengths up to 20 ft.; over that length up to and including 25 ft. it costs 6d. per foot per hundred extra, and 26 ft. to 30 ft. 9d. per foot per hundred extra; whilst for heart building-timber it rose 9d. to 25 ft.; 26 ft. to 30 ft., 1s. 6d.; 31 ft. to 35 ft., 2s. 6d. Oregon at this time rose 3d. per foot per hundred over 24 ft. On the foregoing prices a 33 ft. stick of O.B. rimu cost at the rate of £1 13s. per hundred feet, and heart building-rimu at £1 17s. 6d. Oregon, which at this time was listed at 17s. 6d. per hundred feet up to 24 ft. lengths, would only be 19s. 9d. per hundred for 33 ft. lengths, against the above £1 13s. and £1 17s. 6d.

I contend that the above figures, which cannot be disputed, show that the cost of long lengths of rimu, even of the lowest grade, is—or was at the time when the protest was being made—most exorbitant. At the present time the country millers and town merchants are given a free hand, the result being that O.B. timber is quoted on trucks at Wellington, freight paid, at 10s. per hundred, and in some cases 9s. 6d. per hundred, there being in these cases no middleman charges.

We builders claim that, on account of the delay and difficulty in obtaining the native article for heavy work such as roofing and joisting, it is absolutely necessary Oregon timber should be admitted free. After extensive inquiries, I believe I am correct in making the statement that Oregon does not take the borer (which is such a pest in the sap wood of our native timber), and in this respect Oregon has a further advantage over local timbers.

The cost of mouldings and dressed timber, if seasoned, is also extremely high, the former, after being cut up and worked, costing double and often treble the original cost of the timber.

I have only to add that in my opinion in a city like Wellington, where the available land is so limited and expensive, the middleman or town timber-yard should be dispensed with, and builders should be allowed to deal direct with the country millers, who should lay themselves out to properly season the timber near the mills, where land is plentiful and cheap.

The last clause indicates that for some considerable time previous to date quoted builders and the public generally could not deal with the producer direct, the country millers being bound together to supply merchants only, and merchants threatening all sorts of indirect penalties if purchasers were found buying from any country mill, and threatening millers that if they supplied builders direct they would not be given any orders; so unless a purchaser was in a position to buy the whole output of a mill it was useless for him to try to buy outside the local merchants. No doubt, good reasons can be urged why this state of things was brought into existence, but, in my opinion, money spent in unnecessary cartage, handling, yardage, &c., is to a certain extent thrown away, because it brings in no adequate return.

Kauri has become almost unobtainable in Wellington. Only last week I went to the whole of the yards for 20 by 1 kauri, and could only get a few pieces in one yard. I was greeted with the same tale, that it was almost impossible to get it—orders long booked had not been supplied; and when I got the few lengths it cost me £1 17s. 6d. per hundred without cartage, against £1 11s. 6d. list price in Sydney, notwithstanding the 2s. export duty. First-class ¾ in. T. and G. kauri lining was listed at Sydney at £1 4s. 6d., and £1 8s. at Wellington; 6 by 1 flooring, £1 9s. there, £1 12s. here. I think this shows that outsiders are getting our locally grown timber cheaper and easier than we who are in the Dominion, and I consider an increased export duty should be placed on kauri. I have pleasure in handing the two price-lists quoted to the Commission.

I wish to quote a job that I had in Wellington some twenty months ago, before Oregon began to be poured into Wellington. The job I refer to was a large warehouse. In the construction of this job the architect had spcified 14 by 2½ heart-of-rimu joists, and they were to extend to two spans of the building, which necessitated their being in 28 ft. and 30 ft. lengths. I took the order to one of the local merchants with whom I was dealing, and he looked at it and shook his head. He did not care about it. First of all he inquired who the clerk of the work was, and he did not seem satisfied when I named the gentleman. These are things that we have to contend with. He finally said there would be difficulty in getting joists to comply with the architect's requirements, and he could not undertake to supply them. I then went to the architect and told him the position, pointing out the difficulty I was in, and that even if I got a promise to supply the timber there would be delay in getting it, because it was then growing in the forest and would not be fit for use even when supplied. I suggested that we should substitute Oregon, and the architect agreed. I wrote to Sydney and placed an order there. There was none obtainable in the size I wanted in Wellington at that time. It cost me landed here £1 4s. per hundred feet, but notwithstanding this I saved money. If I had bought rimu at the list prices from the local merchant at that time it would have cost me £1 7s. per hundred, and then as a rule the execution of these orders is spread over such a long time that the builder finds it difficult to get sufficient timber to carry on the job. It was for these reasons that I imported Oregon from Sydney for this particular work. There was a further reason for the importation of this Oregon: the architects in Wellington cut down the time in which the building is to be completed to the lowest possible period. Clients naturally wish to get a return for their outlay, and they want their building put up as quickly as possible. They prescribe a heavy penalty if the building is not finished within a given time. You will understand that if there is a delay in getting our material we cannot proceed with the work. Although I sent to Sydney and got Oregon for the joists, and pushed on with the work as quickly as possible, owing to delay in being supplied with some other materials, such as bricks, &c., I was fined £50 by the architect. Now, you will see that we cannot play with this matter of getting our material and study altogether our local interests because it is going to employ local labour and spend money in the Dominion. We must consider the whole situation, or otherwise we should soon find ourselves in the Bankruptcy Court. The builders are often asked why they should interest themselves in the price of timber. They tell you that you tender according to the market price, and that it is simply passed on to the public. But that is just the point. We stand between the seller and the public who pay. It has often been urged that it is our duty, as standing in that position, to see that the public are not exploited for the sake of any one branch of the trade. Besides, if buildings are made more costly fewer people will be in a position to build. Personally I do not think the importation of Oregon has affected the building trade very much, as it is not suitable for outside finishing, such as rusticating, &c., for the reason that it does not take the paint well—in fact, it takes paint rather badly. Neither do I think that it is as good as our own heart of matai for flooring purposes. The real cause of the slackness of trade has been the tightness of money. I might say that at the present time I know of four residences that would be put in hand immediately if money was available at a reasonable rate; but for that I could start to-morrow with their construction. The stocking of Oregon has had very little to do with the depression. I take it that my experience in the matter of the tightness of money is the common experience of others in the trade.

3. *Mr. Field.*] You are speaking, of course, from the builder's point of view?—Certainly.

4. Have you heard any of the evidence given by the millers on the subject of their difficulties at the present time?—Yes, whilst I sat here I heard some of the evidence that was given.

5. Do you suggest that the importation of Oregon has had little or nothing to do with our present difficulties?—I have said that I think it has had very little to do with it. It has had a little effect on the present depression in the milling trade.

6. Do you know what it mostly comes into competition with?—Yes, joists and rough timbers principally. I know that it has been used in a small way for rusticating and for flooring and lining. Personally I do not think it is suitable for outside purposes. I am simply claiming that for joists and beams it is necessary that we should have it in New Zealand.

7. Do you know what proportion joists and long lengths generally bear to the general outputs of our mills?—No, I could not say.

8. The millers have sworn here that it is under 1 per cent.?—Well, perhaps so.

9. It was stated here that Oregon is only competing with the larger lengths, and 22,000,000 ft. would not be less than 1 per cent. of the whole output, because there would not be 22,000,000 ft. of large pieces?—No; but I think a large proportion of that is still in the yard.

10. No doubt a proportion of it is?—A large proportion.

11. Well, you have heard these millers say, and probably you have read the evidence elsewhere, that they are satisfied that this sudden influx of Oregon of 22,000,000 ft. in fifteen months as compared with 250,000 ft. only a year before, plus the depression, has seriously affected their business?—I think it has little or nothing to do with the depression in the milling trade. I think my opinion is worth something, because I do not move about with my eyes shut.

12. All of this Oregon timber that is coming in has displaced a similar quantity of New Zealand timber?—Yes.

13. With regard even to the unsold portion lying in the yards which you speak of, probably if that was not Oregon it would be our own timber purchased by the timber-merchants from the millers?—Certainly. What about the timber-merchants?

14. Presumably they would have that stock of our timber instead of having Oregon timber. I am speaking now from the millers' standpoint?—Yes, apparently so. I wish to show you that, not having been consumed, it would have been stored up and therefore not used in place of our own local timbers.

15. Not used, but would have been purchased by the timber-merchants?—I contend that in the state of trade in this country the timber would not have been in the timber-merchants' yards at all. This Oregon that came had to come in bulk in heavy shiploads.

16. Do you not think that that is the real secret of the Oregon being in a more favourable position than our timber—because the timber is already there in large lengths and ready to use, whereas the sawmillers cannot afford to cut these large lengths on the possibility of getting an order for it?—I never knew them to do so.

17. Have you ever known a miller to refuse an order for moderately large lengths up to 50 ft. say?—I have known the local merchants refuse it.

18. The millers tell us they never refuse an order. On the West Coast they are prepared to supply long lengths at 12s. 6d. per hundred feet?—Did the miller who told you that tell you that he would supply them in a reasonable time—in the time that a builder would be likely to require them for work in a city like this?

19. You would not expect a man to do impossibilities. Should the builder not give some reasonable time?—We are not masters of the situation. Our work is done under the control of architects, who lay down stringent conditions, under which we are bound with heavy penalties. We cannot afford to be lax, and allow a man to supply an order in six months.

20. Possibly you are putting the blame on the right shoulders. Is it not hard on the millers who can supply these long lengths?—That is a thing we builders cannot control. We have got to take the market as we find it, and do the best we can for our clients and ourselves.

21. I understood you to say you would remove the duty altogether from Oregon?—Yes, at any rate for long lengths.

22. You would like to see the duty remain on the smaller lengths?—I would not object to that.

23. You know that Oregon is now competing with our timber here where it is sold at the same price?—Yes, just at present. There are reasons for that. You have no doubt been told that there are special reasons why this timber came into New Zealand at that time at the price it did. You have also been told that it has since been rising, is still rising, and is likely to rise because the conditions have altered.

24. What guarantee have we got of that? We know that orders are coming into Auckland. We know that it is on the way, so that the importation has not ceased by any means?—I do not wish to see it cease.

25. Miller after miller has told us that the importation of Oregon is closing up their mills, wasting their capital, reducing the freights on our railways, throwing great numbers of men out of work, and that finally, if these importations continue, our forest will have to be burnt instead of used, to make room for settlement. In view of these facts is it not a fair thing to consider whether we should not use the remnant of our own forests for building purposes?—There are certain things that we require in the building trade and in which we contend our local mills cannot compete at a paying price. Why should I be compelled to pay £1 17s. 6d. for a beam that I can buy for 19s. 9d.?

26. I do not think you should be?—We have been.

27. If it can be found that our own timber is as good in quality, and can be supplied at something like the same price, would you not say something in favour of milling our own timber?—Yes, if you can do what you state, you will confer a lasting benefit on the Dominion.

28. The timber-merchants complain that they are not given sufficient time to produce these long lengths?—Unfortunately the millers and the employees are not the only people who are making a living in this Dominion. There are many other interests to be considered besides the milling interest. The subject must be looked at from a broad basis.

29. I think everybody will agree that the consumer must be considered first, and if he can get as good an article at a cheaper rate then there is everything to be said in favour of his getting it. If that is not the case you must have some consideration for our own industry?—I wish to see this Dominion going ahead in every way. We must take a broad view of it and go further afield.

30. With regard to the smaller pieces, have you any serious complaint to make regarding their price in ordinary building-rimu?—I have, in heart, certainly. I mean 75 per cent. heart.

31. The ordinary building-rimu, which I understand is quoted at 14s. 6d., contains a fair proportion of heart?—Sometimes. If you get it from some mills it does, but if you get it from others there is absolutely no heart.

32. Is there not a better class of ordinary building-rimu supplied now?—Yes, quite recently. When the building rush was on in Wellington it was of a very inferior kind. It seemed to me they were cutting any sapling that came along.

33. With regard to this question of kauri, you said it was quoted cheaper in Sydney than here?—Yes, every time

34. Is that so with regard to all kauri?—Yes, of every description.

35. It is difficult for us to get what is correct in this matter, because we had the strongest evidence from the kauri-millers in Auckland that these revised lists were easily explainable?—Here is a list published by the merchants themselves, and there is a list published by the merchants on "the other side." You can read and form your own judgment.

36. You say you are not getting mixed up between linear and superficial measurement?—I am quoting superficial.

37. How long have you been in the habit of using Oregon timber?—Not long, not more than two years.

38. You do not use it very much in the smaller pieces?—Except as rough timber

39. You refer to the difficulty of getting some long pieces. I think you said 28 ft. and 30 ft. lengths, 14 by 2½?—Yes.

40. Are they necessary in Wellington?—Yes.

41. Is it not true in Wellington that every length over 20 ft. has a beam to support it?—Probably so.

42. Under these circumstances is it necessary to have the longer lengths?—If the architect designs the building you must carry out his specifications, and if he says that every joist must extend two spans of beams, thus breaking joints, there must be these long lengths.

43. Is it necessary to have much support?—Well, that is for the architect to say. He takes out his strengths, wind-pressure, &c., and he thereby prescribes the strength he deems necessary.

44. I understand you are blaming the millers or timber-merchants for the high prices?—I understand that this Commission was set up to discover who was to blame, and I hope you will succeed.

45. You have no views yourself on the subject?—I have no view at all.

46. It is with a view of discovering the truth that we are asking you these questions?—I stand between the two.

47. You have heard something of the millers' evidence as to the cost of the production of timber?—No, I cannot say I have.

48. Do you say that the builders generally agree that the timber-merchant is an unnecessary evil?—No; I was giving my own personal opinion when I said it would be better for builders to deal direct with the sawmillers; but I quite understand it would be necessary to have an agent to do the business. What I object to is the unnecessary handling of this timber, when it could come direct from the mill and be landed on the job.

49. We have had very strong evidence throughout the Dominion that you must have a distributing yard to come between the miller and the consumer, and, although it costs a little more, the convenience warrants the actual cost. What do you say to that?—It might do in some small lines, but not with the great bulk of stuff.

50. You think it would be the convenient thing for the consumer to go direct to the mill for an order instead of going to the builder's yard and getting there precisely what he wants?—Yes, so that it should not be unduly loaded with this extra expense.

51. We have had evidence that the timber-yard men are getting about 2s. 6d. to 3s. gross profit to cover all their expenses, rates, and rents, and labour, over and above the cost of the timber. Have you any idea as to whether that would be a fair thing, assuming the timber-merchant's statement is correct?—Seeing the expense they are put to for expensive yards and rents, I do not see how they can make much out of it at that, but I contend these expenses should be done away with.

52. *Hon. the Chairman.*] Clear out the middleman?—That is right.

53. *Mr. Field.*] Still you would have some expense in the form of an agent between the two?—Yes, who would work on a percentage or commission, of course.

54. About seasoning, most of the millers have said they find great difficulty in being forced to season at their mills, that it is more convenient for the timber-merchant to do it in town, or the actual consumer by stacking his building-material on the site of his building. What do you say on that point?—Well, of course, my experience relates to Wellington, and I say that any man who expects to season his timber on his building-site in Wellington expects an impossibility.

55. Because of the very limited area of ground?—That is right. You have not room to build a wash-house in Wellington, let alone dry timber.

56. You mentioned mouldings as being one of the troubles. You think the timber-merchants are getting too much for mouldings?—I said that one of the things that makes building run into money was the costly price of mouldings, and often it ran into double and treble the price of the original cost of the timber.

57. Then, do you say they are getting too much for mouldings?—I have no doubt they can show why they cost so much, but from my standpoint as a builder it seems to be an exorbitant price they charge.

58. Supposing you wanted a particular moulding, you could not expect the miller in the bush to keep it in stock?—I should not expect anybody to keep a particular moulding of which not very much was wanted, but as a rule they have certain stock-books, and if you take five stock-books in Wellington you would not find one out of three mouldings in the whole five available. Therefore I think that one stock-book of mouldings might be kept which would be called a market-book. Of course, we know the design that the architect requires, and probably special designs at times would be wanted and special moulds would have to be made, and then you would have to pay a special price.

59. You would not disbelieve those timber-merchants who say they have to keep large stocks of a large number of mouldings in order to supply the public?—Their books show that. They do not as a rule stock more than their books show. Very often you can only get one-fourth of what their books show.

60. Where they have to season for a long time, and have to keep large stocks on hand, and wait for consumers when the demand is slack, it means a large amount of money lying idle?—Possibly, but my experience is that a smaller stock would be better, because if you keep a stock of mouldings very long there is a terrible lot of waste through discoloration and cracking. So it would be better for the millers to keep a smaller stock and work it oftener.

61. That is a large element of loss, the twisting and discoloration; but they are forced to keep these large stocks, because people want such a variety. I do not know how we are going to get over the question of suiting the public fashion, do you?—I do not think there is anything in that contention.

62. You think they might do with a smaller stock and save expenses?—The stock-books would show you that it is not such an enormous quantity after all.

63. You cannot speak with any special knowledge as to the durability of Oregon, because you have not used it much yourself?—No; I would rather not say anything about it, because I do not know.

64. Can you speak from your own knowledge as to whether the Oregon would take the borer or not?—That is a point which has interested us very largely. I have made extensive inquiries, and the reply is that it does not take the borer, for the simple reason probably that it is full of a turpentine sap or resin that the borer does not like.

65. But you are not prepared to testify yourself from the practical standpoint?—No.

66. The Oregon, we understand, is a softer timber than most of ours?—Yes.

67. It is easier to work?—Yes, for the class of work I have been indicating.

68. You say you have used for ordinary smaller buildings our own timber?—Almost entirely.

69. Have you done any plastering?—Yes.

70. Do you find our own timber unsuitable for that?—Totally unsuitable for laths. If I were going to build a place that was going to be lathed and plastered and could get Oregon, I would use it every time, for the reason that our own timbers are quite unsuitable. They twist and buckle even after they are in position. Oregon does not do that.

71. There is a preference for Oregon because it is easier to work also?—Yes, not very much It is also lighter to handle, if you are using any bulk stuff.

72. It is easier to drive nails into and to saw?—I do not have much knowledge of that point.

73. But the using of Oregon makes up the difference in the cost of the building on that account?—Not so much.

74. I suppose you have done a lot of plastering-work in your time?—Yes.

75. Have there been before the introduction of Oregon any serious complaints about cracking?—It was quite a common thing to find a wooden partition cracking from end to end with the shrinkage and buckling of the timber.

76. We were told in Auckland by a witness that if our timber were only seasoned that difficulty would be overcome. The real difficulty was that our timber was put into the frame before it was properly seasoned?—That is probably the main cause, but still it would not be suitable for laths.

77. Are the laths of our own totara not suitable for plastering?—Not so suitable as the other.

78. It is used?—In the old days it was very largely used.

79. *Mr. Barber.*] You are Wellington-born?—Yes.

80. You are as patriotic as other New-Zealanders?—Certainly.

81. Would you prefer to use New Zealand timbers rather than the imported American stuff if they would answer the purposes equally?—Yes.

82. Builders have absolutely no interest in the kind of timber they use other than the business of their clients?—No, excepting as I told you that the delay, often, and the trouble of getting our local timbers is a great worry.

83. But as a builder you are in a position to give unprejudiced evidence with regard to all timbers?—Yes.

84. The millers have, in evidence, expressed their willingness to supply these long lengths, and do not the figures you have given from the price-list indicate the difficulty there is in obtaining long lengths?—It seems to me to do so; that is the only inference.

85. You stated in your evidence the difficulty you had in dealing direct with the producer: can you give the Commission any idea of the restrictions you labour under? And what discounts do the timber-millers allow you off the prices you quoted?—We get 7½ per cent. discount, and, comparing that with the discounts we get from the hardware-merchants, or that any ordinary business man would get from the wholesale merchant, that is a very moderate discount.

86. Under what conditions do you get that discount?—We only get it if the money is paid by the 20th of the following month in which the purchase was made. After that practically we get nothing.

87. But was not there some other condition outside the question of obeying the Wellington Sawmillers' Association?—I do not know. There were verbal threats held out that if we dealt with country mills direct we should have the 7½ per cent. kept back and only get the ordinary 2½ per cent. I never had that in writing, but I believe some did.

88. You know of people who did?—I understand some did.

89. Do you know of people who had their names deleted from the discount list for purchasing outside the association?—Only one occurs to my mind at present—two at present.

90. Will you look at this list and see if any of the names are there [List handed to witness]?—The names I refer to are not on that list.

91. Do you know if any one has been asked by the Timber-merchants' Association in Wellington to sign a declaration that in order to get the trade discount they would have to purchase within the association?—I do not know of any such case.

92. Do you know if that was the rule of the Timber-merchants' Association?—I have never heard of it.

93. But your experience is that they expected you to confine your purchases to members of the association?—Certainly.

94. And if you went outside there were certain penalties attached to the fact of purchasing outside the association?—Certainly.

95. You lost the discount?—That was understood.

96. Did you ever try to get timber from an unassociated mill?—Not within the last eighteen months. I did before that.

97. Were you successful?—I was after a bit of trouble.

98. Did you find the restriction of the association in any way prevent you from getting your supplies from the best market?—I do not know that it mattered much. I simply made up my price according to the amount I should have to pay for the timber.

99. Therefore your client was prevented from taking advantage of a cheap market if it were available?—Probably so.

100. Then, the gist of your experience as a builder is that there is a necessity for Oregon pine?—Certainly, for certain purposes.

101. What timber previously has been used for those joists you mentioned?—Rimu.

102. Has much kauri been used for joists and large beams?—Not very much in Wellington.

103. Was it used a few years back?—Not very much in Wellington in my experience. If we had a large beam it would probably be put in in kauri.

104. There are some buildings in Wellington in which the joists have been put in in kauri, are there not?—Yes, where certain architects would specify kauri.

105. Would the fact that kauri is fast becoming more difficult to get, in your opinion, increase the necessity for the importation of a substitute in the shape of Oregon pine?—Certainly.

106. *Mr. Hanan.*] If the increased duty is placed on Oregon, or a prohibitive duty, will it mean that timber of a certain class will be increased in price to the workers of this Dominion?—Well, sir, I do not see how they can increase the price of their list published last year. As I pointed out, the price already for that class of timber ran to £1 13s. and £1 17s. 6d. per hundred, and if the public have to pay more than that Heaven help them.

107. Is it true that there has been a big slump in the building trade in Wellington?—Undoubtedly.

108. When did that slump take place?—About twelve months ago.

109. Have you many men out of employment here?—Yes, undoubtedly.

110. How many carpenters and bricklayers?—Not so many as there were a few months ago, when there was a large number. A good many have left the city, and others are employed on Government work.

111. As a builder carrying on fairly large operations, would you say that the requirements in the way of building here have been met for some time to come?—Well, in residential properties probably they have, but in business premises No.

112. Is the cost of building a home here, so far as timber is concerned, within the reach of the working-man?—I am sure not.

113. Do you think the price of timber to the retailer is too high?—I am not altogether in a position to say. I have not studied the millers' side of the question.

114. As to the consumer, is your answer the same?—I have already indicated the direction in which I think the public have to pay too much for their timber. I say there is too much cartage and handling and yarding in connection with it.

115. Do you favour the establishment of a State sawmill?—I cannot say that I do.

116. Do you think there should be more competition between the mills or less?—I say there is plenty of competition if they had a free hand.

117. Have you any evidence you can bring before the Commission to show that there is any ring or combination to control the price?—It is not any good giving hearsay evidence, and the only instance I can quote is one that occurred to myself, and if it is any good to you well and good. I had a job to do for the Government which required all-heart timber. I knew the difficulty that I had always had to get all-heart timber from the merchants, and I deemed that I should have a better chance of getting my requirements direct from a country mill, which could cut the timber and, if it met the conditions, pass it on to me, and, if it did not meet the conditions, well, it could be put into the O.B. class. I wrote to some eight or ten mills that I had an opportunity of placing an order direct with them, and I only got three answers. I got one answer from a secre-

tary of an association in another part of the district, who referred me to the town association and told me to put my order through them. From the other two I got an answer. They evidently were outside any association. I placed my order with one of them, and it was executed satisfactorily. I was threatened with the loss of my discounts, but they thought better of it, and I never lost them. But that is the only time it affected me personally or that I have tried to deal outside the local association.

118. Can you say that any timber-merchant, or that the timber-merchants of Wellington, have a builders and contractors' special discount list?—I believe they had, but I do not think it was confined to builders proper.

119. Do you know anything about it from your own knowledge?—No more than that some four years ago, when I was secretary to the local builders' association, it was part of my duty to furnish them a list every three months of our members; but that had no effect upon their list, because the list was not confined to our members.

120. *Mr. Jennings.*] Have you been in business long as a builder?—Yes, some ten or fifteen years.

121. In any part of the Dominion besides Wellington?—No; I was born here.

122. In reference to our local timbers, have you any knowledge as to the durability of Oregon pine?—No, I have already stated that I have no knowledge of my own experience of the durability of Oregon pine.

123. Have you any knowledge of kauri for ordinary purposes?—Yes.

124. Of totara?—Plenty about totara.

125. Of pukatea?—Not so much.

126. Would it be interesting to you to know that the Commissioners visited a place in Auckland that was built sixty-five years ago by Sir John Logan Campbell, and the timber in it is pretty good to-day?—What was it?

127. Kauri?—I quite believe that. I am living in a house myself that I helped to build after I left school, and I would sooner buy that house to-day than buy one that was built five years ago.

128. What sort of timber is it built of?—New Zealand timber—picked rimu.

129. Would you give the preference, all things being equal, to New Zealand timbers every time?—Yes.

130. In connection with the cost of our local timbers, have you fairly taken into consideration the disadvantages that the country sawmiller is placed at owing to railway freights, royalties, rates, and other charges?—As I stated before, I give my evidence here as a building contractor, and I told you that we are bound down by specifications which say that certain things shall be done and be done in a certain time, and we cannot step outside that and consider what effect on our building the non-using of our railways and the non-employment of our workmen will have. We cannot consider that at all.

131. If the sawmills on the Main Trunk line and in the Wellington Provincial District were closed altogether, would it not indirectly affect the people here in Wellington?—Certainly it would.

132. How long is it since you have placed an order with a country sawmiller, to be supplied direct?—If I am to answer that literally I should say about two months, but it is since they had a free hand given them.

133. Are you aware that at the present time from the sawmills about Ohakune you can get what you like in regard to timbers, and what lengths you require?—Probably so, but, as I said before, what time will they guarantee to give special lengths in, and special quality? How long are they going to take to supply them?

134. Is Oregon preferable to some of our own woods that have been very much used for furniture-making purposes?—Take the bottom of a drawer or the back of a bookcase—I should say that Oregon pine is preferable to our own timbers for that; but for the outside portions I should say our own timber was far preferable. I have no doubt, however, that you will have some furniture-men before you who can tell you all about that.

135. Are you aware of the new processes for seasoning timber, such as the works at Rangataua, on the Main Trunk line, which cost £18,000?—No, I have no knowledge of that.

136. If that increased the life of our softwood timbers from ten to fifteen years, would not that be a very considerable advantage to the country?—Certainly; but, as I say, I have no knowledge of it.

137. Have you had any disputes with the sawmillers?—Never. I pay my bills, and that is all they require.

138. Therefore you are speaking impersonally?—Yes.

139. *Mr. Leyland.*] With reference to long lengths, you were asked by Mr. Field whether you were aware that rimu-millers have stated that they only supply 1 per cent. of their output in long lengths. Seeing that rimu-millers call a piece of timber over 20 ft. long a long length, would you think that a fair proportion?—No.

140. Do you not think they have come to that conclusion because frequently they are not asked for long lengths in rimu—they are very often got in kauri?—Probably so.

141. For instance, for shipbuilding, and ferro-concrete work, and spars, and Harbour Board punts, where very long lengths are used, and principals and tie-beams of a building, they do not as a rule go to the rimu-millers at all for such timber?—Just so.

142. So that while these people might honestly think the proportion is 1 per cent., that figure does not give a fair idea of the proportion of long lengths in demand?—And another thing: if the price of these long lengths is so exorbitant—as I have been indicating—something would be done to get over the need for long lengths and use shorter ones.

143. There is a real need for long lengths being supplied?—Certainly.

144. And you think that by getting them in Oregon you get them cheaper and quicker?—And better. I think Oregon is an absolute necessity.

145. If the merchants here say that Oregon has chiefly been used to supply the kauri shortage, would you think they were correct?—I think that is correct, because it is being largely used for shelving, for instance. To fit up a warehouse with shelves there is no reason why you should not take Oregon for that purpose. It is light and easy to handle, and less costly.

146. You told us that you had to send to Sydney for Oregon: that was before it was imported direct?—Yes.

147. For the Island Bay convent my firm had the order for the joists and the trimmers. We had to get them in Oregon, and we had to send to Sydney for it; we had to pay the freight back to New Zealand and the timber-merchant's profit in Sydney, and in the end they cost as much as kauri would have cost. Do you not think it an advantage to the community that Oregon should be stocked here, and that loss saved to the Dominion?—Certainly.

148. Where Oregon is used in place of kauri at a lower cost than kauri, to the extent of that lower cost it reduces the cost of the building, does it not?—Certainly, and the kauri that would have been used is left for a better purpose.

149. With reference to Oregon stocks, in many cases to my own knowledge new yards have been taken in order to stock this Oregon, and the same merchants hold still larger stocks of local timbers than they held before importing Oregon. So it cannot be said that it has altogether replaced stocks of New Zealand timbers?—I do not think it has been stocked to take the place of New Zealand timbers. It has been stocked to fill a well-defined want.

150. It has been said that twenty-two million feet of Oregon have been imported in fifteen months. From January, 1907, to April, 1909, the total quantity of Oregon imported into the country, outside of shingles and laths, is 21,000,000-odd. So it is unfair to say that over twenty million feet have been imported in fifteen months?—It would be, according to that.

151. Do you think that a rimu joist partly sap is as good as a heart-Oregon joist?—No.

152. I mean, in a brick building?—I do not think it is.

153. Do you not think the proper thing to do is to use each timber for the purposes for which it is best suited?—Certainly.

154. There are purposes, such as match lining, and moulding, and flooring, for which rimu is admirably suited, and Oregon will not do at all?—That only bears out what I have been contending for—that it is absolutely necessary for us to have Oregon for joisting and roofing and principals. I am not going beyond that. That is what I am contending for.

155. Then, you are not in favour of an extra duty being placed on Oregon?—No. I am in favour of the duty that is on it now being taken off.

156. You state that as your opinion, in your representative capacity?—I do.

157. *Mr. Clarke.*] You know, do you not, that our timber-supplies are being rapidly cut out? According to the reports of the Government Departments the difficulty of obtaining supplies is constantly growing?—Yes.

158. It has been suggested before this Commission that we have had no difficulty in the past in doing without Oregon, and therefore do not require it now. Would it not be more correct to say that during the last two years at any rate instead of doing very well without it we have simply muddled along without it, especially in regard to long lengths and dry timber?—That is right. As I said before, I think the introduction of Oregon has filled a long-felt want. It has filled a defect that we builders always felt we were suffering from. I refer especially to the delay in getting timber.

159. Is it not a fact that in the past builders have had a lot of difficulty in getting long lengths, and is not that evidence of what we may expect in a more acute form in the future?—Yes. When heart of rimu has been required on a job for a warehouse, for instance, I have seen as much condemned and carted off as has been used—that is, in heavy stuff. I have known joists to be supplied three times before we have got enough to do one job.

160. When we have it on the evidence of sawmillers themselves in more than one instance that the proportion of pure heart in rimu, free from defect, is only from 6 to 10 per cent., you are not surprised at the difficulty in getting heart rimu?—I am not surprised at all.

161. Then, seeing that we have had to depend on a timber that is admittedly about 90 per cent. sap, and seeing that we have now an oportunity of obtaining for many purposes a timber which can easily be seen to be practically all heart, is it not an advantage to have a choice in that respect and use the sap only where it is suitable?—I should say it is a distinct advantage.

162. Can you give me any idea as to what was the price of building-timber ten years ago as compared with the price now—I mean the average price?—I think that ten years ago it was to be bought at anything from 9s. to 12s., according to the class of timber required. I have bought it since I have been in business for 8s. 6d.

163. Would that mean the average price of the various qualities?—That would be for various qualities of sawn timber.

164. Taking the Wellington price-list at the present time, the average price of nineteen items in ordinary use runs out at about 18s. 9d. Do you not think that price is considerably in excess of what it was ten years ago?—I do.

165. You have no figures to show exactly what that was?—No.

166. Is it not also a fact that there has been a large increase in the price of mouldings?—Yes. Of course, there has been a corresponding increase in architraves and skirting-boards and all that sort of thing.

167. Seeing that the sawmillers have sold timber to the dealers at an all-round price of from 8s. 6d. to 10s. 6d. a hundred, do you not think that to charge over £1 10s. for a hundred feet of 12 in. skirting-board is rather excessive, that it is adding an unnecessary amount on to the cost of the work?—I have already expressed that opinion.

168. What is your opinion as to the effect of stocking O.B. rimu as merchants stock Oregon? Unless it were put under cover would not rimu, especially in such sizes as are used for scantling purposes and for joists, be a very expensive timber to stock?—Yes. It is useless to stock it in any large quantity, unless it is properly stacked with battens between. I have seen a stack of heart-matai joists laid close together in the open, exposed to the weather. They were left stacked there and not touched for eighteen months. I went to turn that stack over myself with a man, and when he took hold of one end of the joist and I the other it fell in half from rot.

169. Does that not bear out your previous contention, that it would be better, if rimu had to be stocked, that this responsibility should be undertaken by the sawmillers and not by the merchants in the cities, where rents are very high?—That is so.

170. Would your opinion as to the value of Oregon for plaster-work coincide with that of an architect who said that he had been obliged to abandon the use of plaster inside building on account of the difficulty of getting local timbers suitable for such work?—I quite believe that architects would abandon it, for the reasons I stated before. Our local timbers twist and buckle so much if they are not properly seasoned that after one month or two the plaster is not fit to be looked at.

171. Is it not a fact that nearly all our local building-timbers shrink endwise, and thus have the effect of what is known as breaking the key of the plaster?—Yes.

172. Therefore in the interests of the public who wish to have plastered work, it would be economical to use Oregon for that special purpose?—That is right.

173. Do you know of any local instance where red-pine has failed to last a reasonable time for joisting?—I suppose you are alluding to a floor in Whitcombe and Tombs's building that was erected some years ago. A floor there practically collapsed with its own weight in eighteen months, but there was a reason for that. It was closely packed with sawdust for deafening purposes, and the probably the sawdust was wet and joists unseasoned, and a process of rot set in, which practically rotted the joists in a very short time, and they had to pull the floor out and re-erect it.

174. Does that not prove that it has been the custom here—at least, it was the case in that instance—to supply timber that is really too green for use in a proper way in a building?—I am afraid that that is the usual practice with that class of timber.

175. With regard to the cry for protection, do you not think that in the case of our timber-supplies and in other instances where it is possible to "fix up the prices," in a general way this Dominion is as likely to be in need of protection from within as from without?—In some respects, yes, probably so.

176. Do you not think that, in view of the existing price of first-class rimu, that is an instance where the citizens of this Dominion require some protection?—Yes, I do.

177. As president of the Federated Builders' Association, have you not had the special advantage of knowing the minds of the builders throughout this Dominion on the matter of timber-supplies?—Yes, I have had that advantage. I think I have attended every conference that has been held.

178. Has there not been a pretty strong feeling expressed for some years past that the timber-supplies of this country were not on a satisfactory footing, so far as the general public were concerned, in the matter of price?—Yes, it has frequently come up for discussion.

179. It has been stated that a reason why an increased duty should be placed on Oregon is that it would protect an industry which is the largest in the Dominion. I expressed a doubt whether the sawmilling industry is anything like as large as the building industry. Can you give us any facts and figures to compare the two?—I took the trouble to make very definite inquiries on that point when it was raised, and I instructed our secretary to get some particulars for me, so that I might be in a position to give some information on the point. After considerable trouble our secretary informed me that the only reliable source he had for information was the census of 1906; and taking the census for 1906 I have had the following figures handed to me for the Wellington District:—

Page 361.	Persons employed building ships, boats, &c.	108
	Persons manufacturing furniture	595
,, 362.	Persons working in wood	109
	Persons constructing and repairing houses	5,773
		6,585

I had a list for the whole colony, but unfortunately I have left it behind me; but as that also is taken from the census returns I can easily get the information, and I will be pleased to hand it in to the Commission to-morrow. It shows the total number employed in the sawmilling industry, and also the number employed in the building industry, for the whole Dominion. I think that when that is put in you will find that there are some three of four times the number engaged in the actual erection and repairing of buildings that there are in the milling industry.

180. Will you put that statement in to-morrow?—Yes.

181. It is shown in the Official Year-book that the total number of people employed in the sawmilling industry is 9,000-odd, and that includes those working in joinery-factories belonging to sawmilling companies. Your figures go to prove that in Wellington alone there are 6,585 engaged in the building and woodworking industry; therefore the building trade must employ far more than the sawmilling?—There is no comparison.

182. If the high prices of timber and the difficulties of supply are acting as a check on building operations, does that not prove that the larger industry is being injured by the smaller one?—To a certain extent I suppose it would.

183. With regard to the durability of Oregon, if I told you a company of well-known builders in Dunedin recently examined some of that timber which was exposed in the course of repairs in the building, after having been in that building for forty-four years, and that it showed no signs of dry-rot or worm or any of the forms of decay, would that not tend to strengthen your confidence in Oregon as a building-timber?—Yes; it is only in such cases as that that you can get at the real facts.

184. *Mr. Morris.*] You mentioned some high prices that ruled in this market last year. At present are not prices of any commodity ruled generally by the law of supply and demand?—Yes, the law of supply and demand affects every commodity.

185. Last year there was an extraordinary demand for timber?—Yes, and well we knew it.

186. What proportion of O.B. timber is used in the ordinary every-day cottage that is built, in proportion to the more expensive lines of timber that go in?—In the ordinary every-day cottage I am afraid it is pretty well all O.B. timber, and sap at that.

187. Then, under those conditions the expensive timbers we hear so much about do not come into the question at all?—They do not come in except in the case of the timbers I am urging for joists and roofing.

188. For joists and roofing in a cottage there are not any of these large joists or big beams required?—No, but I am not arguing about cottages at all; I am asking that Oregon be admitted for certain purposes.

189. There is a cry throughout the Dominion that owing to the excessive price of timber the working-man cannot afford to provide himself with a home. You have just told us that none of these particular timbers come into use in the erection of a workman's home?—Except just in the finishing.

190. So far as the working population of the Dominion is concerned, Oregon has been of no benefit to them because none of it is required for the construction of their houses?—Possibly it does not affect them very much.

191. Then you told us it was 14s. 6d. less 7½ per cent—about equal to 13s. 6d.?—Yes.

192. Seeing that millers are offering timber at 9s. 6d. and 10s. 6d., that speaks for itself. Have you ever been in the unfortunate position of having to tender for a job and taking it at less than it was worth to do it?—No; sooner than do a job at less than cost-price I would walk about. It would be cheaper.

193. Would you go on the Charitable Aid Board for your living?—I would be in gaol if I took jobs at prices which would not enable me to pay my just debts.

194. Do you think people should be compelled to walk about the town selling a commodity at a price which will not provide them with a living?—Certainly not, but I do not think they have been placed in that position during the last eighteen months or two years.

195. You said you could buy timber to-day at 9s. 6d. from some of the millers. Probably those men are not able to pay their way in supplying that article?—I do not know the position. It is their own offer, not ours.

196. You are prepared to take advantage of them?—Well, if a man offers a thing to you for 9s. 6d. you are not going to say, "I will give you 12s. 6d."

197. I do not blame you. It is business every time. You said you thought the millers should carry a stock and that the system of supply through the merchants should be done away with?—I said the timber should be stocked at the producing mill instead of being sent to an expensive place in a city to season.

198. Have you any idea of the amount of capital involved in such undertakings generally?—I know it is pretty considerable.

199. A great deal more than a good many of the millers could find or could get any one to find for them. You see there are difficulties?—Just so. I do not say there are not.

200. With regard to the seasoning of timber, is it not a fact that every builder who goes into a yard for timber to erect a cottage generally asks for stuff as green as he can get it because it is easier to work?—I consider it a libel on the builders as a body to make such a statement.

201. Builders have said so before this Commission?—I should not think much of them.

202. Timber-merchants have told us the same thing?—I beg to differ. I say, taking a stick of timber, whether you saw it, or plane it, or work it in any shape or form, it is easier to do it when it is dry than when it is wet.

203. Then as to long lengths, you said there were probably 40 or 50 per cent. required. I suppose you were referring to large warehouses and so on?—I referred to roofing, beaming, and joisting.

204. That is, in very large warehouses and that class of buildings?—Yes.

205. I suppose I have asked this question a dozen times or more, and the reply has invariably been that it does not amount to 1 per cent. of the total amount of time used in the construction of buildings?—You are wrong there.

206. *Hon. the Chairman.*] I think there is a misunderstanding here. The evidence was that it did not amount to 1 per cent. of the total consumption of timber in building. In large warehouses it would amount to a bigger percentage, of course?—That is what I am arguing. I say this stuff is required for heavy work in large buildings.

207. The question has cropped up as to the amount of Oregon that was used here previous to 1908. You said you imported some for yourself. Did you import 100 ft. in 1907?—No.

208. Because according to the Customs returns that was the total amount of Oregon landed in 1907?—I cannot give you the exact date of my getting a supply. It might have been fourteen, or fifteen, or twenty months ago. It was for Laery and Co.'s building in Allen and Blair Streets at the other end of the city, before Oregon began to come into the country in any quantity.

209. The Customs returns say that 100 solitary feet was the total amount imported in 1907?—I can show the invoice if you like.

210. Then from the beginning of January, 1908, to the beginning of April this year the total imports amount to 6,784,213 ft. The sawmillers' trouble is that this timber is coming in all the time, and that you people do not require any of our timber at all?—I am just completing four residences, in which there is not five shillings' worth of Oregon used.

211. We have it that merchants have been sending out placards to their customers extolling the excellences of this timber. Do you not think that is largely due to the fact that they are making a bigger profit out of it than they can get out of native timbers?—It may be so, but according to prices I did not think they were.

212. Do you think you can buy that stuff, with the 2s. duty, at less than you can our native timbers?—I am not in a position to dispute it.

213. Have you been able to buy Oregon at the same price as our native stuff?—I do not think so.

214. Do you agree that good, sound heart of rimu, containing resin and that kind of thing, is equal for building purposes to Oregon timber?—Unfortunately, if it is wanted for beams and joisting, if it is resiny, there are usually open shakes in it as well, and it is condemned by the architect and clerk of works.

215. Do you not think we should do our best to employ our own people, and keep the money we have in the country here for our own benefit?—I do, so long as you are not penalising the whole of the Dominion for one small portion of it.

216. Would it meet your objection if we agreed to admit the long lengths of Oregon pine at the present duty?—Yes.

217. Do you class 22 ft. lengths as ordinary lengths in rimu?—No.

218. I have always supplied 22 ft. lengths at the ordinary price; that is all I know about it?—I have put it in a list there for guidance, and I do not wish to go back on that list.

219. *Mr. Ell.*] With regard to the future supplies for the people of this country, you have already told us that those engaged in the woodworking industries, including building, number some seven thousand in the Wellington District alone. You are possibly aware of the fact that the Forestry Department estimate that our supplies will not last more than forty or fifty years at the present rate of demand, at the outside. Now, in view of that and the absolute need of timber for the people, do you think it desirable for the Government to put more vim into reafforestation?—I certainly do. It is a thing our association has been urging for years. Although we are thankful for what the Government are doing in the matter we think they should go further and that it would be money well spent. We had the facts before our last conference but one, showing that in a very few years all the kauri would be cut out and that it would not be very long before all the timber was gone. I do not see how you can conserve the present timber, because if it is not cut down for building purposes it will be burned down to clear the land for settlement. The Government might, of course, conserve their own Crown lands.

220. Do you think that 9,400 acres is anything like an adequate area to be planted for supplying future needs?—I do not.

221. Do you think sufficient vigour has been put into replanting during the number of years the Forestry Department has been in operation, seeing that they have only planted 9,400 acres?—I think we want increased vigour put into that particular Department.

222. You are aware of the value of totara for joinery-work and of kauri for various descriptions of building, and for joinery-work, cabinetmaking, furniture, and so forth, and also of rimu for furniture-work and finishing. In view of the value of those timbers for such purposes do you think it a wise policy to constrain builders to use large sizes of those timbers when they are daily becoming more valuable for the finer descriptions of work?—No; I think it would be far better to let us use some cheaper material and to conserve our own first-class material. Unfortunately there is a very small percentage of those trees that are thoroughly suitable for those special purposes you have mentioned. I am speaking now of rimu. Of course, a large proportion of kauri and of totara is suitable.

223. That accentuates the necessity of providing for a rougher class of timber for the heavier work and conserving the limited supply of good timber there is for the finer work?—Yes.

224. *Mr. Mander.*] You said it would be an advantage if the builder could deal direct with miller for his timber. Now, if the miller stocked his timber, classified it, and all that sort of thing, would you think he would have to pay extra charges for the cost of so doing?—I think he would have to pay extra charges, but nothing in comparison with what he has to pay now for the same thing in the city.

225. But a man in order to do that would require a greater capital than most of the ordinary millers possess?—Possibly.

226. I suppose, if you wanted a few lengths of any particular size and you were to send to the miller in the country to get them, the extra freight, and charges, and cost generally of getting those lengths would be much greater than if you went to the merchant in the city for them. You would find great difficulty, would you not?—Yes, but I am not urging now that the sole trade should be put into the country miller's hands. That would be impossible. But where a man can place a definite order for a nine- or ten-roomed house or a warehouse, I think it should be allowed to go direct to the country.

227. Cannot you do that now?—You might now, but you could not until recently.

228. I venture to say Morrison's will take an order from you for a building if you send it to them?—They might now.

229. Of course, you are aware that in running a retail trade in a place like Wellington the high rents, charges on handling the timber, interest on money, insurance and accident insurance, and all the rest of it make a very considerable inroad in the profits?—I have no doubt good reasons can be given for the existing state of things, but from our standpoint it seems to be a waste of money.

W. L. THOMPSON sworn and examined. (No. 138.)

1. *Hon. the Chairman.*] What are you?—I am a builder, residing in Wellington.

2. We shall be glad of any information you may have to place before the Commission?—I have my views here in writing, and with your permission I will read what I have written:—

As a representative of the Wellington Builders and Contractors' Association I desire to say a few words on their behalf.

It appears to us the Commission have not had any (or much) evidence from the public or consumers' point of view. Now, the builders of the Dominion have always striven to safeguard the interests of the public as well as their own, for it is obvious our interests are identical: if we have to pay a high price for our material and labour we have to pass it on to the consumer, and the consumer passes it on to the tenants (possibly our employees), who in many cases are least able to bear the burden.

The building industry in the Wellington District is no small concern, numbering as it does some seven thousand persons who are directly or indirectly concerned with building operations and the working-up of timber in various ways.

It has been stated that the importation of Oregon pine is accountable for the slackness in the sawmilling industry. Now, in our humble opinion it is nothing of the sort. The prime causes of the slackness in the timber and building business, along with many other businesses, is the stringency of the money-market, the high values put upon land, and the high rate of interest charged for loans (when they can be procured at all). These cases have had the effect of stopping speculation, and thereby decreasing the demand for building-materials. From our own knowledge and observation we do not find that Oregon pine comes very much into competition with our local timbers (save possibly kauri), and then only where long lengths, special sizes, and quick delivery are concerned; for when used it is principally for floor-joists, roof-construction, and partitions where the same are to be plastered.

We desire to see the duty on Oregon pine abolished altogether, for the following reasons: It can be obtained without delay from local stocks in almost any length or size; it is cheaper for special purposes; it is tougher and stronger; it is more durable when not exposed; it does not take the worm; it is cheaper to handle; and when used for plastered work (partitions and laths) it stands the changes of temperature better, as it does not warp and twist the same as our local woods.

For comparison of the cost in Wellington of Oregon pine as compared with our local woods where long lengths or sizes are concerned, I will just give two instances—

Length.	Size.	Oregon.	O.B.	Heart Red-pine.	Kauri.	Totara.
36 ft.	16 in. by 2 in.	... 22/6	28/6	45/9	41/9	53/3
36 ft.	8 in. by 4 in.	... 21/6	25/6	42/9	38/9	50/3

These prices were current prices in Wellington on the 23rd April, 1908 (price-list enclosed). Now, as heart red-pine is invariably specified (when red-pine is specified at all), it will be seen that the cost is nearly double that of Oregon. Apart from that fact, it would be next to an impossibility to obtain such sizes in heart red-pine, and certainly they would be unobtainable in sufficient time to enable our contracts to be completed in time. If we are to facilitate building operations and cheapen the cost of construction it seems essential that Oregon should be allowed into New Zealand duty-free, or certainly duty-free above certain specified sizes.

Those are, generally, I think, the views held by the builders in Wellington.

3. You make one statement there—that Oregon is stronger: have you any facts to show that is the case?—Well, from general observation. I have never put it to a real test except in one case where an exceptional load was put upon a certain piece or Oregon, and I am positive that had it been any other wood the floor would have collapsed.

4. But that might have been an exceptional piece of timber?—Well, it was a good piece of timber. It was part of a consignment that I got from Melbourne about three years ago.

5. It was not any of the late importations, a good deal of which is said to be shoddy?—I do not think there is much difference between what I got then and what is in the market at the present time. I might say, to bear out what I have already mentioned in regard to the inability to get local timbers, that on that occasion I sent the order away to Melbourne for about 35,000 ft. of Oregon joists, and they were landed on the Wellington wharf in sixteen days after the order went. That shows that, even getting them from the other side, I could get them delivered in much quicker time than our local timber could be supplied. I might also mention another experience I have lately had to show that the local timbers even in these depressing times are not delivered to time. I signed a contract just about the end of December, and under the contract the proprietor was practically to supply the whole of the building-timber in it. The timber was to be delivered on the 12th January. My contract started from the day the tender was signed, just before Christmas. I have not got the floor-joists yet, and the building is completed. When I got to a sticking-point and could not go any further I offered to put in Oregon in place of the timber that was to go in as floor-joists. After some delay they acquiesced in the arrangement, and I put the Oregon in, and I was to take the other timber in payment. I might mention that it was second-class totara that was going in. In four hours after I gave the order for the Oregon joists I had them on the job, showing that in certain cases it is absolutely necessary that we should have Oregon to draw upon.

6. *Mr. Field.*] Do you not think it could possibly be arranged for us to have stocks of our own timbers seasoned and ready for you, if things were arranged properly?—I do not think they would be able to supply the stocks, and it would be too costly to keep them up.

7. You know our trees are capable of producing long lengths?—The kauri-tree is, I believe, but I am not certain about the other kinds.

8. But we have ample evidence that you can get lengths of 50 ft. and considerably more than 50 ft. out of rimu?—I do not know that. I have never been able to get anything like 50 ft. I have had 54 ft. in kauri.

9. Would you be surprised to learn that, even on the West Coast, where the timber-trees are not as big as they are in this part of the country, we saw rimu logs coming in 60 ft. long?—You may get them, but the question is, when would you get them? We cannot wait for them.

10. Do you not think a better arrangement might be made whereby more use could be made of our timbers in larger sizes?—Well, I should say now is the time to commence, when the business is slack.

11. You are talking about Oregon being stronger than our woods: have you ever known of any test being conducted to show which is the stronger?—No.

12. You know Mr. David Robertson, of Wellington?—Yes.

13. If Mr. David Robertson made a test in the presence of a number of business people—a test extending over several hours, and most carefully conducted—would you not be inclined to rely to some extent on it?—It would have to be a test of several pieces, not of an isolated piece.

14. Have you heard any of the millers' evidence?—Not very much.

15. But when sawmillers from all parts of the Dominion say most positively that Oregon pine is interfering with their sale of O.B. rimu, and that they could get through the bad times fairly well were it not for this Oregon, should we not believe them?—Well, you might, but I would not.

16. You would say they were all making a mistake?—I say they are making a great deal more out of it than there is any possible need to.

17. What is it you say the Oregon is mainly competing with?—In the larger sizes of building-timber, used principally for brick buildings—joists, and roof principals, and beams.

18. Are you not aware that it is being pretty largely used for other purposes?—I have never used any.

19. Have you been through the timber-yards and seen the timber they have there?—Yes.

20. Have you not seen it cut into small sizes, framing, flooring, and so on?—That is so. I do not consider it useful for flooring or rusticating, or anything connected with the weather.

21. Talking about the strength of it, have you seen the Oregon in the yards and seen the many knots it contains?—Some of it does.

22. Can that be tough timber?—It all depends where the knot is. I have found quite as many knots in a large piece of rimu as I have in Oregon.

23. Do you feel pretty sure of your facts in making that statement? Have you examined rimu timber and Oregon timber?—Yes. I think I am perfectly right in saying there are as many defective knots in rimu as in Oregon.

24. Do you not think the knots in rimu absolutely separate from the timber as they do in Oregon?—Not quite so much.

25. We have the evidence of a gentleman in Auckland who is largely interested in Oregon that you can cut the timber in twenty-five years: can you as a practical man conceive that any durable timber could be cut from trees twenty-five years old?—It all depends on the length of time it takes a tree to mature. I understand that Oregon matures in a very short time, while our harder timbers take a great many years.

26. But is it conceivable, in your opinion, that a tree twenty-five years old can produce first-class durable timber?—I do not see why it should not. It would not be a hard timber probably.

27. Would you take the duty off altogether, or leave it on the small pieces?—I would take it off altogether preferably, and, next to that, off all sizes above a certain size.

28. You would take it off altogether, notwithstanding the fact that sawmillers and sawmill employees have come to us from all parts of the Dominion and described the distress at present existing in the sawmilling industry due to the importation of Oregon?—I think you will benefit more people by taking the duty off than by leaving it on.

29. How can it be said to be a benefit when the small sizes are dearer?—I think Oregon is very little used in general cottage-construction. I do not think it has any bearing on the cost of a workman's cottage.

30. You quite understand that 21,000,000 ft. coming into the country in fifteen months as compared with 270,000 ft. over the whole of the previous year must have had some effect on our milling trade?—A small effect.

31. You can understand that 22,000,000 ft. is equal to the ordinary building-rimu output of a good many comparatively small mills?—Yes, but I think I am right in saying that the Oregon has not been to replace or to displace rimu to such an extent as they make out. It has been more to displace the use of kauri, which has been hard to obtain. A few years ago it was quite the thing for one firm of architects to specify practically everything in kauri in a brick building, even to the sarking. Now they specify Oregon.

32. How long has this kauri been difficult to obtain?—Well, I think about two years. I used to deal with a firm in Auckland pretty regularly, and they wrote down in reference to my last order to say they could not supply it. That was about two years ago.

33. What have you been doing between that date and the date when Oregon began to flood the market?—I have been using Oregon.

34. But the Oregon was not here in 1907?—It is about eighteen months since the Oregon commenced to come in. I had not been very busy, and unfortunately did not use very much.

35. I presume the kauri you say Oregon has been competing with is rough kauri, not first-class heart?—It is called first-class, because the joists would not be put in in second-class or sap kauri.

36. Is it not the truth that the reason why you have not been able to get kauri is because you wanted nothing but the very best kauri—that you wanted the prime joints of the log?—I do not know. I could not get second-class kauri from this firm I ordered from.

37. The evidence we got in the North was that the southern people wanted all the good timber, and that if the millers and merchants supplied all their best down South they could not supply best to their own people?—I think they send the best away to Australia.

38. At any rate you are inclined to discount the statement of the sawmillers that Oregon timber is largely displacing O.B. rimu?—Yes.

39. Even though scores of them swear to that effect?—Yes.

40. Do you prefer to use Oregon because it is easier to work?—It is cheaper to work, and you can generally get it much better seasoned than the local timber.

41. You do not suggest that all that comes here is in a seasoned condition?—No; but it seems to season quickly.

42. I notice that in some of these long lengths the difference in price between O.B. rimu and Oregon timber was not very much: In the case of a 36 ft. length of 16 by 2 it is 6s., and of 8 by 4 it is 4s.?—Yes.

43. Well, that shows that at that time, at any rate, you could get long lengths in ordinary building-rimu at nearly the price you could buy Oregon at?—Yes, if you could get them. They will take the other rapidly enough, but when you state a time for delivery it is quite another matter. But, as I pointed out, the class of timber that would be required for joists in rimu is invariably specified heart rimu, which means at least 75 per cent. of heart, and that is the price it would amount to if it were specified in heart rimu.

44. Why is it necessary to have long lengths when, as I understand, the city by-laws provide that lengths over 20 ft. must have a beam to support them?—That might be right for joists, but not for roofing.

45. Under these by-laws a little over 20 ft. would do?—Yes; but some architects consider it necessary for certain joists to cover two spans, to get a better tie across the building.

46. *Mr. Barber.*] You say Oregon has been chiefly used in large sizes, replacing kauri?—Yes.

47. If this kauri, instead of being used in New Zealand, is exported at 19s. a hundred, and a timber equally suitable is imported at 9s. a hundred, do you not consider that is a good policy for the Dominion from a financial point of view?—I should think so.

48. Have you had any difficulty in your dealings with the timber people in Wellington—have any restrictions been placed on you in any way?—No.

49. Have you ever tried to deal outside the Timber-merchants' Association?—I might mention that I am partly interested in a rimu sawmill at the present time, and it may seem rather peculiar that I should advocate the free importation of Oregon when I am personally interested in the production of our own timber. But I look at the question in a broader sense than that, and I consider that the good of the whole Dominion should be considered before any personal aims. I might mention that as I am interested in that particular mill I naturally obtained my supplies from that source, and there was likely to be a little trouble over it. However, it did not amount to anything, and it blew over. I did not see why I should not supply my own wants with timber from the mill in which I was personally interested.

50. And your mill is outside the association?—It belongs to the Wairarapa Association.

51. But it is not connected with the Wellington Timber-merchants' Association?—No.

52. And because you were getting timber from that mill you thought there was likely to be trouble in procuring your other supplies?—Yes, there was a talk about it.

53. They sought to compel you to deal with the association?—Yes, I suppose that was the object.

54. *Mr. Jennings.*] Have you any objection to state what you personally pay for your Oregon here? Do you get any special consideration because you are the part-owner of a sawmill?—None whatever.

55. Can you tell the Commission what you pay?—Fourteen shillings was what I paid for it last, about three months ago.

56. What was it six months ago?—Well, it has been dropping this last six months from 17s. 6d.

57. Is it on the score of getting cheaper timber that you advocate the free importation of Oregon?—It is on the score of being able to complete our work in contract time and to supply the timber which is suitable for it.

58. If that difficulty were removed, would that influence you in giving preference to our local timbers, if suitable?—Oh! decidedly I would give preference to the local timbers.

59. Every time?—Yes.

60. If an undue importation of Oregon timber were allowed, might we not go a step further, and say we will also admit Manchurian and other foreign timbers that are produced under conditions entirely different from those which we, as a white people, believe in?—Yes.

61. Even though the timbers are produced by coolie labour, and so forth?—Well, I think the quality of the timber and its suitability would be a great factor in determining whether I should be in favour of it or not.

62. I want to know if you builders are combined similarly to the sawmillers for the purpose of keeping up your prices?—No, we are in competition with one another every day and the lowest man gets the work every time.

63. But you have an association?—Yes.

64. What is the object of that association?—Well, it is for our mutual protection, particularly with reference to labour laws, and anything that will uphold and benefit the building fraternity as a whole.

65. Are you aware that there are sawmillers on the Main Trunk line, particularly about Taihape and Taumarunui, who can supply timber to meet all requirements so far as length is concerned, and, I believe, at lower prices than those which have existed for some time?—It is news to me.

66. Are you aware that the sawmillers to a very large extent are going "on their own" now?—Well, I do not know how matters stand now amongst them, but it is just possible they are going on their own. I do not suppose they are all in the association.

67. Do you think that competition will bring about a better result to the public?—I do not really know how the sawmillers could sell their commodities at less prices than they have been selling them at. From my own experience of the one I am connected with I do not think it is possible to produce timber and sell it for less. We have determined not to do so, and we have closed our mill.

68. *Mr. Jennings.*] With regard to Oregon pine, do you know whether the timber at Oregon is subject to any rates—that is, what are the railway rates, is it free from royalties, or are there County Council or Government rates levied on it?—I cannot say at all.

69. *Mr. Leyland.*] You were told about some 60 ft. lengths on the West Coast: did you understand that they were hewn and not sawn?—No, I was not aware of that.

70. In reference to quick growth, I suppose you are aware that puriri is one of our strongest timbers?—I have never used any.

71. It is generally admitted to be one of our stronegst timbers?—I have not used it.

72. We have evidence to show that puriri grows quicker than some of our local timbers, and consequently evidence of quick growth is not conclusive against durability or strength?—No; just so.

73. Tawa has a close grain, is heavy, very similar to oak, yet it decays quickly. Totara, with a comparatively open grain, is known to last a very long time, so that neither open grain nor quick growth can be held to discount a timber when experience shows that it is durable?—That is so.

74. With reference to southern orders, the objection was not taken so much to orders for joists as for select timber for other purposes. Would it not be an advantage to the Dominion to use Oregon for joists, and to put kauri to better uses?—Most decidedly. I think we should conserve our forests if we can. I do not think there is a timber in the world to compare with heart of rimu for finishing-work.

75. I agree with you that it is a very beautiful and useful timber?—Yes.

76. The point is that we have uses for Oregon, and we have no timber to supply the demand for Oregon. If a heavy duty is put on Oregon, and it also rises in price, will that not stop the importation of Oregon?—To a certain extent no doubt it will.

77. Would that not be unfortunate for the Dominion from a builder's standpoint?—Yes.

78. In reference to the price for which timber can be got in the King-country, we have evidence that it is now being sold at a very narrow margin over and above the cost of production: would that not lead you to think that, if you can buy it cheaply now, that will not last long?—That is so.

79. *Mr. Clarke.*] With regard to the question of the tests as to the strength of Oregon, am I correct in assuming that you have not seen the report of the tests made at the Christchurch Technical School, in which Oregon was placed on a higher level than red-pine in the matter of breaking-strain?—I have not seen that.

80. It was suggested in a question that, if the local difficulties in supplying timber were removed, Oregon might be prohibited by an exclusive duty. Now, is there any possibility of the removal of the local difficulties. Have you any reason to suppose that in the future there will be any more chance of getting an order supplied similar to those that you spoke of in your evidence?—No, I do not think there will be.

81. A question was asked in respect to the quality of imported timbers—*i.e.*, Oregon pine—and you were asked the same question about it being cut and used after twenty-five years' growth. For your information I may mention that the same witness in his evidence showed that all the houses, particularly in British Columbia, were built of Douglas fir, except those made of brick, inside and outside, and therefore it is considered by those people in that part of the world to be a good substantial timber?—For outside work?

82. It is said by the Canadian Government—and I quote now from their handbook—that it is used for construction-work of all kinds, also for fencing and railway-ties. This authority regarding the value of this timber cannot well be ignored. You would not assume that this statement would be made without some authority?—Decidedly not. I was wondering whether it would be possible to plant the Oregon tree in New Zealand as an experiment.

83. Some thousands of trees of it are already planted?—Are they?

84. It is known as Douglas fir. In view of the exigencies in connection with timber—not only in respect to the building trade, but to the Dominion as a whole, for the reason that every individual is a user of timber—is it not a matter of extreme importance that more vigorous work should be done in the matter of replanting and afforestation on some scientific and systematic basis?—Yes, I think that is essential. There is some land which is practically useless for anything else which would grow forest-timber, and it might be grown in such areas or zones as to prevent any serious loss from fire.

85. It has been suggested in the evidence before this Commission that it is much more important to clear land for settlement than that the timber should remain. Do you not think that

there are still large timber areas that could be left in the interests of the community as a whole in respect to the conservation of water and to prevent the erosion of the soil on the hillside?—Yes, I think that is a proper course to adopt.

86. Are you aware that in America, in the United States, for instance, at a recent Conference of the leading men convened by ex-President Roosevelt, he declared that the matter of future timber-supply was one worthy of being placed in the first rank for consideration by the Government of the United States?—Yes, I believe I have seen that in print.

87. In view of that fact in a place like America, where timber is commonly regarded as inexhaustible, does the recommendation of that Conference not tend to show that we may not expect to get future supplies from America to any extent?—Yes, that is so.

88. And emphasizes the necessity for replanting and covering denuded areas?—Yes.

89. *Mr. Morris.*] Touching this question of shortage of timber, I am able to assure you that there is more timber in this country than you will ever use if you live for a hundred years. I agree that we ought to make provision for future supplies. You mentioned in your statement that Oregon was better for a number of reasons, and one of them was that it was stronger than rimu. We have had some evidence placed before us by the last gentleman who was questioning you, and you stated something about a test that was applied at Canterbury College. I can give you some evidence about the breaking-strains of rimu compared with kauri and Oregon. A gentleman in Auckland tested for his own curiosity a piece of inch-square Oregon 4 ft. long, supported exactly on 4 ft. rests. The Oregon broke with a 3 in. camber at 178 lb. pressure; the kauri, with a 4½ in. camber or deflection, broke at 201 lb. pressure; whilst the rimu, which seems to be in bad odour all through, broke with 2½ in. deflection under 215 lb. pressure. That evidence was given before this Commission by a gentleman named Mr. White, who was in charge of the Kauri Timber Works at Auckland. Then we have the evidence of another witness, who told us that the breaking-strain of rimu was 720 lb.; of kauri, 688 lb.; and that Oregon was not equal to either. So that you see the despised rimu is all right so far as the breaking-strain is concerned. In the Wellington test the rimu was superior to Oregon. You told us about rimu being knotty. I have never seen rimu sent out of a yard, except as second-class timber, to equal Oregon for knots. Do you know of any cases where a builder has asked a merchant for good hearty joists instead of specifying 50 per cent. or 75 per cent. of heart?—At what rate.

90. You know there is a difference in price?—Quite so.

91. Where good hearty stuff has been asked for it was meant to be and intended to be supplied at the O.B. price?—The first question the merchant would ask would be, "Is this to be O.B. or 75 per cent. of heart, or is it to be all heart? The O.B. is one price, 75 per cent. of heart is another price, and if all heart it is still another price."

92. Can you tell us who gets the difference in the price?—The sawmiller gets some, and the merchant gets some.

93. The sawmiller is endeavouring to supply his O.B.?—I cannot say at all what dealings the sawmiller has with the merchant.

94. You do not know of any cases of that sort?—No. I know this: that we do not now get so much good timber and O.B. as we used to get, not by a long way. It is classed more closely now than before.

95. What would you think if we were to start letting contracts in this community to Chinese, for instance?—It is a very moot question whether it is produced by Chinese labour.

96. You were asked about the valuable qualities of Oregon as used in America. I suppose you would be surprised if they sent over here and bought our timbers, and burnt their own?—Yes, certainly. If, however, a cargo of rimu timber was sent to America it would be bought up straight away. They would do it for a change. It would be a novelty.

97. *Mr. Arnold.*] You thought that Oregon above certain specified sizes should come in free. I just want you to give me the specified sizes you recommend?—I should say 12 by 2, 25 ft. long and upwards.

98. *Mr. Stallworthy.*] What price did you pay for timber when you bought it in the country?—Wholesale rates.

99. What were the wholesale rates?—At that time the wholesale rate was 11s. in Wellington.

100. What was the railway freight?—It was 1s. 1d.

101. Have you any idea of the quantity of timber you would put through in a year if you were busy?—About 100,000 feet a month.

102. Have you any idea as to the quantity of timber used in building in Wellington?—No, I cannot tell you.

103. *Mr. Mander.*] You said you paid 14s. for Oregon in Wellington?—Yes.

104. What do you pay for rimu now?—I really do not know. It is on the price-list, whatever it is.

WELLINGTON, SATURDAY, 22ND MAY, 1909.

CHARLES HUTTON, Taihape, sworn and examined. (No. 139.)

1. *Hon. the Chairman.*] What are you?—I am a timber-contractor for the Egmont Butter-box Company at Taihape. I gave evidence in Taihape as a contractor, but on this occasion the sawmill hands of Taihape and surrounding districts called a meeting amongst the workers themselves, and a resolution was passed that one of our number should be sent down to lay before the Commission the state of affairs from the workmen's point of view. We have taken this step because there are so many men out of work in the district.

2. How many men are out of work?—I should say that over a hundred sawmill hands are out of employment, and there is no work for them to do. They are first-class men at that, and

they are continually going to the mills inquiring for work. They are married men, most of them, with homes. They feel it the worst, as the rate of living in Taihape and anywhere on the Main Trunk line is very high. There is no work available now in other lines, such as the railway-works. The workers do not want Oregon pine to come into the country at all, as they are fully satisfied that that timber coming here has helped to cause the present trouble. Before Oregon came in we were working full-handed, and every man had full work if he wanted it. Since then hands have been reduced all round, and a number of mills have closed down in the Rangitikei district. There is no sale for sleepers, posts, and fencing-material.

3. Is the Government not purchasing now?—The Government may be, but I mean fencing-material for country work. Thousands of posts were required only twelve months ago, but there is no sale now, and winter is coming on. It is not like the summer, when the farmers employ a good deal of labour.

4. *Mr. Field.*] Are you in any way a representative of the millers, or the men solely?—I have been sent down entirely by the men.

5. You said you gave part of your evidence in Taihape?—As a contractor.

6. You want to supplement your evidence as an ordinary timber-worker?—At present.

7. Did the fact of the Commission visiting Taihape help to set the men thinking?—It did, and I am certain that it was purely the reason for this additional meeting.

8. How was this meeting organized?—Myself and Mr. Mackintosh, who is a contractor, or used to be up to a short time ago until he closed down, thought it would be a very good thing to call a meeting amongst the working-classes—the sawmill hands. He, like myself, is a contractor, and a few months ago really good men were getting double the wages we are getting now. We thought that possibly we might do some good by calling a meting amongst the workers, but there were no sawmill-owners there at all.

9. How many men attended the meeting?—I could not exactly say, but there might have been forty or forty-five. They are very scattered now. In November, when another meeting was called, the hall was full, but now, of course, the men are gradually going away.

10. Would the long distances and the bad roads affect the attendance? Considering the drawbacks, was that a good muster?—It was.

11. If it had not been too late in the autumn there would have been more than double that number of men present?—Yes.

12. Then, the men are very much in earnest about this matter?—They are, I can assure you. They are in a perilous condition.

13. Have you any branch of the Sawmill-workers' Union there?—No.

14. Do you not belong to a union up there?—There is no union there.

15. But still there is an award?—Certainly.

16. What about the wages you are receiving?—We are receiving fair wages from the millers, and we are satisfied with our terms. It is a fair wage, considering the cost of living. But then we had to pay as high as 1s. 7d. per pound for butter last winter, and for twelve or eighteen months they paid 13s. 6d. for a bag of sugar, and everything is on a par with that. The workman has not much left after he has paid his way there. Rent is from 8s. to 10s., and bread is 9d. a loaf at present—8d., cash, in Taihape. When it is all summed up I do not think the workman is getting very much out of his 10s. and 11s. a day. I consider he has the rough end of the stick. At the present time in our mill we are up to our knees in water fetching the timber to the mill.

17. Are you satisfied that the miller in the present condition of the industry is paying as much as he can afford to pay?—I believe he is, but we have no trouble with the miller. We get our wages, and I think he understands that we are worth it too.

18. Then there is good feeling existing between both sides?—Yes. The plain proof of that is that we have not been before the Arbitration Court yet.

19. Are the millers paying above the award wages?—Yes.

20. Have you heard of any suggestion of reducing the wages?—It was rumoured about, but I do not think it has taken place. I do not think it likely, and I think it would be against the miller's wish to cut down the wages. It may be that he might have to do it, but I do not know.

21. About the condition of the men who are out of employment: Are there married men in your district who are unable to get employment?—Yes.

22. They get it by bits here and there?—Yes; cutting a bit of firewood.

23. Are there a number of men in that position to-day?—Yes, a great number in the Rangitikei district.

24. What will they do in the middle of winter?—I do not really know. It looks bad enough now, and must get worse; they will be in a very serious plight indeed.

25. Have you worked in a sawmill where there is a serious falling-off in orders?—Yes.

26. What manifestation is there of that?—In my own company we were rushed every day to get orders done before the depression came, but I notice now that our firm do not seem to care when orders are coming or not, only they must keep the mill running. We have plenty of time to supply orders now, but are very often told that there is not one for us.

27. Have you any knowledge as to what class of timber the orders have fallen off in?—In ordinary building-timber. But I am not well up in those things.

28. You are aware, of course, that, although there are a number of sawmill-workers in the country, there are also a large number of men employed in the working-up timber trade?—Do I understand you to say there is a larger number?

29. We are told there are 9,000 in and about the mills and 6,000 in other branches. In protecting the sawmilling-industry would it in any way injure this other body of workers, the carpenters, joiners, &c.?—I do not see why it should affect the carpenters and joiners. If they were not manufacturing Oregon pine into different articles there would be our own timbers, and I do not think we should be interfering with those men in any way.

30. You are satisfied that now the Main Trunk line is through there is ample timber of our own for our own purposes for some years to come?—I am.

31. We have had it suggested that the supply is greater than the demand, which I suppose is true?—I think so.

32. On this question of sleepers, do you think the Government might do a little more in the way of ordering our own timber for sleepers, or are they acting wisely in getting timber from elsewhere?—I think we have the timber in New Zealand for that purpose.

33. Do you think that, although our timber may not last as well, the Government might stretch a point and, in view of the shortage of work, assist the workers in that direction?—I certainly do.

34. You have some knowledge of timber?—Yes.

35. Are you and the workers generally of opinion that our own timber is good enough for all ordinary purposes?—At one time I believe it was quite good enough, and I fail to see why it should not be good enough to-day. I understand it was good enough for beams, &c., not long ago, and it should be good enough for the same purpose now.

36. Can you tell us of your own knowledge whether it is possible to cut long lengths at the mills you are working at?—Yes; if we got the orders we could cut any lengths up to 40 ft. And I think, if there were a guarantee of orders for long lengths, there would be plenty of mills here prepared to cut longer.

37. Is there any reason why these long lengths should not be cut up the whole length instead of in cross-lengths?—Not the slightest, if they are required. It is just as easy to cut them into long lengths as into short ones.

38. Before the Oregon pine came in, what was the proportion of orders for long lengths as compared with the total orders given at the mill?—I could not really say, but I know it would be very small in comparison with the others. We have been working our new mill about eighteen months, and the longest length we have cut is about 25 ft.

39. I was speaking of before eighteen months ago. Then, at that time, when the orders were going to our own mills, was the proportion of orders for long lengths still very small as compared with the whole output?—Very small.

40. *Mr. Barber.*] What mill are you working at?—The Egmont Box Company, Rangitikei. They have two mills there, one at Taihape, and the other at Utiku. I am working at the Utiku mill.

41. This meeting was called at Taihape, and you represent the workers there?—Yes.

42. Is it not a fact that the bush in the vicinity of Taihape is being worked out?—With the number of mills there it is being worked out every day, but there is a vast amount of work there yet.

43. But is it not generally understood that the timber business is nearly approaching extinction at Taihape?—I do not know that.

44. Are there not exceptional difficulties in getting their logs to the mills?—Yes, in the rough country.

45. You know Bennett's mill?—I do.

46. You know the difficulties they have there?—Yes.

47. Do you not think the difficulties are getting beyond the value of the timber?—I could not say.

48. You think the consuming public is going to bear the burden, because of this protection which seems to have no end to it and which goes on increasing year after year?—Of course, it would be hardly fair to ask the miller to cut and cart it for nothing.

49. I do not say he should; but is the material worth it when you can get a material of equal value for the purpose at a much less cost?—I do not know anything about that.

50. In regard to the supply of long lengths, is there not a difficulty in getting a log suitable to cut long lengths?—No.

51. Is the length there to get a long clean barrel and to get it out?—Yes. I suppose there is more trouble in cutting a long length, especially if it is to be heart first-class, than there is in cutting second-class.

52. Take that tram at Bennett's, where they have to lower down. Could they lower long lengths down that tram as easily as short ones?—Undoubtedly they could.

53. And they could get them to the top of the hill?—Yes; they have a log-hauling machine on top.

54. A lot of the logs were short logs, although pretty big in the barrel?—Most of the logs we are working on are full length.

55. We were led to believe that the millers were anxious to get orders owing to the slackness of trade: what did they mean by saying that your firm does not care whether they get orders or not?—There is no sale for them; the merchants cannot get rid of the orders.

56. But, if they have the order, surely it is an order to be supplied, and one would have thought, if there were a depression, and they got the order, they would be only too pleased to execute and deliver it?—We are simply cutting a lot of timber and stacking it in the yard.

57. But you said that your firm did not care——?—I did not say they did not care. I said there was not the bustle and hurry that there was at one time.

58. You supply timber, although you call it a box-making company?—Yes.

59. You do cut timber for building purposes?—Yes.

60. And, in addition to supplying timber for ordinary building purposes, you manufacture the short pieces into boxes?—No. The white-pine chiefly goes into cheese-cases and butter-boxes.

61. *Mr. Jennings.*] Have you in any way overstated the position of affairs up in the Rangitikei and Waimarino districts?—Not the slightest.

62. This is a letter I received yesterday: "DEAR MR. JENNINGS,—I am sorry to trouble you again, but I cannot get anything to do. I have tramped to various places, and they have told me there was nothing to do; but still they can put some strangers on at roadwork. If I cannot get something soon I must starve. I have been to many, and have offered to work for food for my wife and children. Will you do something for me in the name of God, as I have a dying child and others starving. Please endeavour to get me some roadwork." The man that this letter is from was working, I believe, in one of the sawmills that have been shut down. That letter bears out what you say?—I quite believe it. I have seen a good many cases, not quite so bad as that, but in the same line. When first-class benchmen, who a few months ago got £18 a month, come round and ask for a job at 8s. or 9s., it shows there is something radically wrong somewhere.

63. The slackness in the timber industry and the cessation of the North Island public works have made the distress greater, have they not?—Yes.

64. Formerly men would have had a chance of earning money on the co-operative works?—Yes, either on the railway, on the roads or bridges, or something else; but it does not seem as if there is much now to take up the surplus men.

65. Mr. Barber asked you whether the public should bear the increased cost of timber. I want to put another aspect of the matter to you: Would it not be better for the public to have the men employed and their families provided for than to have them come on the Charitable Aid Board, or leave the Dominion, as some are now doing?—Far better, I think.

66. Do you know whether the men have made application to the Government recently to get work in supplying sleepers?—I could not say.

67. What wages does the man get who follows the log when it is being hauled?—That is the ropeman. I am paying mine 11s.

68. I suppose that is about the most trying and the hardest work a man could undertake?—Absolutely. All last winter I never went home dry once. If my back was dry my feet were not.

69. Do you think that, if land were provided for settlement purposes, some of these men would take it up?—Yes.

70. They are suitable men for clearing bush?—A great number of them are, and, I should say, would make good settlers too. I for one would take it if I could get it.

71. *Mr. Leyland.*] How many men do you represent? How many mill hands work in and around your district, approximately?—I should say there would be close on a couple of hundred men, when the mills were in full working. I do not know about the number now.

72. We had before us in Auckland the secretary of the Timber-workers' Union, representing between two and three thousand workers, without the bushmen. Referring to the desirability of decreasing the duty on long lengths and heavy sizes of Oregon he said, "By allowing the Oregon to come in, our workmen derive a certain amount of benefit from cutting the timber up, and it will inflict no hardship on any person. It will encourage the Americans to send forward timber in larger flitches. As a matter of fact, some of this Oregon coming in like this was the means of keeping some of our men employed during last year, when logs were scarce. I remember that the Leyland-O'Brien Company, for instance, are recutting this timber." While we are very sorry for the workers, and should be only too pleased to alleviate the distress, you will realise the difficulty we are placed in when the timber-workers' representative gives evidence like that, will you not?—Yes. All I wish to say is that I do not think he is right.

73. *Mr. Clarke.*] Unfortunate as the distress may be that exists in your district, have you not observed that an equal amount of distress is to be met with in the cities in lines of industry that are in no way connected with the timber trade? Is not that a fact?—No; I do not think the people in the towns are put to the same inconvenience as we are up country by the depression. I think we feel it more than any.

74. Do you think, then, that the statements of the workers' union, which were published in the Wellington papers two days ago, are not based on fact—their statement that real distress does exist there in quite a number of employments?—I did not know that it did.

75. It must be apparent, must it not, that this want of work is a general thing at the present time throughout the Wellington District and many other places?—There is a vast difference between a man out of work up the country and a man out of work in Wellington. One has to pay only about half as much to live as the other. Therefore I think his trouble would not be so great as that of the man in the backblocks.

76. You said that you were a contractor: how long have you been employing men?—About nine months. Prior to that I was a wages-man.

77. And your mate, I think you said, was also a contractor?—Yes, he was until his mill was shut down.

78. Then, in reality, the meeting that you have told us about was convened for the employers and not the workers, is that so?—No. The wages-men took part in it just as much as the contractors.

79. They would not respond to your call, you being a contractor?—They are paying our fare to Wellington, anyhow.

80. *Mr. Morris.*] I suppose you do not walk round with a white collar and white shirt?—Well, I am paying a man 11s. to take my place while I am here.

81. Consequently you are as much a working-man as any man in your service?—I work longer hours than any other man there.

82. Although the depression does not affect you just at present, you do not know how soon it may?—I may be looking for work myself any day.

83. I presume you have not got a very big bank balance?—I have not.

84. Our Government are sending a large sum of money out of this country every year for the purchase of Australian sleepers, and it is a question whether it would not pay them better to

pay 2s. for a sleeper in this country than 3s. 6d. for one that they get from Australia. Do you not think we should keep the money in this country and employ our own workers when the depression is making itself felt so keenly?—I certainly do. I dare say that the New Zealand sleeper would not last as long as the Australian hardwood sleepers, but it could be got a good deal cheaper, and I think the difference in the cost would make up for it.

85. Two of them would last as long as the Australian one?—Yes. And there is no telling how long the New Zealand sleeper would last if it were thoroughly tested.

86. *Mr. Ell.*] You are aware that in a few years there will not be very much forest left about Taihape, I suppose, in view of the way they are cutting it out?—Yes, it is disappearing.

87. You are aware that from any one of the high hilltops we visited while there, as far as the eye could reach, the timber has been cut out or burnt out?—A great deal has been burnt out.

88. You are aware that Bennett's mill has now got men employed cutting down dead trees on a settler's land, and carting the logs into the mill to be cut?—Yes.

89. So there is no standing timber handy to the mill now?—I did not take particular notice what the timber was like around there.

90. How many acres are there in the bush that you are working?—Two hundred and sixty in the block.

91. How long will it take you to cut it out, going full swing?—We should have been cut out now.

92. Is there any bush in the immediate neighbourhood that is available?—Yes, we have 2,000 acres at the back.

93. What timber is standing on that land, principally?—White-pine.

94. What demand is there in New Zealand for white-pine, outside of butter-box requirements?—I could not say.

95. You are aware, of course, that white-pine is not used for building-purposes?—Yes.

96. Is it not a fact that it has been used almost entirely for boxes?—A good deal of it is used for that. I dare say that some goes into very cheap buildings.

97. But it is generally admitted that it is not a desirable building-timber?—Yes, I quite believe that.

98. Then, the chief uses to which white-pine is put are for boxmaking, and for export to Australia for a similar purpose?—Yes, I think so.

99. Is it not a fact that there is a duty on white-pine in Australia?—I believe there is.

100. Has the export trade fallen off lately?—I could not say.

101. You know that you are not shipping so much away?—Our company practically use all their white-pine for their own factory. I do not know whether they sell to the outside market or not.

102. So far as the 2,000 acres are concerned, the Oregon would not affect you, because the timber there is white-pine, and Oregon does not come into competition with white-pine?—No, but it affects our hardwood; we cannot get rid of that, and I dare say the Oregon has a lot to do with it.

103. Do you mean your rough rimu?—Yes, and matai.

104. With regard to the question of unemployment, you must know that our New Zealand native forest cannot last us for very many more years—that is, in some districts?—Yes.

105. And you know that the present population of this country requires a large amount of timber annually?—Yes.

106. As we only have 9,400 acres planted, do you not think it would be a good thing for the Government to do much more planting for the future needs of the country?—Yes, I certainly do, provided it is on land that is not fit for settlement; and I think there is plenty of that to be had.

107. You know where we have thousands of acres of sand-covered country in New Zealand: trees might be planted there?—Yes, I should certainly advise that.

108. Do you know the country round about the Waiotapu district?—No.

109. Do you know any of the pumice country at all? Have you been there?—Yes, right through from Auckland to Raurimu.

110. There is a lot of poor country there?—Yes.

111. And it has been shown that pumice country will grow trees?—Yes.

112. Do you think it would be a good thing for the Government to put men on to plant trees, and thus find employment for those wanting it?—Yes, I think it would be a good step.

113. With regard to the cost of living, what rent do you pay for a four-roomed house?—I am not paying rent now, but last year I was paying 8s. for three rooms in Ohotu, near Utiku.

114. What do you pay for firewood there?—I could not say; I have not bought firewood where I have been living. People in Taihape have to buy it.

115. What do they pay for it?—Ten or eleven shillings a cord, I believe.

116. That would compare favourably with about £3 a cord in town, would it not?—Yes.

117. What do you pay for a loaf of bread in the country?—Ninepence.

118. What do you pay for meat, all round?—I pay 7d. for beef, and I think it is 6d. for mutton.

119. What do you pay for butter?—At present I think it is 1s. 3d.

120. How much for sugar?—Thirteen shillings and sixpence a 50 lb. bag.

121. At Taihape?—Yes, or at Utiku.

122. *Mr. Arnold.*] How long have you been in the milling industry?—Practically all my life. I have worked in Western Australian and South Australian mills. I have been nine years in New Zealand.

123. Do you know anything of the price of timber ten years ago?—No.

124. Can you explain why there was such a large increase in the price of timber between ten years ago and, say, twelve months ago?—I should say it was because the timber was a lot harder to get, and rougher country had to be worked. I never saw a log-hauling machine until I came to New Zealand.

125. As time goes on, will the timber not be ever more difficult to get and to work?—Undoubtedly.

126. So that there is every likelihood of the price of timber still increasing?—It may rise a little. I could not say.

127. In answer to Mr. Barber you said that the miller could not be expected to get it out for nothing. If it becomes more expensive to get out he must charge more for it, must he not?—Yes, the further he has to go back the more he will have to charge, I should imagine. But, of course, I could not really say; that is not in my line.

128. Do you not think a time must come when the price of timber will be so high that it will be unbearable, and something must be done?—I could not say whether it will rise a little or not.

129. Do you not think that if it were not for the present slump the price of timber to-day would be higher than it was twelve months ago?—I should not say that it would.

130. Do you know that it is to a large extent in consequence of the high price of timber that the building trade has fallen off, and consequently the mills are now slack?—I was not aware of that.

131. Do you ask that an increased duty be placed upon Oregon pine, or that its importation be prohibited?—I ask that it be prohibited, and I am speaking for the working-hands of the mills.

132. If we prohibited Oregon and a busy time came round again, as no doubt it will, could not the millers charge what they liked for their timber?—I suppose they could, but I do not think they would.

133. Why do you not think so?—I think the miller is always satisfied with a fair thing.

134. What do you call a "fair thing"?—I could not say what is a fair thing.

135. You recognise that the price of building must be passed on to the tenant, and from the tenant to the consumer?—Yes. I do not think it would make much difference in the rent whether a cottage was built of Oregon or rimu.

136. But an increase in the price of timber, whether great or small, must be passed on, must it not?—I do not know.

137. Do you not know that, if the price of timber is raised, the people must be taxed to that extent?—I do not know anything at all about it.

138. Can you tell me what is the duty on Oregon at present?—I believe it is 3s., but I am not quite sure.

139. About 25 per cent.?—I could not say.

140. Do you know that hundreds of carpenters have already left New Zealand, and that there are now hundreds out of employment?—I did not know there were that many out of work.

141. If that be so, it would not be caused by the importation of Oregon?—I could not say. I live in the country, and I could not say how many carpenters are out of work in Wellington or Auckland.

142. If Oregon is being used for building instead of rimu, the work would still be there for the carpenter, would it not? So that there must be some other cause besides the importation of Oregon?—No doubt, there is tightness of money to a certain extent.

143. Do you not think the present state of the milling industry would exist even if there were no Oregon?—I think if Oregon had been kept out of the country it would have helped us a great deal to get over the difficulty. I do not say Oregon is the sole cause of the trouble, but I know it has a big lot to do with it.

144. You know that at all times in New Zealand there are men in the country who are swagging and who are very hard up?—I could not say I have seen much swagging in New Zealand until quite lately, when I have seen a good many more.

145. How long have you been here?—Nine or ten years. The number of men carrying their swags at the present time reminds me very much of Australia.

146. Would you be surprised to know that there are scores of men in the cities who cannot get food or clothes for their children because they cannot earn the money to pay for them?—I dare say there are. I have never lived in the city.

147. Why do you think there is not much likelihood of the millers attempting to reduce wages?—Well, they have not done so yet, and I do not think they would if they could possibly float at all. They seem to be satisfied with what they are getting done for the money they pay. And the workers are satisfied with them also.

148. Do you think the millers here are better employers than those on the Coast?—I could not say.

149. You know an attempt has been made there to reduce wages?—I did not know.

150. In your district, when a man leaves one mill and applies to another is he asked for a testimonial from his last employer?—It all depends. If he is an engine-driver or a benchman or something like that, he may be asked for something of the sort. My experience is that they do not ask for a testimonial unless it is for some responsible position.

151. They do not refuse to put a man on because he cannot produce a reference?—No. Often those who have no recommendation are the best.

152. You said there had never been any disagreement between the millers and the employees, and that you had never been before the Arbitration Court?—I do not recollect their having done so.

153. Do you not know that your own employers were cited before the Court, that evidence was given on both sides, and that the matter was fought keenly, only seventeen months ago?—I do not know that.

154. You know you are now working under an award?—Yes.

155. Do you not know how that award was brought about?—No, I do not; but I do not think the evidence of many of the sawmill hands was taken.

156. Can you tell me why none of the workers in your district are members of the union, if such is the case?—I could not say, but I know there is no union there. It does not seem to me to be necessary to have a union; in fact, I do not believe in unions myself.

157. *Mr. Mander.*] In regard to the orders you said were coming in which the millers did not care to supply, might that not be in consequence of the merchant requiring the very pick of the timber, and the miller, having in his yard a store of inferoir qualities, did not care to accept the order?—I believe it is something like that.

158. But if a miller got an order for the whole of the output of his mill he would be more likely to accept it than one for the pick of his timber?—I should say he would.

159. If the rimu and other timbers in the King-country are not cut out by the millers, but are allowed to stand, what will be the consequence?—I do not think the settler would do very much with it, and it is quite probable the fire would destroy it, as it has done of late.

160. There would not be much advantage in that. It would not employ labour, and there would be no royalties or freights on the railway?—No.

161. With regard to this Oregon, you were asked whether it did not employ a good number of men in the cities, recutting, and so on: is it not a fact that, if New Zealand timbers had taken the place of that Oregon, a greater number of men would have been employed in the bush, at the mills, and so forth, handling that timber and putting it on the market?—Certainly.

162. And, looking to freights, royalties, employment, and so on, more money would be circulated in the country if our own timber were used?—Yes.

163. Now, with regard to these trees that the millers up at Pahiatua were taking off the ground, is it not a fact that often the best trees are lying on the ground?—Yes, very often some of the best trees are blown down by the wind, and we always take them.

164. And a miller having put a tramway into the bush, and having gone to all the expense of haulage-plant, &c., would not be likely to leave timber on the ground if he could find a market for it?—Certainly not. One log is as good as another, if it is sound, whether it is standing or lying on the ground.

165. Seeing that Oregon is selling in Wellington at something like 17s. per hundred to-day, and rimu at 14s., is it likely that Oregon is going to reduce the cost of rent or building to the working-man in any way?—According to that statement, it does not seem reasonable.

166. Do you think it likely that the merchants who buy this Oregon are going to give the public the benefit of any reduced price as compared with rates for local timber?—I do not think so. I think myself we shall pay as much for a house of Oregon pine as we shall for one built of our own timber.

167. Do you not think it likely, if Oregon timber ousts our timber from the market, it will be found that the price of Oregon will go up?—Undoubtedly.

168. Do you think it fair that our men should have to compete with Oriental labour and with the more favourable conditions existing in America? I am going to read a statement made by Mr. Butler giving his experience in connection with some of the American mills. He says, "I find that there is a great preponderance of Oriental labour over white labour, the result of my investigations being as follows: Royal City Mills, New Westminster, British Columbia: Capacity, from 100,000 ft. of lumber a day of ten hours. This mill has probably two hundred men in its employ. I actually counted fifty-four men in the mill-yard, of whom five were white men, nine were Japanese, five were Hindoos, and thirty-five were Chinese. The wages paid at this mill for the Oriental labour is from $1·20 to $1·50 a day for Japanese, 80 cents to $1 a day for Hindoos, and 80 cents to $1·10 a day for Chinese." And the conditions are pretty much the same all through. Do you not think our workmen should receive a large amount of protection from that class of labour?—Certainly.

169. More especially when you consider that, when our timber has to be brought down from the country 150 miles, the railway rates come to more than the steamer charges from America?—Yes.

170. And are you aware that the vessels bringing timber here are manned by foreign labour to a large extent, and that the "Elsie," who came out here recently, was manned principally by foreigners?—Yes, I was told so.

171. Do you think it would be just for the Government to give some very considerable protection to their own people?—I do.

172. *Mr. Field.*] I think the question was raised a little while back as to whether you were a working-man in the strict sense of the word. Have you been champion axeman of the colony?—Yes.

173. Do you not think that unions do a lot of good for the working-man they represent?—Yes; but we have no union up there. The question of forming a union has not been brought up since I have been in the Rangitikei district. When I was in Australia the unions over there did not suit me in regard to one or two things. The men went on strike, and those who went out went to work again, and, of course, I have never taken any interest in unions since that.

174. You have not found up there any real need for a union?—Unions are a good thing, no doubt, but there has been no agitation up there for one.

175. I suppose you recognise the union must have set up some agitation in order to get this award to fix the wages?—Yes.

176. *Mr. Arnold.*] Will you say that the representative of the union that governs the Wellington District has not gone through your district and asked the men individually to join?—I never heard of it. He never visited our mill.

177. How long have you been there?—Nine months in that place.

178. The award is seventeen months old, so you would not have been there then?—No.

179. *Mr. Leyland.*] With regard to the "Elsie," are you aware she was a foreign ship?—No.

180. And, being a foreigner, would you be surprised to know that, out of a crew of twenty-seven, nine were Britishers?—(No answer.)

HENRY DONOVAN sworn and examined. (No. 140.)

1. *Hon. the Chairman.*] What are you, Mr. Donovan, and where do you live?—I am a sawyer, and am working at W. R. Smith's mill at Taihape. I am a workers' representative.

2. Will you give the Commission the benefit of your experience, and say what your co-workers have sent you down here for?—On Thursday evening there was a meeting of workers called in the Rangitikei district, and a resolution was passed at that meeting that the importation of Oregon pine was detrimental to the workers of that district. A couple of delegates were picked from the meeting to proceed to Wellington to place their version before the Commission. Mr. Hutton and I were the delegates chosen, and we have come here to give evidence. I think that from the workers' point of view the importation of Oregon pine is detrimental on account of its taking the place of O.B. rimu, which is from 75 to 80 per cent. of the timber turned out by the mills. I do not think it interferes so much with the better class of timber, such as heart of matai, totara, and rimu, and if it interfered only with the heart it would not make so much difference to us, because that is only a very small percentage of the timber cut. As it is, I think it would be better for the workers and for the sawmillers if the importation of Oregon pine was stopped altogether. Seeing the depressed state trade is in at present, the Oregon competition affects us all the more. Just round about Taihape district there are twenty-three mills, and sixteen of these have been closed, each mill employing, roughly speaking, about thirty hands. On the 4th November last I and thirty-six others knocked off work in one mill near Taihape, and in consequence I have had three months' knocking about. Being a married man, I was not in a position to go back into the bush, and I waited until something should turn up. I am at another mill now, but I do not know how long she is going to last. So far as I can see of the cut that is going through this mill, there is only about 10 per cent. of it going away; the other is stacked in the yard around the mill. I do not know how long that is going to last, but the outlook is not bright from our point of view.

3. *Mr. Field.*] Did you hear Mr. Hutton's evidence?—Yes.

4. Do you agree with what he said as to the method by which your meeting was set up?—Yes.

5. You do not come here as an appointee of the millers?—No, the millers had nothing whatever to do with it. The workers did all the active work. The millers had no interest in it whatever. It was not even suggested to us. The sawmill hands are paying our expenses—a matter of a bob in—in order to put our case before the Commission.

6. And the men are in earnest and are deeply alive to the unfortunate position they are in?—Yes; they are beginning to feel it very keenly.

7. Do you agree with Mr. Hutton that the Government might assist in finding work by ordering sleepers from our own timbers?—Yes, because even the O.B. timber, if creosoted, as it has been in New Zealand before, would do very well, and would be a great step towards providing work for sawmill hands and timber-workers.

8. Is the feeling of the men generally that the importation of Oregon has contributed largely to their present trouble?—Yes, that is their idea. They are, of course, aware there are other things, such as the state of the money-market, dullness in trade, and so on, but they have come to the conclusion that if Oregon had not been imported it would have meant so many more feet of our own timber being cut.

9. I suppose there is no gainsaying the fact that if 7,000,000 ft. came in here in fifteen months the portion of that used must have supplanted a similar quantity of our own timber?—Yes.

10. And that in itself is a large-enough quantity to disturb the industry to a considerable extent?—Yes, 7,000,000 ft., with the little that is going away at present, would keep these mills going for three or four months.

11. Can you tell us from your knowledge of the condition of things up there whether orders began to fall off just about the time when Oregon began to come in—namely, about the beginning of last year?—Yes, we got very slack about that time. I am in a position to know, because all the orders go through me.

12. Is this further fact also beyond doubt, that the orders slackened particularly in respect of ordinary building-timber?—Yes, what we class as O.B. was the principal timber affected.

13. Putting these facts together, you think that is sufficient for your intelligence to show that Oregon was affecting the mill?—Yes.

14. You are a married man?—Yes.

15. Are you out of work at the present time?—No.

16. Are you at Smith's mill?—Yes.

17. What is your position in the mill?—I am a sawyer, or benchman.

18. I suppose you are in a position to know what orders are being cut in the mill?—Yes, the orders come through me to be cut.

19. Can you tell the Commission if you are able to sell your first-class timber better at any rate than your second-class timber at the present time?—So far as I can see there is a bit of a demand evidently for heart, which is only a small percentage of the log. There are no orders to speak of coming in for O.B. timber. I notice that in this one particular mill they are stacking their O.B. timber near the mill. Only a small proportion of heart is going away.

20. Can you give the Commission any idea what proportion of the total output is going away in the form of orders?—I should say there is not more than 1,500 ft. a day going away out of 8,000 ft. cut.

21. That cannot go on very long if they are stacking up the balance?—I fail to see how it can.

22. Can you give the Commission any idea what is going to happen if the present condition of things continues?—The few that are going now will have to shut up, and many more workers like myself have come to that idea. From what I can see a miller is not in a position to stack his timber, on account of the risk of fire.

23. What proportion of the sawmill hands in your district are married men?—I should say there are 70 per cent. married.

24. Of course, their position is much worse than that of those who are unmarried?—Well, they are not in a position to get away.

25. Then, you say that even now there is real distress amongst some of them?—Yes, it is pretty severe, and it will be worse before the winter is over so far as I can see.

26. You say you do not belong to the union up there?—There is no sawmill union up there.

27. I suppose you recognise that unions are beneficial organizations for labour?—That is true; but we have never had any trouble, and the working-man is like a lot more, unless a thing pinches him he will not take much interest in it. He jogs along so long as he thinks he is getting a fair thing.

28. From your experience of unions in New Zealand, you have nothing to say against them?—No; I think the sawmill-workers are thoroughly satisfied with their treatment in the past, and stand practically neutral one way and the other.

29. Do you know anything about the lasting qualities of our timbers?—Yes, I should say we have some very durable timbers here. I refer to heart totara, heart rimu, heart matai; and, in fact, heart of white-pine is a thing I would put into a house in preference even to totara.

30. Are you convinced that our own timbers are good enough for our ordinary purposes for some years to come?—Yes, I think there is ample here to supply New Zealand's demands for some years.

31. A witness, Mr. Bennett, stated here yesterday that he saw a stack of heart of matai which had been lying for eighteen months—I suppose he referred to boards stacked close together—and he said that at the end of the eighteen months, when he took up one end of a piece of timber and another man picked up the other end, the board broke in the middle—rotten?—That is absolute nonsense.

32. The same witness told us yesterday that ordinary building-timber was costing so-much on the price-list and that heart timber cost so-much more, whereas they both cost the same to produce: is it true to say they both cost the same to produce?—I know if I get what we call building-timber it is 75 per cent. heart and the rest sap. I know I cannot cut within 10,000 ft. a day of building-heart than if I were cutting O.B. timber.

33. It does cost substantially more to cut heart than O.B. timber?—Certainly it does, because you have to cut a lot out. A shake which is detrimental to the timber is generally in the heart.

34. And it takes more time and labour to cut it out?—Considerably more time, and there is a great deal more waste.

35. You have heard of these American conditions of labour as disclosed by two affidavits made by Americans in Washington after inspecting the mills in Canada?—Yes.

36. If these are the conditions of labour, do you not think these are reasons why the millers and sawmill hands should be protected?—Yes, I think it is very unfair to reckon that a white man should compete against Filipinos and Japanese.

37. Where we have labour laws which keep up the wages, and we are asked to compete with countries which have no such labour laws, you think a duty should be imposed to equalise the conditions?—That is true.

38. You will probably be asked the question whether there should not be a limit to the price to be charged for timber. Now, up to the present time are you of opinion that the prices have got to such a stage as to be unreasonable?—I do not know the selling-price of timber. I understand, of course, that the cost of production for the last ten years has gone up considerably, on account of the rough country they have to work.

39. When you are told that the selling-price of Oregon pine is considerably more than that of our O.B. rimu, which chiefly goes into cottages and small dwellings, can it be said we should step in now and limit the price, seeing that the foreign article costs more?—No. I think if we can utilise the natural resources of the country it is better for the country than importing timber and sending money out of the country to keep men in America and other countries to be employed while our own working-men walk about.

40. Did you hear that the millers had made an offer to the Government to mill at Government prices, and so limit their profits?—No.

41. Do you think it would be a feasible scheme that some Board of Commissioners or tribunal should sit for the purpose of either fixing the price of timber in the various districts or else judging whether the millers were getting too much profit and acting accordingly?—That is true, providing the Board get evidence and really know the working-conditions of the millers.

42. You are aware that we have provided by legislation that when flour, wheat, and potatoes reach an unreasonable price, then the duty on foreign products of that kind comes off?—That is right.

43. Do you see any reason why we should not do that with timber?—No. I suppose it would be more on a sliding scale.

44. Is there plenty of timber up the Main Trunk line, from what you know of it, to supply the needs of this part of the country for some years to come?—I think there is ample timber to supply this part of the district for, roughly speaking, the next sixty or seventy years.

45. In coming here to ask for some assistance for your industry, you do not for a moment suppose you are likely to do any harm to any other body of workers?—I do not think so. I should not wish to do harm to any other worker.

46. What is to happen to the timber on the land which your mills are cutting if the mills are closed down?—If we have a dry summer and a fire comes along it will sweep the lot. I have seen it so often before.

47. Is the land fit for farming purposes?—Yes, it is good grass land.

48. Who are the owners of this bush mostly?—A lump of it is Maori bush. The balance is settled in small blocks of 200 acres mostly.

49. If the settlers cannot mill the timber profitably or sell it, will they not burn it and put the land into grass?—Undoubtedly.

50. There is no other course open to them?—That is true.

51. You are aware probably that in milling an acre of bush where there are 20,000 ft. to the acre more than £80 is actually spent in wages?—That is so.

52. And more than £100 is spent in other expenses by the miller?—That is so.

53. That is another good reason why we should endeavour to make the best use of our timber?—Yes, and use the land for grazing afterwards.

54. Have you and the timber-workers who are naturally interested in the country any opinions or views on the question of reafforestation for the purpose of supplying future needs?—Of course, that is a thing I really have not gone into; but I think it would be a very good thing to plant in the poor country, providing the timber will grow.

55. You think that is a policy that would commend itself to the working-classes?—Undoubtedly.

56. *Mr. Barber.*] How many people were present at the meeting?—I never counted, but, roughly speaking, about forty.

57. You are working at Smith's mill, which is a mill we visited?—Yes.

58. You say that Oregon is competing chiefly with O.B. red-pine and not so much with the heart timber?—That is my opinion.

59. What are the stocks comprised of at this mill?—O.B. principally.

60. But is there not a very large stack of matai there?—It is O.B. matai.

61. But Oregon is not competing with O.B. matai?—Yes. O.B. matai, rimu, and totara are all classed as O.B. timber.

62. What is O.B. matai used for?—Rusticating, flooring, studs, and general building purposes.

63. Does it go away from your place as studs?—Yes, a good bit. Of course, you do not cut it when you can get anything else out of the timber.

64. What is the price of matai?—I do not know.

65. You have no idea what matai studding would cost? Matai generally is a much more valuable timber than rimu?—Yes.

66. How is it, if matai is being sold as studding, you cannot find it in any of the catalogues?—It is cut as studding, but I do not know what they are doing with it.

67. However, when we were at the mill, how do you account for the large quantity of matai flooring and rusticating all being stacked?—Simply because there were no orders for it.

68. If Oregon is not competing with this, does it not prove conclusively to you that the accumulation of these stacks is due to the slackness in the building trade?—I say I consider that Oregon is competing with the O.B. timber. I say the biggest percentage of heart matai is going away. For instance, if there is a streak of sap along this piece of timber, which is a 10 by 1, it is classed as O.B. timber.

69. I do not know what the condition is now, but the day we were there a large quantity of heart matai was being stacked in that yard, and a reference was made to the particular quality of it?—It may have been an order, and was probably stacked there until the order was completed.

70. With regard to supplying 75 per cent. heart of rimu, which the architects insist on going into a brick building in Wellington, do you know the difference in the price of a 32 ft. length in rimu and Oregon?—No.

71. Would you be surprised to hear that a 32 ft. length, which is not an exceptionally long length of Oregon, can be obtained in Wellington at 19s. 6d., whereas the same length of only 75 per cent. heart rimu is £1 14s. 6d., and do you think it is fair that a man who wants the timber should be compelled to pay £1 14s. 6d. a hundred for that timber when he can get its equivalent for 19s. 6d.?—But why not allow long lengths only to come in? I consider that the 7,000,000 ft. that came into Wellington in the last fifteen months was not required in long lengths.

72. You, as a workers' representative, would you have no objection to long lengths coming in?—No.

73. Where would you draw the line for long lengths?—Twenty-five feet.

74. *Mr. Hanan.*] Do you know of any orders in connection with your business that have fallen off in consequence of the supply being provided for by Oregon?—No. I cannot say I know very much about the orders. They only come under my notice when I cut the timber. I do not know where the timber goes afterwards.

75. Do you know of any depression in the timber industry during the last fifteen years?—I think about five years ago the mills in Hawke's Bay shut down for one day a week for about a month.

76. There was no complaint about Oregon coming in then?—No, I never heard of Oregon.

77. So it is quite possible for a trade depression to take place in the sawmilling industry without being due to the importation of Oregon?—Undoubtedly there are other causes besides Oregon, but the fact remains nevertheless that the Oregon is putting a double pinch on.

78. Do you know anything about plants for sawmills?—Yes, a little.

79. Have you seen many plants in the North Island or throughout the Dominion?—Yes, a few of them.

80. Would you say they are up to date?—Yes, I think so.

81. Whose mill do you consider is the most up to date of those you have seen in the Dominion?—I think Gammon's at Ohakune.

82. Has he improvements there you do not find in many other mills?—Yes, and the improvements in machinery make the work easier for the men.

83. And facilitates the work?—Yes, but I do not think that they are cutting the timber any cheaper in that mill.

84. In your opinion the timber is not cut cheaper in a large and up-to-date mill like Gammon's when compared with other mills you have seen with a different plant?—I do not think so.

85. But do not the improvements he has there tend to decrease the cost of handling?—It is easier for the men at Gammon's mill than at the others.

86. Does he not put the timber through quicker, and better, and cheaper?—I do not think so. There are more men employed in the mill, but if you have eight men employed in a mill cutting 8,000 ft. and thirty men in a mill cutting 24,000 ft. I consider the mill cutting the 8,000 ft. is cutting the cheapest.

87. I want to ascertain, if there was better machinery and more up-to-date plant in connection with our mills, whether it would tend to the cheapening of the cost of timber?—I do not think so.

88. Do you think if we were to increase the timber areas granted to millers that would tend to the establishment of better mills?—Where the country is level and suitable it is all right to have a big mill, but in rough country where you cannot get over the ground and get the timber into the mill the mill would only be working about two days a week. That is my experience.

89. In rough country you suggest small mills?—Yes, I think that is the most payable.

90. And as to timber areas, have you seen the regulations recently made by the Lands Department providing for large areas being granted according to the capacity of the mill?—No.

91. Would you favour such a regulation?—It is a thing I have not gone into. I do not like to express an opinion on that.

92. Have you any suggestions to make regarding railway freights on timber?—No. I do not interfere in that kind of thing.

93. Have you any suggestions to make with a view to placing the sawmilling industry on a better footing?—I cannot say that I have. The only thing I would like to see is the importation of timber stopped and the Government do all they can to use local timber rather than imported timber.

94. But is that not being done?—It does not look like it with 7,000,000 ft. of Oregon coming in.

95. Has it been used?—I do not think it has come here to be burnt.

96. You do not know whether it has been used or not?—No.

97. But that is a mere flea-bite compared with what is cut every year of New Zealand timber?—That is true.

98. In this case Oregon is not responsible for the slump in the sawmilling trade?—Not altogether, but still it does its share towards it.

99. *Mr. Jennings.*] Do you indorse the statement of the previous witness that a lot of men are out of employment?—That is true.

100. Do you think it would assist the men if some of the land in the district was thrown open to them for selection?—I think it would be a very good thing for them. They would not have much time for sawmilling if they could better themselves.

101. Have you made any advance in that direction to the Government or to your member?—No. I often hear the men talking about it, but, of course, they are a bit slow to move in these things.

102. You think they would take up sections?—Yes, I believe they would be only too glad to get them.

103. *Mr. Leyland.*] With reference to the greater use by the Government of sleepers on the line, have you men considered this matter very much?—They have not discussed it much.

104. Do you think they should approach the Government and bring the subject before them?—Yes, I believe it would be a good thing. Of course, the difficulty is to get them to move. They will hang on and hang on.

105. Have your men discussed the question of afforestation in the sense of looking forward to continual supplies? Do you think that the workers should press forward the Government in tree-planting for future supplies?—Yes, it would be a very good idea.

106. Now, with reference to the output of an up-to-date mill in reducing the cost of production, do you not think that a given number of men will produce more than the same number of men working in an ordinary mill, and, further, have you considered the fact that where an up-to-date saw is used it takes out less sawdust and thereby effects a considerable saving of timber? The saw that you use takes out at least a quarter of an inch?—Yes.

107. If a gang-saw takes one-eighth of an inch out, that saves one-half, and that is 12½ per cent. in cutting inch boards, which means £12 10s. in every £100 worth of logs?—I do not know.

108. We use gang-saws?—It is very slow cutting with gang-saws.

109. Not if you are going to cut into boards—there is a long way more cutting; and one man can cut 10,000 ft. per day with gang-saws?—One man can cut 10,000 ft. per day at a breast-bench, and in the case of gang-saws it is necessary to have the timber first cut by other saws to the size and shape that the frame will take.

110. With reference to the extra price of heart, the heart is wanted more than the sap?—Yes.

111. The miller in fixing the price calculates what he will get for the heart and what he will get for the inferior grades, and so he will strike an average. Is that not the correct answer as to why heart is dearer?—There is more time wasted in cutting. For instance, if a benchman has to lose five minutes, and the ten men who follow him, being thrown out of occupation, also lose five minutes each, the men are not producing anything during that time.

112. Do you not think, seeing that he has to sell his second-class for less than the cost of production, that he is entitled to more for the heart timber than for the O.B.?—Undoubtedly.

113. With reference to this Oregon timber being produced by Asiatics, perhaps you are aware that the last cargo came from the Columbia River, where no Asiatics are employed. Would you prefer to buy timber from Columbia River, where no Asiatics are employed, or from places under your own flag where Asiatics are employed?—I would really have nothing to do with it.

114. I suppose you know that the Wellington market is supplied from Hawke's Bay?—Not altogether from Hawke's Bay; it comes also from Rangitikei and other places.

115. Also from the Sounds and the West Coast?—Yes.

116. At a moderate estimate in ordinary times 50,000,000 ft., at any rate, would be landed within twelve months; 5,000,000 ft. came into Wellington by way of Oregon?—It looked more, from the newspaper reports.

117. It is about five and a half to six millions?—I would not dispute the point.

118. If you deduct the amount in stock and the amount that is to replace kauri, it is a very small item as affecting our output?—I do not think it affects kauri.

119. The kauri is very much dearer?—If a man wants kauri in his house he will not put Oregon in.

120. No, he cannot get it?—There is something wrong if he cannot get it.

121. The kauri-millers are not slack?—I wish it were the same with the rimu-millers.

122. *Mr. Morris.*] Regarding the 50,000,000 ft. which came into Wellington last year—which was a fairly busy year in Wellington except in the latter portion of it—only 21,000,000 ft. was rimu, and that includes heart and everything else, so that from this you will see that the 7,000,000 ft. of Oregon has made a big inroad into the rimu trade?—That is so.

123. It will probably amount to half of the timber yarded in this market?—That is so.

124. Of course, you realise, as every one else does, that this present depression is not altogether due to the importation of Oregon pine?—That is so. Still, it has an effect on it.

125. When things are bad we should try to help the people by keeping the foreign stuff out?—Yes, by working up our local resources.

126. Using our own labour, and using our own products?—Yes.

127. There might have been a reason a couple of years ago when timber-supplies were not quite equal to the demands?—There is no reason for it at present.

128. *Mr. Mander.*] You heard me state to a previous witness that the majority of men employed in the "Elsa" were foreigners, and you heard Mr. Leyland say she was a foreign ship. Does that improve the position?—I think it makes the position worse. I should not encourage these foreigners coming here.

129. Now, in regard to long lengths, did I understand you to say that you would have no objection to long lengths coming here over 25 ft. in Oregon?—No, not over 25 ft.

130. You admit that they cannot be very easily procured?—Not very easily, but they can be procured.

131. Seeing that these merchants buy their timber in America for cash, and I presume pay our local millers by bills, do you not think it is likely that these merchants will force their timber on the market to get the cash back again?—I should say so.

132. They are selling O.B. rimu at about 14s., and they are selling Oregon at about 17s. They are making a very much larger profit out of Oregon than out of rimu; therefore, do you not think that will encourage them to force the sale of this Oregon timber on the market?—Undoubtedly.

133. Now, when there is a slump in a country as there is in New Zealand at the present time in the timber trade, do you not think it is very necessary under such circumstances that our own people should be protected more than when things are good and everybody is in employment?—I think we ought to try to work up our local trade, and give employment to our local men. We should not send the money out of the country.

134. About one-third of this Oregon timber coming into New Zealand is not from Canada, and there is no guarantee that it will not be so in the future?—No doubt. The foreigner will work the trade up if he can.

135. If the Americans once get a footing in this country, and get their timber introduced, they will not be very easily shaken off?—No. They will take a lot of shaking off.

136. *Mr. Leyland.*] With reference to this foreign ship: seeing that we Britishers almost monopolize the carrying trade of the world, do you think it is right that we should begrudge them the little cargo?—I have no time for them.

JOHN SMITH HUTCHINSON, Railway Storekeeper, Wellington, sworn and examined. (No. 141.)

1. *Hon. the Chairman.*] You are Railway Storekeeper?—Yes.

2. Can you give the Commission any information with regard to sleepers, &c.? If you have heard some witnesses you will know that they appear to be of opinion that there ought to be an effort made to find work in the way of utilising sleepers of our native timbers more generally than has been the case?—Yes.

3. Is the use of New Zealand sleepers on the increase or the decrease?—There is less native timber being used for sleepers. We cannot get them.

4. Have you notified the millers that you would take sleepers if you could get them?—The millers have been asked from time to time to supply the order, but in a great many cases, while they accepted it, they did not supply the sleepers, and in consequence it put the Department in a very awkward position.

5. They seem to think now that they will be able to supply the orders if they got them. Would it be asking too much to give them another opportunity with a view of seeing what they could do?—Of course, that does not rest with me.

6. You might give us your opinion?—We get the hardwood sleepers easily, and I do not think that they cost as much as the native timbers, with the exception of totara and creosoted white-pine. In respect to totara, we cannot get enough of that. If silver-pine and puriri were transferred from the west coast of the South Island and Auckland, the landed cost would be more.

7. With regard to the Taupo Totara Timber Company, that has opened up this new branch line from Okoroire, have you applied to them for sleepers?—That is out of the Wellington District altogether, and the control of orders for sleepers is outside of my department.

8. Who has the placing of orders for sleepers in the Dominion for the North Island?—Practically the Stores Manager, Mr. Baxter.

9. Is he available in Wellington?—He is in the Railway Offices in Wellington.

10. Have you heard anything about this process of putting the sleepers through a preserving treatment known as the Powellising method of preservation?—I only heard of it, and I know nothing of the process.

11. *Mr. Field.*] What responsibility have you with regard to ordering of timber?—I place the orders for timber for the Wellington – Napier – New Plymouth district.

12. Were you talking about sleepers or odinary timber when you said millers did not supply orders?—About sleepers.

13. It has been suggested that it would be a good thing to buy more of our sleepers even although the timber is not so lasting, than to pay more for more durable sleepers in consequence of the saving that would be effected in interest through the use of our own timber. Have you looked into that question thoroughly?—No; I do not think that is my business—that is more a matter for the management of the Department.

14. You have not said anything as to whether millers have or have not come up to time for ordinary timber apart from sleepers. I understand the Department has had some complaints to make?—The sawmillers have been very slow in supplying our orders. Of course, we ask that our timber should pass inspection, and that has something to do with the delay.

15. You are very particular?—It passes inspection. Sawmillers know what they have got to supply.

16. It has got to be up to a certain standard?—Yes.

17. Would you order totara sleepers if you could get plenty of them?—I should think the Department would. I suppose they are the best of native timbers for that purpose—they might be a little bit soft.

18. I have heard of a mill owned by Mr. Bennett, who is anxious to supply totara sleepers, but who cannot get orders. Would it not be fair to consider him and his men these hard times?—I think he ought to be considered.

19. *Mr. Barber.*] You keep a certain stock in hand?—Yes, that is necessary to supply requirements.

20. You do not have anything to do with ordering any special sleeper?—Yes, that is so.

21. What New Zealand timbers are taken now by the Department for sleepers?—They have had difficulty. What they have been using of late is composed of creosoted white-pine, as much totara as they could get, and they have had to import jarrah—*i.e.*, for the Wellington – Napier – New Plymouth district.

22. I know you have had stacks of jarrah along the Hutt Road. What New Zealand timbers are you willing to accept if they come up to the standard?—They have been using a lot of creosoted white-pine and totara, with jarrah, and those are practically the only timbers they have been using in the Wellington – Napier – New Plymouth district.

23. You are willing to take even white-pine if they are supplied up to the standard?—I can say nothing about white-pine, except that they are used for creosoting, and are being purchased now for this purpose.

24. *Mr. Hanan.*] As to orders for New Zealand timbers, have you any difficulty in getting them supplied?—The orders for this district are placed by myself, and we have had great trouble in getting them supplied.

25. You have had great trouble?—Yes, great trouble.

26. In regard to what class of timber have you had difficulties?—In heart of rimu we have had most difficulty, especially for workshop use.

27. Is it on account of the delay in procuring it, or the scarcity of that class of timber?—No; I do not consider it is on account of the scarcity. It may be because we ask for it in specified scantlings and lengths.

28. How do you generally ask for it?—In all sorts and sizes.

29. What would be a general specification?—We might ask for it in 2½ in. by 1 in., or 4½ in. by 1 in., or 6½ in. by 4 in., and 6½ in. by 4½ in., and anything up to 12 in. by 6 in.

30. What lengths?—They vary from 13 ft. up to 22 ft. for workshops use.

31. Where do you obtain your orders for timber from—from West Coast mills, Taihape mills, and Hawke's Bay mills?—I have had them placed with practically every sawmiller in the districts of Wellington, Napier, New Plymouth, and as far as Taihape.

32. And as far as those mills are concerned with respect to the supply of orders for good heart of rimu you have found the difference you allude to?—I have.

33. Do you get any timber from the west coast of the South Island?—A little, because we try to get it from there.

34. What class of timber do you try to get from the West Coast and cannot obtain it?—The same class—clean heart rimu.

35. What did you have to do when you could not get it from the West Coast?—We got as much as I have indicated. I forced the millers all I knew, but I think the result is that we have had to go outside the Dominion.

36. What did you use in place of good heart rimu for these orders you could not obtain from the mills you have mentioned?—There has been a lot of jarrah used. Of course, we use kauri, too.

37. Not Oregon?—Just a little. We have not used any for a long time.

38. Do you find the difficulty of obtaining good heart rimu from the millers in New Zealand increasing?—No; since this slight slump I think we have been getting slightly better consideration.

39. Would that be on account of your orders or of the difficulties in procuring that class of timbers?—It is my opinion that our timber was more difficult to get and the sawmillers had perhaps more orders than they could supply. Perhaps also it is a matter of what others might do in business; they may only try to get out what paid them best.

40. What was the reason given to you for these orders not being supplied by the local millers?—One great reason was that it was so difficult for them to get it, and that the scantlings were not the trade sizes.

41. Where did you get those reasons from? Were they generally from the Wellington District and the West Coast?—No; we had no indication from the West Coast as to what their reasons were, but undoubtedly they would be the same.

42. *Mr. Jennings.*] Have you any special knowledge as to the durability and strength of our local timbers as compared with the imported timber—Oregon, jarrah, and ironbark?—No; I have nothing to go on, only my own private information, which perhaps I should not give.

43. I mean have you any special knowledge of your own in connection with timbers?—Well, there is no doubt that you cannot use the native timbers for bridge-work.

44. Why not?—Well, they are not hard enough, or strong enough.

45. Are you aware that the Public Works Department use a large quantity of totara and other local timbers for bridge and other work on the Main Trunk Railway?—Of course, totara is a brittle timber.

46. But it has been used?—I do not doubt that, if big-enough logs are put in.

47. With regard to the Inspectors: of course, as you know, they are known to be very particular in reference to passing sleepers. Is not that the case?—Well, the Inspectors, whether it is timber or sleepers, have their instructions, and they carry them out. But, again, the sawmiller knows what he has to supply.

48. In all tenders the timber is specified?—Yes.

49. Is it not possible at times for an Inspector to be more than particular?—I dare say it might be possible

50. Experienced bushmen who do work outside of a sawmill in cutting sleepers have told me that they have frequently had sleepers rejected which have been up to all requirements. Do you know anything of the cause of such rejection?—I have heard of several complaints.

51. When this delay took place in regard to the supply of timber from the local mills do you know if the Department endeavoured to get timbers from the Government sawmill at Kakahi?—Not that I am aware of.

52. You are aware there is a Government sawmill there?—Yes.

53. And that it has supplied a considerable amount of timber to the Railway Department?—To the Public Works Department, for their construction on the Main Trunk line.

54. But you are not aware as to where the Railway Department endeavoured to get timber from for their requirements when they were shut out by the local sawmillers?—I am not aware.

55. *Mr. Leyland.*] Have you not had a great difficulty in getting kauri orders supplied?—Yes.

56. So much so that you have had to cancel the orders after keeping them in force some time?—Yes.

57. Does that prove that there is a shortage of kauri?—Well, ——

58. Or that it is not equal to the demand?—I do not know.

59. If the Oregon can be used for purposes for which the kauri has been used, such as joists and roof-beams, do you not think it is the proper thing to do allowing the more valuable timber—kauri—to be put to more valuable purposes?—Yes, provided we could not get the kauri.

60. You know by experience you could not get it?—I know we have had a lot of trouble for years in getting kauri.

61. Touching the question of sleepers, do you not think it is a mistake for the Government to demand the very best quality of timber in the sleepers when the ordinary rough timber would do?—I do not know.

62. Perhaps it ought to be put to the Engineer?—I think so too. I understand what you are driving at, but I think the Engineer should answer that question.

63. *Mr. Clarke.*] Then you agree in a measure with the statement that your Department was very particular as to the character and quality of timber. That does not mean anything more than simply this: that you want value for your money?—That is so.

64. With regard to timber for construction purposes in the workshops, when you get supplies coming in do you find it necessary to season the timber yourself, or is it supplied to you in a condition for use at once in the construction-work?—It is supplied to us without being seasoned, and we have to season it in the yard.

65. Have you any personal knowledge of the relative merits of timber for construction purposes, or for the joinery-work that is done in the shops?—I do not quite understand.

66. Do you think the class of timber which is offered to you for construction purposes from all sources is sufficient for your purposes? Excluding kauri of a good quality, do you think we should not augment the supply by an importation of a foreign timber, if necessary?—My own experience so far has been that we have not been able to get sufficient timber. It may be here, but we have not been able to get it.

67. So that your experience agrees with that of builders, that the real reason why the orders for long lengths of timber and of first-class timber have not been placed with some of these mills is because of the impossibility of getting the supplies?—That is so.

68. *Mr. Morris.*] You told us that you cannot get enough of totara sleepers. Have you advertised in the usual way for these sleepers within the last few months?—I do not know about the last few months. As I said, the orders for the sleepers are placed by the Stores Manager.

69. I suppose you are aware that for some time back there has been very little use for a lot of the rolling-stock which was employed in carrying timber?—The traffic branch would be able to answer that.

70. About the difficulty in getting your supplies of rimu timber: is it not largely due to the fact that the sizes you expect us to tender for are unusual sizes, with the result that the miller has to make a great deal of waste in supplying them?—I do not doubt that.

71. Do you think it would be possible to get over that difficulty if the officers of your Department were to put their heads together and ask the millers to tender on the usual trade sizes instead of unusual sizes?—I would not pass any opinion on that matter; it is outside my jurisdiction.

72. Have you ever had any complaints from millers that such is the case?—I have just said that millers give that as a reason why the orders are so long being supplied.

73. I have had half a dozen different applications from the Railway Department to supply timber myself, and the reason I have refused to look at the blessed things is because the sizes are totally unsaleable in any shape or form, and I should have had to cut a great deal of timber to waste to supply them. You want inches in length: Is that not so?—Not inches, sir.

74. Well, odd feet?—Yes.

75. About getting it seasoned: do you not think it is a fair thing that the Government should bear the expense of seasoning the timber instead of the miller?—It means the same thing. If the miller did it we should have to pay extra.

76. And in the case of the foreign timbers, do you get them seasoned here?—I cannot say definitely.

77. I have seen the sap flying out of the jarrah when the nails were being driven into it in some of the railway-trucks, and that was not seasoned, I will swear?—I do not think there is any sap in the jarrah we get. I cannot accept that statement. It has to pass inspection.

78. *Mr. Ell.*] What kinds of New Zealand timber do you require?—Heart of rimu, O.B. rimu, heart of totara, heart of matai, white-pine.

79. What purpose do you put the white-pine to?—For all sorts of packing-cases, and in bridge-work for concreting. It is not used for any construction-work.

80. Roughly, what quantity of native timber do you require?—About 1,349,000 ft. of red-pine was used for the year ended 31st March last, 215,250 ft. of totara, 130,500 ft. of matai, 188,000 ft. of white-pine, 155,300 ft. of kauri, 2,000 ft. of brown-birch—*i.e.*, in this district.

81. What about the quantity of sleepers required?—Last year we used in this district 1,900 totara, and 73,644 cresoted white-pine; jarrah—sawn 22,780, hewn 109,120: total, 131,900.

82. With regard to totara, the question was put to you by Mr. Jennings that the Public Works Department had used totara for bridge purposes, and you remarked that if there was sufficient size it would suit?—If they were sufficiently strong; but I think that is a matter for the Engineer.

83. With regard to the selection of the timber for sleepers, have you any control over that question?—No.

84. Any power of discrimination with regard to receiving the timber into your yard?—The Inspector passes all timber.

85. And you take whatever the Inspector passes?—Yes.

86. Have you any power to give directions to the Inspector?—No; the Engineer gives him his instructions.

87. I heard a miller complaining the other day that the Railway Department demanded totara sleepers principally of high class. Who is responsible for exacting these conditions?—The Engineer is.

88. Now, with regard to timber used for the making of trucks, have you anything to do with that?—It is an old-standing instruction of the Railway Department that all timber for workshops use is to be free from all defects.

89. Would you suggest that, because a log was not, say, 25 ft. long, or 12 by 2, or because there were a few knots in it, or a little resin, that would be detrimental to its value?—It would be far better if you could get it without, because if you open the door to little defects like that it is a hard job to draw the line: the sawmillers would want to send you the whole tree, limbs and all.

90. Have you any difficulty in obtaining the lines of rimu fit for your joinery-work and the fancy inside work of carriages?—That is the timber I refer to.

91. *Mr. Stallworthy.*] Where are those white-pine sleepers creosoted that you referred to?—At Woodville.

92. Were 1,900 all the totara sleepers you could get?—We had prior to those orders great difficulty in getting totara sleepers. The sawmillers accepted orders and did not supply them, and the result was that the Department had to make other arrangements to keep the railways going.

93. Who fixes the price for the sleepers?—They are tendered for.

94. But is the price fixed by the tenderer or the Government?—Tenders are called for, and, of course, the tenderers state their price.

95. *Mr. Field.*] It is quite true, is it not, that the inspection of timber supplied to the Railway Department is a pretty rigid inspection?—They want timber free from defects.

96. The timber has to be right up to the mark?—Yes, free from all defects.

97. And if it is rejected, the timber ordered by the Department, as a rule, is of such sizes that it is unmarketable for other purposes, and the sawmillers are thus put to a loss: is that so?—I understand that that is so with any that is rejected, but I do not think there is very much rejected. The sawmillers know what they have got to supply, and have a pretty good idea, I think, before they send it in whether any is defective. They know that it will not be taken if it is defective. I have spoken of the workshops. Of course, all the timber we get is not for workshops. There is a lot of maintenance work, and the inspection there is not quite so rigid; still it is all supposed to be free from defect. We pay more for the workshops timber than the other.

ALEXANDER CAMPBELL sworn and examined. (No. 142.)

1. *Hon. the Chairman.*] What are you, Mr. Campbell?—A builder, of the firm of Campbell and Burke, Wellington. I may state that my firm have used a good deal of Oregon pine within the last eighteen months, so I think I know a little of what I am talking about. The reason why I am in favour of the free importation of Oregon is that it is a very suitable timber for ordinary building purposes. It is a far cheaper timber to work than any New Zealand timber; it does not twist and curl the same as rimu; it is not liable to take the worm so readily. I know of houses that have been built less than ten years with ordinary building-timber that have the worm in them now. One of the difficulties which we find is to obtain our local timber in large sizes or long lengths without paying exorbitant prices, whereas we can be supplied with Oregon in any length and size with very little extra cost. In January, 1908, we obtained a contract to erect a building in which we had specified clear heart red-pine for the roof-timber, the sizes of which were 6 in. by 2 in., 6 in. by 6 in., 4 in. by 4 in., 9 in. by 6 in., 18 in. by 4 in. The order only consisted of 8,500 ft. The price of that timber was from £1 4s. to £1 10s. 9d. per hundred. We placed the order in February through a Wellington miller, as at that time the country mills would not deal with us direct; at the end of July, when we were ready to prepare the roof, our order had not been completed, and a number of the larger-sized pieces were condemned by the clerk of works as being unsuitable. Some had open resinous veins the whole length of the stick; others had loose knots. We were then compelled to approach the architect, and obtain his consent to use Oregon, which we obtained dry and free from blemishes. We had the additional cost of staining and preparing the Oregon to match the rimu we had already placed in position. On another contract we had delivered to our order 80,000 ft. of Oregon in sizes ranging from 8 in. by 3 in., 25 ft. long, to 12 in. by 6 in., 42 ft. long. The whole of the timber was delivered in nine weeks on a cabled order at a cost of 17s. 6d. per hundred. There was no difference in the price charged for the long lengths, whereas if we had been using ordinary building-rimu the price would have varied from 15s. 6d. to £1 6s. No architect in Wellington would allow O.B. timber in a job of this size, therefore it would have been necessary to have ordered heart rimu building quality, starting at 18s. basis. The price we paid for O.B. rimu nine years ago was 8s. 9d., carted free to the site in Wellington City. Before the present slackness occurred we were paying 14s. 6d., with cartage added, averaging from 6d. to 1s. per hundred. Clear heart totara is very difficult to obtain in Wellington, therefore American redwood is being used. The same thing applies to this timber as to the Oregon. There is very little waste, whereas with our local timbers there does not seem to be any proper system of classification, hence there is always a considerable amount of what is called first-class timber that is not suitable for joinery. Our difficulty is with regard to long lengths. Some four years ago we built an hotel in Masterton, and wanted some 12 by 6, 40 ft. long. It only came from Dannevirke, but we had to pay £2 7s. 6d. for it, and that was O.B. red-pine, and when it came the architect condemned it. It was sent back to the mill, and we were told that if we did not like it we could go elsewhere for it. It was impossible to get it at the time, and we had only a certain time to do the building in. Then, again, all the joists in our large brick buildings are specified to be from 50 to 75 per cent. heart, and, of course, we are charged an extra price for that; but when the timber arrives a lot of it will not be passed by any clerk of works in the town, and consequently there is continual trouble and quarrelling as to whether it is to be used or not. This to a large extent has caused the builders to turn round and use Oregon. Oregon is not replacing O.B. red-pine, as I have heard everybody state here; it is replacing the 50 and 75 per cent. heart. O.B. is still being used as it was before, but there is not the amount of work being done in Wellington to use it up. The price will not allow of Oregon replacing O.B. timber. Where 50 to 75 per cent. of heart is specified the arechitects will give us permission at times to use Oregon if we prefer to do so, and when we find that we can get a timber that we shall have no trouble with we are going to use that timber. Then, again, there is not so much timber going into the large buildings in Wellington as there used to be. They are doing away with floor-joists and flooring, and a lot of buildings now are being made more or less fireproof. They are putting in concrete floors. That means that we only use a few white-pine planks, and we have them for two or three years. A lot of the roofs, too, are now made of concrete, and that does away with the use of a lot of timber. It is said that if the duty on Oregon were raised there would be more New Zealand timber used at the present time. Well, it is admitted, I think, by every one who knows anything about it, that if there were no slackness in the building trade there would not be a word said about the 7,000,000 ft. of Oregon that has come in. They say that if a prohibitive duty were put on Oregon we should

use New Zealand timbers. I ask, where is it possible to obtain enough 75 or 100 per cent. heart, which the architects want now? Their clients want a better class of building—a building that will last; and where is it possible to obtain the lengths and sizes of timber that we require for these new buildings at a price that will allow people to build in Wellington City? If the duty is put on to the extent indicated, it will stop building operations, and throw out of work not only carpenters, but painters, labourers, bricklayers, and brickmakers, and others. It will apply to all trades, and affect the whole town.

2. *Mr. Field.*] I understand from your evidence that you are satisfied that we must have the Oregon for large pieces?—It is absolutely necessary.

3. Is there any occasion for having it for small timbers?—It is not used to any extent for small timbers—only very little.

4. Was it exceptional what we saw when we went round the mills — the men cutting the Oregon into shelving-boards and 4-by-2's?—It is being used in place of kauri for shelving and shop-fittings. It is a very suitable timber for that purpose. Kauri is too expensive for that, and we save what kauri we have for the finish.

5. Will not O.B. rimu do for that?—No. It curls and twists too much.

6. Will it twist if it has been thoroughly seasoned?—Yes, it does.

7. There is no limit of time beyond which it will not shrink?—There is no limit when O.B. rimu will stop from twisting and curling.

8. You think that all these millers and mill hands are wrong when they say that Oregon is undoubtedly cutting into the O.B. rimu?—I simply say they do not know anything about it, because they are not the people who are using it.

9. Is Oregon not used largely for the framing of small buildings?—It is not. I built a house for myself lately, and I put all Oregon into it, for the simple reason that it will stand better than O.B. rimu. Of course, I paid more for it.

10. What do you mean when you say it will stand better?—That it does not twist and curl to the same extent.

11. It is not a question of durability?—Oregon is quite as durable as ordinary building-rimu. I know that from men who have built houses of it in America.

12. Would you say that of it with regard to outside work?—No, I would not use it for outside work.

13. It must be kept dry, then, I presume?—Yes.

14. Could not the same be said of almost any timber? Suppose you got a piece of poplar or willow and left it on that mantelpiece for fifty years, would it not be all right at the end of that time?—No; it would crumble away—it would go to a dust.

15. At any rate, you will admit that our timber, if kept dry, will stand a very long time?—Yes, but our O.B. rimu will get the worm in it, and this timber will not take the worm.

16. Are you speaking from absolute knowledge when you say that?—I am speaking from the knowledge of men who have seeen the timber in houses for fifty years.

17. In your opening statement you did not say definitely that it would not take the worm: you said it was less likely to?—As far as my knowledge goes it does not take the worm. I personally have not known the timber long enough to know that from experience.

18. You cannot speak from your own experience, because you have only been using it for eighteen months?—I have been using it more or less for twenty years in Wellington.

19. Not very much of it, though?—No.

20. If it is such a fine timber to use, how is it that only 100 ft. came in here in 1907?—The difficulty was that no one made an attempt to get it, as far as I understand.

21. If it was such a good timber, you would think that year by year the supply would increase?—The difficulty was to get it brought here, and the way it was brought made it too expensive. Two years ago I had a job at Briscoe's, in Victoria Street, and rimu was specified for the roof-timber. The country millers would not attempt to cut it for me—I wanted it 45 ft. long. They would not be troubled with it. It meant that we had to get Oregon pine from Sydney.

22. That was heart timber, I suppose?—Seventy-five per cent. heart.

23. I suppose that is very hard to get out of many of our rimu bushes, is it not?—It seems to be.

24. How do you account for the sudden popularity of Oregon as evidenced by the big influx at the beginning of last year?—As far as the builders are concerned, it has enabled them to get the use of a timber that saves them a lot of trouble with their architects. It is not a very pleasant thing of a morning to have the clerk of works tell you to take some of the timber off the job. I do not think I have had any condemned since I have been using Oregon.

25. How do you say that Oregon compares with our timber as regards strength?—There is no comparison between Oregon and O.B. red-pine. It will carry twice the strain that red-pine will. I have been trying the strength of it by using it for putlogs for my bricklayers.

26. How does it compare with heart rimu as regards breaking-strain?—Red-pine will stand more strain.

27. Is the same true with regard to matai?—You cannot put matai in the same class as any other timber in respect to breaking-strain. It is durable, but it is not a timber for strength.

28. Do you mean to say that heart matai has not got a better breaking-strain than Oregon?—Yes, I do. Heart matai will break straight off; Oregon will splinter.

29. How is it that under the City Council by-laws they require 20 per cent. more of the Oregon than they do of matai?—Because of the better breaking-strain. There is no matai used for such purposes.

30. They put down matai at 1,200, and Oregon at 1,000. Would they do that unless there was some reason for it?—There might be a reason.

31. At any rate, you are strongly in favour of encouraging the introduction of large pieces of Oregon?—It is absolutely necessary to carry on the trade.

32. You say it is not used to any extent in small pieces, and that there is no occasion for it in small pieces?—It is not used to any large extent.

33. You are aware, of course, that some buildings have been built entirely of Oregon in Wellington and elsewhere?—Yes, I have seen them using it for rusticating. I would not use it for that.

34. With regard to joisting, is there occasion for having these long pieces such as we are told, when the by-laws provide that there must be a beam to support anything over 25 ft.?—The bulk of the long pieces are required for the rough timber, and it is necessary for them to go through in one piece.

35. This by-law reduces the necessity for joisting purposes, does it not?—To a certain extent. It gives you more work in the fixing. Long lengths are cheaper to fix, if you can get them.

36. For ordinary cottages and small dwellinghouses what timber would you use?—You could not use anything but O.B., because you could not let the houses at a profit if you did.

37. Do you not regard ordinary building red-pine as a good sound building-timber?—O.B. is only fit for framing. If you put ordinary building-timber on the outside of a building it is rotten in five years. I can show you houses of matai and red-pine that have not yet been built five years, and they are rotten to-day.

38. On the outside?—Yes.

39. But how is O.B. rimu for inside work?—If you put it inside it simply means that anybody building a house has to go to the expense of having it stained or painted. You cannot varnish ordinary building red-pine.

40. I understand that O.B. red-pine is being used for finishing purposes in many buildings, and is used also for furniture?—Then they stain it, and make it look like oak or walnut.

41. But it is used without any staining at all, is it not?—It may be, for a cheap class of work.

42. Would you be surprised to know that we went into a building the other day and saw a large mantelpiece made of ordinary building-rimu?—I should not be surprised. I know it is done, but it is not a usual thing.

43. It is quite good for the framing of cottages, is it not—ordinary building-rimu and resiny heart?—If I had my way, I would take the resiny red-pine.

44. That will last for all time pretty well?—I think so. I have put it in the ground, and it has been in about twenty years.

45. At any rate, Oregon pine has not been used to any extent up to the present in small buildings?—No. It has been used a little bit for rusticating.

46. I think you said that that is a mistake?—In my opinion, it is.

47. Particularly where there are a number of knots in it, I presume it would be a mistake, would it not?—There is not a great deal of it that has got knots in it.

48. It cannot be said, then, that, so far as workmen's cottages and small dwellings are concerned, the importation of Oregon has decreased the cost of building, because it has not been used?—That is so.

49. You think that we ought to encourage the use of Oregon for our larger buildings, and let O.B. timber be used for our ordinary work?—Yes.

50. *Mr. Barber.*] You have had a good deal of experience in building in Wellington, have you not?—Yes.

51. You have had a lot of contracts?—Yes; during the last two years, I think, we have had about sixty thousand pounds' worth.

52. As an employer of labour, do you find that there are very many men out of work now in the building trade?—I do not think I have ever seen so many carpenters out of work as at present in Wellington, and some of them are really good tradesmen. Some of them we had employed ourselves, and paid more than the award wages, and there is nothing for them to do.

53. If the building trade is slack there are a number of kindred trades affected?—Yes. We have some work that we are starting in Willis Street, and wanted some bricklayers, and I think there were twenty-five applied for work, though we only wanted three or four.

54. If the carpenters are slack, painters, plumbers, bricklayers, glaziers, and other workmen are slack?—Yes.

55. So that Wellington is feeling the depression as well as the country millers?—Yes, more so.

56. You are quite confident the statement is correct, that there has been a rise of 6s. in red-pine in nine years?—I can show you the figures, if you wish to see them. I paid 8s. 9d. for red-pine nine years ago.

57. That was the price delivered on the job?—Yes.

58. And when this agitation began it was 14s. 6d. in the yard?—Yes.

59. Even in the case of building a small worker's cottage, where ordinary building-timber is used, this rise of 6s. makes a considerable difference in the cost?—It simply means that much more in the cost of the whole thing right through.

60. We have been told that the rise is only £8 or £9 in the erection of a cottage requiring 20,000 ft. of timber?—If you put heart-matai flooring and heart-matai rusticating into it, there is a rise of 11s. 6d. a hundred. We bought heart-matai at 14s., and now we are asked £1 5s. 6d.

61. So that it would be quite right to say that the cost of building an ordinary cottage has been increased by at least £50 owing to the increased cost of timber?—It has.

62. *Mr. Field.*] How big a cottage?—About six rooms.

63. *Mr. Barber.*] With regard to your difficulty in getting supplies of timber, have you been handicapped in any way through the Wellington Timber-merchants' Association?—We always deal through them, for the simple reason that when we tried to deal with the country millers they would not deal with us; they would refer us to the town people.

64. There was a discount allowed to builders on condition that they carried out that principle, was there not?—Yes, there was supposed to be.

65. That was only given on condition that you confined your purchases to the association?—That was the understanding. It was not carried out to the letter, though.

66. Still, there was some attempt made to prevent you from having a free hand in obtaining your supplies where you liked?—Yes.

67. We have been told that our New Zealand timbers are good for all purposes — even for plaster-work. Have you had any experience in plaster-work that you could give the Commission any information about?—Yes.

68. Are our timbers equal to the imported timber for that purpose?—No; in fact, our timbers are not suitable at all. You might say that it is almost impossible to use our timber. To mention one case: Mr. Humphreys was building a house at Martinborough, and all totara laths were specified in it. They got the lathing all done, but when they put the plaster on the walls commenced to buckle out. The laths were perfectly dry, but when they wet them they commenced to expand and break the plaster. I suppose it must have cost him hundreds of pounds to take them out and put in Oregon laths. I started to use some kauri laths in a house for Mr. Scales at the Hutt. I only had one room done, and when we went to plaster it the same thing happened there, and I had to get Oregon laths. We cannot use rimu for laths.

69. There are many reasons why Oregon should be imported for the benefit of those who wish to erect buildings?—Yes, more than one.

70. I mean for well-finished houses such as plaster-houses, and also as regards facilities for getting long lengths?—Yes, if a person wanted to build a house in which plaster was to be used, I should recommend him to use Oregon. It is straighter, and it stands nice and true. It does not shrink to the same extent as O.B. red-pine.

71. With regard to the large brick warehouses in Wellington which have wooden floors, before the importation of Oregon what did you use for the flooring and joisting of these buildings?—About 75 per cent. was red-pine.

72. Have you used any kauri in your time?—Yes, but it was a good while ago. It became so dear in recent years that it has been impossible to use it for that purpose. But it has been used in many of the buildings in Wellington.

73. Do you know whether Oregon has been much used for flooring in the warehouses?—Not to any great extent. It is too soft.

74. You think it is an advantage and a convenience to the public in general, and having regard to economy, that Oregon should be imported in long lengths?—It is necessary in Wellington, because here it is impossible to get New Zealand timber in long lengths.

75. Do you consider it relieves a class of timber that is greatly in demand in New Zealand?—It might.

76. Do you consider it relieves heart of red-pine?—It all depends upon what it is required for.

77. Do you think it relieves that timber while not taking the place of ordinary building-timber?—Yes, that is so.

78. *Mr. Hanan.*] Comparing the timber put into houses to-day, is it as good as that which was put in fifteen years ago?—No, there is no comparison at all. Fifteen years ago all the ordinary building-timber was real good stuff. What is sent now would not have been sent fifteen years ago to build a shed.

79. It is so inferior?—Yes.

80. Can you offer any explanation as to what has brought that state of things about?—It is simply, I suppose, that the supplies of good timber are running short. The trees they are cutting have not as much heart in them as the old timber had.

81. Do you agree with the opinion that has been expressed in Christchurch and Dunedin that during the last three to five years unseasoned timber has been placed in the majority of buildings, and as it has been put to us, just after the birds had been singing in the trees?—I have seen it go in in that state.

82. Would you say that the bulk of the timber that has been going into the houses during the last five or six years has been properly seasoned?—I think that hardly any scantling that has gone into the houses has been seasoned at all. It has all gone in wet.

83. Do you approve of that?—Well, it is impossible to get it dry. We have to get it done in a certain time, and we cannot wait for it to dry.

84. As to permanency, a witness told us in Dunedin that it was cheaper for the Government to build brick houses for workmen's homes than wooden houses—that is, cheaper in the long-run, as regards the saving of expense by way of depreciation?—I think it would be cheaper in the long run for the Government to build those houses of brick instead of timber.

85. Will the class of house that has been going up during the last five years last as long and prove as good value as the class of building that went up previous to that?—No.

86. Am I right in saying that the dwellinghouses that are going up now are dearer so far as actual cost is concerned, yet the buildings are inferior to what they were five years ago?—Well, ten years ago. The O.B. timber delivered now is not so good.

87. Where do you get the bulk of your stuff from?—I deal with all the mills in Wellington.

88. Does the bulk of your stuff come from the North Island districts or from the West Coast?—From the North Island districts.

89. Have you obtained supplies through the merchants or millers from the West Coast?—No, I would not have their timber.

90. Why?—Because it is all wet, sappy-looking timber that we have had delivered in Wellington. There is not enough heart in it for the class of building I have been constructing. We had some brought up here at one time, but it was stuff I would not ask the architect to pass for me.

91. If we have been told on the West Coast that they supply as good timber as can be supplied in the Dominion, what do you say to that?—I say they do not send it to Wellington.

92. From your experience of the Wellington market, would you say good heart rimu is to be found in large quantities in Wellington?—No.

93. Have you tried to get long lengths of good heart rimu from the West Coast or from the agents here?—I have not. The experience I had was quite enough for me.

94. What did you try to get?—I asked for 14's by 2½, which had to be 75 per cent. of heart. It was ordered through Hansen or Prouse Bros.

95. What reply did you get to that order?—It was ordered in town. They told me the stuff was coming forward, and this was the result.

96. As to prices, how does the West Coast timber compare with the North Island timber?—The prices have been the same.

97. Do you think it better to obtain your timber through the timber-merchant than to procure it from the mill direct?—Until a few months ago the mills in the country would not deal with us.

98. Why?—When we approached them on the subject they told us to send our orders through the town mill.

99. Was that in consequence of any combination or monopoly to keep up prices?—I could not say.

100. Have you difficulty in obtaining supplies of kauri in Wellington?—We have great difficulty.

101. As to cost, is it reasonable or is it high?—When it comes to the wide timber, it is expensive, but for the ordinary heart kauri, 9 by 2, for the making of doors, considering the small amount there is available, I do not think the price is anything out of the way.

102. Would you say the Wellington market is well supplied with kauri?—Not by any means.

103. Do you think it desirable to impose an export duty on kauri?—Well, it all depends. If we did that it might mean that we should lose all our timber by bush-fires while we are waiting to use it.

104. Do you think the prices of timber at the present time are reasonable or too high?—For the ordinary man I believe they are too high. By the time a man buys a section and builds a house in Wellington the interest, rates, and insurance will cost him from £1 to £1 5s. a week.

105. Would you say the price of timber to the ordinary man is prohibitive as regards building?—Well, it is too high.

106. Have you any suggestions to make to reduce the price of timbers?—No; I do not know the difficulties under which the millers labour in obtaining their timber.

107. Is the price of timber an index of a diminution or an increase in the number of houses built by the wage-earning classes?—There are far fewer houses being built now on account of the increased cost.

108. Have you any suggestions to make in regard to any matters which you think injuriously affect the building trade in this Dominion?—I do not know that I have. I have not gone into the matter to that extent.

109. Is there anything which, in your opinion, should be brought before the Commission as injuriously affecting the building trade, or have you any suggestions to make which we might recommend should be dealt with by legislation or otherwise?—I do not think so.

110. *Mr. Jennings.*] You said there was a great deal of depression at the present time in the building trade, and that carpenters and others were out of work?—Yes.

111. That is owing to the importation which you have spoken about?—Yes.

112. Therefore that imported timber is not giving employment to the men, from your own statement?—No.

113. Has that in any way increased the amount of employment—I mean the introduction of that timber which I judge you suggest should be brought in?—It does increase employment to a certain extent in this way: that when an architect specifies that he wants 75 per cent. of heart or all heart and we have to pay £1 4s. a hundred for that timber, as against 17s. 6d., our tenders may be such that the people of Wellington cannot afford to build.

114. You admit you are getting Oregon timber cheaper?—Only in the long sizes, but in local timbers they cannot supply us with the long sizes.

115. In reference to the orders you say you have been refused by the country millers, have you any objection to stating what mills refused your orders?—Mills in the Wairarapa district.

116. Not mills along the Main Trunk line?—No.

117. Are you aware you can get any lengths you want and very much cheaper in that district since the Main Trunk line opened?—I am confident we can get timber at almost anything we like to offer if we go to you with a cheque at the present time.

118. You have spoken strongly against our New Zealand timbers. You condemned totara?—No, I said I could not get it. They will not supply me with it.

119. But, generally speaking, you condemned O.B. rimu and others?—O.B. rimu only.

120. Well, if those timbers are of no use, or only of use to the extent you have stated, would it not be better to have the timber cleared off the land, and the land put into cultivation so that it might be grassed and stocked?—I condemned O.B. timber as against Oregon. I say it is the only timber we have to build with for cottages.

121. You admit totara is a good timber for building purposes?—As good as there is in the world.

122. And if you got it at a reasonable price you would take that in preference to Oregon?—Not for floor-joists.

123. But for various other purposes?—Yes.

124. Would you as a general principle, all other things being equal, give preference to the best of our New Zealand wood?—If we could get totara there would not be a bit of redwood used in Wellington City. We should not use the redwood if we could get heart of totara at a reasonable price.

125. Have you any knowledge as to the durability of kauri timber?—Yes.

126. You mentioned a house that was built of red-pine ten years ago as being in a somewhat indifferent condition: do you wish the Commissioners to understand that is to apply to all red-pine?—No, I know of houses built of red-pine fifty years ago, and they are almost as good as on the day they were built. What I say is that the present class of O.B. red-pine does not compare favourably with what we got ten to fifteen years ago.

127. *Mr. Leyland.*] You were asked if you could account for the very small quantity of Oregon imported into Wellington in 1907. You are aware that shortly before that there was a tremendous earthquake in Fr'isco, followed by a great fire, and consequently the demand for Oregon was so great that the price went up to such an extent that it was impossible to purchase it and bring it into New Zealand for some time after that fire. Would that not be a reasonable explanation?—It might be.

128. Then, the huge demand having fallen off in California, and a financial crisis supervening, prices dropped to within our reach, and in 1908 we imported it?—Yes.

129. Now that the price is rising, and the crisis is passed, if we put an extra duty on, will that not make it prohibitive again?—I think we shall have to pay more for our Oregon even if the duty is left as it is at present, and if we put an extra duty on we shall not get Oregon at all.

130. Do you think that would be to the advantage of the Dominion?—No; because it is in lrage sizes for purposes for which we used to use kauri.

131. Would it not be better to admit Oregon than to put an export duty on kauri, thus throwing a lot of men out of employment and causing the bushes to be burned?—Yes.

132. *Mr. Clarke.*] Do you think the merchant, either by himself or acting with the miller, has invited the introduction of Oregon by raising prices to the extent he has done?—I think he has done so, because when we are building we do not know what the price of timber will be by the time the house is finished. I have known of two rises in the price of timber before a house was finished. If the work is hung up for a month we find there has been a rise in timber in the meantime.

133. So that they have themselves to blame for this foreign competition?—It was absolutely necessary for the Oregon to come in to replace our long timbers. We used to import it from Sydney when times were busy and we could get nothing else.

134. With regard to the depreciation in the quality of the timber supplied now as against what was supplied in the past, you stated you thought the building-timber was not as good now, grade for grade, as it was in the past. Do you know you agree with one of the sawmillers—Mr. Bennett, of Taihape—in that respect. Mr. Bennett said, "We have got a bit finer in our methods, and we have taken to making a distinction between heart in the low test and clean heart. In fact, we have further distinctions, such as ordinary heart, clean heart, building heart, and scantling heart: we are getting so perfect at it. Can you understand now why prices have gone up?—I can understand why we are getting such a poor sample of O.B.

135. Now, as to what Oregon is displacing and what it is not. We have had it in evidence from the West Coast millers that 90 per cent. of the Oregon imported has displaced their timbers?—I did not know there was much of their timber coming into Wellington in large sizes.

136. Your firm uses a fair proportion of the timber used in Wellington?—We have during the last two years used a good deal.

137. Would it not be more than likely that you would have some knowledge as to whether you were using Oregon in place of West Coast timber to that extent?—We have used very little West Coast timber that I know of.

138. The millers in the Middle Island, the south Auckland, and the Wairarapa millers have also claimed that they have lost 90 per cent. of their trade by the importation of Oregon. What do you say to that?—Simply that there is no work being done. That is the whole thing.

139. When the millers say that every foot of Oregon imported into New Zealand displaced a foot of New Zealand timber, do you think that statement is correct?—It is absolutely wrong.

140. Are they not practically asking us to substitute O.B. rimu for what we have been using where heart is specified?—We have no option in the matter when the architect specifies that all-heart timbers are to be put in.

141. So that when the sawmiller says this timber can be dispensed with and O.B. rimu can be used in its place, you deny that statement?—We should not be allowed to use it.

142. Oregon has been pretty generally condemned by the sawmillers for all outside work: do you know that, according to official statements in Canada, it is used for all purposes, and for building-construction?—I have been given to understand it is used as much for outside as for inside work.

143. Have you heard that the Bank of New Zealand front doors in Wellington are made of Oregon, and have been up there for very many years?—Yes; and I know there is a house on Wellington Terrace which has Oregon rusticating on it.

144. If you were informed that the doors of the Auckland Harbour Board sheds were made of Oregon, because it is considered more suitable and less liable to warp and twist than the native timbers, would you say that that fact was in its favour as an outside timber?—Yes, I know it does not twist, and it would therefore make good sliding doors.

145. I am not asking this question to discount the value of our local timbers, but merely to convince those who say Oregon is inferior. Now, Mr. Milroy, secretary of the largest timber

concern in Auckland, stated that the greater portion of their retail business was with builders. Does the same thing apply in Wellington: do the local millers sell the bulk of their stuff to builders?—They sell 80 per cent. of it to builders.

146. The evidence of the builders, then, as to the using-value of timber would be of considerably more value than that of the man who cuts it down with an axe in the bush and sees no more of it?—Well, they would not know what it is used for nor where it goes.

147. With regard to the necessity of some other than local timbers in plaster-work, would you be surprised to know that your estimate of it agrees with that of two of the leading architects of Auckland, who say they have been obliged to discontinue using New Zealand timbers for inside plaster-work in partitions on account of its unsuitability?—I suppose their experience has been the same as mine.

WELLINGTON, TUESDAY, 25TH MAY, 1909.

ALEXANDER CAMPBELL further examined. (No. 143.)

1. *Mr. Morris.*] Are you interested in any business in this city that sells timber?—I am. I have a few shares in Prouse Lumber.

2. I suppose that has nothing to do with your opinion about the great value of Oregon pine?—It has not.

3. Has any other building-material gone up in price in this city during the last few years besides timber—say bricks, for instance?—Bricks have not gone up in the last three or four years.

4. How much have they gone up since seven years ago?—They are lower now.

5. You are aware probably that one of the causes of this Commission being set up was the excessive price of timber, which made it almost impossible for working-men to build homes?—Yes.

6. Can you tell us in what shape or form Oregon has cheapened workmen's cottages?—I have never contended that it has. I did not contend for one moment that Oregon is used in place of O.B. red-pine, which has been chiefly used in building workmen's cottages. Of course, in some cases Oregon has been used for rusticating or flooring because it is cheaper than heart matai.

7. Then, the people who require cottages have derived no benefit from the importation of Oregon?—Yes, if they like to use it for rusticating and flooring they will derive an advantage of from 3s. to 4s. per hundred feet. That is what many of them are doing at the present time.

8. Not as regards rimu?—No; I am speaking as compared with heart matai.

9. Are not the majority of these cottages built with O.B. matai?—Some of them are.

10. That is the class of cottage you were referring to which you said you could poke your finger through?—Yes, I am referring to O.B. red-pine.

11. Can you tell me where this stuff was procured from?—That I cannot say. I was not concerned in it.

12. You made the statement that the West Coast timber was rubbish, and that you would have nothing at all to do with it?—Yes. I wanted some 75-per-cent.-heart joists for a place in Cuba Street about three years ago, and they were to be supplied to me through Mr. Hanson, who got a sample up. When I looked at it it was not 25 per cent. heart, and the architect and clerk of works would not allow it to go out of the yard.

13. Can you tell us where it came from?—I do not know whose mill supplied it.

14. And yet you are libelling the West Coast supplies?—There is no doubt but that it came from the West Coast. It came off the Wellington wharf, and I take it that the West Coast was the only place that timber was coming from at that time, but I cannot say which mill supplied the timber. I eventually got my timber from the North Island, and we got a very good sample.

15. Then you unreservedly condemn the stuff altogether as a building-timber because it twists and warps?—I said it was not such good timber as Oregon for building purposes.

16. You said the reason was because it twisted and warped, and many other things?—Yes. At one time some architects specified you had to leave the frame of a house standing twenty-one days, and often we had to go round and knock out ten or twenty studs because they had twisted to such an extent that the architect would not allow us to fasten the rusticating to them. They were O.B. red-pine.

17. Would you consider Mr. Chisholm an authority on rimu timber?—Certainly, he should be: he has manufactured a good deal of it.

18. We have got evidence from him that it is far and away superior to kauri for cabinet-work, and that it neither twists, nor shrinks, nor warps?—Yes, when thoroughly dry; but the stuff supplied to us by the millers is never dry.

19. Then, you admit that if the stuff was dry it would answer your requirements, and would not twist and shrink in the way you describe?—The whole experience we have had in Wellington of O.B. red-pine is that it always twists. The class of timber you get for joists and studding always shrinks and twists.

20. Do you not think that the merchants who carry these large stocks of Oregon could overcome the difficulty if they carried large stocks of rimu too, and kept it till it was dry?—Probably they could.

21. You see, the merchants sends your orders for stuff, and he wants to take it off the wharf to the job, in order to increase his profits out of it: I suppose you know nothing about that?—Yes, he saves a little cartage and a certain amount of handling.

22. And do you not consider that is probably responsible for the fact that you get a great deal of this stuff green?—But even supposing you apply to a country miller, he has hardly a

piece of pine on the place to supply you. They are the people who should stock it, because they have the yards to do it. The merchants in Wellington have not the room to store timber, because the land is too valuable for such a purpose.

23. But the merchants in Wellington should make it their business to carry stocks to supply the needs of the people?—Yes. I find I have to carry stocks in my own yards.

24. If you carried a bigger stock, and the other merchants as well, then the people of Wellington would be able to get dry rimu?—The only way to get dry rimu is to dry it yourself.

25. I should like to know where that stuff came from that you said would not last five years?—That I cannot tell you, but I can take you out and show you the house.

26. You do not know whether first-class timber was put into that house?—I certainly know the difference between first-class and the very sappiest stuff.

27. Have you any idea of the price paid for the stuff?—No.

28. Then, I suppose this is some cheap stuff that some jerry-builder has put up and covered with a good coat of paint to sell to the public?—This is what the millers are sending out. They seem to imagine this is a dumping-ground for them.

29. The millers often have to cut that stuff to get at the better class of timber in the logs; and do you imagine they are going to keep that stuff if somebody comes along and offers them a price for it?—I suppose they have to get rid of it.

30. I know myself that a tremendous quantity of stuff came into the Wellington market from the West Coast that was all second-class?—Yes, I have seen a good deal of it landed on the Miramar wharf.

31. Did you imagine it was first-class timber when you saw it?—I did not. I certainly knew it was not.

32. I am afraid that the speculative builder who buys this second-class timber and rushes up houses to put on the market and sell as quickly as he can, is responsible for the class of house that you referred to on Saturday?—That is so.

32. It is not due to the fact that our timber is not good, but is due to the fact that a man buys a lot of cheap stuff to get a bigger profit out of his houses?—That was sent here for O.B. red-pine.

34. And you admit a great deal of that has been done in Wellington?—It has been done.

35. You told us that Oregon has not cheapened the cost of workmen's cottages?—No.

36. Then, it has not been much of a hardship on the public, because the people who put up these gigantic structures here generally are able to pay for them?—It has relieved the millers to the extent that they can keep their heart red-pine for cabinetmaking and furniture purposes. Where an architect did specify all heart of red-pine it did seem a shame to put it into a building. It was such a beautifully grained timber, and yet it was put in as joists instead of being kept for cabinetmaking.

37. Do you know that we were in a yard on Saturday afternoon where the man in charge told us he had been cutting up timber for cabinetmaking work which had been brought in for joists, because they could not sell it for joists?—Of course, there is not a demand for timber at the present time, and if a man wants a 5 by 2 they will cut it out of a 10 by 2.

38. Are you going to tell the Commission that all the buildings put up previous to the last twelve months were constructed with inferior timber?—I am not.

39. It is only within the last twelve months that Oregon has come into the market to any great extent?—It is only because we have not been able to get the quality of timber required for these buildings that we have had to use Oregon. I suppose that previous to four years ago we could always get 75-per-cent.-heart joists and all-heart joists without difficulty. All architects specify a better class of timber now.

40. Can you say if all the merchants selling timber in Wellington to-day, when they want 50- or 75-per-cent.-heart timber, send along their orders in that way?—I do not know how they conduct their business.

41. Or do they send along an order and say "This stuff must be fairly hearty," and they are going to grab the difference between O.B. and 75 per cent. heart themselves?—I do not know how they carry their business on.

42. I suppose you know we have timber-merchants and timber-merchants?—Yes.

43. Would you call Mr. Hanson one of the leading lights in the timber trade here?—No.

44. Seeing that this stuff is so inferior, can you tell me how it is that at the present time we on the West Coast particularly can sell this very timber you say is not good for anything in Adelaide, Melbourne, and Sydney against Oregon pine, and at 33 per cent. and over more money?—I suppose you are sending them a better class of timber than you sent to Wellington.

45. We are simply sending them the best we cut, and we always did the same here for that matter—we never culled the timber?—I can only say you must send a better class of timber than you sent to Wellington.

46. Do you say that all the timber we get here from America is Oregon pine?—I cannot say. I take it that it is.

47. I suppose you know there is a considerable variety of timbers in America besides Oregon pine?—Yes.

48. *Mr. Ell.*] You are aware that rimu is used very largely throughout this country for finishing-work inside?—Yes.

49. And that it is used very extensively in the manufacture of furniture and in cabinetmaking because of its beauty and appearance?—Yes.

50. From a public standpoint I want to ask you whether you do not consider it a waste to use timber that is extremely valuable for finishing-work, for studding and beams, and other rough work in a building?—I have already said so. I said it was a shame to put in some of the beautifully grained timber that has been used in buildings in Wellington simply to be covered up.

51. You think it would be worth a good deal more to the people of this country for finer work than buried away in big buildings?—Yes.

52. And if it were used for this finer work it would find employment for more labour?—It certainly would.

53. I do not know whether you have taken any interest in the question of the timber-supplies of this country?—Not to any extent.

54. When the Chief Forester tells us that the earliest date at which we can expect to cut out of our newly planted forests is forty years from now, and when at the same time we are told that our native forests will be cut out in forty or fifty years from now, even at the present rate of consumption, would you think it is desirable to try and conserve the supplies of our native timbers until such time as our replanted trees have matured sufficiently to be cut?—I certainly think so. I say that heart red-pine compares favourably with any timber in the world as regards grain and beauty of the figure in it when worked up.

55. You think that in the near future it will become very valuable?—Yes, certainly. It is especially good for finishing.

56. I have put this question at nearly every sitting of the Commission, with the view of endeavouring to awaken the apathy of the Government in the matter of a timber-supply: Do you think that an area of 9,400 acres, which is the area that the country has planted up to the present, is adequate to meet the future demands of our people for timber?—That would be a very small item in what is required for the country.

57. In view of the fact of our cutting out our native timbers at the rate of 430,000,000 ft. a year, do you not think we have some reasonable grounds for viewing the future needs of our people with regard to timber with a good deal of anxiety?—I certainly do.

58. Do you not think that the money would be well spent in employing more labour and putting more vigour into the Forestry Department?—I do.

59. *Mr. Stallworthy.*] You said there was a slump in the building trade?—I did.

60. What effect has this had on the consumption of timber?—There has been hardly any timber used in Wellington at all.

61. What amount did you use before the slump in your building operations?—It has not affected us very much, as we had some big contracts going on. Others have done practically nothing for months. That is shown by the fact that there are a very large number of carpenters out of work.

62. Your supplies of timber have been got from the town yards as well as from the country millers?—We get supplies from both places.

63. When you get it from the town yards, what proportion of it goes direct from the railway to you and does not go to the yard at all?—About 50 per cent. of it has not been stacked in the town.

64. Can you give us any idea of the prices you pay to the merchant as compared with those paid to the miller when you get it direct?—It is only since last January that the country millers would deal with us at all. They began to deal with us with the slump.

65. What price do you pay?—For heart red-pine about 19s. 6d. in the trucks in Wellington. Some of them are offering it at 18s. 6d.

66. Have you bought O.B. timber?—That has been offered to us from 10s. to 10s. 6d. at Wellington.

67. If an additional shilling per hundred feet was put on Oregon, to what extent would that add to the cost of a building in which Oregon was used?—Some of the big buildings would have from forty to fifty thousand feet of Oregon. There would be an increase in the cost of about £25.

68. *Mr. Mander.*] Do you consider that Oregon is as good as matai for weatherboards?—No.

69. Do you think it is unwise to use sap timber of any kind?—I certainly do.

70. You do not think that sap rimu should be put in weatherboards?—It should not be used for that purpose.

71. If sap timber was used inside and kept dry, would it not last as long as heart outside?—No, I do not think it would last as long as heart outside.

72. You are aware that say kauri and the sap of every other class of timber has been used for inside work in buildings?—Yes.

73. Have you known of any houses where the sap inside has decayed more rapidly than the heart outside?—Well, I think it does.

74. You only think so?—I am sure of it. Wherever we have pulled down an old house we find the weatherboarding good and the studs all gone.

75. If sap is used for outside work, that is not the fault of the miller: is it not rather the fault of the jerry-builder?—It is the fault of the builder.

76. If people purchased sap timber and put it to the use for which it is adapted it would be all right?—Yes.

77. There was something said about builders in Wellington not being able to buy direct from the millers. If you went to a wholesale draper in Wellington, do you think you would be able to buy a suit of clothes at the same price as a retail draper would?—I do not think the two things are on a parallel at all. We do not want to get it wholesale, but we want the selection.

78. If the merchant took the whole produce of the log do you think it would be right for the miller to pick the timber?—That is his business.

79. I suppose you can understand that, if a merchant has arranged with a miller to take the whole output of the mill, in that case it is impossible for the miller to supply the orders of builders?—I understand that.

80. *Hon. the Chairman.*] With regard to this question that the mills would not supply you, do you know if there was anything like a combine or understanding that they would not supply builders?—I suppose there must have been.

81. You have no knowledge that it was so?—No.

82. If I had been in your place I should have made inquiries about that, because every man who passes timber through his hands has to make a profit, and the more hands it passes through the dearer it becomes to the man who has finally to use it. If you could get it at first hand you would save money?—Yes, we could sell cheaper.

83. I would like to know whether this understanding with the millers prevented them from dealing with the builders. You stated just now that you could save from 2s. to 3s. a hundred by putting in Oregon for flooring?—Yes.

84. What is the price of Oregon at present?—About £1 1s. for Oregon; matai flooring is £1 5s. 6d., according to the price-list as published.

85. You can buy a good deal under the price-list?—That is only since the slump happened.

86. What can you buy it for now?—I have not bought any for some time. All my flooring has been jarrah lately.

87. What does jarrah cost?—£1 5s. for flooring.

88. Then, it is as dear as any of the other timbers?—Yes; but it is stronger for warehouse-flooring.

89. What thickness do you generally use for warehouse-floors?—An inch and a half.

90. *Mr. Field.*] I understand you only use the very best of timbers?—Yes.

91. If you wanted to do it, you could go to a mill and pick up lines of inferior timber at low prices?—Yes.

92. You would not expect such timber to last?—That is so.

93. You said that architects provided that frames should stand fourteen to twenty-one days?—They used to.

94. Did that not look as if they were satisfied with the seasoning?—I was only saying that the timber twisted.

95. If it was put there for fourteen or twenty-one weeks would it not be fit for plastering?—It would be drier.

96. You condemned our timber for plastering purposes?—I condemned it for lathing.

97. If it is seasoned properly it is fit for good work?—Yes; you would not expect it to bend or twist if it were seasoned.

98. I understood you to say that that piece of Oregon was sap Oregon?—There is sap in Oregon—at least, in some of it.

99. You told us that if a piece of rubbishy but sound timber was put into a house it would crumble away in about forty years' time—say such timbers as poplar or willow—even though it was in the most favourable situation?—Yes, it would perish.

100. How do you account for timbers such as sycamore, willow, &c., used as covering for mummies, lasting for centuries?—That is a different class of timber. I cannot say how long it will last. There are certain classes of timber that will last.

101. I understood you to say that Oregon is only taking the place of our timbers in the larger lengths?—Not altogether.

102. For what purposes is Oregon being used?—It is replacing some of the 75-per-cent. studding; it is replacing the 75-per-cent.-heart timber that was required for jobs about Wellington.

103. Is not our ordinary heart timber good enough?—Yes, if you can get it. We had to get the Oregon.

104. With regard to the price-lists, you said that the prices had gone up about 6s. in nine years?—Yes.

105. I have a price-list here which I understand will be verified. I see that in 1892 the miller was getting 7s. 10d. net for his ordinary building-timber, and the merchant was netting 9s. 6d., but he had to pay 4d. cartage. Then in 1901, which comes closer to your date, I find that the miller netted 9s. 1¼d., and the merchant 10s. 8½d., less 4d. for cartage. Do you disagree with those figures?—I can produce my books to show that I got O.B. red-pine delivered on the job at Wellington for 8s. 9d. in 1900.

106. He must have cut the price?—I cannot say whether he cut the price.

107. I find that the miller was getting 10s. 9¾d. in 1908, and that the merchant was getting 13s. 5d., less 4d. for cartage. Is that correct?—I think so.

108. Did you see Kirkcaldie's old building when it was taken down? Was that not sold as sound timber for building purposes?—Some sound timber came out of it. I saw a lot of good heart kauri come out of it.

109. Did you notice any worm?—I did not inspect it so close as that.

110. Did you see the removal of that old building opposite the Evening Post in Wellington, and, if so, did you see any worm in it?—There were lots of worms in it—in fact, there was nothing else but worm in it. You could crumble up the old timber with your hands.

111. I suppose you are aware that even oak and other first-class timbers are liable to get the worm after a certain age?—Yes, I believe so.

112. I have a French table of solid oak, forty-five years old, with the worm in it?—I am not surprised.

113. Regarding the smaller sizes in Oregon, I find large stocks of timber in 8 by 1 and 4 by 3. What will these sizes be used for?—It will be used for rusticating and flooring. The 4 by 3 will be used for studding.

114. So they are using this timber for rusticating and studding?—Oh, yes!

115. Do they not use our own ordinary building-timber for flooring as well?—It does not make a bad flooring if you get it dry. No architect in drawing up a specification for a house would think of giving you O.B. for flooring. The architects will not have it for that purpose.

116. Have you been in the building that is being put up by Mr. Kennedy?—No, I have not been in.

117. Everything that is used is Oregon pine?—I should not be a bit surprised at that.

118. *Mr. Barber.*] Did you read an article in the *Evening Post* where they could not supply timber?—I did.

119. You quite appreciate that is possible?—Yes, such a thing happens. We find it almost impossible to get timber.

120. *Mr. Clarke.*] Referring to inferior timbers, Mr. Morris says that when these are used they might be put in by some jerry-builder: now, is it not a fact that before the jerry-builder can buy them and use this rubbish—matai or rimu sap—for weatherboarding some sawmiller or some timber-merchant must have placed it on the market?—Yes; and it evidently seems, from the miller's point of view, that the timber was not fit to be used.

121. *Mr. Mander.*] Is it not a fact that sap is useful in its proper place?—Yes, in its proper place. It should be put in the inside of the building.

122. *Mr. Ell.*] I think you said you had great difficulty in obtaining totara for joinery-work?—We have. We cannot get it at the present time. I will take two trucks of good totara now.

123. You know it requires a great deal of labour to use it for joinery-work?—If I had totara at the present time I could employ four more joiners.

124. The Government are using it for bridge-building, and also for telegraph-poles?—Yes, they are using the very best class of clean heart totara for those purposes.

125. Do you think it is an economical policy on the part of the Government to use extremely valuable timber, suitable for joinery-work, for such rough purposes as telegraph-poles and bridge-building?—I think it is very unwise for them to do so. It has become very difficult to get good totara. It is indeed a fine timber for outside finishing.

126. If the Railway Department asked for clear-heart totara for sleepers, would you think that an expensive policy, so far as the people are concerned?—I think that rough-heart totara would last as long as clear-heart; that would leave the clear-heart for better purposes.

127. The Government, then, are depriving our own people of labour?—Yes.

128. You are aware that for telegraph-poles the Government are also using Australian hardwoods?—Yes.

129. Being a much stronger wood, the dimensions are less than are necessary in New Zealand timbers?—Yes.

130. Which is the best for the country—to use hardwood for the purposes referred to or to use totara?—There is no question about it at all, because if we save the totara and use it for joinery purposes it will make work.

131. *Mr. Morris.*] Respecting this totara which is used for telegraph-poles, if it were cut up for joinery purposes might it not reveal many imperfections, such as shakes, &c.?—I saw a number of poles that would be suitable if they were cut up.

132. If you used it up would it be suitable or unsuitable?—It might or it might not be. There is a risk in all trees. You cannot tell until the tree is cut up what imperfections it may contain; still, from its appearance you may form a fair conclusion.

133. So that the amount of first-class timber that could be obtained from some of these immense poles and used for joinery-work might be very small indeed?—I know of poles about Wellington that would yield large quantities of timber suitable for joinery-work. They would produce beautiful timber. There is no sign of shakes or anything else from outside appearances. They could not be so bad internally.

134. *Mr. Ell.*] If a sawmiller stated that he was cutting about 40 per cent. of good dressing-timber—that is, heart—out of his totara, would you say that he did not know what he was talking about?—He should know what he was saying.

Joseph Prime Maxwell sworn and examined. (No. 144.)

1. *Hon. the Chairman.*] You are a civil engineer, I think?—Yes.

2. You know what this Commission is inquiring into: have you any statement to make about the subject?—I understood I was to be asked whether rimu was a bad timber for use in frames and studs in plastered buildings. My experience is that it is not so. I built a plastered house twenty years ago with rimu studs and framing, and two years ago when I sold the house there was not a crack in it. The plastering was all sound, and the rimu was as sound as a bell.

3. It seems that the experts are all pretty well agreed that if the timber is put in wet, of course, it goes from bad to worse?—I think that is so; it requires a certain amount of seasoning. I spoke of timber which had been stacked on the ground for from four to six months before being put into the building.

4. *Mr. Field.*] You are a civil engineer, and your professional experience has given you a good deal of knowledge of the subject of the durability of timbers?—To some extent, yes.

5. Do you regard the ordinary building-rimu as a good building-timber?—Properly selected it is an excellent timber for inside work, where it is not in contact with the ground, as a rule. But I have seen rimu in contact with the ground, and also used it for piles, which has stood for twenty years; but that is very exceptional. As a rule, it does not stand in the ground.

6. What have you to say with regard to good O.B. rimu so far as the borer is concerned?—The heart of rimu is not subject to dry-rot. The sap I have seen suffers from dry-rot.

7. I understand that in the rimu-tree there is a central heart, and then there is a good body of building-timber which is not exactly sap, but which is largely used for building purposes?—Yes, the O.B. timber.

8. You would not regard the borer as seriously affecting O.B. timber?—Not so long as there is no very green sap in it.

9. And it is kept away from white-pine?—That is so. And you must remember that the quality of rimu varies very considerably. The rimu that is grown in the North Island hill country is very much harder and more durable as a rule than the rimu which comes from the west coast of the South Island. It seems a very different class of timber.

10. Can you give the Commission any illustration of an old building in Wellington which has been taken down showing that the O.B. rimu is a lasting timber, and does not take the borer?—Yes; there is the Wellington Club, which I think was built about 1877. I saw a portion of that opened up about a year ago for the purpose of making additions, and every scrap of timber in it was as sound as, and perhaps better than, the day it was erected, because it was well seasoned.

11. No rot or borer?—No.

12. Are there any other instances that you can call to mind?—There is Mr. Bell's house, at Goldie's Brae, which was put up about 1876. It was removed recently, and, with the exception of a small portion of the house—an addition, which had been made in inferior timber—the whole of the rest of the timber was fairly sound. In fact, a large portion of it sold as high as 10s. a hundred.

13. Have you anything to tell the Commission on the subject of Oregon pine, as to how far it is affecting our timber industry, or whether it is thoroughly satisfactory in every respect?—I had some experience with Oregon pine, but it is a good many years ago; but the Oregon timber we are getting here appears to be fairly good, although it is not the same strength as heart of rimu. I think you will find that under the city regulations it is placed about 10 or 15 per cent. weaker than good heart of rimu. Then, again, it is useful in many ways, because you can get such long lengths and fine scantlings, but it is not timber that should be trusted in contact with the ground. It is not a good timber for taking paint. The fibre is alternating—soft and hard—and it does not make good flooring. I do not think it is good timber for outside work at all. I think heart of rimu and O.B. is better for weatherboardings and outside work, as long as it is not in contact with the ground.

14. Have you had any means of judging whether Oregon timber is affecting our timber industry here?—I have had the experience of belonging to a land and timber company, which has not paid any dividends, but has been running for some years, and has recently closed down. Up to about the end of 1907 we had a fairly good output—a little over two million feet a year. Then from competition and other causes our sales began to fall off, and the last straw was the importation of Oregon. I do not think the latter has been the whole of the cause, because our sales began to fall off before. I have heard evidence here, in which it has been stated that good heart rimu is unobtainable. That was not my experience. We have never, as far as I know, refused an order for heart of rimu, and have never failed to fulfil any orders. We could have supplied heart of rimu in reasonably large quantities at any time during the last two or three years had there been a demand. But sales have diminished until our output has come down to as low as thirty and forty thousand feet in a month, and we could no longer see our way to continue milling, and we were obliged to shut down. We finally resolved to close down altogether and sell the plant, which we are now engaged in doing.

15. Can you give any explanation of the fact that the people who are building the Maori College at Otaki are putting in Oregon, because they could not get heart rimu?—That could not be correct. Our own manager was endeavouring to get the orders for rimu for that place but failed; the Oregon had supplanted him.

16. Is the land your company has been milling on fit for farming purposes?—Yes; it is very good land. Our company was started with the idea of cutting the milling-timber and then of selling the land. We did sell a portion of the land we had taken the timber off, and intended to continue the process; but we found that we could not carry on milling under present conditions excepting at a great loss, so that we are now selling the land with such timber as is left on it. There are about 2,000 acres of good milling-timber, but it is not saleable at present as timber land.

17. What will happen to this bush, assuming milling operations to be unprofitable?—I think all that area that I speak of will be sold for sheep and cattle land. Some of it has been already.

18. Do you know anything of the Main Trunk line timber areas?—No.

19. I suppose you would agree, from your experience as General Manager of Railways for some time, that it is a rather serious thing for the Railway Department if that timber is destroyed?—It is a serious loss in regard to the freight, which has fallen off of late.

20. *Mr. Barber.*] Where is the mill situated that you are interested in?—Te Horo. Our company sold a portion of its land at Shannon to another company. There is another mill at Shannon, which has also shut down on account of want of orders. It has an unlimited supply of rimu, which is unsaleable now.

21. Were these bush areas situated fairly away from the railway-line?—No; the trams are right down to the rail.

22. Were there no exceptional difficulties in getting the timber?—About for miles of haulage to the railway by tram.

23. Can you tell us the price at which this timber could have been supplied to the Otaki College?—Ten shillings a hundred.

24. How do you account for the contractor purchasing Oregon which would have cost according to price-list 15s., and paying rate and a half freight by rail to Otaki in preference to taking our own timber on the ground for 10s.?—I cannot.

25. Do you know why they took the Oregon?—I do not know of my own knowledge, but I understand that Oregon was specified to be used.

26. The architect said, according to the *Post* last night, "No."?—I do not know, and I cannot speak with certainty about the matter. I made personal inquiries of our manager, and he said that he could not get orders after canvassing the contractors. I do not know their names We had an unlimited supply of timber, but he could not get the order.

27. With regard to the instances you have given of the lasting qualities of red-pine, I do not wish in any way to depreciate the value of our colonial work, but you said that in the case of Mr. Bell's house, when the old part was pulled down it was found to be in a sound condition?—I was told so.

28. But the additions were found faulty?—Some small part which had been put on much later, I was led to believe.

29. Does not that indicate that the timber being disposed of now is of inferior quality to that sold for building in the earlier years?—There has been a great deal of very inferior sap rimu placed on the market. I have seen it in every direction in Wellington.

30. So that you believe the statement that the timber generally is of inferior quality to what it was some years ago?—I believe there is a vast deal more sap timber used now than there was twenty years ago.

31. *Mr. Leyland.*] I gathered from your evidence that you referred to heart rimu?—To heart and O.B., and I speak now of rimu, which I have had more knowledge of—the North Island rimu—than the west coast of the South Island.

32. In the case of your own house, you said that it was almost all heart?—Mainly heart. Twenty years ago there was not so much trouble in obtaining heart as there is now.

33. But you appear to be under the impression that all the orders can be easily filled now?—Are you confusing the matter with the debatable part of the log, which some people say is heart and some say is sap?—No; in the particular sawmill I am connected with I am not aware that we ever failed to fulfil any orders for heart rimu. Our manager was always seeking to get orders for heart.

34. How much could that mill cut?—About 200,000 ft. a month.

35. What percentage would be heart?—Thirty to 40 per cent.

36. That would not go a very long way towards supplying the demand?—I know nothing about the general supply, but merely speak from my own experience.

37. The South Auckland Sawmillers' Association consider that they get 6 per cent. of first-class heart out of their log. Would that surprise you?—That is very low.

38. Mr. Bennett, president of the Taihape Chamber of Commerce, and also a miller, stated that they got only 11 per cent., and that they had more orders than they could execute. What do you think?—I think the great demand is for O.B., and naturally the mills cut up their own timber into O.B. rather than pick out the heart, as it is much easier for them to supply.

39. *Mr. Morris.*] You are aware, of course, that in cutting heart orders you have to get rid of your O.B. timber in some shape or form, and that there is no demand for O.B., consequently there is no heart rimu being cut at present. Is that not so?—No; all the demand is for O.B. as a rule; only we prefer to cut O.B., as it is easier.

40. Do you recognise that it is impossible to supply heart-of-rimu orders when there is a market for the O.B. that pays better?—That is so.

41. *Mr. Ell.*] You had a lot to do with our railways years ago?—Yes. I was fourteen years connected with them, and prior to that I was in the Public Works Department for six years—from 1874 to 1880.

42. You are aware that we are trying in some small instances to supply our sleepers from the native timbers, and more largely from the Australian hardwood timbers?—I believe that is so.

43. Do you think that the Government should endeavour to make some provision for the future needs with regard to sleepers?—It would be a very wise thing to do. I understand they are doing it, by planting larch and quick-growing timbers in the centre of the North Island.

44. If the Forestry Department tell us they have planted some 9,400 acres in all classes of timber—not merely for railway sleepers—would you think that inadequate for the future needs of this country?—Wholly inadequate. It is a good beginning though. Larch takes thirty years in the Old Country to mature, and you could then cut really good sleepers out of it. It was used very largely on the English railways, and I have used it myself. I do not know what they use now. Those sleepers would have a life of from nine to ten years, and were not expected to last longer.

45. You have had some experience of the length of life of the Australian hardwood?—Yes; the jarrah has an unlimited life. I have seen jarrah sleepers thirty years old taken up as sound as the day they were put down.

46. Therefore it is a more economical timber for sleepers?—No doubt it was. I do not know much about the prices now.

47. Do you think the Government should spend money in planting hardwoods for the future needs of the railways?—Hardwoods would take far too long to mature. Blue-gums thirty years old, although they might grow 100 ft. high—as I have seen them in Canterbury—are useless as far as the timber goes: it has not matured. It might be a century or centuries before you get good hardwood out of a tree, and the hardwood sleepers imported here were probably very many centuries old.

48. Do you think the people of this country should view with a certain amount of anxiety the question of the timber-supply, seeing that we are so rapidly cutting out our native forests?—I think it is absolutely essential that we should go in for planting quick-growing timber, and extensive planting at that.

49. *Mr. Arnold.*] I think it was during your time that the Railway Department pushed forward the policy of planting at the side of the railway-lines?—I think that was started in the Pro-

vincial Government days, and the policy was continued by the Railway Department after the abolition of the provinces.

50. Do you not think it is a good policy?—Very good if you have the land, but the amount of land available for railway purposes, as a rule, is exceedingly limited. Canterbury had most of the areas that were available for actual planting, but I do not think we had much anywhere else.

51. But where the land is available you would recommend that that policy should be continued?—A very good thing to do.

52. Is it a fact that a tree planted will produce sleepers in about twelve years and a half?—No; I think larch takes about thirty years to come to maturity. It is about the best timber that could be planted for the railways.

53. I think you said that you do not know very much about the timber trade on the Main Trunk line?—No, I know nothing about it.

54. Have you heard that during the construction of that line the Government had great difficulty in getting O.B. rimu for their railway buildings?—No.

55. They had to threaten to use Oregon if they could not be supplied with rimu: would you be surprised to know that that is so?—Yes, I should be rather surprised, knowing how much good-class rimu there is in the North.

56. Would that not alter your opinion to some extent with regard to the ability or the willingness of the mills to supply any quantity of red-pine, either heart or O.B.?—I have stated that, as far as the mill I am connected with and the second mill are concerned, they have had very large quantities of rimu to sell, but they have not been able to sell it.

57. Your knowledge is chiefly in connection with your own mills?—Yes.

58. *Mr. Mander.*] I suppose you do not know whether it is a fact that nearly all the mills up in the King-country have been contemplating closing down for some considerable time, simply because they cannot get orders?—I only know it from the newspapers. Take the mills on the west coast here: the mill at Waikanae, I think, belonging to a gentleman named Vickers, and the Te Horo mill and the Shannon mill have all been practically closed. The Te Horo mill is absolutely closed and the plant removed. I believe that Mr. Vickers's mill is closed down, and that the Shannon mill has been closed and is working now in a feeble kind of way, solely for want of a market.

59. Therefore it does not seem likely at the present time that the Government or any individual cannot get supplies of O.B. timber?—That certainly must be wrong.

60. Do you not think that O.B. rimu is equally good for inside purposes as Oregon where it is kept away from the damp?—Good O.B. rimu is better than Oregon for weatherboarding or inside work; it is stronger. It cannot be obtained in large scantlings in such large quantities as Oregon. But where I have had to do recently with buildings to some slight extent I have refused to allow Oregon to be specified, because I knew that rimu could be obtained of good quality, and was obtained.

61. *Hon. the Chairman.*] You stated, I think, that the land on which the mill that you have closed down now is situated is good for grazing and agriculture?—Not for agriculture, but for sheep or cattle.

62. What would be its selling-value as grazing-lots?—Uncleared, we have been offering land at from £2 7s. 6d. up to £3. We have sold some considerable areas for £2 15s. and £3. It is land that is worth £7 10s. or £8, or more, when it is fenced and grassed.

63. *Mr. Field.*] With regard to the statements that there is from 6 to 11 per cent. of heart in rimu, you would understand that that would be true of the first-class or figured heart, whereas it might not be correct as to the heart that is referred to, taking the word in its widest sense?—You would go into some bushes and I dare say you would find the timber with practically no heart. When I was speaking of heart rimu I was only speaking of the experience in our own bushes on the west coast here. As far as my remembrance serves me, the rimu that grows in the North Island—that is to say on the Rotorua–Auckland route—is of a lighter type and a smaller growth than the timber that we have been milling at Te Horo and Shannon.

64. Would it be a fair test of the durability of timber to keep it in an absolutely dry position for forty years, or would inferior timbers stand for forty years without rotting away if they were kept quite dry?—I think that any timber I know of would stand for forty years. We were talking about willow just now. Well, I have seen many willow bats that I am sure are more than forty years old, preserved as trophies. Toys made of poplar, too, have been treasured up for an incredible number of years—by grandfathers, I believe.

WILLIAM HENRY BENNETT further examined. (No. 145.)

Hon. the Chairman: You wish to add something to your evidence, Mr. Bennett?

Witness: It will be remembered that when I gave my evidence on Friday I had unfortunately mislaid the statistics which I had taken out as to those employed in the sawmilling and the building industries, and I promised to put the return in. It is as follows, the figures being for the whole Dominion, and being taken from the returns of the census of 1906:—

Persons manufacturing (that is, milling) building-materials, chiefly of timber		6,972
These 6,972 persons comprise—		
Sawmill proprietors and workers	5,468	
Joiners and wood-turners	1,154	
Coopers and others	350	
Making a total of	6,972	
Persons constructing and repairing buildings		22,095

These comprise—	
Builders	2,377
Carpenters	10,595
Stonemasons	317
Bricklayers	1,794
Slaters	36
Plasterers	664
Painters	3,833
Plumbers	2,335
Others	144
Making a total of	22,095

There are 2,358 furniture-manufacturers not included in the above.

FREDERICK DE JERSEY CLERE sworn and examined. (No. 146.)

1. *Hon. the Chairman.*] What are you?—An architect, practising in Wellington.

2. Have you any statement to make to the Commission?—Of course, we have naturally all taken a great interest in this Commission, and I must say that my opinions are distinctly varied. I believe that we want Oregon in the country. I have found from my own experience that it has been of the greatest possible advantage in building-construction to have it, and I need hardly say it has been of great benefit to the community as a whole on account of that. The main point in favour of Oregon seems to me to be the sizes in which you can get it. It is quite strong enough and good enough for all ordinary purposes, and its great length enables us to build structures which otherwise would require a good deal of complicated construction. I might instance the Hutt drill-hall. We built that very cheaply, because I wanted a large span—a span of 60 ft.—and I was able by the use of simple rafters of Oregon to construct it in a very simple and cheap way. If I had wished to do it with New Zealand timber I should have had to use kauri, which would have cost a great deal more and would have been a great deal heavier. On the other hand, I quite agree with what Mr. Maxwell has just said about Oregon. I do not think it would be good for flooring where there is much traffic. It would be all right for a floor covered with linoleum. The winter growth and the summer growth seem very distinct—one part is hard and the other soft—and, of course, that means that with wear there would be a good deal of unevenness. I have lately been using Oregon for the lining of a bathroom, and I wanted it painted with Bon Accord paint. As soon as I felt the timber I saw that the unevenness of the grain would be a drawback, so I had it picked and got the more even parts. The same thing applies to shelving: the unevenness of the grain would mean that it would hold the dust. Oregon would not be good on that account, nor, of course, for kitchen-table tops and purposes of that kind. With regard to our New Zealand timbers, I have great faith in matai and in totara and real heart red-pine. The latter I think a most excellent timber, but there is not the slightest question that there has been of late years the greatest difficulty in getting real heart. This O.B. that they talk of, which is a kind of half-and-half—I am not referring, of course, to the green sap—is of very doubtful character. It is so doubtful that one never feels safe in using it for any parts that would be at all subject to damp, or where you would want lasting properties. It appears to me to be quite distinct as to what is real heart; and I should say that in an ordinary tree about 3 ft. 6 in. in diameter there would not be more than twelve or fourteen inches of real heart. Of course, it varies very much in different parts of the country, but I think the sawmillers will agree with me that that would be a very fair proportion—fourteen or sixteen inches perhaps, at the outside. Then comes about eight inches of this half-and-half, and then comes the last few years' growth—sap. The intermediate timber, if it is left lying on the ground for any number of years—we will say only three years—in a damp district, will in all probability be rotted away, or be so spongy that you could not cut it with an axe. But the real heart timber would be there for very many years, even in the worst situation. Matai, I think, is a splendid timber—real heart matai—but the growth is so slow that there would not be any hope, I think, of our ever growing it in this country for use. I took the trouble to count the annual rings on one stump, which I think was not more than 3 ft. through, and if I remember rightly it was 175 years old. So it would be of no use planting matai. I heard what Mr. Maxwell said about his house. I was the architect for that house. It was built about twenty years ago. We chose the timber very carefully. I made the alterations for Mr. John Duncan two or three years ago, and the plaster, I think, was absolutely without crack, as stated by Mr. Maxwell. You were asking about the lasting properties of red-pine. I think that that building lately pulled down on the Quay—Bannatyne and Co.'s old building—must have been quite fifty years old, but I saw no sign of the borer in that, and that would be a very good instance. As far as I feel about it, the borer is a bugbear that is held up to us a good deal, and, of course, it is a most mischievous insect; but there is nothing miraculous about the way in which the borer comes. Some people seem to think that it is a matter of spontaneous generation, but it is nothing of the kind. I would not fear to use ordinary building-timber for the scantlings of a building as long as it was built in the spring or in the autumn or the winter, when the female beetle—the mother of the borer—is not in existence. I feel sure that she could not possibly get at any scantling that is hidden right away. If there are instances known where these scantlings have been found to be bored, it is quite apparent that the egg must have been laid before the timber was put into the building. The mother insect has no boring apparatus herself, and she could not possibly get through a piece of hard heart timber or through plaster to attack the scantling inside the wall. Of course, on the other hand, if the eggs were already there, they would hatch out, and the larvae of the beetle would feed and would probably remain there for two

or three years. When they hatched out, if there were space enough for them to exist, they would, of course, start another generation, and by that means all the sap wood would be eaten away. Then, again, like all other insects, they have preferences. The mother insect will choose a wood that suits her offspring best; she will probably choose white-pine and pieces of imported wood like bamboo and timber that has a good deal of saccharine in it; but, failing that, she will lay her egg on the sap of red-pine; and, failing that, she might even attack something else, but I doubt whether the little creature would find enough sustenance. The presence of sugar, I believe, is almost essential to the life of these creatures, and a little damp starts fermentation, and they are then put into a position in which they can live very happily and increase considerably. I may mention that the larva, once it gets into timber, does not always eat that timber until the timber is absolutely destroyed. I pulled down a house at the Hutt that was built in 1856, white-pine being largely used. The joists were of white-pine, and the vertical timbers were totara. The joists were 5 by 2½—old-fashioned sizes—and, although they were honeycombed right through, there was not a single live larva in the whole lot. I can say that because I took the timber to be cut up for firewood, and I was astonished at not finding any larvæ, so I had pieces taken out and gave them to Mr. Kirk to preserve in the Museum. The larvæ had absolutely deserted the white-pine in this house. I spoke to Mr. Travers about it at the time, and also to Sir James Hector, and they both agreed with me that the timber could become so hard with age and the absence of the sugar that it was absolutely impossible for the creature to eat it; and consequently the larvæ had deserted it for more favourable food.

3. *Mr. Field.*] Do you regard our timbers—matai and totara at any rate—as being superior to Oregon?—I think matai and totara and heart of red-pine, as far as their lengths go, superior timbers. I think they are probably a great deal more lasting. They have taken very much longer to grow. But, as Mr. Maxwell said, timber grown on hilly land is infinitely superior, in all countries, I believe, to that grown in rich marshy or swampy land.

4. Do you think it conceivable that a tree which is only twenty-five years old can produce good marketable timber—I mean a tree of any kind?—No. A timber grown as quickly as that would not be a lasting timber. I think I can safely say that.

5. We had evidence that Oregon is cut at twenty-five years of age, and there has been a good deal of doubt as to whether you could hope to get lasting timber from such a tree or not?—I should think that at twenty-five years it would be a mere sapling, and that it would only do for scaffolding-poles, or something of that kind. It would not last.

6. You say that dampness in wood will largely induce the borer?—In the case of old oak timbers in buildings at Home that were put up in the fifteenth century, I have known a little damp to get into the roof, and in that spot the borer or a borer has appeared. We talk about there being a borer, but the borer is first cousin to the weevil, and I think I can say there are twenty thousand varieties of weevils, so that if we get rid of one we may certainly fear that we shall meet with another.

7. Is it within your knowledge that there are a number of species of borers in this country?—I know of three distinct ones that I have seen in the timber. I am told by naturalists that there are a great many more, but the distinctions are sometimes microscopical. I know of three distinct sizes and shapes.

8. You heard Mr. Maxwell's evidence this morning. Would you say that ordinary building red-pine is a timber to be very carefully watched before being put into a house?—I have found in practice that if we write a loose specification, allowing a thing like that, there is constant trouble as to the the timber that goes into the building. The clerk of works would wish to condemn it; the builder, on the other hand, would get many sawmillers to come and declare that it was absolutely up to the standard required. And so one prefers in practice to have something more definite than an expression like "O.B." or anything like that.

9. But you would not condemn all ordinary building red-pine if it is well selected?—What I said was this: For studs or joists, especially if the house is built at the time of the year when the female borer is not flying about, I would not hesitate at all to use it in parts that are protected from the attacks of the insect.

10. Would you be surprised at a case which came under my notice yesterday, where a white-pine cupboard had been lying in an old room for over twenty years undisturbed, and it was so full of the borer that it was falling to pieces?—I can quite understand that.

11. Yet the O.B. rimu floor was not touched by the borer?—That corroborates what I said, that the insect will always choose the food that suits it best. That is why of late years it has attacked the sap of red-pine—we have not been using white-pine. Even now if anybody has a board partly sap and partly heart that has been attacked, he will find the holes go right up to the very edge of the heart, but no further.

12. Are you aware that the larvæ of the big beetle gets into the hardest wood that we have—the puriri—and honeycombs it?—Yes; and it will go into matai too.

13. *Mr. Barber.*] Do you find that the timber that was used years ago was superior to that which is offered for sale at the present time?—The bad period in timber came in really about twenty or twenty-five years ago, I think. It followed on the public-works policy of Sir Julius Vogel, when the country was boomed, and there was a bigger demand for timber. There was a general carelessness then, like there has been lately, as to anything that was used. Mr. Bell's house was built in 1876 or 1877, and it was soon after that that the carelessness in the choice of timber came in.

14. Why do you call it carelessness? Is it not that an excessive demand induces the miller to cut up stuff which he would not otherwise cut?—There was a carelessness on the part of the people building. They wanted to get into their houses quickly. There was always an idea at about that time that you would not live in a place very long, that you would sell it. That idea

obtained with regard to both farms and houses; and people building a house for sale did not care very much as long as it was cheap and looked all right. Prior to that, however, the early settlers really examined all the timber themselves. I have heard the expression used that they "challenged every piece that was put into the house."

15. In the interests of the public, then, it is not good that there should be an excessive demand for timber; it should go along at a more even pace?—Yes.

16. And there should be proper selection?—In the interests of the public generally we should, of course, have good buildings.

17. At a time when there is an excessive demand for timber, they are not so likely to get good buildings?—No; they do not get them either. I find that every year of my life. But we are getting much better buildings this year than we were getting two years ago. There is a bigger choice now.

18. They are throwing out the inferior quality?—Yes, we can get heart timber now if we ask for it.

19. With regard to the borer, I was surprised to hear you say that it attacks timber containing sacchrine, for we had brought under our notice a system of preserving timber called Powellising, by which the timber is soaked in a solution of treacle and then dried?—I know it sounds very contradictory, but it is a fact, as I say. It is possible that an excessive amount of sacchrine may be destructive to the borer, or the character of the sacchrine may be changed. I have not heard much about the process yet.

20. Then, the result of your experience is that Oregon is practically a necessity in New Zealand?—I should be very sorry to lose it.

21. You think it fills a requirement, more especially in the erection of large houses?—Yes. I think we can still go on using our own timbers with great advantage. One witness was asked whether we should not view with anxiety the loss of our timbers. I might mention that the timber areas of the whole world are now within measurable distance of being used up. I myself can remember when it was thought that in America the supply of timber was inexhaustable, but now they are all measured up it is found that the end is within measurable distance. The demand for railway sleepers and so on is nowadays simply enormous.

22. You think that, while Oregon may be of immediate benefit to the individual erecting a building, its importation is also of colonial importance, inasmuch as it relieves the demand on our local timbers and forests?—Yes, as long as we can get wealth into the country without sacrificing our own, it seems to me an advantage. As to the labour aspect of the question, I am sorry about it, but it is beyond me.

23. If Oregon were imported in long lengths it would absorb a certain amount of labour in cutting up, and so forth?—So I think.

24. *Mr. Leyland.*] In view of the dread that now obtains, not only here but all over the world, of a possible timber-famine, do you see the necessity of impressing upon the Government the necessity of doing more in the way of reafforestation?—Yes. Thirty years ago I had some little connection with the Press, and I then advocated tree-planting. I was simply scoffed at. Most of the settlers were so anxious to get rid of their bush that the timber was destroyed wholesale. The present condition of affairs, I consider, is the result of the carelessness of the Government forty years ago. I should insist on further tree-planting being done. It would be an advantage, too, if the areas planted were rather nearer to the large centres of population. At Hanmer and Rotorua the distance from the large cities must be a great drawback to the value of the timber that is produced.

25. But at Rotorua the local market must be there before that timber matures?—Yes; but take the hills around Wellington, and which are fit for little else but timber-growing.

26. *Hon. the Chairman.*] Most of that hill country is fit for grazing?—I was thinking more particularly of those hills on the right side of the Hutt Valley as you go up. I think they would grow timber, but they will grow nothing else worth growing.

27. *Mr. Leyland.*] You were asked about the growth of Oregon in twenty-five years. You think that, while it might be marketable for some purposes, it would not be a good building-timber?—That is so.

28. The official statement of the Canadian Government says the average diameter of the timber is from 2 ft. to 5 ft., and the average height is nearly 150 ft. That would not be timber twenty-five years old?—It must be more than that. Of course, timber on rich land grows very rapidly in a climate like that of Canada.

29. We have had a lot of discussion with regard to joists 12 by 3. Some contend that joists, part sap and part heart rimu, are all right?—I would not have it on any account. I prefer the heart Oregon joist or the real heart of one of the New Zealand timbers. In brick buildings the end of the joist is in nine cases out of ten more or less covered by the brickwork, and if there are two or three inches of sap it is only a matter of years when there is decay and the joist will drop. Then, if you put the joint on the other edge and it decays, the floor gets loose. Whereas if it is all heart you feel safe.

30. Seeing that, according to the Canadian Year-book and the evidence of witnesses, this timber is used for constructive purposes of all kinds, would you not draw the inference that it is a valuable timber to use?—Yes.

31. Are you aware that naval architects specify it for ships' decking?—I do not know much about decking of ships, but I suppose it might be so used.

32. *Mr. Clarke.*] I suppose an architect has special facilities for knowing what is good building-timber and what is not, as against the man who is mainly employed in felling the timber?—Yes. I have known of some men at a sawmill, men accustomed to handling timber, who hardly know the log of one tree from another when it is growing. I refer to men engaged in the yards.

Some of them do not know dry-rot when they see it. They seem to know just about as little as some booksellers know about what is in the books they sell. I am only speaking about one or two individuals I have met. They would not all be like that. If you order a certain thing, they supply it; but they do not know what is to become of it, nor do they care.

33. If it is asserted, as it has been frequently here, that Oregon as used has displaced, foot for foot, the local timbers, and in a great measure what is known as O.B. rimu, do you think it would be right to compel the architect, by the prohibition of Oregon timber, to use O.B. rimu in large sizes and in large quantities, and do you think it would be in the interests of the Dominion?—Of course, the architect might have to do it, as he must comply with the law, but it would be a great drawback to the people of the country.

34. Seeing that there are so many uses to which O.B. rimu can be put, do you think it would be wise, with a view of extending our supply and staving off the day when we shall have none at all, to allow the free importation of such a suitable timber as Oregon in long lengths for joisting, beams, &c.?—I should not go so far as to advocate free importation. I think it would be fair to put on a small revenue duty. We do not want to make it so cheap that it would entirely oust our New Zealand timbers, and I think the present tariff is fair enough. They have also the drawback of carriage and other things, and it seems to me that ought to be sufficient.

35. Would you agree to anything that would keep it out and allow our own timbers to be raised unduly in price?—No. I think the millers or the merchants have brought a good deal of this trouble upon themselves through a few years ago rushing the prices up without warning, and apparently for no reason at all. It used to be most annoying to architects when builders at short intervals would say, "Timber has gone up 2s.," until it reached almost double the price it was in a comparatively short time. And when we asked why, they could not give us any reason at all. People got angry, and naturally began to look around for something else. Then one or two merchants saw the chance of importing Oregon, and they were rushed with orders.

36. Do you think it fortunate that people had access to suitable foreign timbers at that time?—I always think so. I am naturally a Free-trader, and, of course, it is to the benefit of everybody to prevent monopoly.

37. *Mr. Morris.*] You said you thought the Dominion was getting an advantage from the importation of Oregon?—Yes. Just as England received an advantage from the sugar bounties given by Continental Governments, so I think anything that comes to this country at low prices is a distinct source of wealth to the country; and in this case we are saving so much more of our own timber which cannot be grown in a few years.

38. Have you any idea of what quantity of millable timber there is in this country at the present time?—It is not so much a question of what there is in the country as what there is within reach of where we want it. I am told there are immense areas in some of the outlying valleys still untouched; but by the time the expense of freights is added the price is too high.

39. And that checks building?—Of course, if there is a rise in the price there is a corresponding check in the consumption of any article. It does not stop building altogether, because people must have houses, but they have to do with inferior houses.

40. Do you not think there is a danger of our available timber in New Zealand getting burned if not used, and do you think there is any immediate hurry for our getting Oregon in at the present time to replace our timber?—I am pretty sure that by the time we come to the end of our timber Oregon will not be available.

41. You think we should get Oregon while we can?—That is the feeling I have. And I do not think our own stuff need be burned. The good-timbered country is not the best land for cultivation, as a rule—at any rate, as regards totara.

42. Do you know anything about the decking of ships, because you were asked a question on that point?—No, I know nothing about deck-timbers.

43. Can you tell us whether Oregon has cheapened the building of cottages during the last twelve months?—I have built no cottages, so that I do not know.

44. You do not, as a rule, build the large warehouses for men who are likely to be tied up for want of £50 or £100?—The price of timber in large brick buildings is not a very important item. I might say I do not think the importation of Oregon is the sole cause of the trouble in the timber trade. I think there has been a good deal of overbuilding and overspeculating in the last few years, and latterly there has been a natural check.

45. You recognise that when sawmill hands are not sufficiently employed to enable them to get food for their families that must have a detrimental effect on other industries in the Dominion as well?—Yes. A great friend of mine who has a sawmill has been talking to me about it, and, though I feel the position very much, I cannot see the remedy. I think we shall only make matters worse for the people of this country if we put a heavy duty on Oregon.

46. But you do not show that, as regards cottage-building, the working-people have any advantage from the importation of Oregon?—I do not suppose it has made much difference there, because the jerry-builders always use the very worst timbers in any case.

47. You are aware this stuff did not come into the market to any extent until last year?—About that time, I suppose. But we were able to get it quite four years ago at this port, though I do not think it had then come into general use. It was more for large scantlings and long lengths.

48. There was only 100 ft. imported into Wellington in 1907?—There must have been some imported before that, because it is four years since I built the drill-hall at the Hutt. And six years ago we were using 36 ft. lengths for propping up a building that was falling. We put them across a sort of chasm that was formed in order to support a light wooden building. I asked what the timber was, and the contractor told me it was Oregon.

49. Do you not think rimu in 50 ft. or 60 ft. lengths would be equally as good for the class of work for which Oregon is used?—If the millers would supply us with long lengths of good red-pine, no doubt we should use it; but my experience has been that when I have specified long lengths of red-pine they nearly always give us saplings. It appears as though they went into the bush without any proper hauling-gear for bringing out the larger logs, and so bring out the light logs and cut them up, and we nearly always have had to condemn them.

50. Do you know that in the majority of the mills 90 per cent. of the timber is taken into the mill up to 60 ft. and 70 ft. long, and cut up into the required lengths in the mill?—I am only speaking from my experience, of course. Nine out of ten of the contractors came to me and asked if they could use kauri instead of long lengths of rimu.

51. You were getting long lengths from America without extra cost as to freight?—Well, freights in this country run into a great deal of money on these long lengths. But I am not personally concerned in the costs. The architect simply designs the building, and, of course, has to do the best he can for his client. It is the public who pay the extra cost if there is any.

52. You understand the main cause of this Commission being set up is to inquire into the price of cottage-building timber rather than the timber used in large buildings ordered by the wealthy man, who would not be retarded from building by the extra cost of timber?—I think if you were to reason out the cost of the building of cottages and small houses—I refer to what is known as the jerry-built house in connection with which an architect is not employed—you will find how money is made by the men building those houses. It would be seen, I think, that the extra money paid for those houses does not go in the cost of materials and labour, but directly into the pocket of the builder. Some of those men have sprung up from being my own foremen into rich men in five or six years, and it seems to me they have made their money out of the people who get the houses. They tell me they have been lucky in their speculations, but I think it is the enormous prices they charge for those houses compared with the cost that has given them their wealth.

53. To what do you attribute the increased cost of building in recent years?—I have heard people say that though building has gone up in cost from £50 a room to £100 or even £120, you would be astonished at the difference in finish between these and the house built twenty years ago. Our borough by-laws, too, have been the means of adding to the cost of the houses, for people cannot have good drainage and sanitary appliances without paying for them. Twenty years ago a specification for drainage would perhaps merely provide for two gully traps and 50 ft. of pipes to be laid where directed, and the jointing of the pipes would be in clay and not in cement. And how many porcelain-enamel baths were put in houses twenty years ago? Every house now of any pretentions must have its enamel bath. All these items add to the cost, but the rises have been so gradual that we have not noticed how we have been advancing.

54. We have been gradually growing more luxurious than we used to be?—A great deal more luxurious.

55. Is it not better for this country to use its own native timbers and employ its own people than to send money out of the country and employ outsiders?—I am not a statesman, and I am afraid that question is beyond me. I do say this, however: that had this timber come to the country eighteen months ago the milling industry would not have felt the effects of it in any shape or form. It would have all been absorbed without any one being any the worse for it.

56. But the timber coming in now cuts out the little that would otherwise be doing?—I can quite understand that, and it is unfortunate.

57. You think we could do without Oregon at the present time?—I do not think we could do without it in long lengths.

58. We could supply you with rimu in long lengths?—I do not know at what price though. I am rather frightened of you when you have your own way altogether.

59. *Mr. Ell.*] You say you are rather frightened of the sawmiller when he has his own way altogether?—I am always frightened of any monopoly.

60. At Taihape we saw a man cutting down trees on a settler's land, which trees had been standing there five or six years, and the miller said it paid him to mill those trees: do you think it would be reasonable?—I should rather like trees that had been standing like that, because it seems to me there would be no sapwood, and you would only get the really good timber. At Levin some time ago they were hauling off logs that had been lying on the farmer's land for some time after the bush had been cut, and those logs were being sawn into timber. I should think that was a very good timber, because the sap and half-and-half stuff would have decayed away. It would be only really heart wood that would stand lying on the ground that time.

61. What you say confirms what we saw at Taihape, logs that had been lying on the ground twelve and fourteen years being milled without the minute holes made by the borer?—I can quite believe that.

62. With regard to reafforestation, I will take the Taranaki Province, which has cut out its own timber: do you think it is fair that the Taranaki people should be compelled to draw their future supplies from Rotorua, and bear the great cost of haulage of timber over that distance?—I judge from your question that you agree with what I say, that the tree-planting areas should be distributed all over the country, so that the timber will be available wherever it is wanted. I think some method should be adopted in selling the lands of the Crown to provide that if a man destroys so many acres of bush he should replant a given area under the supervision of a Government official. Care, too, should be devoted to the selection of the trees to be planted. I think the larch is a very good tree, and would do very well in this country. I also think a great many other English trees would do well. I have tried several kinds in this country, but, of course, the Department can easily find out by inquiry which are the cost suitable trees.

63. Then, the conclusion you have come to is that the Forestry Department should plant in such districts that are near the markets and where there will be a demand for timber, so that the cost of timber to the people shall not be burdened by heavy haulage charges?—I think so.

64. I suppose you are aware of the value of totara?—Yes, a most valuable timber no doubt.

65. For finishing-work?—Not so much on account of the grain as on account of its being easier to work, and on account of its qualities for joinery—sashes, and that sort of thing.

66. Then, it is a valuable timber to us, because the purposes for which it may be used will create a great deal of labour?—Yes; there is more work to be done in connection with totara than upon any timber used simply for rough work.

67. And in view of that fact, do you think it is a wise policy on the part of the Government to insist upon clean-heart totara being used in great stringers for bridges and for beams and for telegraph-poles when it is more valuable to us for the higher classes of work?—I should think they would use jarrah and that kind of timber for these purposes, because totara has not much strength across the grain.

68. Therefore it has to be used in very large sizes where strength is required?—That is so.

69. Do you remember that a great gale swept over this town eight or nine years ago, and that a telegraph-pole, sixteen or eighteen inches square, snapped off like a carrot?—Yes.

70. Do you think it is wise of the Telegraph Department to use such timber when hardwood timber is available?—I think only totara was available then, but now I think they use jarrah and ironbark to advantage.

71. So that from a national standpoint it is not a wise policy to force the use of this timber for rough work?—No. I think totara should be preserved in every possible way, because we have nothing to replace it.

72. Consequently it will become more expensive every year?—Yes.

73. *Mr. Mander.*] Is it not a fact that in boom times, when there is a tremendous lot of building going on, speculative builders spring up and build houses for sale, constructing them of the cheapest timbers they can get?—I am told by respectable builders that men go round the mills and buy up the off-scourings, and that this stuff is put into the buildings and painted over and then sold to new chums.

74. You do not think a man who owned a freehold section and built a house for his own use would use timber of that class?—Not if he knew it. But these men are very plausible, and they often catch people to their sorrow.

75. But a man building a house of his own is naturally anxious to use only the best material?—Undoubtedly.

76. *Hon. the Chairman.*] Mr. Leyland told you about a vessel with decks of Oregon that had been in Auckland for a very long time. Do you know that vessels built of American Oregon and softwoods are only classed at Lloyd's for five years?—In connection with that I might remind the Commission that some years ago a barque called the "Felicitas," one of these boats built of American softwoods, lay at anchor off Kaiwarra for two years or more, because the authorities would not allow her to go out of the harbour. I believe that vessel is a hulk now. I have no personal knowledge though on this point.

77. You said it would be wrong to shut out Oregon?—Yes, entirely.

78. Do you think, if the present duty of 2s. per hundred feet were doubled, the result would be to shut out Oregon?—Would the millers stick on any more than the duty? You know the trick they have.

79. I cannot guarantee what the millers would do?—I think the price of Oregon could be raised without doing any harm to the class of building I do. I do not think for a moment that an extra shilling or two on Oregon would make any material difference in the case of a large brick building.

80. *Mr. Field.*] Do you know that we have what I think is most conclusive evidence that the millers have not been getting the increased prices to anything like the amount you mention?—I was not referring to the miller at all, only to the merchant.

81. The evidence is that during the last five or six years the millers' price of O.B. rimu has not increased more than a shilling, and even further back it has not increased more than 2s. We find that in 1901 the millers' price for O.B. rimu was 9s. 1¼d., and that in 1908 it was 10s. 9¾d., and, having regard to the increased cost of labour, and the increased difficulties of getting the timber out of the rougher country, and the increased railway freigths, would you regard that as a serious increase?—I do not suggest that the millers get back more than their due, but to the consumer the cost has been materially increased, and if we can get our timber cheaper, whether from America or anywhere else, we naturally do so.

82. Do you say, with regard to small buildings, that Oregon has had any tendency to reduce their cost?—I do not think Oregon made any material difference that way, unless it has been to check a further increase in prices. That has been checked by the very fact of this slump in trade. What I fancy any of us concerned in building feared was an increase in price taking place every few months, irrespective of the cost of production. We had the same kind of thing here that you have in America, where they have trusts. We never saw where the limit was coming.

83. With regard to the limited supply of Oregon, the Canadian agent in Auckland said the supplies of Oregon in Canada were so great that there was enough to supply the needs of the world for the next hundred years, even if every building was constructed of Oregon?—I doubt it. I have not much faith in these prospective estimates. It is impossible for anybody to make them, because nobody knows what is going to happen a comparatively few years hence. Any man who looks back and recollects the things that have happened in his own life will recognise the absurdity of making prophecies of that kind. I remember a paper being read recently before a meeting of

architects at Home, in which the writer went very carefully into the matter of the timber-supplies of the world, and his prediction was that thirty years hence there would be a very great scarcity of timber—almost a famine.

84. Of course, you will agree that where a miller is milling rimu timber he could not possibly hope to live if he got orders for heart timber only?—That is true.

85. *Mr. Barber.*] You said it was an annoying thing to see the price of timber go up a shilling or two shillings without any given reason?—Yes.

86. If Oregon was prohibited, is it not likely that these increases would be more frequent?—I always felt that the only check on that sort of thing is freedom of trade.

87. Do you remember a deputation from the West Coast Sawmillers' Association who interviewed the late Mr. Seddon in 1902, asking him this very same question?—I do not remember it.

88. Mr. Seddon is reported to have said, when asked to put an increased duty on Oregon pine, "I would not touch it with a 40 ft. pole unless I have in the same legislation the maximum rates you can charge for your timber"?—That would cover my view of the question.

89. This same deputation in 1902 pointed out to Mr. Seddon—in fact, Mr. W. Morris, of this Commission, as president of the West Coast Timber Trades Association, pointed out that "within the last three weeks a cargo of 780,000 ft. of Oregon timber had been landed at Lyttelton from one boat, which, he believed, carried it from America at a lower freight than local millers pay from Greymouth to Lyttelton. There was also a cargo for Wellington and one for Dunedin on the way. Twelve months ago the West Coast would not have minded this, because then it could scarcely supply the demand, but now it could cover the demand three times over"; showing the position then was exactly as they say it is to-day, and showing you are quite correct in saying that Oregon was in use here prior to the date that Mr. Morris thinks?—Yes.

90. There is the specification of a cottage erected in 1900 and again in 1908, the quantities for which have been worked out, and you will see that the increased cost on the timber actually used in this cottage is £62, which goes to show that the difference in the price of timber has increased the cost of a cottage to the working-man?—What I meant to say was that the price of this timber has gone up not on account necessarily of there being no Oregon in the market, but on account of the great demand for timber.

91. But it has increased the cost of erection of small houses?—Yes.

92. And you think, if Oregon had not been imported, a further rise would have taken place?—I see no check to these rises except competition.

93. *Mr. Field.*] I suppose the price of bricks would always constitute some limit to the price of timber?—Yes, and they are coming more largely into use. I may say I have just built two large brick houses at the Hutt, and the amount of timber used in them was very small comparatively.

WALTER DAVID MURDOCH sworn and examined. (No. 147.)

1. *Hon. the Chairman.*] What are you?—I am Building Superintendent of the Wellington City Council. I understand I have been called to answer some questions in regard to the by-laws. I might also say, with reference to the falling-off in the building trade in Wellington recently, that we keep an estimate of the value of the work done in the city. In the year ending the 31st March, 1904, the estimated value of the work done in Wellington was £343,024; in 1905, £433,930; in 1906, £574,055; in 1907, 557,540; in 1908, 674,813; and in 1909, £433,100, showing a falling-off in the latter year of £231,713. I think that will show conclusively that there has been a considerable falling-off in the building operations in Wellington. There is one other way, I think, in which the use of timber has been affected, and that is that people are employing more modern methods in their building operations. Many buildings are being built with concrete floors and concrete roofs, so doing away with the use of timber joists. These are the larger buildings. Of course, in cottage-construction they still use the ordinary scantlings and weatherboards, although some are now being plastered on the outside as well as inside, owing to the scarcity of matai rusticating and other suitable timber for sheathing.

2. *Mr. Field.*] How does that class of building compare in point of cost with a building built of timber?—It costs a little more.

3. Can you give us any idea how much more?—I have not gone into it: not a great deal more in comparison with heart matai.

4. Does plaster-work make a good permanent job for outside use?—Yes, a very good job. I may say that Brandon and Hislop's building is done in this method, and it has been up, I suppose, thirty years, and it is as good as ever.

5. You think people are building in brick more than they used to?—Yes; but not cottages. People are beginning to realise that it is cheaper to build in brick.

6. Do you not think these new methods of building will in themselves constitute a limit to which merchants and millers can charge for timber?—It must affect the demand, and consequently the price.

7. That is to say, the millers cannot put the price up and up, and still hope to compete with brick and plaster?—That is so.

8. I suppose a shilling a hundred in timber will make a considerable difference to a man's determination to build in brick or plaster?—Yes, if they add many shillings to the present prices.

9. What do the city by-laws say on the subject of the breaking-strains of timbers?—We give rimu and kauri 20 per cent. greater strength than we do Oregon. We consider that these timbers are 20 per cent. stronger than Oregon.

10. Do you think these figures have been arrived at after a due deliberation of the subject?—Yes, they have been taken from various experiments that have been made. Blair made experiments in Otago some years ago, and we have his evidence, and also the results of experiments made in America and Australia.

11. Then, there have been ample tests?—Quite sufficient to enable us to form an opinion as to the strength of the timbers.

12. What is the by-law with regard to a supporting beam being necessary every 20 ft. length?—Our by-law provides that single or bridging joists shall not be carried over a span greater than 20 ft. They insist upon a builder putting a partition or beam to support his floors. We have found that where joisting is used over spans greater than 20 ft. there is a risk of deflection.

13. Then, to some extent does not that by-law render somewhat unnecessary the use of timber longer than 20 ft. for floor-joists?—Yes.

14. On the subject of Oregon and cognate timbers, we have been told that Oregon timber has lasted a considerable number of years when kept dry: do you think it is possible to mistake Oregon for other classes of timbers?—Oregon is very similar to Baltic. It is the same family or genus as those timbers found in North America, Norway, and Northern Asia.

15. Does it take a real expert in timber to tell the difference between the two?—You can tell the difference between Oregon and Baltic. Baltic was used here many years ago for flooring and for outside sheathing for buildings.

16. You think some of these people may have mistaken Baltic for Oregon pine?—They might. It was not used for purposes where weather and water would get at it. It would not do for plates or sleepers. It would do for weatherboarding if it was well painted.

17. What are they using this small Oregon for?—For general building purposes: for scantlings, for floorings, for sarking, and for outside sheathing, and also for window-sashes. Personally I would not use it for window-sashes.

18. It has cut into our ordinary timber here?—Yes, it is competing with it—is displacing it in some cases.

19. I notice they are using T. and G. in Oregon in Kennedy's building?—Yes, I have seen it.

20. Does much Baltic come here?—No, very little: the freight is too high.

21. What about the class of timber that has been used in Wellington City for building purposes in recent years?—O.B. red-pine; but it is very poor and very trashy stuff.

22. You have had a good deal of experience?—Yes; and a lot of bother with the cheap stuff.

23. I suppose it is beyond doubt that much of the timber is sap and of a trashy character?—If you cut up the whole of the log you have got a big percentage of inferior timber.

24. You would not condemn ordinary select rimu for ordinary building purposes?—For inside work it is good enough.

25. Have you known any difficulty where the timber has been properly seasoned, or have you had any difficulty in the matter of twisting and warping where buildings have been plastered?—No, not when the timber is thoroughly seasoned. There has been a lot of trouble here where red-pine has been used with lath-and-plaster, in consequence of the sap in the timber coming through and staining the plaster; but that only takes place when the stuff is green. If it is dry it is all right, but you cannot get it dry.

26. Cannot you get it dry if you want it dry?—You have to start a long time before you are ready and stack your timber.

27. How long would you stack red-pine for a cottage?—It should be stacked three or four months to give satisfaction.

28. *Mr. Hanan.*] Do you know of any substitutes that are taking the place of timber?—Steel is taking it here to a very large extent—viz., steel beams, steel stanchions, and steel columns are being used.

29. Do you think that timber is gradually ceasing to be used for structural purposes?—It is to a certain extent. Concrete is taking the place of timber to a great extent. Concrete sleepers are beginning to take the place of wooden sleepers. In Italy the railways have placed orders for thousands of concrete sleepers.

30. In your opinion, timber will be less used for building purposes than in the past?—Yes.

31. That being the case in respect to brick, stone, and cement, there is less excuse for slaughtering our forests?—Yes. Well, I suppose if you do not cut the timber down it will be burned.

32. So, the better the case for brick, stone, and cement, the less is the excuse for slaughtering our forests?—Yes, that is so.

33. Then, I take it that the better class of timber will be used for purposes that it is commonly used for now?—You have got to take what you can get if you want timber for structural purposes. The miller has got to cut up the whole log, and he must get rid of it. It will not make very much difference whether there is a smaller or greater demand for timber.

34. You believe in a proper system of afforestation being carried out?—Yes, I think that trees should be planted as they are cut down.

35. Do you suggest any particular kind?—No; I have not gone into the subject.

36. Do you believe in placing duty on imported timbers?—I think there is quite enough duty on imported timbers at present.

37. Are you speaking broadly and considering the interests of the people of the Dominion as a whole when you say that?—I think that we want these timbers here in New Zealand because there is a demand for them. As regards the Oregon, we want it for its long lengths. It is a very valuable timber and easily handled. It will yet be looked upon as one of the most valuable timbers in the world for structural purposes. We may not be able to get it here for long, because as soon as the Panama Canal is opened it will be found that Oregon timber will be sent east—it will be used in the Eastern States of America. This will have the effect of raising the price of Oregon. They are looking for it now for wood-blocking. The American engineers are turning their attention to it. Of course, when used for wood-blocking it is creosoted. It is also used for bridges in America.

38. As regards its breaking-strain?—As I said before, we consider that it is 20 per cent. weaker than our New Zealand timbers.

39. What do you base that on?—Upon Blair's test, and also upon tests made by Professor Warren, of Sydney. They were made recently.

40. What tests did he apply?—I do not know. We base our by-laws on Blair's tests.

41. You are aware that they are not accepted to-day, and the engineers will tell you that. As regards getting timber from the West Coast, what class of timber comes in from there suitable to take the place of Oregon?—It has improved a bit lately. I have seen some very inferior timber come from the west coast of the South Island.

42. From what you have seen, would you say that the New Zealand timbers coming into this market are equal to the demand and suitable for the purposes for which Oregon is now generally used?—Yes, undoubtedly. You can use New Zealand timbers for the purposes that Oregon is used for if you can get the lengths.

43. From what you have seen, have the lengths been available?—It has been a very difficult matter to get long lengths of rimu. We have been able to get them in kauri, but it has been a big job to get them in rimu.

44. Do you get timber from the northern districts?—It comes from all round.

45. How does the West Coast supply of timber compare with the timber from the northern districts as regards quality?—I have always looked upon the West Coast stuff as inferior to the northern timbers.

46. *Mr. Leyland.*] In giving your figures I notice that for 1908 the figures you gave were £674,813, and for 1909 £430,100, a falling-off of nearly a quarter of a million?—Yes.

47. So that that is evidently a very considerable factor in connection with the slackness of trade?—I consider it is a very great factor.

48. I think that is self-evident in Auckland, where the building trade has not fallen off very much, and consequently they are not troubled about Oregon there?—Just so.

49. The figures for the same period for 1908 were £750,000, and for 1909 £700,000—a falling-off of only £50,000; so that corroborates what you say?—Yes.

50. The Auckland report further states that the falling-off has not been in cottages but in the large warehouses?—Our falling-off has been more in the cottages than in the warehouses.

51. I suppose you are aware that in the United States they are using substitutes for timber to a greater extent than in any other country. A British Royal Commission inquired into this matter, and in their report they state that from 1880 to 1900 the population of the United States increased by 53 per cent., and whilst there was a remarkable increase in the use of substitutes for timber during that period the consumption of timber actually increased by no less than 94 per cent. It would seem therefore that the increase in consumption will still go on?—Just so.

52. Is Baltic ever imported in very long and very large sizes?—No.

53. If a very long beam and a very large beam had been in a building for a long time, and was stated to be Oregon, I presume it would be Oregon?—I think it would be Oregon if it was a long beam.

54. *Mr. Clarke.*] You say that you place Oregon at 20 per cent. below rimu in strength?—Yes.

55. Do you mean to say that O.B. rimu is stronger by 20 per cent. than heart of Oregon, or do you mean that this test applies to heart rimu only?—I presume they apply to picked specimens of all sorts.

56. Then, it would be safe to say that those tests were applied to heart rimu and not to ordinary building-rimu?—Yes, quite so.

57. If it is a fact that the sawmillers can only guarantee to supply from 6 to 10 per cent. of absolute heart of rimu, free from defect, then is it fair to say that for building purposes Oregon is weaker than rimu, seeing that you must of necessity use so much sap with the rimu?—We allow a big margin for safety.

58. As you know, the Oregon coming here is No. 1 merchantable, which is almost all heart, whilst, as you know perfectly well, O.B. rimu contains a very large percentage of sap: is it fair in these circumstances to apply Blair's test?—In that case we ought not to consider that it was 20 per cent. better than Oregon. I might point out that in taking Blair's tests we have a factor of safety of about 10, so that we are on the safe side.

59. When you speak about the introduction of substitutes for timber, does that not prove that the scarcity of timber is worldwide—a real thing and not an imaginary thing—and that the so-called inexhaustable supplies really do not exist?—It is well known that the forests are decreasing, and that there is a scarcity of timber. At the same time I do not think that has anything to do in influencing the construction of fireproof buildings. People are doing away with the use of timber, and are going in for substitutes, because they are more durable and there is less risk with them in the matter of fire.

60. From the point of view as to whether or not the amount of timber per head of the world's population is likely to decrease, do you think such a thing will happen, and that we shall use as much timber in the future?—I think we shall be looking for substitutes for timber, and we shall keep on looking for them.

61. You know there are large quantities of timber used in papermaking?—Yes.

62. Also in the mining industries?—They are using concrete now for mining.

63. Is there not a certain demand for timber for supplying by-products, &c.?—Yes.

64. Are there not millions of tons of timber required annually for the production of such things as turpentine, resin, and products of that kind?—Yes.

65. Have you read that in the matter of wood-pulp 800,000,000 tons annually is produced, and that Great Britain last year paid £3,000,000 for wood-pulp?—Yes, I believe that huge quantities are used.

66. I understand you believe in afforestation?—Yes; I believe in the planting of trees.

67. *Mr. Morris.*] I take it that every man believes in providing a crop of trees for the future?—Yes, that is so.

68. Do you think it is necessary to adduce all these facts and figures with the view that we should get Oregon pine into this country?—I do not believe in bringing Oregon pine into the country to take the place of our native timbers, at the same time it is required in the country, and it is a good timber.

69. I notice from your by-laws that, in all your large buildings, warehouses, &c., exceeding 75 ft. in height, provision is made for a skeleton of steel right through?—We have cut out timber altogether practically.

70. You use long steel joists and beams?—We put in steel for fireproof purposes.

71. Can you say whether the introduction of Oregon has cheapened the cost of cottage-building?—No, I do not believe it has. At the same time it may have kept if from increasing to too great an extent. I believe it has kept down the price of red-pine.

72. It has largely assisted in cutting the local timbers out of the market, and compelled millers to sell timber below cost-price?—I do not know that. I am not prepared to say that it had that effect. I think the slump in trade has had more to do with it.

73. That slump would not be so severely felt by the milling industry were it not for the fact that Oregon is cutting into the little trade there is?—I have not gone into the figures. One might find that there was not much cutting if the amount of timber imported were divided over the whole of the mills in the Dominion.

74. It is making things a great deal worse?—Yes, it might.

75. It is not required in 3 by 2, 4 by 2, or 6 by 1?—It is required more for structural purposes.

76. There is no reason for importing it in the smaller sizes?—Our timber is good enough for that, but Oregon is wanted for large lengths and sizes.

77. *Mr. Arnold.*] If Oregon is an inferior timber, and the price is higher than O.B. rimu, what is the reason for its being used in small sizes for cottage-construction and in sizes that can be got in O.B. rimu?—I think there is a saving in the labour. It is straighter and easier-handled. I believe it can be put into a house cheaper than ordinary timber. O.B. red-pine is sometimes crooked, queer-looking stuff.

78. So that, although the O.B. may be cheaper, the final cost may be greater?—By the time the article is finished it probably costs no more; indeed it may perhaps cost less.

79. *Mr. Stallworthy.*] When you speak of a falling-off in the cottage-building trade you include in that the suburbs of Wellington as well?—Yes, that includes the suburbs Melrose, Northland, and Kelburne.

80. *Hon. the Chairman.*] With regard to the question put to you by Mr. Clarke regarding the destruction of timber for making paper-pulp, he did not tell you that it was the waste timber that was used in that way and not the building-timber?—No, he did not.

81. Was he not trying to mislead you—to frighten you into the belief that we should have no timber left directly?—I understand that all sorts of timber are used for wood-pulp and paper mâché.

82. The great bulk of it is not building-timber at all?—Anything will make paper-pulp.

GEORGE HERBERT CHAPMAN sworn and examined. (No. 148.)

1. *Hon. the Chairman.*] What are you?—Wellington agent for the West Coast Timber Trading Company, Greymouth.

2. You have heard the evidence here to-day, and you know what the inquiry is about. Have you any statement you would like to make?—My evidence will relate chiefly to the question of the Wellington market, as I know that market well, but I do not know so much about other markets. The total quantity of rimu imported into Wellington in 1907 was 20,987,089 ft., and in 1908, 15,676,684 ft., a decrease over the previous year of 5,310,405 ft. The decrease in the rimu-importations was rather more than balanced by the Oregon imports. The Oregon imports in 1907 were practically nil, but in 1908 they amounted to 5,807,251 ft. About seven million feet of Oregon were imported from the 1st February, 1908, to the 31st March, 1909, or more than half a million feet per month. Now, on a total quantity of about twenty-one millions per annum, half a million feet per month is a very serious item, as it means about 25 per cent. I have been located here about three years for the West Coast. I do a very considerable portion of the rimu trade of this market, and I have noticed that the decline in the rimu orders was noticeable soon after the first Oregon shipment. Another thing I noticed was that it became very much more troublesome to get one's money in immediately after these large shipments of Oregon came in, as very large sums in ready cash had to be sent away to pay for that timber, with its effect on the merchants and millers of this city. Then, the introduction of Oregon has not only curtailed our market, but it has actually raised our cost of production. Prior to 1908 I received large orders for 8 in., 10 in., 12 in., and 14 in. timbers for joists, but for the past twelve months no orders for this class of timber have been received. Joists and other large sizes were, and are, almost a necessity if rimu logs are to be cut to the best account, as they use up a class of timber not otherwise readily saleable. Oregon is now used for this class of work, to the exclusion of rimu; consequently the effect has been to increase the cost of production in rimu-mills, there being more timber wasted now than formerly. That, I claim, has raised our cost of production, because a much greater proportion of clean timber is required now than before the Oregon came in. I have heard in evidence a great

deal of stress laid on the question of long lengths. I do not understand why. During 1907 I handled about one-third of the total amount of rimu used in Wellington, and in 1908 I handled more, and I never had any great trouble about the long lengths. I do not remember during that time refusing an order for long lengths. My company has supplied considerable quantities of timber of between 20 ft. and 30 ft., and occasionally longer. I have here a copy of a specification of fifty thirty-feets, 16 by 2½, supplied as long ago as June, 1906, and, considering that the timber was 30 ft. long by 16 in. by 2½ in., and the price then was only 13s. f.o.b., it was very reasonable. [Invoice put in.] Within the last fortnight one of my chief customers asked me if I could quote for some 46 ft. lengths, 12 by 6, and I received from my head office a quotation of 12s. 6d. f.o.b. [Wire put in.] That order has not been supplied, but I shall be glad to supply it any day on receipt of confirmatory advices from the merchant who informs me that he expects to get the order. The freight handicaps us a great deal, which on a shipment of Oregon last year would be about 2s. 6½d. Now, our ordinary freight from Greymouth is 2s. 9d., but the particular freight on that occasion quoted to me was 5s. 3d., almost 100 per cent. difference. You cannot blame the saw-miller for the extra freight.

4. *Mr. Mander.*] Could you not get a scow to run it up?—Yes, if we could get a full cargo. With regard to the long lengths, if the rimu were stocked in the same lengths and way that the Oregon is stocked there would be no trouble at all about them. I might under present circumstances have a tree in the bush which would cut an 80 ft., or 60 ft., or 50 ft. length, and I might inform the merchant accordingly. I should, however, probably get a reply that he did not want it. I should then proceed to cut that tree into 12 ft. lengths. Then I might receive a message that the merchant wants the long lengths, and he cannot get it for a week or two until I come to another tree that will provide the length wanted. I feel quite sure that if the same chance were given to the New Zealand timbers that is given to Oregon these long lengths would be just as readily obtainable.

5. *Mr. Hanan.*] What amount of West Coast timber has been displaced during the last eighteen months by Oregon coming in here?—I could only give you an estimate.

6. When did you say the slump took place?—Personally I noticed it just about a year ago.

7. Taking that year, can you give an estimate of what West Coast timber has been displaced in the Wellington market by Oregon?—In 1908 very nearly six million feet of Oregon came in, and I estimate that it displaced just that quantity of rimu, and two million feet of West Coast timber. I was then doing one-third of the trade.

8. You were doing one-third of the trade in Wellington in rimu?—Yes.

9. Then, your West Coast mills are doing one-third of the trade in Wellington in rimu?—Perfectly correct.

10. How much of that Oregon went into consumption during that period?—I do not think anybody could tell you that.

11. Say for last year?—Out of the seven million that has come in since last February not more than one million and a half is in the Wellington yards to-day. I have got an estimate from the large merchants themselves in all cases excepting one, and these are their figures.

12. Who are the merchants?—McLeod, Weir, and Hopkirk; Prouse Lumber (Limited), and the others.

13. What do they tell you?—I have not their figures here.

14. How many have you been to?—Every one of them.

15. Are there large quantities in the yards here now?—Not very large quantities, as a great deal has gone into consumption.

16. But the fact that they have it on their hands would show that they were not able to dispose of it, would it not?—A large proportion is not in the yards.

17. You suggest a duty, do you not?—I suggest at least doubling the duty.

18. You have heard the evidence given here by the last two witnesses?—Not the whole of it; I heard Mr. Murdoch's.

19. You hold that you have been able to supply all the timber asked for in the way of rimu in long lengths?—In long lengths; but there were very much more burning questions than that of the supply of long lengths. I have had a little difficulty about long lengths occasionally, but we have had much more difficulty in respect to other matters, such as the supply of clean timber, say, of certain sizes. The long lengths has never been a burning question itself.

20. Do I understand you to say that you have had trouble here with the builders with regard to the supply of timber from the West Coast?—Only once was I unable to supply my orders within a reasonable time.

21. You have not had complaints about the class of timber coming from the West Coast?—No.

22. Did you not say that the question of long lengths was not the burning question, but other things?—I said that it was sometimes a worse trouble to get a sufficient quantity of clean timber than of long lengths.

23. But you have had complaints about the class of timber coming from the West Coast?—I do not know that I have never supplied inferior timber which has not been sold as inferior timber. If that has gone into consumption as first-class it is no fault of mine.

24. But the class of timber supplied has been a burning question?—I do not say it has.

25. Do you think that, if a duty were placed on Oregon, it would place the milling industry on a satisfactory footing?—I do not think so, at present.

26. More than that is required?—Yes, a little more money in the country.

27. Is not that the main thing?—I believe that just at present it is the main thing, but I certainly believe that the Oregon has accentuated the difficulty very greatly.

28. Have you heard of mills in other places being shut down when frequently Oregon is not coming in at all?—That may be in the case of mills which are not within reach of an adjacent port affected by Oregon.

29. In Southland, for instance?—That means that the Southland people have had too much of their own timber on hand which could not be sent to Dunedin.

30. But little Oregon is used in Dunedin?—I was not aware of that. I thought a good deal was used in Dunedin; and I know it is largely used in Timaru, and Southland timber goes as far as that. Had the Oregon timber not gone into Timaru, and had they taken Southland timber in place of it, the pressure would have been relieved.

31. Where does Oregon find its market—at the seaports or in the interior of the country?—Chiefly at the seaports.

32. *Mr. Leyland.*] If the merchants here state that a very large proportion of the Oregon which has gone into consumption has gone to replace kauri only, how can you claim that the whole of the native timber to the quantity involved has been displaced?—I do not believe that statement; in fact, I am certain that it is not true. I saw 90 per cent. of the timber discharged over the wharves in Wellington, and any one who makes that statement is making a mistake.

33. The bulk of the builders have made that statement in evidence, and when we went round the yards the timber-merchants told us too. In face of that do you still assert they are wrong?—As regards the last two years?

34. As regards the Oregon which has gone into consumption?—I do not believe it.

35. As to long lengths, is it not the fact that kauri is sought after for long lengths?—The last two years there have been very little kauri indeed used in long lengths.

36. Because they could not get it?—It has not come in. Since 1907 practically no kauri has come in in long lengths.

37. You state that the mills that are not directly sending timber to this market are only indirectly affected by the trouble?—I think everybody will admit that.

38. The output for 1908 was 432,000,000 ft. from New Zealand mills, and we exported 72,000,000 ft.; but that would not affect the importation, would it?—What importation?

39. The Oregon coming in?—I do not suggest that it would affect the white-pine or kauri.

40. But if we imported only 22,000,000 ft. that would only be less than 5 per cent. of what we produce, would it not?—That is not a very fair comparison, because there are very large quantities of timber that are not affected by Oregon at all. I think that only O.B. timbers are affected.

41. But the evidence is against you. It is affecting the heart and the kauri?—I understand that the kauri people say that it is not affecting them.

42. Because the demand for kauri is greater than the supply?—I think it is affecting the rimu trade here to the extent of 25 per cent.

43. *Mr. Clarke.*] You said you did not believe the statements made by builders that supplies of O.B. rimu and other things were not forthcoming, and that they had had to take Oregon instead. Would it not have been better for you to give a reason?—I will give you a reason. In the year 1907 there were only about 100 ft. of Oregon imported into Wellington. During that time I know of my own knowledge that practically no kauri came down in long lengths, because I saw almost every cargo discharged. The conclusion is that the long lengths were put in in rimu, and that was during a boom year. If we could supply the long lengths required in a boom years, why can we not supply them to-day, when things are slack?

44. Would it not have been better for you to say that your experience did not coincide with theirs, rather than "I do not believe them"?—If they stated that they simply could not get rimu joists, then I repeat that statement; but I did not hear it said myself.

45. *Mr. Mander.*] Did I understand you to say that the millers here were in the habit of paying cash for the Oregon timber that arrived?—Yes.

46. And were consequently unable to pay cash for the rimu that they purchased?—There is no doubt that it seriously affected the market at that time. This Oregon had to be paid for in cash, whereas our timber is paid for on the 20th of the following month, or with bills.

47. *Hon. the Chairman.*] That being so, you wish us to infer that the money that went for the Oregon would have been distributed among the rimu-millers?—I think that is undoubtedly the case.

48. *Mr. Field.*] Do you know the mind of the millers sufficiently well to say whether there is a desire on the part of the West Coast millers to put an export duty on kauri?—No; I do not know sufficient about it; in fact, I do not think it concerns them much.

49. Have you any opinion on the subject yourself?—No, I cannot say I have. It has not affected me very much.

50. How long have you been living in Wellington here?—Just three years.

51. Can you say, as others have said, that so far as the small houses are concerned Oregon has not cheapened the cost of building up to the present time?—I think that is so.

52. Would you care to say a word or two on the subject of whether timber-yards are necessary or not as distributing agencies?—My experience in Wellington has been that the timber-yard is absolutely indispensable. As far as my own company is concerned, and our mill is on the West Coast, we have found it absolutely impossible to supply retail orders. The fact that there is a bar harbour at that end, of course, makes a certain amount of trouble; but in any case a mill is not in a position to supply a builder with exactly what he wants as he wants it. It would involve a very large outlay of capital, and I am quite certain that in Wellington at any rate the merchant is absolutely indispensable in the best interests of the timber trade and of the public; and, that being so, I think the timber-merchant is entitled to a fair remuneration for his time and for his capital that is invested.

53. We have been told that there is no reason why the consumer should not go straight to the miller?—Well, it comes to this: If the consumer goes straight to the miller, and the consumer at the same time wants dry timber, he is not going to get it any cheaper, or so little cheaper that it is not going to make any difference.

54. Have you had any experience of the lasting qualities of matai?—No, I could not say that I have.

55. It was stated by a witness here the other day, as evidence that millers could supply timber cheaper, that timber could now be purchased here for 9s. 6d. Is it true to say that, because timber could now be sold for 9s. 6d., that is evidence that they have been selling it at too high a price in the past?—I think that is most unfair, because millers, like others, have their obligations to meet, and it sometimes is an absolute necessity that they should get a certain amount of cash. I know that timber has been sold at a very low price indeed in this country for cash recently, very much below what it must have cost.

56. Something has been said to-day about restricting the price of timber if millers have a free hand. What would you say could be devised for the purpose of restricting, if it is necessary, the price which millers and merchants should charge for their timber? How could a limit be placed on it—that is, if the importation of Oregon was so restricted that it only came in in large sizes?—I understand that there is some arrangement by which the duty on flour comes off if the price becomes unreasonable. Would it not be a simple matter to include timber in that list with flour and other things? I am quite certain, from the offer which was made to Sir Joseph Ward by the deputation of millers which met him a few months ago, that they would be quite agreeable to that. Speaking for my own millers I know that they would be quite agreeable.

57. You think it is a workable scheme? You do not see why it should be any less workable in the case of timber than in the case of flour?—No. The millers probably would need to be represented on the Board, in the same way as, probably, the flour-millers are represented.

58. You gave us figures to show that the loss in trade to the West Coast millers trading with Wellington was, I think you said, five millions in a year, and that falling-off began about the same time that Oregon began to come in?—It was not the West Coast trade with Wellington. I stated that the total rimu trade of Wellington had fallen off by about five and a half million feet.

59. And that falling-off began about the same time as Oregon started to come in?—Soon after it started to come in.

60. Can you say what class of rimu orders began to fall off, whether it was heart, or second-class, or what?—It was the orders for the rough kind of stuff, principally for joists and other big sizes; and that affected us very seriously in this way: To a miller some joist-cutting and some big sizes are very valuable, because he can put certain qualities of timber into those which he cannot sell otherwise, and it means that a greater proportion of his orders are for dressing-stuff. The result of that is to raise the cost of production of his present output. So that not only has the Oregon restricted the scope of his rimu trade, but it has increased the cost of production, on account of a great deal of this timber being now wasted.

61. You mean to say that a miller cannot mill at a profit and sell at a reasonable price unless he can sell his whole output?—He must sell his whole output.

62. Have you been sawmilling yourself?—Yes. I had three or four years' experience on the west coast of the South Island.

63. Can you tell the Commission from your own knowledge the financial condition of millers at the present time, whether they are making money or not?—I can only speak generally. Even if I could speak particularly I should not feel at liberty to do so; but I can tell the Commission that the state of affairs on the Coast is very bad indeed. I have had knowledge of it now for six or seven years, and I never knew it so bad as it is to-day. In some instances the general condition is most deplorable.

64. Do you say that the workers are now having a hard time, and are likely to have a still harder time this winter, if the present slackness continues?—I consider that that is quite inevitable, unless there is some improvement in trade.

65. Do you think it is advisable that the remedy, if a remedy is provided, should come at once?—I think that very important.

66. Do you think that more mills will close down, or will they just about hang on?—My experience here, watching the trade very closely for the past few months, is that it is getting less and less every month. Of course, we know that it is not all to be blamed to Oregon, still it is like a man who has through misfortune lost half his living and somebody steals the other half.

67. Do you know what the consumption of timber in a year in Wellington is? Somebody said fifty million feet?—That is quite wrong. Last year it was about thirty-nine million feet, and the previous years about forty-one million. And that is not the consumption — that is the quantity imported into Wellington.

68. You have lived in Wellington for three years, and you have seen something of the use of Oregon here. Can you tell the Commission what purpose it is used for?—Very largely for joists and principals. Practically the whole of the trade in those sizes is being done in Oregon. It is also used for almost every class of work you can think of. I have seen it used for mouldings, joinery, rusticating, skirting-boards, architraves, flooring, window-sashes, and various other things.

69. Putting aside the question of large pieces, would you say that in using Oregon for these purposes a dearer timber, and at the same time not so suitable a timber as our own, is being used?—Yes, I think that is correct.

70. Why do you think it is that the builders, and apparently the architects too, prefer to use Oregon for these purposes?—I think the builders prefer it on account of its lightness and easy working, and the architects no doubt because there are huge stocks. From the very nature of things huge stocks of it must be held. I think they know they can get almost anything they order in Oregon without having to wait. That is the only reason I can think of, for in most cases Oregon has been dearer than our own timbers.

71. Can you give in a few words your opinion as to the lasting qualities of our O.B. rimu?—I remember living in a house in Christchurch which I was credibly informed—and I am certain it was the case, had been up then—ten years ago—for thirty years. I was living in the house, and I had it repaired, and the whole of the timber for repairs did not cost me £1. I was in Christchurch again just at the beginning of this year, and that house was still there, and was still occupied. And I know, because I examined the house very carefully, that it was built of O.B. rimu.

72. Not heart rimu?—No; O.B. The outside weatherboards—rough 8-by-1's—had not even been planed. They were ordinary sap rimu, with a little heart here and there.

73. Did you see any sign of the borer in that house, or do you know whether the operations of the borer on ordinary building-rimu are a serious matter?—I should say the borer was not a serious matter at all in O.B. rimu, provided you do not put white-pine in the building.

74. *Mr. Barber.*] You said that the timber trade on the West Coast did not show very much falling-off until Oregon was imported into the colony?—It happened at about that time.

75. What time was that?—Just about this time last year it started to show a falling-off.

76. You are aware that Oregon had been imported into the colony before that?—I am aware that the first shipment of the present invasion—if I may use the term—came in in February, 1908.

77. What effect was there from the Oregon that was imported in 1902?—I do not know.

78. Mr. W. Morris, president of the West Coast Sawmillers' Association, told the late Mr. Seddon that there were 780,000 ft. being landed in Wellington, and that there was also a cargo for Wellington and a cargo for Dunedin on the water. What effect did that lot of Oregon coming into New Zealand have on the timber trade?—Since I have only been connected with the timber business since 1902 I cannot express any opinion about that.

79. That was a fairly large shipment that I speak of—780,000 ft. landing, and two more cargoes coming?—I dare say it was just sufficient to make the sawmillers nervous. If I heard that there were three cargoes on the water just now I should feel nervous.

80. With regard to that house in Christchurch that you mentioned. It had been built thirty years?—Yes.

81. And was sound when you had it repaired at a cost of £1?—I only got the rotten pieces taken out.

82. Does not that bear out the contention that the timber supplied in those days was very much superior to that which you get to-day?—I do not see that it does.

83. We have had evidence that timber put into a house of less than half that age has had the borer in it and been rotten?—I do not think that that is a matter that lies with the millers. The millers do not manufacture the timber. They simply cut it when the orders come to them.

84. You approve of a scheme for fixing the price of timber in the same way as is done with flour and potatoes. Are you aware how that is done?—No, I am not very conversant with it.

85. Do you know the duty comes off, and free importation is allowed, if the prices are high compared with the prices for the same commodities in Australia?—That principle might be applied so long as you keep Australia as your objective, because timber is dearer in Australia than in New Zealand. I would always exclude outside competition when it comes from a source over which we have no control, such as the Oregon timber-market.

86. You represent the West Coast Timber Trading Company, of which Mr. Wicks is secretary?—Yes.

87. What connection did that association have with the Wellington Timber Merchants' Association last year?—We supplied the product to them, just as we do to others.

88. Under what conditions?—Just the ordinary trade conditions. We supply them with timber, and they get the ordinary discount if they pay within a certain time. Often we take a three-months approved bill.

89. What steps has your association taken to prevent the Wellington traders from taking supplies outside your association?—We have not been able to prevent them from taking supplies from outside, but we have always tried to get a fair price for our product.

90. Why did you write this letter to the secretary of the Wellington Timber-merchants' Association on 22nd June last year: "DEAR SIR,—I have information from Greymouth that Messrs. Manson and Tuck's agent has secured space for a considerable shipment of timber in s.s. 'Kaituna,' due here about this day week. As this will form the second lot sent by this firm, which is non-associated, I trust you will take steps to insure our common obligations being fulfilled. Any assertion that Messrs. Manson and Tuck are Hawke's Bay millers is manifestly absurd, as far as their Greymouth mill is concerned. They are employing an opposition shipping agent in Greymouth, and it is highly improbable they are paying dues to any association. You will thus see that the first principle of our association is being violated, and we must ask you to see that none of our members take delivery of any further supplies from these non-associated millers.—Yours, &c., G. H. CHAPMAN, per C.A.B." What is the explanation of a letter like that if there is freedom of trade between you and the timber-merchants?—You are aware there was a serious shortage of timber here, or threatened to be before the West Coast came into the market, and it simply meant that unless we had some arrangement with the Wellington timber-merchants whereby the demand for our product would be somewhat constant we could not go to the expense of working up a trade here, and the West Coast millers could not go to the expense of keeping up my office in Wellington. We agreed to keep the merchants supplied with our products when things were busy, and in return we got them to give a pledge that they would give us preference of orders when things were slack. That is only a fair business arrangement, and that is exactly what took place.

91. Was this arrangement between the West Coast Millers' Association and the Wellington merchants made to prevent any outside competitor from coming into the market?—We did not object so long as they paid a fair price.

92. In your letter you say "the first principle of our association is being violated"?—The principle referred to price. Had the price been all right we should not have objected.

93. You admit there was an arrangement between the West Coast millers and the Wellington merchants?—I have never denied it.

94. Are you aware that the Wellington Merchants' Association had an arrangement on very much the same lines, with the consumer or the builders: that they objected to their being supplied from outside the association. That is to say, they passed on the same principle to the consumers, expecting them to confine their purchases of timber to the Merchants' Association?—I am aware of nothing of the sort.

95. With your experience of the dealings in timber in Wellington you ought to be conversant with that?—I do not think it is a fact.

96. Here is a copy of the letter that is sent to builders to sign in order to get trade discounts: "I hereby apply to have my name inserted in the Builders and Contractors' Special Discount List, in consideration for which I agree to confine my purchases of timber to members of the Wellington Timber-merchants' Association." And here is a letter from the secretary of the Wellington Timber-merchants' Association giving a firm this notice: "I am instructed to inform you that your name has been deleted from the Builders and Contractors' Special Discount List"?—Could not that man get his supplies elsewhere?

97. That is not the question. Do not the three letters I have read prove that there is a combination, starting with the millers and ending with the consumers, to prevent the consumer from purchasing his timber in the cheapest market?—I do not think so.

98. Can you get way from it after the correspondence I have read?—I have never refused to supply anybody except for financial reasons.

99. Can you say in face of that correspondence that twelve months ago you were free to deal with any one outside the association?—I say that, except for financial reasons, I have never refused to supply any one with timber. I know for a fact that the North Island millers have always claimed the right to supply to persons outside the merchants' association when they liked and where they liked, but as a matter of business they would not do it at the same price. When a man is dealing with you and paying regularly it is not likely that you will take a special order from another man you do not know at the same price. There is that kind of difference made in any business, and to say that there is any ring, or combination, or trust is absurd. If there had been, the prices would have been raised unduly.

100. Prices have been raised unduly to the Wellington consumer?—You were speaking of the Timber-merchants' Association, I am not concerned in the price paid by the consumer.

101. I have before me the cost of building a house in 1900 and the cost of building the same class of house in 1908, and this is the difference: In 1900 the timber used amounted to 16,872 ft., and cost £91 12s. In 1908, for exactly the same amount of timber and with similar specifications, the price was £153 18s. 3d., or an increase of £62 6s. 3d. To what do you attribute that enormous increase in the cost?—Do you put that forward as evidence of a ring, or combination, or trust?

102. I say the price has been unduly raised?—It has not been done by me.

103. Is it not because there was no chance, owing to this combination, or agreement, as you call it, of purchasing outside that combination that you kept the price up to such an extent that the cost of building a little cottage has increased by the amount I have stated?—I was not connected with the business in 1900. I say again I have never refused an order in Wellington, and I know millers who always supply private persons in Wellington. When trade is brisk and they can get rid of the whole output of their log it is quite likely they would prefer to deal with the regular firms.

104. Merchants have refused to take orders from individuals, and they have refused to take the stuff off the wharf unless handling and carriage was paid for it?—I do not think the individual could have been good enough. But I cannot express an opinion upon that without knowing the facts.

105. Why did you write that letter objecting to a shipment being taken delivery of?—That is quite a different matter. That is buying timber, not selling it. If you agree to supply timber to those who want it badly, surely you are entitled to a preference of orders when trade slackens.

106. This was over twelve months ago, when trade was busy?—It is just about fifteen months ago that trade started to slacken. About that time we had to be careful about orders.

107. *Mr. Jennings.*] Are you a practical sawmiller?—I have had three years' practical sawmilling work—all classes of work.

108. Have you run a mill yourself?—Yes.

CHARLES T. NORDELL sworn and examined. (No. 149.)

1. *Hon. the Chairman.*] What are you?—I am a farmer residing near Eketahuna.

2. What evidence do you wish to give this Commission?—I want to give evidence of the help the sawmillers have been to the settlers in clearing their land and enabling us to get on.

3. They give you some money for the timber?—Yes. I live in the Stirling Special Settlement.

4. What amount of land have you?—Two hundred acres.

5. Did you fell the bush in the first instance and burn it?—At the start I felled what the Crown compelled me to fell—about 30 acres.

6. You let the rest for milling purposes?—Yes.

7. What arrangement did you come to with the miller?—I sold to two different millers at £1 10s. and £1 15s. an acre.

8. The same price to both?—No; on the patch which was sold separately there was a bit of totara.

9. Have they cleared up all the bush which was standing on your place?—Yes, two years ago.

10. *Mr. Field.*] In what you say to-day are you speaking for the Crown tenants generally?—Yes.

11. They approve of your coming down here and expressing your views on this matter?—Yes; there are a good many Crown tenants in that special locality. I started there over twenty years ago.

12. Was all your section bush?—Yes.

13. All carrying timber?—Yes.

14. How much did you get in royalty for the timber felled by the millers?—A little over £300.

15. Suppose the miller had not been there, what would you have done?—I should have had a hard struggle to retain my position as a Crown tenant.

16. Is your position the same as that of a number of the settlers there?—They are nearly all in the same position.

17. Have you any idea how many settlers the sawmillers have helped in this way?—No, I have not, but there are hundreds of them.

18. Did you receive any other benefit from their taking the timber, apart from the payment of royalties?—Yes; they cleared the land, removed the logs, and cut a track along which to take their tramways. In fact, they did a lot of work I could not have done.

19. They saved you expense by clearing tracks and allowing your stock to get about?—Yes.

20. What amount of expense do you think they have saved you?—Two or three pounds an acre in the very heavy bush. Where there are heavy rimus it is a very expensive business.

21. Then you have done pretty well out of the sawmillers?—I do not say I saved that all over my property, but that is what would be saved in the very heavy bush.

22. Do the sawmills sometimes give work to the settlers?—Yes, I have myself worked at a sawmill.

23. Are you a successful farmer?—Oh, yes!

24. You would have had a hard struggle but for the help of the sawmillers?—Yes, and I am not the only example of that.

25. How long ago did this occur?—I suppose it is about ten years since the sawmills came to my property.

26. Were any of the settlers millers before that?—Yes, we started twenty years ago further out. I had a partnership in a sawmill myself.

27. Is there any bush still remaining to be cut up there?—Yes.

28. Enough to keep the mills going for several years yet?—Just so.

29. What area of country do you think has been treated by the miller in this way?—It is not possible to say.

30. Is there very much timber destroyed in the country?—Yes.

31. Do you not think it would have been better if the bush had been retained and milled economically?—Most decidedly.

32. What area of bush do you think might have been milled economically?—The bush is forty miles long and fifteen to twenty miles broad.

33. Was a large amount of that timber burned and destroyed to the great expense of the settlers?—Yes. In some cases the trees are cut down by the settlers and the millers come afterwards. In some parts they are milling the logs now.

34. How long have those trees been down?—They are milling logs that have been down twenty years.

35. Are there any men suffering distress owing to the present depression in the milling industry?—There are. I could mention several cases. One of the best men in the milling line there told me two or three days ago that he had had only twenty-seven days' work since Christmas, and he is a man with seven children, I think. He lives in a cottage there, and has a few vegetables growing around it, so that they will not actually starve, but it is a hard struggle for him.

36. Is there no other work to be got for sawmill hands who are out of employment?—Very little.

37. In the particular timber growing in your district, can you say what proportion of heart there is?—It would all depend upon what you call "heart." If you want heart for furniture-work or for sash and door factories, and so on, you might get 15 to 20 per cent. of the best heart. But then you can get building-timber about 40 or 50 per cent.

38. And that would still be mostly heart?—Yes.

39. Is the timber there good for building houses?—Yes. I happened the other day to be working at some rimu slabs which were supplied forty years ago, and they were as sound as when they were taken out of the bush. I helped the settler to pull it down, and he is using it to-day to do a bit of fencing.

40. It was ordinary building-rimu?—I should say so.

41. Heart and sap?—The sap was a little rotten here and there, but there was no sign of the borer.

42. You do not know anything about borer in red-pine?—No. A little time ago I had a house twenty years of age, and in the passage there was some white-pine. I pulled that down, and there was no borer in the rimu studs, but the white-pine was full of it.

43. You say the miller has been of great advantage—in fact, has practically saved a large number of settlers in your district?—Yes.

44. Both in the Forty-mile and Seventy-mile bush?—Yes.

45. And you think it is a pity those large blocks of timber were not treated in a proper way and the timber used as required? I suppose you are one of those who believe in using the timber, and not burning it?—Yes.

46. *Mr. Jennings.*] You are a farmer?—Yes, at Eketahuna.

47. And you have found the sawmiller of use in purchasing timber that would otherwise have been burnt?—Yes.

48. Have you personally got royalties from them?—Yes.

49. And you have found that of the greatest benefit?—Yes, to me as well as to the other settlers.

50. Have not the farmers found fault on occasion through their roads being cut up by the carting of timber?—Yes; but the farmers have not complained so much as the local bodies.

51. Do not the local bodies impose a rate on the sawmillers for carting timber over the roads?—Yes.

52. And has that not proved to be satisfactory?—Not always so. The amount they have paid has never been equal to the actual damage done to the road.

53. Do the people in your district get local rates for the timber they wish to purchase from a sawmiller: do you purchase at a different rate from that which exists in the towns?—We have to pay a higher rate that that at which the timber-merchant can buy.

54. *Hon. the Chairman.*] Do they give you any discount locally?—No. I have been working at the mills, and we sell the timber at 4s. 4d. on the railway-trucks, and the local man has to pay 6s. 6d. for local supplies.

55. What is your opinion in regard to saving the timber?—That is a question I can hardly answer.

56. You cannot save it very well and settle the land?—No.

57. Are you a leaseholder or freeholder?—A Government leaseholder.

58. *Mr. Jennings.*] Do you think it would be possible to save the timber?—It would be destroyed by fire when the settlers went on to the land.

59. Which is the most valuable asset, the trees standing on the land or the land cleared and brought into occupation and carrying stock?—I dare say the latter operation, but I do not think it was the right policy for the Government to open up heavy bush land for settlement when there was plenty of open land available.

60. Speaking generally, the farmers in your district are satisfied with the conditions in connection with the sawmills?—Yes.

61. *Mr. Leyland.*] The order you gave the sawmiller would be an order for special lengths?—No; O.B. timber.

62. Whilst the order of a timber-merchant on the truck would be a wholesale order?—Yes.

63. So it would be necessary to charge you a little higher?—Yes.

64. With reference to the special rate for cartage, does the sawmiller pay ordinary rates in addition to that?—Yes.

65. So that he is entitled to do some damage to the roads on account of his ordinary rates before he is called on to pay the special wagon-tax?—Yes.

66. With reference to the benefit that the settlers receive from the sawmillers, we have a saying in our district that the royalty received by the settler from the sawmiller generally fences the land and puts it into grass: is that so in your experience?—Yes.

FRANK THOMAS MOORE sworn and examined. (No. 150.)

1. *Hon. the Chairman.*] Are you engaged in the timber industry?—I am, unfortunately. I am largely connected with the timber industry in the King-country, and I find that the stringency of the money-market and the competition of Oregon pine and the excessive timber railage freights that we have to pay are making it impossible for us to do business successfully. The stringency of the money-market has so acted that our trading-paper is not discounted by bankers, and not only our own, but the paper of large and substantial firms with whom we trade. Consequently this in itself is a very serious matter. Cash being in such short supply and building-material having to be kept on hand, and being so long in transmission to its final destination that financial assistance is necessary, I think the State, if it is unable to find the money at 5 per cent. for industries as it does for settlers on the land, should make a temporary issue of trading-paper, which could be substituted for the mercantile paper which is not now negotiable. I think that a scheme of that sort could be easily devised, and the money advanced on insurable property in the shape of milling plants and buildings and building-material at the rate of 5 per cent. per annum, until such time as the cash could be provided to take the place of the temporary paper. With regard to the competition of Oregon, my opinion is that the present duty should be increased by 50 per cent. at least, except in the case of lengths over 30 ft. I think it is highly necessary to protect the products of our own country and to prevent them being driven out of the market by the products of a foreigner. There is an unlimited quantity of timber in the King-country, and it is saleable there now—O.B. totara at 6s. 6d. per hundred feet and O.B. matai at 5s. 6d., which prices are quite low enough; and but for the fact that we have to pay 4s. 6d. per hundred railage freight from Taumarunui to Wellington this timber would be able to easily compete with Oregon. But this high railage of 4s. 6d. per hundred is anything from 50 to 100 per cent. more than the Americans have to pay for freight on Oregon from California to Wellington. Therefore I suggest that this Com-

mission ask the Railway Department to consider a reduction of 50 per cent. on the present rates on distances over 100 miles and under, say, 250 miles. The great bulk of our totara is about 250 miles from Wellington; consequently it is impossible to land that commodity here at a reasonable price owing to this heavy freight of 4s. 6d. Failing the adoption of remedies of this sort, the cost of producing timber can only be reduced provided a permanent tribunal were set up empowered to reduce the royalties payable under existing agreements, and also to reduce the wages payable under existing awards. I am not in favour of such palliatives, because it savours of yielding to the financial stringency at the expense of the worker and the owner of the timber country, whereas the State has the power to find the money or issue a temporary currency, and so relieve us entirely from this financial depression. Further, the mere reduction of royalties to the owner of the timber country and the reduction of wages to the worker, while the money-market remains as it is, will not be a great stimulant to building; and, even if there is a sufficiency of buildings in and around the cities, the wants of country settlers are still very great. Homesteads and farm buildings are required, but owing to the want of capital these buildings have to be dispensed with, to the detriment of the working and trading communities of New Zealand. These are my ideas as to how the industry can best be aided.

2. Where is the mill you are interested in situated?—At Mananui, on the Main Trunk line. That is where the railway crosses the Wanganui River. These are now the nearest totara bushes to this port.

3. How does the railway freight on timber correspond with the freight on any other goods?—Much greater. The freights on timber are on the highest scale in this country, whereas in America, the country which is competing with us, the position is exactly the reverse. I notice this: that owing to these high rates the carriage of timber is being prohibited, and the trains are running practically empty, whereas if the freight was reduced to 2s. 6d. a hundred, which ought to be the maximum rate charged for such a distance, these trains would probably earn something.

4. You would not expect them to earn much by carrying timber from Mananui at 2s. 6d. a hundred?—I think so. The distance is about 240 miles. It can be carried from California to Wellington for 2s. 6d., an operation which occupies thirty days, against thirty hours from our mill.

5. *Mr. Barber.*] Which do you estimate would involve the greatest loss to the Railway Department—the loss of the carriage of timber altogether or the loss on the reduction of 50 per cent. which you suggest?—The loss on the carriage altogether.

6. Do you think that the Railway Department is making 50 per cent. profit on the carriage of timber?—I do, as compared with the carriage of other commodities. I know that members of the Ministry have said that they expect the timber to pay for the construction of this Main Trunk line, and that the freights are exceedingly high in consequence. We are also debarred the privilege of floating or rafting this timber down the Wanganui River, because the Government want the carriage of it on their railways. We could float this timber down to Wanganui for 9d. or 1s. per hundred.

7. Is the objection not so much that the Government wish to secure the carriage of the timber, but to prevent accidents owing to the steamer and other traffic on the river?—There would be no danger of loss of life. The timber would be floated down in rafts, and would pass Hatrick's river-boats with safety; but apparently Hatrick's are singled out for special favour by the Government—why we do not know. But we do know they are specially singled out for favour. We also know that in America the timber-rafts have preference, and that pleasure-boats have to take second place on the rivers.

8. You say Mananui is the nearest totara bush to Wellington?—In and about.

9. How far have you to bring your logs to the mill or railway siding?—Six miles.

10. If you can produce timber at the prices you quoted, it does not seem that you have very many difficulties to contend with in regard to milling?—No. We are quoting this timber to the public generally.

11. And you are able to sell at a profit at these prices?—Not out of these classes. We are making a profit on the hearts. The class I mentioned is sold at the actual cost of production.

12. Where is to be the limit up to which the public are expected to pay for the production and transport of timber which you say are increasing as the miller has to go further back for his timber?—I should say, fix the limit at 10s. That is a fair and reasonable price for anybody to pay for ordinary building-timber, and if the freights were reduced to allow of that there would be no complaint.

13. Now you want the State to bear a portion of the loss?—Some of it.

14. *Mr. Hanan.*] Do you know anything of the condition or position of the sawmilling industry in America?—It is all hearsay.

15. Have you read that there is a slump in the sawmilling trade in the United States?—Yes.

16. Do you know that the export trade in connection with Canadian timber has fallen off?—I have not heard that.

17. Do you know that there has been a substantial decrease in the amount of timber exported to Australia?—I do not know that, seeing we have had more millions imported into this country this year. I only know what is happening here.

18. I will quote from the London *Times* Financial Supplement of the 2nd April, 1909, to show that the export trade with Australasia has been declining: you are not aware that the Australasian imports show a decrease of 17,500,000 ft. on those for 1907?—I am really surprised, because our Australian customers are telling us they are reducing their orders for white-pine because Oregon is being used now for building purposes in place of our white-pine.

19. The *Times* says that Australia was the heaviest buyer of the north-western coasts timber, that the year before last the imports totalled 98,000,000 ft., and that last year there has been a decrease on those of 1907 of 17,000,000 ft. The figures given by the *Times* show a decline in the

exports of timber to a number of places, among the number being Australasia. Do you know that a demand has been made by the people of the United States to have the duty on timber reduced?—I am not aware of that.

20. I only mention this to show that they are having their trouble in connection with the sawmilling industry in the United States and other timber-bearing countries just the same as we in New Zealand. Do you know there has been a slump in the milling trade all over the world?—There certainly is in New Zealand.

21. The commercial depression has been general throughout the world?—Yes.

22. That has affected New Zealand?—Without a doubt.

23. And the slump in business has not been due to Oregon?—Not entirely, but Oregon is a factor.

24. What duty would you suggest on Oregon?—Increase the present duty by 50 per cent., and I suggest prohibit the importation of short lengths.

25. You have thought that out?—I have.

26. How would that affect the South Island?—I understand the South Island can draw its supplies from Westland at a very moderate price. I heard evidence given to-day that 6s. 4d. was the price asked by the Westland millers.

27. Do you hear any evidence given by builders or architects to the effect that they cannot get long lengths in Wellington?—Yes.

28. Did that surprise you?—It did.

29. Yet these men swear on their oath to that effect. Have you heard any complaints made by builders in Wellington about the class of timber coming from the West Coast?—I have heard complaints that it is green and sappy—not hearty.

30. Do you not think that the sawmilling industry is reviving?—It may be looking up, because a number of big firms have gone into liquidation and closed their mills down, and those that are left are able to do a little business.

31. I understand you to believe that the sooner the timber is cut out the better?—No.

32. Would you like to conserve it? Would you like to see our rimu conserved—I mean, as a citizen of New Zealand?—Yes, in certain isolated quarters.

33. You would like to see rimu conserved?—Not entirely.

34. What do you mean by that?—It is occupying a lot of land that should be brought into use.

35. If Oregon tends to conserve our rimu and our kauri, would you favour it then?—We should continue using our own timbers, and we should plant for the future.

36. If you found there were great difficulties in obtaining long lengths in the various centres, what would you say?—I am willing to admit long lengths of Oregon.

37. What is your opinion about the State taking over the sawmills?—I should be very glad if the State did.

38. Would you like State competition?—If it is on a fair and square basis, but not if the State uses the timber, pays no royalty to itself, and pays no rates or taxes; if it favours itself in every way it can wipe out every competitor.

39. If the State ran its business in a proper manner, charged the usual expenses peculiar to an ordinary firm, should it enter into a State sawmilling business?—As a matter of fact, there is a State sawmill now competing with O.B. timbers. It sells ordinary building-timber to anybody.

40. Does that help to keep down the prices?—It certainly does.

41. It is not shut up yet?—No.

42. Is its business increasing, do you think, with outsiders?—Of course, it is limited. They use all the heart for their own purposes on the Main Trunk Railway.

43. Is that a good principle?—Yes, it is a good principle. The O.B. timbers are sold to the public.

44. *Mr. Jennings.*] You have had rather a bitter experience with your mill?—I have.

45. Would the public get any benefit if there were a reduction in railway freights in timber?—They certainly would.

46. How would the public obtain the benefit?—I should certainly be in favour of the price being arbitrarily fixed at the figure I mentioned, say, 10s. per hundred delivered. Millers could supply O.B. timber at that price.

47. Have you any information as to what is paid for railing timber in America compared with what is paid here under more or less similar conditions?—No, I have not.

48. Have you any knowledge what the price of timber is per hundred feet in America?—The quotations I have seen vary from 3s. 6d. to 7s. per hundred feet in America, at the mills.

49. You are aware that they have no royalties to pay there?—That is so.

50. Have you obtained your bush from the Maoris or from the Crown?—From the Maoris.

51. If it is a fair question, what royalty do you pay?—We pay 2s. per hundred feet on heart totara, 10d. on O.B. totara, 8d. on rimu, and 6d. on white-pine.

52. You simply lease the bush lands from the Maoris?—Yes.

53. Have you any knowledge as to what effect the removal of the timber has on the land? Will the land produce grass after the bush is felled?—Yes, it will. Most of these areas in the King-country will become really good sheep and cattle country. Our tramways, which are practically railways, are of great help to the future settlement of the land. For instance, we had to bridge the Wanganui River, at a cost of upwards of £2,000, in order to get across to our block of country. Our tramways have cost us anything from about £2,000 per mile. These lines open up the country, and become permanent roads for settlers. In that respect alone they are of great service.

54. If the sawmilling industry was affected very generally in what is known as the King-country by the importation of foreign timbers, what, in your opinion, would be the effect on the

townships that have rapidly sprung up there, and which have become very prosperous?—They would be absolutely strangled. Already some companies are in liquidation there, and others have absolutely failed. They have lost large sums of money, and when they cease to work the townships that followed the mills will cease to exist, and the Crown will be a great loser.

55. Generally speaking, if what some people are advocating in the matter of timber were carried out the result would be disastrous to the Dominion?—I think so, absolutely disastrous.

56. It would be a great revenue-producing country within a few years?—The timber industry is the pioneer industry for the development of that country.

57. Does your company sell to the local residents at a reduction in price to what you would sell here in Wellington?—Yes; we sell cheaper to the settlers. Our town sales would be plus railage.

58. Are you sure of that?—The quantity of local business that we do on the spot is comparatively small, but generally an extra shilling is charged when it is of the nature of a retail order on the spot as against the price for wholesale orders on the trucks.

59. You know as well as I do there have been immense quantities of timber used during the last few years in building townships like Taumarunui, and also through settlers building their houses away back?—These houses have been practically built by the sawmilling companies?—In our own case our employees have leased sections from the Crown, and we have actually given them the timber with which to build their whares and houses.

60. I know in many cases the sawmillers build houses for their employees?—Yes, that is so.

61. Is your mill running at the present time?—Yes, it is running.

62. How many hands have you employed?—About twenty.

63. What is the output of that mill per week or per day?—From fourteen to fifteen thousand feet per day when full-handed.

64. *Hon. the Chairman.*] Not with twenty men?—No; with twice that number.

65. *Mr. Leyland.*] Would you mind repeating these prices?—O.B. totara, 6s. 6d.; matai, 5s. 6d.

66. Have you any O.B. rimu?—Little or none.

67. What is the price of heart of totara?—That varies from 13s. to 16s. Sixteen shillings is the best price we have been able to get.

68. It seems a low price for O.B., considering you pay 10d. royalty?—The heart has to pay us.

69. I am taking the average of the two together. Do you think it profitable?—Barely.

70. Do you take an order for half a million feet at those prices?—That is a good-sized order, and it would be necessary for me to refer it to our representatives on the spot.

71. *Mr. Morris.*] Have you heard any of the evidence given here to-day?—Yes.

72. We have been told by various builders that Oregon timber is not good timber for outside purposes?—Yes.

73. Do you know anything about this?—Yes, I know that that is the common opinion of it. I also know that the timber-merchants are supplying Oregon rusticated for buildings in and around Wellington.

74. You have also heard a great many express their approval of our native timbers for inside purposes?—Yes.

75. And that it is far superior to Oregon?—I consider so.

76. The result is, of course, that we do not require Oregon at all?—Precisely so. We do not want it at all. If our long lengths are wanted for these new brick and stone buildings that are being erected, it is possible that we may have a difficulty in supplying them with long lengths.

77. If there is a demand for these long lengths, are we not equal to providing them?—Up to 30 ft.

78. Can you not go higher than that?—I am afraid we could not with our bushes. Ours is not a rimu bush. Possibly the rimu-mills could provide them.

79. *Hon. the Chairman.*] What length can you provide in totara?—Thirty feet would be about a maximum.

80. *Mr. Field.*] Have you anything to say on the subject of sleepers. The Government give our millers a chance of providing sleepers?—I have a very decided opinion in that direction. I think preference should be given to the local product.

81. At what price could you sell totara sleepers up there?—There is always an insatiable demand for clean-heart totara for joinery-work and for bridge purposes, consequently it would not pay us to sell totara sleepers for less than 13s. per hundred superficial feet.

82. How much would that be per sleeper?—Three shillings and sixpence.

83. Do you know what they pay for hardwood sleepers?—I am told about 4s. 6d.

84. And then you have to rail them as well?—Yes.

85. Although the totara sleeper might not last quite as long, in view of the lower price, and the fact that they would last substantially as long, perhaps, do you not think the Government might not consider the question in times of depression with the object of giving our millers a chance?—I think it is the duty of the Government to keep the money that is here in the country and spend it on the products of the country, and not send it abroad.

86. You can readily understand that compound interest on the difference in the price between the hardwood sleeper and the New Zealand sleeper in the course of a number of years would be very considerable, and would pay us perhaps to take our own sleepers?—I agree with you. Our least valuable timbers—even white-pine can be used—can be creosoted or Powellised and made thereby serviceable as sleepers.

87. With regard to this question of the Government fixing a limit to the price of timber, of course, you will understand that that is a big question with this Commission. If you give the

miller what some might call a monopoly, by putting an extra duty on Oregon, it is a question whether there should not be some prescribed method of fixing a limit instead of allowing the timber to go up and up. Do you think that such materials as brick, steel, and concrete would of themselves form a limit to the price of timber?—They would certainly to a great extent fix the limit. I would favour fixing a limit to the price, seeing that we are asking that Oregon should be practically prohibited.

88. Have you read the Monopoly Prevention Act of 1908?—No, I have not.

89. It provides as follows: "If on inquiry the Court of Arbitration finds that the wholesale price of flour is unreasonably high, the Court shall recommend the Governor to exercise the powers contained in section 15, which are to the effect that the Governor may, by Order in Council gazetted, declare that on and after a specified date flour shall be admitted into New Zealand free of Customs duty." Do you think it would be fair for the Legislature to apply that principle to timber?—I do.

90. Do you see any reason why it would be any more unworkable in respect to timber than to wheat or flour?—No. The Government, by taking into account the cost of production, could fix a maximum price.

91. A large number of people think it is necessary that some limit should be fixed?—I think so.

92. Now, with respect to timber in your particular district, what will happen if the mills close down through the timber industry becoming unprofitable?—The whole of the capital that has been put in will be lost; the labour that is employed there will have to find occupation elsewhere; the townships in connection with the mills will disappear; and the place will become a wilderness again. Already some firms are in liquidation because they cannot make ends meet owing to the slump and the depression in the industry. They all earnestly hope that the Commission will do something to save them from ruination.

93. Do you hold any views with regard to planting trees so as to make provision for the future?—Yes, I consider we have vast areas that are only fit for plantation purposes, and they should be planted.

94. *Hon. the Chairman.*] You agreed with Mr. Field that the Government should fix the price of timber. How would it be possible for the Government to fix a price that would be fair to your mill as well as every other mill? The conditions vary so in the North Island as compared with the South Island. The cost of production on the east coast of this Island differs from the cost on the west coast, and so also as between Southland and Westland?—I suppose they would have to fix a price for each provincial district.

95. That would be just as uneven as the other. Would you fix the same price for timber produced, say, at Eketahuna and Taumarunui?—You could fix a uniform price on the trucks.

96. That would be unfair, because it costs one man half as much again to get it on the trucks as another. They are not all equal. It may cost thousands of pounds to work one area, whereas another area may be worked for so many hundreds?—Most of the areas now are some distance away from the railway.

97. How would you level it so that it would be fair to the millers, and that the one would not have a grievance against the other and against the Government all round?—It would be better for us to submit to have a price fixed in order that the New Zealand market should be conserved to us against Oregon-pine competition.

98. What good would that be if you got no orders?—Surely they will come.

99. The Government cannot take away your timber and give you the fixed price for it. If there is nobody to purchase it what would the Government do with it?—By fixing the price we should regain the confidence of the public, and they would pay it cheerfully. They think now that the price is the result of monopoly, and therefore they are clamouring for foreign timber.

100. And you think that is the cause of the foreign article coming in?—Generally, I do.

Hon. the Chairman: I think you are not far off the mark.

101. *Mr. Field.*] You are aware that the conditions vary in different districts, and that therefore if this proposal was put into force it would be necessary to have different prices for different districts?—Yes.

102. A Court and not the Government would settle the price?—Yes.

103. You are aware that the Arbitration Court moves from place to place, and makes different awards in different districts even in the same trades?—Yes.

104. Do you not think the same could be done in regard to the price of timber?—I do. I do not think that one price could be fixed for the whole of the Dominion, but the Court could fix a scale to meet the conditions of the district with which it was dealing. That would safeguard the public, and then the importation of foreign timber could be absolutely prohibited.

105. *Mr. Leyland.*] The Arbitration Court, in fixing wages for the Auckland Province, fixes them for the whole province?—I think that is so.

106. Then, that plan of fixing the price of timber where there are such different conditions in the matter of railage, &c., would not do?—The price could be fixed on trucks, at a uniform rate in any provincial district.

DAVID ROBERTSON sworn and examined. (No. 151.)

1. *Hon. the Chairman.*] What are you, Mr. Robertson?—I am an engineer and manufacturer of sawmill plants. The importation of Oregon timber affects my business very seriously, as well as the sawmilling business. We have been engaged for many years in manufacturing sawmill plants and log-haulers; in fact, everything used by a sawmill in the way of machinery; but since this slump we have not had a sawmill order in our shop this year. That means that a great

number of my hands have been dispensed with, and are now idle. When these contractors were giving evidence it struck me that according to their idea no timber was any good but Oregon pine, but that evidence need not carry any weight with the Commission, as we know that the quality of the timber we have in the forests of New Zealand cannot be surpassed anywhere. I have lived in New Zealand for the last forty-seven years, and have travelled in many parts of the world, and can safely say that you will go a long way before you see anything to come up to our New Zealand pines. They are strong timbers, as was proved by a test I took part in a little while ago. We tested Oregon pine alongside our red-pine, and the latter stood nearly twice the pressure. The red-pine held out, and the plank is as sound as ever, while the piece of Oregon, which was of rough grain, was splintered from end to end. The sawmillers could give you the full data, as they took notes. I simply made the appliances, and stood by and saw the test, and we put on a very great hydraulic pressure. I bolted this beam to a steel joist and put a hydraulic jack in the centre, and we pumped away until the Oregon pine was splintered from end to end, while the red-pine had not a crack in it. We tried several other tests, with the same result very nearly in every case. If we wish to build up this country why do we not help our own industries without going to America? As to the long lengths of timber, they are very seldom required, and I can always get you a fine long steel girder that will carry the weight. Some of our red-pine mills can supply the long lengths if required.

2. *Mr. Field.*] You, of course, are an observant man, and in your walks about Wellington you have become aware of the fact that Oregon pine is coming here?—I have. There are large stocks coming in here that have to be got rid of by the Americans, as money is so scarce. They want to get their money back.

3. Can you speak as to the durability of our ordinary building red-pine?—I built a house I am living in myself forty-two years ago, and three years ago I had it painted. Before doing so I noticed there were one or two boards a little worm-eaten, and I instructed a carpenter to take out every bad piece before I painted the building. But I do not think there were more than three or four pieces bad; simply the end of a plank that wanted renewal. The man who says our timber does not stand does not know what he is talking about. That house is composed of all New Zealand timber, with the exception of the flooring, which is of Baltic pine. In those days there were not as many planing-machines in the colony as there are to-day, and the flooring was not easily done.

4. *Mr. Leyland.*] Do you know the firm of George Fraser and Sons, Auckland?—Yes.

5. Now, Mr. Fraser wanted long lengths for sheer-legs, and he had to take Oregon, as he could not get any other timber of the necessary length. Oregon might therefore be useful in its proper place, might it not?—I am quite sure that if he got a good kauri spar it would have met his purpose.

6. But he was not able to get it?—The kauri would have carried the weight better and been lighter to handle.

7. *Mr. Morris.*] What number of hands are you employing now as compared with twelve months ago?—My pay-sheets have come down by between £30 and £40 a week. Between seventy and eighty log-haulers of my make have been sent to all parts of the colony.

8. But you as a business man know that the importation of Oregon pine has not been altogether the cause of the depression in the timber industry?—I am quite aware of that, but I think the Oregon pine is only adding fuel to the fire. When we get a slump like this it is our duty to be as economical as we can, and make the best of what we have here. I had a trip through Canada two and a half years ago, and saw these Vancouver sawmills, and there are a good many of these coloured gentlemen at work in these mills.

9. You realise that the sawmiller here has to compete against Asiatic labour very largely?—Yes, and worse than that. Our New Zealand Government have made laws that we must pay certain wages and work only certain hours, and the next thing they should do is to enact that the employers should get an adequate profit for what they produce. But at present the arbitration business is only half done.

10. No doubt you have heard some witnesses say that this timber is not good enough for outside purposes, where it is exposed to the weather?—Yes.

11. We have been told dozens of times that our own native timbers are far the best for finishing-work, and that there is no use for this foreign timber. Is that not so?—We do not need it. We have lived a good while without it, and I fail to see why we cannot go on doing so.

12. You recognise that we ought to conserve our own industries for our own people?—Yes. This country is under great obligations to its sawmillers as a rule, as they remove the forest and make the land available for settlers. The land is doubled in price through their efforts.

13. *Mr. Ell.*] You would prohibit the importation of Oregon?—I would not prohibit anything. I am not one of those terrible extremists.

14. Will you kindly tell us what you do want, generally?—I should say that we should be satisfied with our own products as far as possible, and if we are short of anything and can get something in that would replace it by all means import it.

15. So that you would allow the builders of the country their choice, and advise them to use native products in preference?—No; if you were going to build me a house, you would have to build what I would consider the right thing.

16. But supposing a man came along and said, "I prefer Oregon for studding," what then?—If he wanted that and was going to pay for it, I would put it in.

17. So that you do not believe in the people being constrained to use native timbers?—I am not constraining anybody, because you never make a success of it. I would say, "Put our own industries in such a state that the other fellows would not want to come here." We can do that.

18. Supposing a 32 ft. length of Oregon is sold for 19s., and a 32 ft. 75 per cent. heart of rimu is sold for £1 12s., which would the builder take?—I would take the heart of rimu if I wanted my house to carry weight.

19. But what would you do as a business man?—If I were the builder and the man would allow me to put in the cheap stick, I would certainly make that 13s. myself.

20. Most business men would?—Exactly; that is why I say the contractors' evidence is to be weighed very carefully.

21. With regard to the use of kauri, you know it is used for boatbuilding, carriage-building, and all kinds of fine work. In the face of that, would you advise putting a huge kauri beam into a building in place of Oregon, which is not suitable for this fine work?—I would not, but would put in a good steel joist.

22. Where heavy floor-joists, 12 by 2, are required, would you advise putting in kauri if available?—I would put in a good red-pine beam, but I am not an architect, and that matter is not in my line of business.

GEORGE EDWARD HUMPHRIES sworn and examined. (No. 152.)

1. *Hon. the Chairman.*] What is your occupation?—I am a builder and contractor, of the firm of Humphries Bros., and have a sash and door factory.

2. You know the inquiry the Commissioners are making: have you any statement to make?—The statement made by the President of the Wellington Builders' Association is about correct, but there is one point I think he lost sight of: that is, why this Oregon timber has been coming in to the extent it has. In 1907 or 1908 I was in Canada and America, and at that time things were very good. But a slump arose there worse than the one we are experiencing here now, and many buildings throughout Canada were left uncompleted, and they are not finished yet. The reason Oregon has come in here to the extent it has is because they have to get rid of it there. It is bearing now a duty of 20 per cent., and I am quite in favour of retaining that duty, because if our timber cannot hold its own with that duty I think the Oregon ought to come in, and we ought to take advantage of it. I heard Mr. Robertson say that the evidence of the large contractors is not to be taken very seriously, and that he would recommend putting in a steel girder instead of a long length of timber if one was required. Seeing that he was sticking up so much for our native products he must know that at Collingwood there are mountains of iron-ore which could be worked in preference to importing manufactured steel girders. Why does he not advocate the use of our iron-ore? We cannot get long lengths of rimu in the time that many sawmillers say. They stated that if they got an order they could cut off 30 ft. or 40 ft. joists in about a fortnight. I do not think they can do it, because lately we wanted some long joists, and the merchant who was going to supply me put me off. I had to take the Oregon, and never got the red-pine joists, which were only about 15 ft. long.

2A. Surely there are 15 ft. lengths in the timber-yards here?—I believe that if you rang up every mill in town, and asked them for three or four different sizes of heart of rimu—dry timber—the mills would not have them. I had that experience the other day.

3. Perhaps they want to sell the Oregon?—The Oregon is not suitable for inside joinery, &c., but it has been used for floor-joists and roofs, and for that work it is very suitable.

4. *Mr. Field.*] The City Council has a by-law which provides for using not more than 20 ft. lengths for floor-joists?—They have one prescribing certain sizes of beams according to the distance.

5. That does away with the necessity of getting long lengths for floor-joists?—In any case, if you had to get a 40 ft. length for the principal of a roof you could not get a 40 ft. length of rimu as readily as Oregon.

6. Have you not been rather unfortunate with your miller when you say you have not been able to get 15 ft. lengths?—I was in this case, but I placed the order with the merchant, and I expected him to supply me with it; but he disappointed me.

7. I know there are millers who are disappointing in that respect; but, still, you must not condemn the whole fraternity?—I do not; but I do not believe you can get long lengths in rimu as readily as you can in Oregon.

8. Do you not think the fault is rather with the timber-merchants, who do not stock our timber and season it as they do Oregon?—I think there is a lot of fault in that. I think the trouble is that they have to take the whole cargo; and I believe if our timber could be brought to and stacked in Wellington and seasoned better results would be obtained, and it would be used more.

9. Why should not he take a shipload of our timber, and stack it in smaller quantities until he gets his supply up?—Unless he had it under cover, I think the timber would shrink and warp about; or unless he could get in big balks, so that he could saw it up again. I have a good deal of sympathy with the timber-merchant. You hear a lot about his profits, but nothing about the loss of timber off the truck during its journey down country. Sometimes by the time a truck with 2,000 ft. to 5,000 ft. of timber gets to the yard 100 ft. is missing. I have never found a truck of timber get more, but less, all the time it is affected by sun and weather. The only way you could keep big stocks of rimu would be to have a big covering-shed, to allow the wind to blow through while keeping the weather out. You cannot do that in Wellington, because there is not an acre of ground to be got under £5,000 in a central position in the city. The president of the Builders' Association said that the timber should be stacked up at the mills, and when we wanted a bit of dry timber we should send up country for it and take it direct to the job. This would raise the expense of several handlings of the timber.

10. But the evidence is that the mills cannot get any additional price for the seasoned timber. What is your opinion of that?—I do not think that is so. Within the last fortnight I wanted some 12 by 3, 6 by 1½, 12 by 1½ for a job at Karori. It was heart rimu I wanted, for architraves,

certain mouldings, and panellings, and I had difficulty in procuring them. I had to go to six different mills to get all I wanted. I have got some of that timber at £1 a hundred; the last invoice I got was for £1 5s. a hundred for heart rimu, less a certain trade discount.

11. You have told us that one of the real reasons for this trouble is the slump in America?—I think that is why such an enormous quantity of Oregon has come in here. People are all complaining about hard times here, but they are having just as hard times there. It is not Oregon pine that is causing these hard times.

12. Surely the fact that Oregon has come in in such large quantities during the last fifteen months has seriously affected our timber industry?—You hear some of them arguing that it has been affecting the brick trade.

13. Still, 22,000,000 ft. coming in in fifteen months, when only 270,000 ft. came in in the previous year, is a big increase, and must affect our timber industry?—It would not affect us if things were going as they were in 1906.

14. But do you not think that the millers are to believed when they say they could have pulled through fairly well but for this sudden importation of Oregon pine?—It may have affected them a little, but very little, I think. What would 22,000,000 ft. be, spread over all the mills? You can figure it out. If our timber is as good as we want to make out, why cannot we send it over to Australia and compete with Oregon pine there? Oregon has to come all the way here and pay a 25-per-cent. duty, and if it can hold its own against our timber after paying that, it should come in. I think it is up to us to send our timber to some other countries.

15. Is it not more reasonable to say that we should look after the consumption of our own timber in our own country, and not have to look for markets for it outside because a foreign timber comes in and pushes it out?—It is not pushing it out. There are certain classes of timber used for finishing-work which I say there is no reason why we should not export to Australia or to England.

16. And do what with the second-class?—I do not know, because some of the O.B. rimu that comes to Wellington is not fit to use in a building at all.

17. When the evidence of witness after witness is that the timber that Oregon is mainly competing with in this country is our second-class rimu—O.B.—what have you got to say against that?—I heard Mr. Campbell say that Oregon is competing against rimu with about 75 per cent. heart, and that is so. On the job that I am doing now all-heart rimu was specified for the joists and studding, and the architect has allowed me to put in Oregon where he would not let me put in O.B. rimu. So Oregon is not competing against O.B. rimu, but against the 50 or 75 per cent. heart.

18. You say, then, that we are to disbelieve the miller after miller that I refer to?—No, I do not say that. You must take every one's evidence and form your own conclusions.

19. It is not only the large pieces that Oregon is being used for here?—No; they are using it for all sorts of purposes. I have used it myself for flooring and rusticating.

20. Do you think it right when we have a slump here and they have a slump in America, and therefore have a surplus lot of timber, that they should be allowed to put that timber on to our market here, and thus relieve themselves and increase our difficulties very largely?—But it is not Oregon pine that is causing the slump here, in my opinion. Oregon has to pay 2s. a hundred duty, and we have got that, anyhow. Is not that some benefit out of it?

21. Surely our country ought to be protected against the result of these slumps in foreign countries?—As soon as business revives in America we shall not be able to buy Oregon at the price we are buying it at now.

22. In the meantime is not the damage being done here?—Are not our forests being left for future use? Would it not be better to let the standing bush remain a little longer than have the expense of growing acres of bush later on?

23. How can you, if you are a man of ordinary means and have milling-timber, with perhaps a mill working in it, and you suddenly find milling become unprofitable—how can you, with your obligations—probably interest on a heavy mortgage—say to yourself, "I will close up the mill and wait a few years"? Can you do it?—No; it is hard on you. But what is the use of putting the miller before the builder and everybody else? Builders and other trades are suffering just the same through the depression. The merchant and the miller are not supplying timber because we builders have not the work to do.

24. You said that it would have its good effect, inasmuch as we should conserve our timber. How can this timber be conserved? How can this unfortunate man hope to conserve it?—There are many tracts of bush that could be left. I was brought up in the bush in the Wairarapa, and as a boy I had helped roll up big totara and rimu logs and burn them. That land where I was born was sold the other day for from £35 to £40 an acre. I maintain that if that standing totara were on that land the timber alone would be worth more than the land. I reckon that the totara alone would be worth more than £80 an acre on that land. Well, then, would it not be possible to conserve this bush in suitable places, and use the Oregon pine that is coming in now, taking advantage of its being cheap?

25. How can you conserve timber on privately owned land? Would you get the Government to resume this land?—No; but you can take steps to stop the waste that has been going on. Everybody must admit that millions of feet have been wasted in New Zealand. If we could cry a halt now and save what little we have got left, would not that be better than planting fresh trees? Let us use up first the timber on lands where settlers now are, and in future let the timber be milled before the land is sold to settlers.

26. But supposing the area of bush belongs to a private individual, and he has got a big mortgage on it, and is paying interest on that: how is that bush to be conserved?—He must get

something out of the land. If he cannot mill the timber he must burn it down and get the use of the land. What would you do if you were the owner of the bush?—You would have to let the sawmiller go in on royalty, I suppose.

27. Under the present circumstances do you think you would get a sawmiller to go in?—No, I do not think you would; but the trade will revive again.

28. You say that Oregon pays 20 or 25 per cent. duty, and that that should be enough. Do you not think it right that we should take the same view as I understand they take in America, that where the conditions of production in another country are unequal with their own conditions of production that should be equalised by the imposition of a duty?—Do you not think 20 per cent. sufficient?

29. Twenty-five per cent. seems a big duty, but the conditions of labour are very different. There is a truck system in vogue, perhaps—there are all sorts of evils which we regard as immoral by our labour laws, but which enable them to produce this timber at very cheap rates. Do you not think those conditions ought to induce us to put our industry on a fair basis, and allow our timber-millers a fair chance?—But do you not think that it is up to us, seeing that they have better machinery and appliances, to bring ourselves up to the same pitch?

30. Although the conditions of labour might be such as we should regard with abhorrence, you say we should not protect our industry to the extent of more than 25 per cent., even though the effect might be the closing of our mills and the throwing of the men out of employment?—I think that if the Government had just left the duty as it is, and saved the expense of this Commission, it would have more than paid for a lot of the trouble there is over the matter, and they could have reduced the freights on our railways.

31. *Mr. Hanan.*] I understand you to express the opinion that less timber will be imported into New Zealand from America in the future: is that so?—Yes, I think so.

32. Do you know anything of the proposed new tariff in the United States?—They are experiencing great difficulty in America in getting wood for making pulp and stuff like that, and they are going to take the duty off imported timber so that they can get it for pulp-making.

33. Then, you are acquainted with the United States new tariff so far as the general reduction of the duties on timber is concerned?—No; but I knew that there was a lot of talk to the effect that they ought to reduce them.

34. Do you know that it is proposed to reduce the rates on sawn timber and shingles by about half?—No; but I know they were agitating for it.

35. Assuming that to be the case, is it not reasonable to suppose there will be a big market in the United States for Oregon and other timbers?—So there will be when busy times return, and the Panama Canal is finished.

36. Is it true that owing to the depression in America we have been made the dumping-ground for their Oregon?—I think that to a certain extent we have. I do not believe that Oregon pine would have been sold here at 11s. a hundred, after paying 2s. duty, unless there had been a slump over there. I know that the prices in Vancouver in 1907 were higher for timber than we are paying for it. I mean the retail prices.

37. Do indications point to the selling-price of Oregon being increased?—If trade revives in America I am sure it will increase, because they will not have enough timber for their own demands.

38. Do you know anything about the consumption of Oregon in this city?—Yes.

39. Has it gone into consumption?—Our firm, I suppose, have used only about 500 pounds' worth.

40. Supposing that that timber had not come here, and that you had not been able to use it, what would you have used in its place?—I hardly know. We could have used kauri or heart rimu, but we would have had to pay a very big price for it I think. You have seen the list of prices.

41. Do I understand you to say that you have been compelled, in order to get suitable timber for certain purposes, to use Oregon?—I do not say I was compelled, but it was such a suitable timber and we could buy it as cheaply as rimu or cheaper, especially long lengths, so I thought we ought to use it.

42. Could you get O.B. rimu of a class that would do as well as Oregon?—No, not what they call O.B. now. What we used to get as O.B. about ten years ago was all right; but what they sell as O.B. rimu now is—more than 50 per cent. of it—unfit to be used in a house at all, in my opinion. If you like to come up to our timber-yard I will show you the timber I mean—namely, that sappy white rimu. It is not fit to be used in a house at all, because it will soon take the dry-rot.

43. What is the class of timber that you have in your yard now?—It is mixed—some heart and some sap rimu and matai, totara, and Oregon.

44. Have you got much heart of rimu?—No.

45. Why have you not got more of it?—Because I am not a millionaire, to be able to stock it. If you get a few trucks of it it soon runs you into a tidy sum.

46. Do you think that the price of timber under present conditions is too high?—No, not now; but I reckon that it was too high before this slump came, not so much with regard to the ordinary building-timber, if you got a good quality, but anything that was heart you could not get under £1 a hundred. You could not get a bit of good dry heart rimu to-day in Wellington under £1 net.

47. Do you know anything about the West Coast timber that comes to this market?—Yes, I have had a few thousand feet from the West Coast.

48. Have you been in the habit during the last three years of obtaining timber from the West Coast?—No; I did not order it from the West Coast in the first instance. People got timber

brought here, and if they had a shipment on the wharf they might come to me and say, "I will sell you so-many thousand feet of timber from the ship," and I have bought from merchants, straight off the ship, as much as 30,000 ft. of rimu at a time from the West Coast.

49. What opinion have you formed as to the quality of the rimu that comes from the West Coast?—I do not consider it nearly so good as our North Island timber. My experience is that you do not get the nice figured heart that you get from the North Island timber. It may be that they have got heart timber there that they can supply, but they never send it up here.

50. What about long lengths of good heart rimu? Have you tried to obtain them from the West Coast?—No.

51. Have you seen much of the long-length rimu?—In those shipments that I speak of I do not think I had anything over 24 ft. long.

52. You think it desirable that long-length Oregon should come into this market?—Certainly. It is very suitable for hundreds of different uses. For a lift, for instance, where you want a straight stick to go right up in long lengths it is very nice, also for roofs, &c.

53. What, in your opinion, would be the effect on the worker, the timber industry, and the building trade in this country if an increased duty were put on Oregon?—I think there is quite enough duty on. I am not in favour of knocking the duty off altogether; if it is left as it is I think that will be about right.

54. What will be the effect on the consumer if the duty is not increased? Will it benefit him?—Certainly it will.

55. Will it benefit the sawmiller?—If a bigger duty is put on he will get a bit more for his rimu, I suppose.

56. What will be the effect on the people of the Dominion as a whole?—If 2s. duty is not enough for the sawmiller to get on with, the sooner he gets out of the business the better.

57. You think it is pampering up this industry to an undue extent?—I do.

58. If Oregon were the main cause of the slump in the sawmilling trade, would you put an increased duty on Oregon, so as to place the sawmilling industry on a prosperous footing?—No, I would not put any more duty on. I do not consider it is the cause of the slump. I think the railway freights might be reduced where timber has to be brought long distances, also our rivers should be used for floating logs to mills near the coast.

59. Would the consumer get the benefit of that?—He should do so.

60. But would he?—I do not know that he would.

61. Then why suggest it?—He would not get the benefit of it unless these timber rings and one thing and another were stopped.

62. Do you think there are timber rings?—We all know there are, I think.

63. *Mr. Leyland.*] I gather from your evidence that the Oregon that you had purchased largely took the place of kauri and heart rimu?—Yes; Oregon has taken the place of about 75 per cent. heart. Most of the architects will allow you to use Oregon where they have specified rimu with 75 per cent. heart for joists or studding.

64. And to supply the shortage of kauri?—It has been used where kauri would have been used a good deal for shelving.

65. And in long lengths and principals?—I reckon Oregon is indispensable.

66. You have had to use kauri for them, have you not?—No, I have not used much kauri for them. I might say that as a weight-carrier I do not believe Oregon is so good as heart rimu.

67. But is there not difficulty in getting heart-rimu joists?—Yes, certainly.

68. There is a convent out at Island Bay, and there are about four hundred joists in it. They were specified by the architect to be Oregon or kauri. If Oregon were used, would it not be taking the place of kauri?—Yes.

69. Could it be said to be taking the place of O.B. rimu?—No; you could not have got them.

70. With reference to the slump in America, I understand from you that the reason why we have got Oregon here is because the price went down very low?—I think that has had a lot to do with it. When I was in Canada I heard the sawmillers complaining loudly of the way in which the banks had called in their money, and thus in many cases compelled the millers to sell the timber for less than it cost them to get it into the yard. Many of them went to the wall.

71. As the depression in America lifts—and it has begun to lift—do you not think the price of Oregon will rise?—I am sure it will, and I really believe that when it does rise the Oregon will not come here at the same price as at present.

72. Do you think the price of Oregon is likely to rise?—I do.

73. If Oregon is going up in price, do you think an extra duty will be necessary?—I do not think there ought to be any increase of duty, because I feel sure Oregon will be higher next year than it is now.

74. You were asked if it would not be a fair thing if we, like America, imposed a heavy duty, looking to the advantages America had in the production of timber like Oregon pine. Do you know that in the United States they are now proposing to put Oregon on the free list, and that the duty at present there is 8s. 4d. a thousand, while we pay £1 per thousand? Do you not think we have put on plenty?—I am sure we have. I feel certain if you leave it at 2s. all round that will be just about right.

75. With reference to the question of stocking timber in large quantities eighteen months or two years ago, do you not know that it was then very difficult to supply orders in rimu?—Yes, I heard a lot about their being able to supply large quantities from the West Coast. I tried to get 60,000 ft. from the West Coast, but, as I was not in the association, I suppose, I could not get it.

76. Would it have been possible for the timber-merchants here to have got large stocks and live when they could hardly fill the orders?—How could they get large stocks in the busy times? Of course, in the slack times they could. Of course, I know if people had money enough it would be an advantage to get timber and stack it to dry, but we are not all capitalists enough to stand it, and if we were I think we should get out of the trade.

77. *Mr. Clarke.*] Builders, not only here but in other places, have told us that they have found it impossible to get sufficient supplies of good quality of heart rimu or other timbers. Is not that experience the best guide we can have as to whether or not it is advisable to import Oregon for necessary purposes?—I think it is necessary to get it in, because you cannot get rimu in the long lengths that are wanted. But why make such a song about Oregon pine when we also use Californian redwood, which is taking the place of our timbers for sashes, and so forth? The consumer has the right to use what he deems best if he wishes. At any rate, that is the way I look at it.

78. Notwithstanding the professions of the sawmillers that they can supply all the timber that is required, we have the experience of the builders in the past that it has not been done?—That is so. Any builder in town could cite cases where he has been disappointed because he could not get delivery of timber to finish a job, when under the contract there was perhaps a £2-a-day penalty. Whereas if you could go to the yard and get Oregon, and pay more for it, and get it in long lengths, and get on with the job, it would pay you to do it rather than have your job hung up.

79. Is not the experience of the builders and the architects in the past worth a good deal more than the promises of the sawmillers for the future?—I think so. Although many sawmillers say they will be able to send you down what you want in a week, I have my doubts as to whether they could do it.

80. Is not building-work to a great extent let by public competition?—Yes.

81. And in tendering, does not the builder take into account the price of his supplies?—Certainly.

82. Then, the price of rimu, say, must necessarily affect the price of his tender?—Yes.

83. So that in the case of these large buildings, where so much Oregon has been used lately, the price would be altered accordingly?—Yes.

84. We have been told this would not affect the working-man. Assuming a merchant builds a large warehouse here and puts this expensive timber into it, does he not assess that as part of his capital, and is the interest on that not charged to the general public?—I suppose so.

85. So that whatever the cost of the building in a general way the cost is passed on to the general public in various ways?—I think so.

86. In that way, although the working-man may not build of Oregon, it affects him very much?—I suppose it would affect him to a certain degree.

87. As the result of your observation in Canada, do you think Oregon pine a suitable timber for outside work?—It is used in Vancouver for building houses—rusticating, and work like that. I have used it here for rusticating and flooring in several houses, and I have found it very suitable timber. It has a hard and soft grain in it, and when it begins to dry it gets very rough, but I do not know that that is any great drawback when it is well painted.

88. If you were offered the choice of heart Oregon as against 75-per-cent.-heart matai or rimu, which would you select?—If it were sappy matai I would sooner have Oregon. You see many houses here built of timber half heart and half white sap, and I do not think it will be five years before you could stick your pen-knife through it—I mean the rustication of sap matai and rimu. I do not think Oregon pine would be rotten in five years. In 1886, in Townsville, Queensland, we used a lot of Oregon pine in building. I do not know how it is standing now, but I have thought it good enough to use in several houses I have built here lately.

89. Have they any better timber in Canada or the United States for outside building-work that Oregon?—They have a sort of red-cedar tree.

90. Is it too valuable to use for ordinary building-work?—No, it is used. There are several other building-timbers which I do not know the name of.

91. Do they use Oregon because it is cheap?—I suppose because they have it handy there.

92. You would be surprised if they took our timber over there and used it in preference to their own?—I do not think they would take O.B. rimu and use it in place of their own.

93. They are likely to use their own product first?—Yes, because it would be better.

94. It is your business to work with timber?—I have been in the timber trade ever since I was sixteen years of age.

95. Of course, the cheaper you get it the better for you?—No; I think there has been a libel on a lot of the builders here. They try to make as good a job as possible. It is not likely that I am going to use Oregon if I do not think it is better than sappy O.B. rimu.

96. Mr. Robertson in his evidence told us he lived in a house built forty years ago, and the other day he had a few boards taken out and they were as good as ever?—He did not say whether the rusticating was rimu. I dare say the outside boarding would on inquiry prove to be totara or matai. It seemed to me when he spoke of rimu being in the house he only spoke generally, and the outside boards may have been heart of totara or matai.

97. He distinctly stated the boards were rimu. Do you maintain that the O.B. rimu timber we get to-day is as good as we got fifteen years ago?—Certainly not. All the heart is picked out first, and they seem to cut more sap and barky timber now and send it to market.

98. We have been told that most of the sawmillers prefer to sell the whole output of the log, and that they do not select it in any way?—I have worked in a sawmill, and I know about a third of the log would be sap. What are you going to do with that timber? You do not want to burn it, of course. If we could work on the lines they work on in America at some mills, and turn all the inferior timber into pulp for papermaking and keep the heart for building purposes, I think it would be a very good idea. I do not know what else the country is going to do with all the sap timber, because much of it is not fit for the building trade, except for inside linings and cheap jobs that are not required to last many years.

99. Probably if the same amount of Oregon came into the Dominion eighteen months ago we should have heard very little about it, but the trouble is that there is at present very little doing in the building trade or in sawmilling, and in the little building that is going on, as you say, Oregon is used pretty largely?—Every one seems to have Oregon on the brain just now. I have just finished a house at the Hutt in which there is not a bit of Oregon timber used.

100. You told us that you could not get any figured rimu. Do you expect to buy figured rimu at O.B. rates?—I reckon that heart of figured rimu, dry, is worth a pound a hundred of anybody's money.

101. I have the evidence of Mr. Chisholm, of Messrs. Scoullar and Chisholm, and this is what he says about rimu:—Question: "We are told that rimu is not suitable for joinery-work: what is your experience?" Answer: "Rimu is admirably adapted for the manufacture of many articles." Question: "Then it does not twist about?" Answer: "It is all nonsense to say it twists more than other timber. Care should be taken as to the season of the year in which it is cut. Given that, with proper seasoning, it really will not twist any more than the majority of imported timbers. Rimu is as good a timber as you can get to stand, and is as free from warping, twisting, and all such objections to timber."

101A. We have been told by gentlemen of your profession that it warps and twists?—But that witness is only putting a libel on any other class of New Zealand timber. He is setting rimu against kauri. Does not that pedestal standing in this room, which is made out of kauri, seem to stand all right? I suppose rimu, if cut at the proper time of the year and well seasoned, would not warp or twist.

102. Then, on the question of Oregon taking the place of kauri, Mr. Mitchelson, giving evidence in Auckland, said, "Oregon has not been used in the southern towns to supply the shortage of kauri. It is used for building purposes, whereas kauri has never been used for building purposes in the South in recent years." Do you not think rimu is equal to Oregon for shelving purposes?—Unless you get it dry, I think rimu would warp more than Oregon.

103. But you would not think of putting in wet rimu for shelving. It does not twist when it is once dried, does it?—No; but how are you going to get it dry?

104. Do you not generally buy shelving dry?—You will find a great difficulty in that.

105. Could you not get a couple of thousand feet of shelving here to-day, dry, if you wanted it?—I do not believe I could.

106. What are the timber-merchants here for, then?—They do not keep enough to supply all the orders they may have at a moment's notice. In order to stock the timber that would be required for all demands a man would require a good many thousand pounds. I have had great difficulty in getting dry heart rimu 12 or 14 by 1½, and that is, I think, the experience of most of us builders.

107. Do you not think when times are bad, as they are now, we should sell as much as we possibly can to people in other countries, and buy from them as little as we possibly can help?—No; I believe we should export timber to Australia, and not put an export duty upon it. If we have timber going to waste and getting burned, we might as well cut it up and get some money for it, just as we do for our mutton and cheese.

108. Do you not know that America levies practically a prohibitive duty against everything that may come in and compete with their industries?—Yes; but I think, if our millers cannot compete against Oregon with 2s. duty on, the sooner they give up sawmilling the better.

109. Do you not realise that times are bad here, and that there are hundreds of men who have not sufficient employment to earn a living for their families?—Things are bad here, but I suppose we have only to grit our teeth and bear it somehow till times improve again.

110. But when this Oregon timber is coming in and taking the little they have: when you have only half a loaf you do not want that cut into, do you?—I do not think Oregon timber is affecting the position to the extent you assume. If the New Zealand timber is so good, why not send it to Australia and increase our exports.

111. So you wish to imply that our timber is so bad?—I do not say so. I believe the heart of totara and of rimu is the finest timber on the earth. It is the O.B. rimu that is bad.

112. Do you consider that the importation of Oregon has cheapened the building of workmen's cottages during the past twelve months?—Yes.

113. To what extent?—You can buy a house cheaper now than you could in 1906.

114. *Mr. Stallworthy.*] You have got timber from the ship's side and also from the merchant's yard?—Yes.

115. What was the difference in the price?—From the ship's side I bought at 10s. a hundred, and from the yard at 14s. 6d., less 7½ per cent discount.

116. Any discount from the ship's side?—Two and a half per cent.

117. The difference would be in the cost of yarding?—Yes.

118. *Mr. Barber.*] With regard to the ring or combine which you think does exist, have you had any difficulty in getting your supplies?—No.

119. You have not been penalised in any way for dealing outside?—No.

WELLINGTON, WEDNESDAY, 26TH MAY, 1909.

AUGUST CHARLES KOCH sworn and examined. (No. 153.)

1. *Hon. the Chairman.*] You are the District Railway Engineer, stationed at Wellington?—Yes. I have brought some information about sleepers used in renewals on the Wellington–Picton Sections for the year 1908–9, as follows: Totara, 121; birch, 386; jarrah, 29,075; ironbark, 2,052; and silver-pine, 4,753: making a total of 36,387. We paid the following prices: Jarrah, 4s.; ironbark, 4s.; totara, 3s. 6d.; birch, 3s. 5d.; and silver-pine, 4s.

2. How long have you been District Engineer?—Five years in the Wellington District, from 1899 to 1904, and since then I have been relieving and in charge of works under construction for the Railway Department. Prior to that I was with the Public Works Department for twenty years.

3. Then, you have been in touch with the sleepers used during the whole of that time?—Yes. Under maintenance they come under my notice, as it were, every year; but while I am in charge of construction I have nothing further to do with them as soon as the line is handed over.

4. What, in your opinion, is the difference between ironbark and jarrah as regards lasting qualities?—I cannot say. We have not yet had them in the road long enough to form an opinion.

5. What is the life of a totara sleeper?—I have had totara sleepers about twenty years in a road where the traffic was very light on them. The trouble about totara and other softwood New Zealand timbers is that they are too soft: they do not hold the fastenings.

6. But the birch is fairly hard?—Yes; but it is not a durable timber. I refer to the brown-birch. I believe black-birch is durable, but we do not get it.

7. Could you give the Commission any opinion as to whether your Department could not increase the use of New Zealand timbers for sleepers, and so lend a helping hand to the mills and mill-employees that are now idle?—Well, from an engineer's point of view, the objection we have to them is that they are too soft: they cut in.

8. But is it not a very good recommendation when you tell us they have lasted for twenty years?—Yes; but these sleepers were put in roads where there was very little traffic on them.

9. You see they are each 6d. cheaper, and they are our own timbers, and would employ our own labour: do you not think all these points should count for something?—But, you see, the number of totara sleepers used is very small.

10. But the totara people tell us that they do not know what to do with their timber now. They say almost they will have to shut up. Have you had any number of birch sleepers from the west coast of the South Island?—I cannot say. We should get our birch sleepers from Picton.

11. Have you had enough experience to tell us what you think of them?—I have not had very much experience of birch sleepers, but I believe the general opinion is that they will not stand in the ground—they rot too quickly.

12. Do you know anything of the Powellising process in the treatment of timbers?—No.

13. Do you not think it would be worth while the engineers of the Department studying it, because if we can use our own timbers for sleepers, instead of importing them, it would be a great thing for the Dominion?—That is so.

14. I understood from the Storekeeper that it was you who controlled the number and quality of the sleepers ordered?—I order the number, but the Chief Engineer, Mr. Burnett, controls the classes.

15. *Mr. Leyland.*] With regard to affording relief to millers who are now stopped for want of orders, you are aware that Oregon is supposed to be a soft timber unable to stand pressure?—Yes.

16. Are you aware that the roughest Oregon, when it is too bad for merchantable timber, is supplied by the American millers to the railways as railway ties, and that the heavy American trains run over these ties?—Personally I am not aware of that.

17. That is to say, they make the tie a little bigger—10 by 6, instead of 8 by 5. Do you know that the American engines and their loads are very much heavier than ours?—Yes.

18. If they succeed in running over these 8 by 6 and 10 by 6 Oregon ties with these heavy loads, do you not consider it is advisable to use our own timbers and increase the size of the sleepers, so as to get over the difficulty of the rail cutting in?—That would assist it to some extent; but in America I believe it is usual to put an iron plate on the top of the tie in many cases, and that obviates the cutting-in to some extent.

19. Perhaps we could do that and adhere to the present sleeper?—Yes, that would assist. We have experimentally tried some of these, but I do not know what the results have been.

20. Perhaps it would be worth your while to see if you can get over this difficulty, and thus afford relief to these local millers?—Yes. The difficulty is to get the spikes to hold.

21. How do you suggest the American people get over it? because they subject the ties to much greater strains than we do?—I think that in America the ties do not last as long in the track as ours do. They are in and out of the track in a few years.

22. Well, you know they run the railways to pay, and if they are expensive they would not use them?—Of course, I do not know what they pay for their sleepers. If they got them very cheap they could afford to put them in and out very quickly.

23. It has been the custom of your Department to demand practically the best timber—almost joinery timber—for sleepers, and we suppliers often thought it would have been more economical to have taken rough-heart timber at a cheaper rate?—I think there are two ways of looking at that. If a tie is only to last a short time, it might be better to use an inferior class of timber. But we have to pay a big price if we expect them to last many years.

24. Have you any difficulty in obtaining totara sleepers?—I cannot say. They are purchased by the Storekeeper.

25. The Public Works Department in the construction of the main line used enormous quantities of totara sleepers, erecting a Government mill which turned them out wholesale. They must be suitable, or they would not have used such huge quantities of them?—Totara is a durable sleeper, but the only trouble is that it does not hold the fastenings well, and cuts in at the rail-seat.

26. You would take totara sleepers, then, if you could get them?—I believe the Department does take them if it can get them.

27. Now this depression is upon us would you go into that matter as to the desirability of meeting it in some way?—Yes, I think the Department should go into that.

28. *Mr. Morris.*] Regarding this question of sleepers, when times were brisk and when we had a good market for our own local timbers, I believe the Railway Department had difficulties in getting their requirements from the local millers?—I cannot say.

29. We are sending a great deal of money out of the country every year for sleepers, and paying about twice the price to Australia for which we could buy birch locally?—I do not think that is so, according to the return I put in: I think the birch sleepers cost about 3s. 5d., and the jarrah 4s. delivered here.

30. Can you say if you invited applications for the supply of birch sleepers from the South Island in recent years?—I cannot say.

Mr. Morris: I am of opinion that you can obtain those sleepers down there for less than 2s. 6d.

31. *Hon. the Chairman.*] What would the carriage be?—I do not know.

32. *Mr. Morris.*] I know of my own personal knowledge that where birch sleepers have been used and have been properly ballasted they have lasted twenty years?—What sort of birch would that be?

33. It is what is called brown-birch?—The general opinion is that the birch sleeper does not last very long.

34. *Mr. Ell.*] How many sleepers have you got in this section? We have had similar figures from the other sections?—I put in a return of the number of sleepers we use in renewals, which are about 36,000 annually.

35. What provision are you making for the supply of renewals? What source are you depending on for your supply?—We get the bulk of them from Australia.

36. Do you know when they are going to shut down on you?—I have heard it reported that they may shut down on us.

37. Then, what are you going to do?—We shall have to take to the New Zealand sleepers.

38. You say they are too soft?—Yes, that is so.

39. What provision are you making for the future?—I cannot say. I am not dealing with the sleeper-supplies at all.

40. Being the Engineer, are you not supposed to confer and advise as to the right policy? Have you got any policy at all?—I have not been consulted in that matter.

41. Then, you have not made any recommendation, and you have not had any conference?—No.

42. You are entirely depending upon Australia for hardwoods?—Yes.

43. What does the Australian sleeper cost?—About 4s. landed on the wharf here.

44. You asked Mr. Morris what kind of birch he referred to. When you use birch sleepers what genus do you use?—We use brown-birch.

45. You cannot rely on a name like that?—The specification would have the botanical or technical name.

46. What kind of birch do you use on your section?—It is brown-birch.

47. How long does it last when you put it in?—I have not had sufficient experience of it.

48. Do you use totara?—Yes.

49. Do you lay down the specification as to the class of timber to be supplied for totara sleepers?—No, I do not personally. That is laid down by the General Manager or Chief Engineer.

50. What is the length of the life of a totara sleeper?—I have known them last as long as twenty years, but in such cases the traffic has been very light. The trouble with the totara is that it is too soft, and the rail cuts into it. It does not hold the dogs well. It becomes worn out through being reduced in size, although the timber itself may be good.

51. Does that objection apply to white-pine and heart of rimu?—Yes, pretty well to all the New Zealand timbers. Puriri is as hard as ironbark, but we get very few puriri sleepers now.

52. Do you follow the practice of some engineers of putting what they call a bed-plate in when you use New Zealand sleepers?—I do on sharp curves and at ends of rails on straights.

53. Does that make them very costly?—The plates cost about 1s. extra for each sleeper.

54. Do you double-bank the sleepers at the curves when you use New Zealand timbers?—They are closer-placed than on straights.

55. You put hardwood further apart?—On curves we put the sleepers closer together. It does not matter whether they are Australian or New Zealand timber.

56. What timbers do you use for bridges?—Principally Australian ironbark. We do not use New Zealand timber for bridges. We use hardwood for piles and stringers. We use ordinary New Zealand timbers for station buildings.

57. *Mr. Arnold.*] Is there much timber used for bridge-work?—I could not say with regard to bridge-work at the present time. I am only relieving in this district. I could get a return, but it would take some little time to get out.

58. *Mr. Stallworthy.*] With reference to the quality of timber used in sleepers, do you not think it is rather too clean?—No; I think we want a good sound timber.

59. Is it not as sound with a few knots in it?—No; it is liable to break where the knots are.

60. What is your opinion with reference to the heart of kauri for sleepers?—I do not think it would last.

61. If it could be got in quantity you think it would be of no use for sleepers?—It would not last long enough. Kauri does not stand well in the ground.

62. *Mr. Field.*] Have you ever been in the Auckland District at all?—Yes; I had charge of the Main Trunk line there at the north end.

63. You saw those trees that were planted by Mr. Mitchelson up close to Auckland—Australian trees?—No, I have not seen them.

64. Can you tell us the reason why they are being cut down?—No, I cannot say; I have no knowledge of that district now.

65. In his evidence Mr. Mitchelson gave us to understand that it was part of his policy to plant hardwood trees for sleepers alongside the railway-line for future use, and the trees I refer to were just coming into use. Have you been informed that in America they do grow trees alongside the railway-line for sleepers?—Yes, I believe they do; but I expect they have a good area alongside the line. Trees too close to the line keep the line damp, and the leaves falling on the rails tend to impede heavy traffic.

66. Do you not think it would be a good thing to have reserves of sleeper-trees close to the line here and there in some districts?—Yes, it would be in some districts.

67. Is maire an impossible wood for sleepers?—It is a hard wood, but it does not stand in the ground.

68. Is it true that in America they put down Oregon sleepers although they last only some five years?—I believe they do.

69. Can you understand how it would pay them to do so?—It might if they got the sleepers cheap enough, but the labour would be greater in maintaining the road.

70. Is it not true that the men in connection with the railway-line could be employed in renewing sleepers?—Special gangs are kept for renewing sleepers. In some places the ordinary gang can find time to put renewals in.

71. I have been told that there is a certain amount of surplus labour which might be used in renewing sleepers which had not lasted a long time?—That is so in certain cases. On the Greytown branch line they do it, but it cannot be done on busy lines.

72. *Mr. Barber.*] What is the average cost of replacing a sleeper? What would be the difference in the value of a sleeper that would last ten years as compared with one that would last five years?—I could not say offhand. It varies a great deal. It depends on the traffic on the road. I could not say what it would average out at.

73. *Mr. Arnold.*] You say you were in charge of the Main Trunk prior to 1889?—Yes.

74. *Hon. the Chairman.*] With regard to the plate which is attached to the sleeper to prevent the rail from cutting in, would the plate not last more than one or two sleepers—would it not do three sleepers?—I hardly think it would do three sleepers.

75. Would the plate not last thirty years?—No, not with heavy traffic. It depends on the size and thickness of the plate.

76. It would need to be of sufficient size to stop the rail from cutting in?—Yes. Of course, there is rust going on all the time.

77. *Mr. Field.*] Does it not cause dampness to go underneath the plate?—In some cases it might.

78. *Mr. Jennings.*] Do you know the difference in the life between our New Zealand softwoods when creosoted as against Australian hardwood?—I cannot say. Some were creosoted many years ago at Invercargill, and they might have the information there. The creosoting in this district has only been done of late years, and therefore a comparison with the hardwood cannot be drawn. We cannot say yet how long they will last. The Woodville creosoting-works have only been in existence six or seven years.

79. Were sleepers on the Main Trunk supplied by the sawmiller direct or by the private contractor?—I cannot say, of late years. We used to get them cut out of the bush when I was on the Main Trunk. A man or two would come along and cut us one, two, or three hundred sleepers as we wanted them. We used to get a lot that way.

80. Have you found the Railway Department ever asking for timber from the Kakahi Government Sawmill?—I cannot say. I think the Railway Department get timber from them in Auckland.

81. Have you see any timbers from the Kakahi mill?—Yes, I have seen some very good totara come from that mill.

82. You made a statement that New Zealand timbers are not suitable for railway purposes. Is it not a fact that timber that has come from Kakahi sawmill has been equal to anything imported?—No, I think not. I did not say New Zealand timbers were not suitable. I said they were not so suitable as Australian hardwood for sleepers.

83. You confine that to sleepers?—Yes.

84. In reference to the silver-pine sleepers on the West Coast, we have evidence to show that they had been in for a great number of years?—I have had some actual experience of silver-pine. It is a soft wood, and the rails cut into it.

JAMES MACKENZIE, Commissioner of Crown Lands and Chief Surveyor, Wellington, and also Conservator of State Forests, Wellington, sworn and examined. (No. 154.)

Witness: I should like to say that I have been about a year only in this district, and I have therefore not a very great personal knowledge of the timber. I have been through the district twice, and I have obtained most of my information from the Rangers, who are men in whom I have the utmost confidence. I have been through the district with them, and from their reports I have compiled a short statement:—

Milling Areas in the Wellington District.

The main timber in the Wellington District is along the Main Trunk line, say, from Rangataua northwards, and what is millable in accessible localities is growing on about 60,000 acres of Crown lands and 135,000 acres of native and privately owned lands. Included in the latter are the lands leased under any class of tenure from the Crown.

Approximately the Crown timber amounts to about 1,053,000,000 sup. ft., the milling varieties being as follows:—

	Sup. ft.
Totara	30,000,000
Matai	300,000,000
Rimu and miro	660,000,000
Kahikatea	60,000,000
Maire	3,000,000
Total	1,053,000,000

On Native and privately owned lands within this locality the milling-timber is growing on about 135,200 acres, the gross amount of timber being 2,433,000,000 sup. ft., and the varieties are as follows:—

	Sup. ft.
Totara	67,600,000
Matai	676,000,000
Rimu and miro	1,487,200,000
Kahikatea	135,200,000
Maire	67,600,000
Total	2,433,000,000

Coming now a little further south in the western district—say, from Rangataua to Mangaweka—there are only about 14,000 acres of Government land where milling-timber would be profitable, and, say, 24,000 acres of Native or privately owned lands; the quantity on Crown lands being 161,000,000 sup. ft., and on Native and private lands 329,000,000 sup. ft., in the following varieties:—

On Crown land:—	Sup. ft.
Totara	14,000,000
Matai	28,000,000
Rimu and miro	82,000,000
Kahikatea	37,000,000
Total	161,000,000

On Native and private land:—	Sup. ft.
Totara	23,500,000
Matai	47,000,000
Rimu and miro	188,000,000
Kahikatea	70,500,000
Total	329,000,000

Regarding the balance of the western coast, from Mangaweka to Paekakariki, the Crown millable timber is growing on about 5,000 acres of land, and the timber on privately owned lands on about 20,000 acres. The Crown timber amounts to about 66,000,000 sup. ft.; and the Native to about 202,000,000 sup. ft., comprising the following:—

On Crown land:—	Sup. ft.
Totara	35,000,000
Matai	11,000,000
Rimu and miro	9,000,000
Kahikatea	11,000,000
Total	66,000,000

On Native and private lands:—	Sup. ft.
Totara	10,000,000
Matai	12,000,000
Rimu and miro	100,000,000
Kahikatea	80,000,000
Total	202,000,000

In the northern, eastern, and central portions of the Wellington District, from the Manawatu Gorge to Wellington Harbour, and extending northwards to the provincial boundary, the timber industry is practically exhausted, and a very few years at most must see the end of it. The profitable milling-timber is all growing on about 12,000 acres of Crown lands, and about 14,350 acres of Native and privately owned lands; distributed through the Makuri, Pongaroa, Forty-mile Bush, the lower ranges of the Tararuas, Carterton, Wainuiomata, and Akatarawa; the approximate quantities on the Crown lands being 15,149,000 sup. ft., and on the Native and privately owned lands 36,505,000 sup. ft., distributed in varieties as follows:—

On Crown lands:—	Sup. ft.
Totara	1,012,000
Miro and rimu	12,605,000
Matai	1,012,000
Kahikatea	520,000
Total	15,149,000

On Native and privately owned lands:—	Sup. ft.
Totara	2,555,000
Miro and rimu	27,700,000
Matai	3,250,000
Kahikatea	3,000,000
Total	36,505,000

Summarising the whole district, Crown and otherwise, although timber is growing on 2,616,000 acres, more or less forest-clad, with something like 12,800,000,000 sup. ft. on it, the forest timber at present available for payable milling is growing approximately on 284,000 acres, the gross quantity being 4,295,254,000 sup. ft., of the following varieties:—

	On Crown Lands. Sup. ft.	On Native and Private Land. Sup. ft.
Totara	80,012,000	103,655,000
Miro and rimu	763,605,000	1,802,900,000
Matai	340,012,000	738,250,000
Kahikatea	107,520,000	288,700,000
Maire	3,000,000	67,600,000
Totals	1,294,149,000	3,001,105,000

Grand total: 4,295,254,000 sup. ft.

On the 31st March last there were working in the Wellington District about 88 mills in the country districts, varying in horse-power from 8 to 80, with an output for that year of 73,697,000 sup. ft., the full capacity being about 126,370,000 sup. ft. The number of hands employed for each mill ranged from 3 to 80, including bushmen; the total workers being 1,605.

1. *Hon. the Chairman.*] At the rate you stated, how much has been cut? or, how long would it take, cutting at the present rate, to clean out the bush?—Something like forty years.

2. *Mr. Barber.*] You referred to some of the timber areas set apart for milling: how do you classify them either profitably or unprofitably?—By the distance from the railway-lines and the amount of timber that is on them. It is governed by whether you can get at them. But a few miles from the Main Trunk line, over towards the Wanganui River, there are areas with only a tree or two on them, and it is easy timber to get at.

3. Is the whole of the areas you have indicated to us adjacent to the railway-lines? Is it not some miles away?—Not more than six or seven miles, excepting on the east coast.

4. However, there are timber areas in your district containing good timber-bush, but owing to the situation they are unprofitable?—No; I cannot say there are. There are one or two we have put down on the east coast. I believe that everything that is worth cutting is included. All our timber areas happen to be in fairly accessible localities.

5. You have had experience in other parts of the colony?—Yes.

6. Do you think that, generally speaking, the millers are undertaking difficulties in the production of timber which are not warranted by its value?—Speaking of the far North, the millers find that there is very little profit by the time they get the timber to the mills, and they stretch the point to get the kauri out when they would not do so for anything else.

7. Kauri is profitable?—Yes, when it is brought down by driving. In the Auckland and Wellington Districts there is some timber that does not pay the miller to get out, and it is an actual loss to him, as he has put so much capital into the undertaking.

8. May not the millers in some cases have been induced to invest their capital in difficult positions, which necessarily makes the cost of production high, and therefore they expect the general public to bear the burden?—That was never my impression. The sawmillers go far back, but I do not think it is for the sake of getting the timber merely that they do that. Taking the kauri, for instance, a great deal of it never reaches the mills. The logs get stuck on the waterfalls, or they become waterlogged, and perhaps, say, 10 to 20 per cent. may not reach the mill.

9. I am referring to rimu?—I do not refer to rimu.

10. Is Taihape in your district?—Yes.

11. Are there not some very difficult methods of getting timber out of the bush in the vicinity of Taihape?—I thought so, but I cannot speak with authority. I saw them hauling timber over gullies by means of a wire rope; but, of course, being near a railway-line they can afford to do that sometimes. They could not do it if the timber were ten or fifteen miles off.

12. Is Dannevirke in your district?—No, Hawke's Bay.

13. What do you estimate the life of a timber-mill at, taking the Taihape mills?—From Rangataua to Mangaweka there are 161,000,000 ft. of timber on Crown land, and 329,000,000 ft. on the other. I have a map showing the localities of all the mills, but I think the average life all over would be quite forty years there.

14. It seemed to me in Taihape, from general information received, that the timber industry there was practically at an end?—It might be as far as the immediate neighbourhood of the town of Taihape is concerned.

15. *Mr. Field.*] With reference to Mr. Barber's question as to the millers milling timber in such difficult places that the cost is more than the timber is worth, I suppose you know something about the prices of timber?—I have not built a house recently, but I have an idea that timber can be bought in town for 12s. or 13s.

16. If the miller can, as he has always been able to do, sell good O.B. rimu in Wellington, with freight paid, at 11s., do you think he is milling in such a difficult place that the price is getting beyond its true value?—I think it takes all 10s. or 11s. to get the timber here.

17. Do you think that is too much for the miller to receive?—I do not pretend to be an expert, but, speaking as an ordinary man, I do not think it is, because we must naturally expect that every year the timber will be harder to get at.

18. I suppose you would like to see the utmost use made of our timber?—Yes; every stick of it.

19. And as long as our own timber can be supplied at a reasonable price you think we ought to use it in preference to outside timber?—Certainly.

20. Can you give the Commission any indication as to the time you think the timber-supply will last in your district?—About forty years, as far as I can see; but it is very problematical. We have fires to contend with.

21. Is the method of assessing royalty on Crown timber the same here as in other parts?—There is a common method, excepting for kauri, which, of course, we have not got in Wellington. That has a special method.

22. What is the method?—On totara, matai, and puriri the royalty for first-class is 2s.

23. I mean the method of ascertaining how much you are going to charge the miller?—There are two or three ways. Sometimes we measure and offer a block entirely before it is sold. That is done with kauri. Sometimes the timber is estimated only, with partial measurement; in fact, this is generally the practice in this district.

24. But do you ever charge the miller on a greater quantity than what you estimate would be the sawn output of the log?—No. But there is this difference: that there is a tendency on the part of the millers to only cut out the part that can be profitably manufactured. I do not believe in paying them off the saw at all. I think an estimate of what is standing by measurement is the best means possible of settling the matter, and the miller before he takes the timber makes whatever allowance he thinks fair for waste.

25. The method now described would insure his milling every possible foot?—It ought to do so. There is a great tendency to waste if paid off the saw. In totara it actually paid millers to cut off all the sap and to only pay for the heart. Our second-class material would then be waste, but if the miller is paid for the whole he will take out everything possible.

26. On this question of fires, do you think a large area of bush might be preserved, if it were thought desirable to do so, with absolute safety from fire?—It is very hard to preserve kauri.

27. What about other bush?—It is a difficult thing; but I think a great deal of the timber we have along the Main Trunk line could be conserved. Most of it is at a high elevation, with considerable rainfall, and with precaution I think a great deal could be protected.

28. That is up in the Waimarino district?—Probably; beyond Ohakune. A good way of preserving is to plant along the front of the bush where it is exposed. It prevents the weather getting in, and keeps fires out. There has been a great deal of fire along the Main Trunk, but it could not be helped with such a great undertaking.

29. I suppose you hold some views on afforestation?—I am a great believer in it.

30. Where would you mainly have your forests?—I would not plant any forests where you have cut the timber, but on our waste lands. If possible, I should say, plant all such waste country as the Waimarino Plains before replanting where the forest has been cut out. I should give the latter a chance of being settled before replanting it, but we have so much country in New Zealand that seemingly will grow nothing else but trees, and I should experiment there. I have here a short statement about afforestation which I might as well read:—

Regarding afforestation, this is a question that I cannot say I have gone into very much; but, broadly speaking, I am strongly in favour of it, and the planting of trees of a quick-growing variety, that would come into profit within, say, fifty years. But I prefer that the planting-area should be land that is now practically waste, rather than replant areas after the milling-timber has been removed, as I have no doubt a good deal of the latter, notwithstanding its high elevation in some localities, would come into use for settlement purposes—that is, of course, in areas strictly suitable for the class of country being dealt with. My experience has been that in high forest country conditions come in that are not strictly governed by elevation, and in suitable holdings and a judicious selection of grasses there is a possibility of doing something, perhaps, in the way of settlement; and for this reason I favour exhausting the feasibility of planting the open waste lands first. For instance, almost immediately adjoining the railway at Waimarino is an area of unoccupied land (including the Waimarino Plains) approximately amounting to about 30,000 acres, at an elevation of from 2,000 ft. to 3,000 ft. In addition to this there are pastoral runs falling in at various times during the next twenty years amounting to about 150,000 acres, more or less, at about the same elevation. As the runs fall in possibly this question might then be considered.

If you can get timber to grow in that country adjoining your railway-line, you can get on with the afforestation probably within reasonable time, and you are not trenching on the other

land I have alluded to. Broadly speaking, I should say, plant your waste lands, and do not plant the land you have cleared the forest from until you have demonstrated that cleared forest is not fit for settlement.

31. And in hunting up your waste lands for the purpose it would be possible to select lands that would be fairly close to markets?—That is why I have given this instance, as the land is alongside your railway-line. It is at a high elevation, but we have timber growing nearly as high already.

32. Do you think it would be good policy to have reserves near the railway-line, although the land might be fit for farming, for the purpose of growing Australian timbers for sleepers later on?—I do, but I would not trench on land that would be fit for settlement until I had exhausted all the areas not likely to be settled on.

33. *Mr. Hanan.*] Have you any opinion to offer with regard to the State establishing saw-mills to work timbers for its own purposes?—Well, I think it is a very good thing myself. I do not know that there are many localities suitable or where it would be feasible, but anywhere along the Main Trunk line would do; in fact, I should like to see the Crown hold all this valuable milling-timber along the Main Trunk line until other bush has been worked out. There is a large area of privately owned Native timber. Let this be worked on first. But I should like to see the Crown retain its own timber, and if State mills were established, then a settler who had a few logs would not be at the mercy of private millers. He could run them to the State mills and get something for them, and be clearing his land at the same time. The State would not waste any timber. I should not be in a hurry to mill our own Crown timber, excepting through our own mills; or, rather, let those people who have the privately owned timber exhaust that first.

34. It is said by some witnesses that it is in the best interests of the Dominion that our milling-timber should be removed and the land placed under cultivation as early as possible, and that it would pay the State better. Have you any opinion on that matter?—I do not think that proposal would pay the State at all. The timber is the best crop you will ever get off that class of land. I have a statement of the number of acres we have kept back from settlement during the last twelve years or so in the Forty-mile Bush, and a few sections at Pohangina, amounting altogether to about 1,552 acres, and the royalty received alone was £15,335 5s. 6d. If those areas had been sold when the adjoining lands were offered, the gross amount received would have been £2,110, while their capital value and the timber when finally disposed of amounted to £27,783.

35. On these results you base your opinion as to the desirability of conserving timber land?—Wherever it is good, but I would not think of conserving it where it is unprofitable to mill. In the Waimarino there are 100,000-odd acres between the railway-line and the river that I am getting ready for settlement, with timber in small quantities right through it, which it is not possible to use until the land is opened up, and even then the quantities would not pay.

36. Do you know of any persons holding more than one timber area in the Waimarino Forest?—I have a note of it, but not here.

37. Has it all been mopped up by a few individuals?—There is still plenty remaining there. It is not mopped up as yet. In the Waimarino Forest there are 195,200 acres of milling-timber—that is, Government and private together—and at the present time 22,000 acres have been ear-marked for different millers. One company apparently has 3,561 acres. I have the statement here.

38. *Hon. the Chairman.*] I think you might give us the names?—Very well. They are as follows: Pederson Bros., 161 acres; Pawson and Co., 200 acres; Raetihi Timber Company, 1,200 acres; Broadbelt and Co., 200 acres; Goldfinch and Co., 700 acres; Sowerby and Co., 180 acres; Rangataua mill, 2,000 acres; Bennett and Punch, 1,000 acres; Piriaka mill, 500 acres; Raetihi 2B (Smith, Abbott, and Proud, and Harrison Bros.), 3,561 acres; Raetihi 3B (Gammon and Co.), 1,364 acres; Raetihi 4B (Gamman and Co.), 1,600 acres; Raetihi 5B (Gamman and Co.), 879 acres; Raetihi No. 1 Block applied for, but not yet granted (Smith and others), 2,480 acres; Kakahi Government mill, 6,000 acres: making a total of 22,025 acres. That is, except the last item, all on the privately owned area of 135,200 acres. Of course, in addition to that, all these mill people very properly try to get the settlers to save their timber and let them put it through their mills at a price agreed upon. The figures I have given are exclusive of any private rights that millers may have from settlers.

39. *Mr. Hanan.*] Can you give us any idea as to the time when these areas were taken up? Was it within the last three years?—Yes. I should say the bulk of them were taken up within the last eighteen months. Some are quite recent.

40. Can you express any opinion as to whether they have been taken up for speculative purposes or for *bona fide* milling purposes?—I think they are just looking ahead a bit. Men who have mills naturally want to look several years ahead.

41. What checks, if any, would you recommend this Commission to make in respect of granting further areas of our best milling-timber?—My own idea is that we should keep the Crown areas ourselves, as I said a little whole ago. My own feeling is that anything handy to the railway along the Main Trunk it would be well to keep. My experience in the North was that if we opened up Crown timber areas there was a tendency on the part of millers to apply for them, notwithstanding the fact that they had other areas from private people. They did it to look ahead a bit; but possibly they were holding so much that fire might get in and spoil the bush. I am speaking more with regard to kauri now. I rather think I would keep our Crown areas and let millers exhaust the private timber. There will be a greater tendency to waste in other timber areas than there will be on the Crown areas. I do not think that it is so much the royalty the Crown gets that should be considered. It is waste that you want to avoid; the royalty is a mere flea-bite. For instance, if timber milled is worth 12s. a hundred, and, roughly speaking, I should

say that practically about 7s. of that 12s. is spent in labour. I would sooner see people get it almost for nothing than that the timber should be burnt or wasted. So much has been wasted in the past that I would retain our Wellington Crown areas; and if you let millers exploit the privately owned and the Native first, they will have less to come and go upon, and there will be greater likelihood of less waste taking place.

42. In connection with some timber areas we have noticed that timber has been left by the miller. We are told that the miller cannot get rid of that. Have you any opinion to offer as to that being utilised and brought to the market—say, fairly good logs?—Of course, there is a good deal of waste. There is a tendency to cut the most marketable timber if millers are paying from the saw; but, of course, there are timbers that there is a very small margin of profit on—for example, white-pine.

43. Do you favour increasing timber areas, according to the cutting-capacity of the mill?—Yes, I think we should.

44. Would not that play into the hands of the man who has capital, as against the small man?—It may, but I think it is a very wise thing. You do not want a man with a few horse-power to earmark a whole countryside. With lots of timber—particularly in the far North—it often needs a large mill to get in, and a small man could not do it; it only means waste, as a rule. There are localities where only one mill can profitably work, and I believe in such a mill stopping there until all the timber handy to it is cut out.

45. Would that lead, do you think, to a reduction in the price of timber?—I do not know that it would. I do not know that it would matter one way or the other, beyond this, that if such a mill only cut a limited quantity and left the district it would not pay another to go in.

46. If there would be no gain to the public in the way of a reduction in the price of timber, why recommend the increased timber area? Simply for the benefit of the miller?—It is not for the benefit of the miller, but so that all the timber available could be milled and not wasted. The miller has his paraphernalia there for taking the whole countryside, and it probably would not pay another mill to go in there. If it were country suitable for half a dozen mills, I would cut it into as small pieces as possible.

47. I take it from your views that you do not believe in a condition being put into the leases of persons taking up holdings in acquired estates to the effect that they shall plant. Take, for instance, where estates are acquired under the Land for Settlements Act and holdings are let—would you put a provision in the leases that the tenants should do some planting?—I do not know that I would. On a land-for-settlement farm I would not ask them to farm impossible land, but might keep that back for tree-planting. But, generally speaking, I kould not favour that, beyond perhaps giving the tenants trees for nothing, or something of that kind. I hardly think it would pan out. You see that land is opened, as a rule, purely for settlement—a different purpose altogether.

48. *Mr. Jennings.*] You have given us the amount of timber that you state exists in your district: in what manner is that information obtained?—We have one or two very good Rangers, one of whom has been roughly over the whole of the country in question. In places he runs parallel lines through and estimates everything on each side of such lines. He does this here and there all over the country. With Native lands he looks at the country, and if he finds that the Native bush is much the same as the Crown an estimate is based in that way. Of course, it is only an approximation. If we were selling that timber I should have it gone over a great deal more carefully. I have confidence in the men who advise me in this matter and who have been through the country, and believe that the quantities given are approximately correct.

49. Knowing the country as you do, do you think it possible for any Ranger to get through many portions of that district, extending right away down to the Wanganui River?—I have a map here showing roughly where the milling-timber is, and there is not any down near the Wanganui River worth talking about. Prior to the Ranger going in at all our topographical surveyor generally has gone over the ground, making a rough survey and report, and from him we know, roughly, whether there is any timber there or not, and whether apparently in payable quantities.

50. Is it not a fact that surveyors have sent in reports, which are in the Appendices to the Journals of the House, saying that certain lands were unfit for settlement, and twenty-five or thirty years afterwards they have been found to be first-class lands?—This has not been my experience. I could not put my finger on any like that now.

51. Let me instance one, the Toko Block. That was reported by the surveyor as being unfit for settlement, and you know what it is to-day?—Of course, there is a good deal of poor land about Toko, too. The surveyor has to think of so many things, including access and the chance of roads, &c., when he makes his primary explorations, that it is unfair to judge him twenty years afterwards.

52. It appears to me quite possible that in estimating the amount of timber a mistake may be made. For instance, there is not that closeness of measuring or stating the amount of timber in the south of Auckland that there is in the kauri bush, where the trees are all marked and counted: that does not obtain here, does it?—No; but the Ranger measures a certain number of trees, and there is a regularity about the timber here that you do not find in the North. In the rimu about Raetihi there is a general average that you could not apply to kauri timber. It is just a moot point whether it will not pay, as timber gets of more value, to measure it a good deal closer than we are doing.

53. When you made the statement that the timber would, in your opinion, last about forty years, did you mean that to apply to the Dominion or merely to the Wellington District?—To the Wellington District, and at the present rate of output.

54. Can you give the Commission any idea of the number of acres of land that are reserved in the Wellington District at the present time for various purposes, scenic and other?—I did not bring that information with me, but I can supply it. You mean for forest areas.

55. For general purposes?—Yes, I could supply it. There are 70,125 acres of our reserves that are under forest. Of course, the remainder may not have a stick on them.

56. You say that in your opinion a great deal of the timber is too far back and too expensive to get out: would not a system of branch railways in the Waimarino Forest help very considerably in getting over that difficulty?—Not with the very distant timber.

57. Take Raetihi, between the railway-station at Ohakune and Raetihi, a distance of eight miles?—I do not think eight miles any distance to take timber over in decent country—that is, if timber is plentiful. They can lay rails for £2 or £3 a chain, if wooden rails are used.

58. How about the state of the roads in winter?—They are not so bad as either Auckland or Taranaki.

59. In regard to the waste of timber, do you not think that the miller himself is careful in that respect, and will see that there is no good and useful timber wasted?—I used to think that there was waste occasionally in timber that I passed through.

60. But is it not the business of the miller to get the best result from the timber on the lands that he purchases or leases from the Crown?—It ought to be his business, but millers are inclined to leave unprofitable cuts in the bush.

61. With reference to fires, do you remember the fires of last year?—Yes.

62. Are you aware how the fire went through the Waimarino Forest from near Manunui to Raetihi, and blazed nearly all the totara-trees?—I know it was very bad. I was not there. I was in charge of Auckland District then, and was personally in the thick of the Kawhia fires.

63. Have you any idea what quantity of stock has been sent out from the Waimarino Plains or neighbouring country since there have been railway facilities?—No.

64. You are aware that goods-trains are laden continually now with stock and other products from the Waimarino and other portions of the Main Trunk country?—I have heard it said that the train is laden every time with goods and passengers.

65. If the timber was reserved, as you suggest, for a period of, say, twenty-five years, and it was saved from fire, would it be any cheaper to the general public when cut?—It is hard to say what is going to happen in twenty-five years from now; but I think it is bound to tend towards cheapness if you still have the timber there. If you had very little timber left it would tend to raise the cost. You see, there is so much other timber that can be milled without touching the Crown's.

66. If you reserve the timbered lands in those districts, are you not going to retard settlement in a very marked degree?—No, I do not think it would. Of course, I should not think of keeping any timber land back that would not be payable to work.

67. Is it not a fact that lands that were applied for two years ago were refused to applicants, and that those lands have been opened up to-day?—I am not aware of that. The lands that I am opening up I think my predecessor had in view to open up.

68. I refer to lands about Manunui and Ohakune and on to about Raurimu and Owhango. Lands were applied for there?—I know about the Ohakune and Manunui land. The Manunui land has not been put into the market, simply because I had not a surveyor available. With regard to the Ohakune land, although we have given a number of the people there small holdings, I am not so sure whether it would not have been better to take the milling-timber off first. There is a case in point where the advantage of having a State sawmill would come in—I mean that timber land that we cut up for village lots. We valued the timber at a certain price—not an exorbitant one—but on account of the millers perhaps taking advantage of the slump in timber, or having plenty of timber, they will not give one-fifth of the price that we have loaded the sections with; and the problem the Land Board has to meet just now is whether it will be better to let the timber go to those millers at a low figure or to keep the men off the land. Regarding this land that we have opened with milling-timber on it, it would have been far better I think to have cut the timber off and sold it first. That statement that I read out to you is the strongest evidence I know of where land and timber together, if sold ten years ago, would have produced something like £2,000, but which we have actually got over £27,000 for.

69. I admit at once that if that timber is destroyed by the settler it is a waste, but if the settler had the right of disposing of the log timber to the sawmiller, and then had the land cleared and sown in grass, what would be the value of that land for a period of, say, fifty years? Would it not be of more value to the State than if the timber on it were reserved?—No, I do not think so. To begin with, the land you referred to is all at a high elevation. A great deal of our best timber is growing on the poorest land, not fit for small holdings.

70. *Mr. Leyland.*] In view of the fact that you and other experts estimate the life of our timber resources at forty years, do you think it wise that the importation of timber such as Oregon should be checked? Do you think we should by that means help to husband our resources?—Personally I know nothing about Oregon. I can tell you nothing from my own experience, and I do not care to give an opinion.

71. You have not privately formed an opinion as to the advisability or otherwise of admitting outside timbers?—No. Although I do no say that these have not their uses.

72. *Mr. Clarke.*] With reference to the duration of our forests, you said that the estimate of forty years was based on the present output. Comparing the output of forty years ago with that of to-day, has there not been an extraordinary increase?—Yes, certainly—an immense increase.

73. Is it not a fair inference that the population of this Dominion will increase even faster within the next forty years than it has in the past forty, and that therefore the demand for timber

will increase in the same proportion?—That is a fair inference, but I thought that if I told you what the output and the quantity of timber remaining were you could form your own conclusions. Probably you know better than I what the advancement of the country is likely to be. If the present output keeps up, the supply will last forty years; but if the demand doubles or trebles it will not last a third of that time.

74. If we reckon only on the maintenance of the present output, are we not, as it were, living in a fool's paradise with regard to the future supplies of timber?—Of course, neither you nor I can tell what the country is going to be in the next forty years. We have nothing definite to go on. You may think there will be five or six millions of people here then; I may think there will be only two millions. So it is all a matter of opinion, and other factors come in, such as using our large shingle-beds for concrete buildings, which are found under certain conditions to be as cheap as wood.

75. Is it not safe to say, if the country is not going to stagnate, the population will increase enormously in the next forty years, and that consequently the demand for timber will be very much greater during that period?—I think it perfectly reasonable to think so.

76. So that as a matter of business policy we should not reckon our supplies merely on the present rate of output?—That is right.

77. That, again, would emphasize the necessity for speedy attention to reafforestation?—Certainly it would.

78. *Mr. Morris.*] During your lifetime in this country you have seen vast improvement in things generally here?—Yes; I have been in this country altogether for fifty years.

79. Do you think that human ingenuity is equal to coping with any demand that may crop up during the next hundred years with regard to providing houses for our people?—As I said before, it is impossible to say what the country will be in forty or fifty years, and we cannot estimate what its requirements then will be.

80. *Mr. Ell.*] When you suggest making some reserves of our native forests for the needs of our people with regard to timber, you expect, of course, those forests will be drawn upon gradually?—Yes.

81. Do you not suggest they should be locked up for fifty years without a tree being cut out of them?—No. I do not know whether I made myself quite clear on that point. Whenever there was a clump of Crown kauri timber in the North which the millers were anxious to get, and I knew there was timber on privately owned lands, although it might not be quite so handy, I endeavoured to get them to cut every stick of that before allowing the Crown timber to go. I considered that was the best course in the interests of the settlers, and the main thing was that we were preventing the timber from being wasted.

82. Your suggestion is to conserve the supply of timber?—I do not think I suggested making reserves. The idea was that it should not be forced on the market.

83. Just to feed the market gradually, and conserve the supply until such time as the planted trees were matured?—I would not keep them as long as that, because you would not get planted trees fit for use for forty or fifty years.

84. Your object was to conserve the supply of native timbers until such time as our native timbers have matured and the planted trees have come on?—That is so, if our planted trees come along quick enough.

85. Are you selling to settlers now any lands on which milling-timber in marketable quantity is growing?—Only in very small holdings. There may be some 5-acre sections close to leading centres, but outside of that we are keeping back everything that is fit for milling.

86. The policy generally is to conserve the milling-timber?—Yes.

87. You are aware that in years gone by land containing valuable milling-timber has passed into the hands of the settler?—Yes; but I do not think that has occurred within the last nine or ten years.

88. You are aware that at Bennett's mill at Taihape, where they are cutting on settlers' land, the trees have been burned because they were too big for the settler to cut down?—Yes; but that land was taken up a good many years ago.

89. You are aware that in consequence of that policy we have lost a great deal of valuable timber?—Undoubtedly the pressure of settlement has thrown land on the market in years gone by that we should not think of throwing open now. In fact, in Palmerston, about thirty-eight years ago, on land I was surveying there, you could hardly squeeze between the trees in places, and I could have got that land at 15s. and £1 an acre in those days, worth £50 probably now without the timber. Then, after the trees were felled I do not think the ground was seen for a year or two, there was such a density of heavy timber lying on the surface.

90. That is all waste?—Yes. It was the same everywhere else in days gone by; but I do not know of any such waste in recent years.

91. In the list of timbers you read out I did not hear you refer to the beech?—No, I have not included that at present.

92. Are you aware that beech is used largely in cabinetmaking and furniture?—I have heard it is; but it is not really a marketable timber just now for milling.

93. I saw in the forests round about Rangataua some heavy beech-trees. It was on the right-hand side of the railway?—Yes, that is timber we have been keeping back.

94. One of the handsomest suites of furniture we were shown in Scoullar and Chisholm's here was made out of New Zealand beech?—That is true; but, after all, I think furniture would not absorb much beech. Probably there is as much beech growing on an acre as would make all the furniture that would be wanted of that class for a number of years. I think the timber-merchants could tell you what they sell to the furniture-makers.

95. Some of the furniture-shops have fifty to a hundred men working constantly. Then, you did not mention cedar, or kawhaki?—I have not included it as a milling-timber, but it is on the areas on which there is milling-timber, so that if we save the one we save the other.

96. Do you not appreciate the fact that the selling of some of this timber induced the miller to try and take it out?—Yes, to a certain extent; but my experience has been that if you charge a miller for an article that he cannot sell it simply gets left. I know of instances where the miller has preferred to burn rimu and matai on which they paid royalty to us, simply because that timber would not float, and others will. We have bushes in the North in which there are so many million feet of kauri, and so much matai and rimu, but, knowing the latter would not be profitable to them, they would leave it.

97. You are supplying a strong argument in favour of the State taking up the question of milling with greater care?—I agree that if the State had that mill they would not destroy that timber. With regard to cedar, in the old days when I was a boy we used to think it would take the place of the ordinary cedar, but for some reason it has not come into prominence. Possibly it has not been found suitable. Round about Dunedin, where I was brought up, it was growing on the hills, and was looked upon as a nuisance. It would not even burn. It is, however, thought a good deal more of in the North now.

98. What sizes do the millers cut down? What are the regulations?—The regulations are, down to a foot, and I think it should be cut to a foot, although millers prefer 18 in. or 2 ft.

99. Auckland millers say they would not cut anything under 18 in.?—In the northern mills the machinery is often only fitted for large timber. They have not the machinery suitable for cutting small diameters. When we were measuring up timber I think 15 in. was about the lowest we allowed for there. If they did not cut it, it was left, but they had to pay for it.

100. Now, with regard to tree-planting: You know that in Taranaki they are rapidly cutting out the supply of native timber?—Yes; but very little of Taranaki timber is payable for milling.

101. Do you not think it desirable to have for each province a State forest, so that the people in the district requiring timber would not be saddled with the heavy cost of transit?—It is a good thing if you have the land that is suitable. There are some parts of the King-country that are poor, but there is not a great deal of poor land in which you could grow timber in Taranaki. There is comparatively very little pumice country in that land district.

102. There is some sandy country?—Yes; but the settlers are getting a great deal of that into pasture now by the planting of marram-grass. Along the coast between the Patea River and New Plymouth there are considerable areas of reclaimed sandhills growing beautiful pasture.

103. You said there were some 70,000 acres of reserves under forest?—Yes. Those are mere ornamental reserves, or beauty spots; but some of them will undoubtedly have good trees.

104. How much of that would you call milling-timber?—I have not that by me at the moment, but I have it at my office. There is not a great quantity of milling-timber upon those reserves. I have not included that in the figures I have given of profitable milling-timber, as, of course, these areas will be protected.

105. With regard to royalties, can you give us for the past five years the timbers that have been sold in the Wellington District, with the upset price and the price they have realised?—I could, but I have not the figures with me just now.

106. Complaints have been made about royalties being too high?—As a matter of fact, we have not a single Crown sawmilling license in existence in Wellington at the present moment, and I have timber blocks available for which there are no applicants. The whole of the Crown area worth milling is along the Main Trunk line. That line has been only recently opened, and the millers there already have plenty of timber on the Native land and privately owned land. The timber slump has been going on since the line was opened.

107. *Mr. Stallworthy.*] In opening up milling areas do you take into consideration the requirements of the country for timber, or do you want the land settled? I am not now referring to kauri?—If I put any land in the market it would be for the requirements of settlement, but if there was timber over that I should offer it first, and when cleared offer for settlement.

108. Do you not think, then, the Crown is somewhat to blame for the overproduction of timber that has been going on recently?—No, I do not think the Crown is in any way to blame for that. Of course, in the Wellington District we have not put any in, and I understand that in Auckland the slump is not so serious.

109. You are satisfied we cannot keep our kauri forests from fire?—Yes, except in the case of large areas. In Auckland kauri was sometimes put into the market because otherwise the fire would possibly destroy it. The kauri has many natural enemies. There is fire and also the gum-digger. The gum-digger would be glad if we had not a tree left, because he would then have a free hand to go and dig in the forests now limited to three months in winter. Where kauri is in scattered localities the sooner we get rid of it the better, because of the risk of fire.

110. Is it not a fact that land adjacent to the kauri bushes in the North is being held back from settlement because of the danger to the kauri forests?—We have only two really large kauri forests in the North—that is, broadly speaking: one south of Hokianga, between there and the Mongonui Bluff, and the other north of Hokianga. Those are, to my mind, the only two kauri forests we might try to save and withhold from the market.

111. But you are only able to save those two large forests because there is no settlement around them?—There might be six or seven hundred acres between settlement and where the timber is growing; but, speaking from memory, there are no large blocks reserved for settlement.

112. The Crown might be keeping 1,000 acres to save 100,000?—We are keeping the fringes of these great forests, probably.

113. Have you considered the question of an export duty on kauri?—No.

114. *Mr. Mander.*] With regard to the land around New Plymouth, do you consider it better occupied for settlement purposes as it is now than if it were held in timber areas?—If the timber were growing on that land at the present day, with my present experience I should say, keep it.

115. Do you think the land as at present occupied has brought better results to the country as a whole than if held in timber areas?—You are speaking of land immediately adjoining an old centre of population.

116. I mean in good country like that?—No; I suppose that some of that timber must have run, perhaps, 50,000 ft. to the acre, and timber at 10s. would mean £250 an acre for the timber alone on it that is milled.

117. I am speaking about what it is worth to the public?—Its worth to the community at large would be 5s. 6d. out of that 10s. That is the labour in producing and dressing it. I do not think so much of the royalty.

118. Is not that labour already expended to a large extent?—Of course, the felling of the bush may be £2 an acre.

119. A lot of that land is worth £20 an acre, and some of it more?—Yes; but they could have occupied the land and still have had the timber.

120. You are aware that fire has been very destructive in that part of the country, and that large areas have been destroyed?—I am not aware that it has been specially so around New Plymouth.

121. One year the fire went through the whole of that country, to my knowledge, and destroyed large areas of timber?—I think timber pays anywhere if it runs over 10,000 ft. to the acre.

122. I referred to the holding-back of the land for a long period and keeping settlement off it?—There is no parallel between now and then, because in those days, ranging up to sixty years ago, the whole country was practically under forest.

123. Would it pay to hold timber on land, say, at 1s. per hundred royalty, for twenty or thirty years, considering the increased interest on the capital outlay and that kind of thing, in order to get another shilling a hundred royalty at the end of that time?—Not for a shilling. I look upon the shilling as the merest drop in the bucket.

124. You spoke of some sections of timber land of 1,500 acres which were reserved, and which, without that reservation, would have been sold for £2,000, and which afterwards were sold for over £27,000?—Yes.

125. I suppose you realise the great difficulty of preserving timber from fire?—Yes. It is a serious difficulty, but I do not think so in regard to the blocks we have left in Wellington. This is a solid block of bush at a high elevation, with a moist climate.

126. Is it not a fact that the Government have lost lots of timber by fire that they have been trying to save?—I suppose so. We have lost a great deal in Auckland, of course, and more or less elsewhere.

127. If you lost certain sections by fire and saved others, should you not balance the two together and make your calculation accordingly?—So far as I know we have not attempted to save any others in this particular locality.

128. Over the Dominion as a whole, I mean?—I have no doubt that no end of our forests have been burnt just as you say, but not on account of trying to reserve any special areas.

129. Have you heard the builders say that the sap rimu is almost useless for building purposes, especially that from the West Coast?—No; but I do not pretend to be a timber expert.

130. Do you think that sap rimu is a useful timber?—In my small experience, just as one of the public, I have used sap rimu to advantage, but I do not consider my opinion of much value in this respect.

131. Do you think it is a waste to leave sap timber in the bush?—Certainly, I think it would be a waste. In fact, I should think half sap timber is worth something, and in royalty, of course, millers have to pay for it.

132. Do you not think it is probable that, as timber becomes scarcer and dearer than it is at the present time, other material will come in for building purposes, and that the consumption of timber will be less, rather than more, than it is at present?—Now, you are dipping into the future. There is no doubt that in the future our river-shingle will be largely used for concrete. The Crown is actually building workers' homes now in concrete as cheaply as in wood, and probably if timber gets higher that material will be largely used. I think we have a great asset in our shingle rivers that we do not quite realise at the present time. Of course, concrete is everlasting. I have heard, too, that they use asbestos.

133. You think, then, timber will not be cut out as fast in the future as it has been in the past?—I do not say quite that, but the shingle will largely counterbalance it. If I had to build a house to-morrow I should very seriously consider the question of the material to be used—concrete or wood.

134. Do you not think it is wise to use our own timbers while we have them for necessary purposes and employ our own labour in the country, and so help to make our railways pay, rather than allow Oregon or other timbers to come in and put our own timbers out of the market?—I am decidedly in favour of making use of everything grown in the country wherever we can use it.

135. Do you not think that, when tenders are called for kauri timber or any other timbers, the highest tender should be accepted unless there are very exceptional circumstances?—Well, no; because it simply leads to the banking-up of timber. For instance, one miller may have millions of feet of standing bush, and another may have none, and we first satisfy the man who has none. In making your application you have to state what timber you have got. As a rule the highest tender is accepted.

136. Do you not remember tenders for kauri being called, when Mitchelson's tender, at 6d. per hundred less than the tender of the Kauri Timber Company, was accepted?—I do not remember the particular case. There were so many in Auckland.

137. In such a case as that, do you not think it would be better to write to the Kauri Timber Company and say you would not accept a tender from them at all?—I do not think it would, because every tender is considered on its merits, and the Kauri Timber Company might be the only one in.

138. Then, do you not think it would be fair to say to the man with the lowest tender, "We cannot accept your tender at that price, but if you like to take it at the price of the highest tender you can have it"?—I can hardly give a straight-out answer to that, because we have to deal with every case on its merits. There are cases, as you say, where no doubt it would be very wrong to give it to a man at the low price, because it is practically putting that man in so much better a position than his neighbour. It is very hard to say what is best to do. We try to do it in an equitable way, and I think all our dealings in Crown timber have been fair and equitable.

139. *Mr. Morris.*] We have heard great complaints about the inferior class of timber that the millers are supplying the market with to-day as compared with what it used to be: do you not think this is due to the fact that the millers are cutting much smaller timber than they used to do?—I dare say when timber was more plentiful they went in for picked timber more; but a lot of the small trees can be used for something, though they may not do for all purposes. For instance, you cannot get as good heart timber or the same proportion out of a tree of 18 in. as out of a tree 4 ft. through.

140. When you measure these trees down to 12 in. in diameter, the miller has either to lose these trees or convert them into marketable stuff. Well, the quality of that timber cannot be equal to that of the matured tree?—Perhaps so, but it also depends on the land on which it is growing. You will often find whole forests of small trees on poor land fairly matured. Personally I prefer timber from a shingly soil, even though the trees are small. I would sooner have them for survey pegs and posts than timber grown on very rich country, where the trees may have come to a great size in a less time. I think also that in the ealy days they cut the trees at the right time of the year. Recently I was altering a house at Karori that had been up over fifty years, and one could not get a gimlet through the rimu boards, while other timber with which the building had been repaired about ten years ago had decayed.

141. Did you notice if the borer had attacked it in any way?—No; the rimu I mention was quite free from the borer.

142. *Mr. Field.*] Do you charge royalty on tawa?—No; we never sell it, but if we did royalty would be charged.

143. It is not a marketable timber?—We do not think so just now, though lots of it is quite large enough to mill. Take, for instance, the Selwyn Estate, Auckland, on which probably there is the finest tawa forest in the Dominion, from a miller's standpoint, still in its virgin state.

JAMES BURNETT sworn and examined. (No. 155.)

1. *Hon. the Chairman.*] What are you?—I am Chief Engineer, Government Railways. I may say that I have brought a statement* showing the number of sleepers used in each year from 1898 to 1908, distinguishing between New Zealand and Australian timbers. From this it appears that out of three and three-quarter million sleepers, roughly, that have been used in these ten years for maintenance purposes, three millions have been of New Zealand timber, and only three-quarters of a million have been of Australian timber. The difficulty with regard to the use of New Zealand timber is that, for the durable timbers, the prices are in excess of the Australian timbers, which are more durable. The most durable of the New Zealand timbers, totara, is only suitable for use on straight lines, and under light traffic. There are instances where totara has been used on curved lines, where it has been actually worn out by respiking in two or three years. If we use it on curved lines we have to put in bed-plates and bolts. The Australian timbers are much harder and much more durable. I will not say more durable than totara, but equally durable. Of the New Zealand timbers which have been used for sleepers, the following I think are suitable: Totara and silver-pine for straight lines and light traffic; puriri, if it can be procured thoroughly matured from old trees. I might say that our experience with puriri so far has been very disappointing in that, I suppose, the sleepers have been taken from immature trees or cut at the wrong season. We have had a very large percentage of totara, and thoroughly good totara is as good for straight lines, with light traffic, as anything we can get. Silver-pine from the West Coast is equal so far as we can learn in durability to totara, and is better, in that it is harder and stands the wear of the rail better. It also holds the fastenings better. We have used large quantities of matai in the past, with very unsatisfactory results. Its life as a sleeper cannot be put at more than six or seven years. All the birch that we have used is equally unsuitable. I know there are instances of very old birch sleepers, but they are isolated cases, and we have to go by a general average. Rimu is about equal in durability to birch. Some five years ago there was a difficulty in getting supplies of sleepers, and the Railway Department purchased a creosoting plant at Invercargill, and imported a second plant, which has been erected at Woodville. The Department treated at each of these plants about a hundred thousand sleepers per annum, the timbers used being rimu and kahikatea. The cost of the untreated sleeper has increased so much that the price of the treated sleeper is now approaching that of the imported hardwood sleeper. A sleeper costs from 1s. 8d. to 1s. 9d. to begin with, the creosoting material costs about 1s. 2d., and the actual cost of handling in treatment is about 5d. to 6d., making a total of 3s. 3d. to 3s. 4d., as against 4s. per sleeper for first-class hardwood. I could not recommend the Department to continue the use of creosoted sleepers at such a prohibitory price. Their life is certainly not two-thirds at the most of the Australian hardwood, and they have the disadvantage of being so soft that the fastenings work loose much more quickly than is the case with hardwood, and the rail cuts into the sleeper. They are suitable only for use where the traffic is light, and on straight lines. The Department is now prepared to take practically any reasonable quantity of totara sleepers and also silver-pine sleepers, but they cannot get them.

* *Vide* Appendix E to Report of Commission.

2. Have you tried the Totara Timber Company?—We invite supplies from any one that will supply us. The price is fixed, and they accept from any one who will supply the sleepers at any railway-station, sawn or hewn. Economically, I am quite sure that the use of Australian hardwoods is the right thing, because large sums are saved to the country in maintenance through using the most durable material that can be procured. It must be borne in mind that it is not only the first cost of the sleeper, because you must add to the cost of the softwood sleeper the additional cost of renewal and labour, together with the cost of disturbing the line.

3. Then you do not see your way to be able to accept a larger proportion of Dominion sleepers now than in the past?—I could not recommend it. Economically the more hardwood sleepers we can get the better for the railways.

4. *Mr. Field.*] You understand that there is a limit to the time when we shall be able to procure hardwood sleepers from Australia?—I have heard that in New South Wales it is likely that the State Government will prohibit the export of the better classes of eucalyptus—the ironbarks especially. This, however, has been stated for three or four years, but so far it has not come to fruition. We understand that there is practically an unlimited supply of jarrah in Western Australia. The price of ironbark has increased so much lately that we have had hardly any of it. We take mostly jarrah. In consequence of the high price of ironbark we have substituted steel for bridge-girders to a large extent. There is a point where it becomes more economical to use the more expensive material.

5. You have no personal knowledge of the forests of Australia?—No, not beyond passing through them as a visitor.

6. I am told that the amount of jarrah in the Western Australian forest is very much overestimated. In view of the possibility of difficulty in getting supplies, would it not be wise for us to plant hardwoods in the vicinity of our railway-lines?—I have always thought it would be a good thing to plant good hardwoods, but not too close to the railway-lines. We planted some belts in Canterbury when I was there, but there is great risk of fire when they are close to the line.

7. You know that some were planted in the vicinity of Auckland, and that these are now being cut down?—I know that a great many trees were planted around the railway-stations, and that they are now being cut down for various purposes. They are used for temporary piles, scaffolding, &c.

8. They are being put to some use, then?—Yes. Unfortunately, a great many of these trees were the wrong sort of timber. They got the wrong seed—that is, they got inferior gums.

9. Then, that is generally the reason for these trees being cut down?—Yes. There are very few ironbarks or grey-gums in those plantations.

10. You think the policy would be a good one to begin growing our own hardwood sleepers for the future?—Undoubtedly.

11. Of course, your jurisdiction extends over the whole of the Dominion?—Yes.

12. Are millers of totara receiving due consideration with regard to the supply of sleepers everywhere, so far as you are aware, or are you buying almost entirely hardwood sleepers?—We are buying a fair proportion of New-Zealand-grown timber—totara and silver-pine.

13. I have heard that there is a miller near Taumarunui who is very hard put to it for orders, and he cannot get any for sleepers?—I suppose that is because they are cutting them at the Government sawmill. Personally I do not have anything to do with the supply of timber; that is attended to by the Stores Branch. My office, however, inspect and pass the timber.

14. With respect to the creosoting process, we were told at Invercargill that the machinery there was not up to date, and that if it were the timber could be treated at a much cheaper rate. Is there anything in that statement, do you think?—It is quite an efficient plant.

15. Not by any means obsolete?—There is a process called the Rueping process by which the creosote is economized—that is, all the surplus creosote is extracted from the timber, instead of being allowed to remain. That economizes a quantity of the creosote; but it has not yet been established that it gives equal durability. To bring that into use we should have to spend considerable sums in altering the plants at Woodville and Invercargill, and we might discover afterwards that we had made a mistake. We are waiting for more knowledge on the subject before committing ourselves.

16. We are told that it pays the Americans to put down Oregon sleepers even though they have to renew them in five years. Could the same thing not be done with our timbers if they could get them cheap enough?—No, I do not think it can be economical. I think they use Oregon only because it is absolutely the only thing procurable. No railway man could assert that it is economical to put a sleeper down and take it up in five years, no matter how cheap it was.

17. The cost of renewing is very expensive, then. Have you any idea what it would cost in labour?—It is difficult to give that exactly. If you take into consideration the disturbance of the line and the frequent repacking, the labour would cost at least 1s. 6d. per sleeper. I have gone into this question a good many years ago, and I came to the conclusion that the most durable sleeper is the most economical.

18. *Mr. Morris.*] What do you say about the durability of the best beech?—I say it is about equally durable with fair rimu, but not more durable for sleepers. It has a further objection, that the acid in the timber corrodes the spikes, and the sleeper has to be taken out again because it will not hold the fastenings.

19. Of course, you know how long it is since the Midland Railway was commenced over on the West Coast—over twenty years ago?—Yes.

20. Some of the sleepers on that line are still there after this long time?—I know they are there, and I am very sorry for it.

21. They are in good preservation?—No, very few of them. The main bulk of them have had to be removed, and I must be guided by the average.

22. Perhaps those that give such bad results may have been an inferior class of timber?—Quite possible; but we get some inferior timber in all sleepers. If the tree has passed its maturity the timber will perish more readily. Prior to my present appointment I was Inspecting Engineer, and the custom is to make a triennial inspection in detail of the sleepers. Lengths of the line are opened for that purpose in each mile, and we inspect fifty or a hundred at each place, so that in every mile of railways in the Dominion a hundred of the sleepers are examined in detail, and I did that some four times while I was Inspecting Engineer; and my conviction that birch could not be recommended was strengthened every time I made my inspections.

23. Did you find out, where they were completely buried in ballast and not exposed to the weather, that they kept very much better?—Yes, the results were better where they were buried and where they were damp—that is to say, they stand better in damp than in dry ballast. I have seen them perfectly good after thirty years, but they were isolated specimens, and we have to take the average.

24. It strikes me that it was not altogether due to the superiority of the wood, but to the fact that those specimens were true birch. The chances are, your Inspectors might be imposed on a little?—They are very liable to that all the time.

25. This question of sending our money away to other countries for supplies appears to me to be a serious one that we should get over, if it is possible. Some day or other we shall have to provide sleepers from our own forests to take the place of the renewals on the line. I think we should be able to obtain birch for 2s., as against 4s. for hardwood, and if they only lasted half the time they ought to be as profitable to the Department?—The difficulty has been, and always will be, that we cannot depend on getting the bulk of the sleepers of first-class timber. Even at half the price, or at any price, birch sleepers would be dear.

26. *Mr. Ell.*] You think it is a desirable thing to plant for the future needs of the railway system. Do you know if anything has been done in that direction?—Not much on a large scale. It wants to be on a comprehensive scale to be of any value. It will be fifty years before any timber is fit for use, and the bulk of it will not come in for at least a hundred years.

27. You do not know from your own knowledge of the engineering world that there is likely to be a substitute for wood?—I do not think any substitutes that have been tried are likely to take the place of wood until the supply of wood is absolutely exhausted. No material that has been used yet is so entirely suitable for sleepers as is wood. I know of nothing that will displace wood so long as wood is available.

28. So it is essential for sleeper purposes?—Well, not absolutely essential, but very nearly so.

29. What is the alternative to the use of wood?—Concrete, and steel, and paper-mâché.

30. What would be the cost compared with wood?—Very much more than the present cost.

31. Has the Railway Department made any representations to the Government on the subject of planting suitable trees for railway purposes?—Not since I have been in charge. I have been Chief Engineer a year only.

32. Nearly all your men when questioned have expressed an opinion that it would be desirable to have extensive plantations?—The Railway Department a good many years ago established nurseries—one in Christchurch and another near Auckland, at Frankton—but when the Forestry Department established nurseries the Railway Department abandoned operations.

33. Do you think it is a desirable thing to specially draw the attention of the Forestry Department to your requirements, and urge upon them more extensive plantations?—Yes; but that is rather a policy matter, and as an executive officer I have not actually considered it.

34. Do you think it is desirable to take it into consideration?—I think so.

35. Really, you are the officer to advise in the matter?—Yes, I think anything that will insure a supply of timber to posterity is in the right direction.

36. I am asking you not with regard to timber generally, but especially with regard to sleeper-timber?—I understand.

37. The railway system of Australia is a growing one, and they may find that they have need for all their timbers. You have already told us that New South Wales contemplates prohibiting the exportation of hardwood, which was the result of a special Commission?—Yes, they had a Commission that made that recommendation, but they have not taken any steps as yet.

NORVAL FREDERICK MARLEY sworn and examined. (No. 156.)

1. *Hon. the Chairman.*] You are connected with the Wellington Timber-merchants' Association, I understand?—Yes.

2. Have you any statement to make on this subject?—I came here more particularly to define our position with regard to the timber industry, and I wish to make the following statement:—

I am secretary of the Wellington Timber-merchants' Association, and have been since its formation in 1899. It was registered in 1901 under the Arbitration Act of 1900 as an industrial union. Its objects are to represent members before the Arbitration Court, Conciliation Board, &c., and generally to promote the interests of the trade in Wellington. We also undertake the collection of outstanding accounts for members. The membership comprises all timber-merchants in Wellington and suburbs. The association, as a body, neither buys nor sells. The members place their own orders, and, speaking generally, prefer to do so through a Sawmillers' Association, so that if one mill cannot supply the whole or any part of the order it can be passed on to another mill without reference to the merchant, and so save valuable time. On the other hand, the millers generally—of course, there are exceptions—prefer to deal only with merchants, as, although they get a somewhat lower price in the first instance, it is a definite one, and they know just what they have to come and run no risk of bad debts.

Referring to the order of reference, clause 3 suggests four parties—*i.e.*, the miller, consumer, middleman, and retailer. I know only of three in Wellington—*i.e.*, the miller, merchant, and consumer, the merchant, of course, being the retailer. Now, taking the principal line in the business—viz., building-rimu, which I may say constitutes within a fraction of 50 per cent. of the entire Wellington merchants' trade. In 1901 merchants bought at 9s. 3d. on trucks at Wellington Station, less 2½ per cent. on mill price, and, as they paid their own freight, which averaged 3s., and cartage to yard, 4d., it made the net buying-price 9s. 5¼d., and they sold at 11s., less 2½ per cent., or 10s. 8¾d. net. In 1908 the buying-price was 11s., or, subject to the above charges and discount, 11s. 1¾d. net, and the selling-price 14s. 6d., less 7½ per cent., or 13s. 5d. net. In confirmation of these figures I submit printed price-lists covering the period mentioned, which I would ask may be returned when the Commission has completed its labours, as they form portion of the records of the office. I also append a list showing how the discounts work out at the different dates. These figures prove that the total increase in the price of rimu to the public during the past eight years has been 2s. 8½d. per hundred feet, and effectually disposes of the charge that the merchants have exploited the public.

Oregon imports last year to Wellington amounted to 5,807,251 ft., of which 1,780,159 ft. were landed during the last two months of the year, and most of which would be in stock at the end of the period. I cannot see that the importation of Oregon so far has had any effect on the building industry; but there can be no doubt that during the last quarter of the year, and partly owing to a consignment of 300,000 ft. being dumped here and sold at a very low price, it came into direct conflict with O.B. rimu, and so injured the local millers by reducing the demand for their product to that extent.

	Ft.
The import of rimu to Wellington in 1907 was	20,987,089
,, ,, 1908 ,, ...	15,676,684
A decrease of	5,310,405
The total import of timber (all kinds) in 1907 was	41,967,152
,, ,, 1908 ,, ...	40,338,048
A decrease of	1,629,104

Examples of Methods of arriving at Net Prices.

Buying.

		Per 100 ft. s.	d.
Aug., 1901.	Mill price	6	3
	2½ per cent. discount ..	0	1¾
		6	1¼
	Freight, 3s.; cartage, 4d.	3	4
		9	5¼ net.
Dec., 1902.	Mill price	7	0
	2½ per cent. discount ..	0	2
		6	10
	Freight and cartage ..	3	4
		10	2 net.
May, 1907.	Mill price	7	6
	2½ per cent. discount ..	0	2¼
		7	3¾
	Freight and cartage ..	3	4
		10	7¾ net.
Jan., 1908.	Mill price	8	0
	2½ per cent. discount ..	0	2¼
		7	9¾
	Freight and cartage ..	3	4
		11	1¾ net.
Cost, August, 1901		9	5¼
Miller's increase		1	8½

Selling.

		Per 100 ft. s.	d.
July, 1901.	Sold at	11	0
	2½ per cent discount ..	0	3¼
		10	8¾ net.
Aug., 1902.	Sold at	12	0
	7½ per cent. discount ..	0	10¾
		11	1¼ net.
Feb., 1905.	Sold at	12	6
	7½ per cent. discount ..	0	11¼
		11	6¾ net.
Jan., 1907.	Sold at	13	0
	7½ per cent. discount ..	0	11½
		12	0½ net.
May, 1907.	Sold at	13	6
	7½ per cent. discount ..	1	0
		12	6 net.
Jan., 1908.	Sold at	14	6
	7½ per cent. discount ..	1	1
		13	5 net.
Selling-price, July, 1901		10	8¾
		2	8¼
Less miller's increase		1	8½
Merchant's increase		0	11¾

With regard to the question of combines, a great deal has been said and written about there being a combine or ring in the timber trade of Wellington, I wish to say, and I do so with a full sense of responsibility, that so far as the merchants are concerned, there is absolutely nothing of the kind, and never has been. The Government have always encouraged the formation of industrial unions. That is what ours is—a registered union of employers. We have made an arrangement with the sawmillers to purchase their products, and they in turn have to guarantee a fixed supply. The association was formed with the view of insuring a fixed supply of timber, and the associated mills undertook to furnish a constant supply at a fixed price. That was a verbal arrangement merely, and no penalties were attached for non-compliance with the agreement. That is the only arrangement which has been made between the sawmillers and the timber-merchants, and is the only thing that could possibly be construed into what might be termed a combine. We do not buy as an association at all. Our members do their own buying and selling. I beg to put in our price-lists. [Price-lists put in.]

3. But who fixes the price-list?—The millers fix the price to us, and their own price to the public, and, of course, we have to work on the same lines.

4. But are not you and the millers one?—No; the price-lists I have put in show the difference.

5. You have nothing further to say?—No.

6. *Mr. Barber.*] May I see the price-lists?—Yes, I have put them in.

7. *Mr. Field.*] We have been told that the price of O.B. timber in Wellington City charged by the timber-merchants has increased 6s. in nine years, and it can be proved by the price-lists: what have you to say to that?—Only that I have put in all the price-lists here, and they do not bear that out. I speak only of the O.B. timber when I mentioned the prices; I have not gone into the other lines at all, because red-pine forms really 50 per cent. of the total timber used in Wellington.

8. As to this business arrangement, is it not true that there are similar business arrangements in force in other trades?—In every trade. With us it is a trade discount of 5 per cent. The hardware people give their customers a discount of 10 per cent., irrespective of when the accounts are paid. Our trade discount is only 5 per cent., which is given when the accounts are paid by a certain date

9. I understand there is a formal memorandum which the builders are asked to sign in order to get the benefits of the association. [Memo. handed to witness.] You have seen that before, of course?—I have seen something like it.

10. Would you mind reading it?—"The Secretary, Timber-merchants' Association, Wellington.—SIR,—I hereby apply to have my name inserted in the Builders and Contractors' Special Discount List, in consideration for which I agree to confine my purchases of timber to the members of the Wellington Timber-merchants' Association.—Name in full: . Occupation: . Address: .—Recommended by , timber-merchant."

11. Now, some exception has been taken to that, and would you kindly tell the Commission in what way you regard it as being justified?—Might I ask you another question?

12. You can do what you like, of course?—Supposing you were in business in Wellington, and a man wanted to arrange terms with you for placing an order for, say, 200 pounds' worth, would you give that man the same terms as the man who bought the bulk elsewhere, and only came to you for the finishings?

13. No?—That is all we are doing here, nothing more. It is not applicable to every one. Of the old customers we do not ask anything, but we want some knowledge of the new men particularly when they want to open accounts.

14. It has been said that timber-merchants are quite unnecessary, and that there is no reason why builders and contractors should not buy direct from the mills, and so save the middleman's profit?—Seventeen per cent. of the timber which came into Wellington last year went direct to the builders.

15. Can you tell the Commission in what way the timber-merchant is of some benefit to the consumer?—He is an absolute necessity in every large centre, because when you do away with him you paralyse the building industry. No builder, unless he has some place in town to draw on for odds and ends in the shape of short lengths of dry stuff, could carry on his work. If the merchants are done away with, as suggested, either the millers or builders would have to establish a depot in town, and as this would be subject to the same expenses as the present yards, you would simply displace one set of men for another.

16. You think there would be no saving of cost to the consumer?—Not a halfpenny.

17. What class of timber would you say the importation of Oregon mainly affects in Wellington?—It depends entirely on the price it is sold at.

18. Assuming that it is sold at a price higher than our O.B. rimu, what timber would it displace which is sold in similar sizes? In large sizes the price is cheaper in Oregon?—I do not know that it is going to affect the price of building at all unless you keep the price down to the price of O.B. red-pine. Then the Oregon would displace that, because it is easier to work and handle, and it is lighter.

19. But at present it has not cheapened the cost of smaller buildings. What timber has it come into competition with?—It would compete with O.B. matai—that is, the sap matai—which is used sometimes here, and which is used by the jerry-builders chiefly for outside work.

20. Is it affecting our O.B. rimu?—I understand it has done so within the last few months since the timber has been cheaper. There was a quarter of a million feet of Oregon came here in one cargo, and for some financial reason it was not taken up, and it had to be sold very low. That affected the market too; but so long as it sold at a fixed price it did not affect the O.B. at all.

21. We are told by the millers that they are able to sell the first-class timber, principally rimu, whereas their second-class is accumulating at the mills because of no market?—I do not think that second-class timber should go into buildings.

22. I mean the O.B. rimu?—But there is a class of O.B. they call second-class.

23. Something between heart and sap?—No, inferior to ordinary O.B. That is sometimes purchased and brought into town and used.

24. Has that been done to any large extent?—We have heard of it, but I cannot say from my own knowledge.

25. Do you think any of the builders go and pick up a lot of rubbish at the mills and use it here?—I am not suggesting that the builders do that, but it is done.

26. And probably there are some houses here in Wellington which are not of a very durable character?—That is so.

27. Have you got anything to say on the question of increasing the duty on Oregon?—No, I should not like to express any opinion. There are other timbers besides Oregon disturbing the market—jarrah, for instance. It is simply a question of supply and demand. The builders are tied down by the specifications, and whatever they ask for we have to procure.

28. *Mr. Barber.*] With regard to the price-lists you have put in, I understand one is the price-list to the timber-merchants?—Yes, the price we paid for the timber on those dates.

29. I notice that the price of O.B. rimu on the 23rd April, 1908, was 11s.; and "heart and including 10 in. wide," 14s. 6d.?—Just so; it cost us 11s. at the station, subject to the charges and discounts already mentioned, and we sold it at 14s. 6d., less 7½ per cent.

30. These prices are therefore really no guide at all, as far as the consumers are concerned?—No; they are for us. Our own price-list I have also put in. I only wanted to show what the merchants' margin was at certain dates.

31. When was the association formed?—In 1899.

32. Is it a fact or not that timber was purchased when the association was formed at 8s. a hundred O.B. red-pine?—No. I have a price-list here dated 1892.

33. I do not want to go back as far as that?—But I want to show that in 1892 the merchants were selling O.B. red-pine at 10s., and I know of my own knowledge that they were paying 8s. for it then.

34. If invoices are put in showing that timber was procurable immediately before the association was formed at 8s. 6d., would you admit that proof?—I would not say that they could not do it, because nearly 17 per cent. of the Wellington trade is done between the millers and the public, and not touched by the merchants at all.

35. I have a price-list showing that there has been a rise of 6s. in the period mentioned?—These lists do not show it. There have been reductions in prices at certain periods, but they have not lasted, and they have been for special reasons.

36. Can you put in your rules of the association?—Yes. [Rules put in.]

37. Have any of the members of your association been fined for breaches of the rules?—The rules provide for certain fines.

38. They have been fined?—Yes, some of them.

39. Large sums?—No.

40. Does it run into pounds?—The fines which have been inflicted have not been collected.

41. Have none been paid?—One has, but it is going to be refunded.

42. These fines were for selling below the price-list?—For breaches of the regulations.

43. And one is a uniform price-list?—Certainly.

44. And for selling below that price-list members have been fined?—Yes.

45. And there is also an attempt on the part of the association, as Mr. Field has shown, to compel people to deal from the association which fixed this uniform price?—No.

46. There was the circular you admitted which was read by Mr. Field?—That was no attempt to compel them to come to us at all. It was simply a business proposition for our members' protection.

47. And if they purchased half their requirements from you and half from outside they lost their trade discounts?—Quite right too.

48. Does that apply in any other business?—To all businesses.

49. You mentioned ironmongery. Is not a miller perfectly free to get half his order from one house and half from another, and get discount from both?—I do not know.

50. I know it is so. You have admitted that if they failed to purchase the whole of their supplies from the association they lost their trade discount?—That is so, but it does not apply to all cases.

51. You sent out a circular that certain names have been deleted from the trade-discount list for purchasing outside the association?—There have been some special circumstance connected with those cases, because it is not usually done.

52. Is it not your rule to ask them to confine their purchases to the association?—We ask them to do it.

53. You have sent a number of tradesmen in Wellington notice that their names have been deleted from the association's list for purchasing outside the association?—Yes, for not complying with the regulations.

54. This arrangement is made between the association and the West Coast millers, and it is a hard and mutual one?—Not with the West Coast millers alone, but with all the associations.

55. But the West Coast trading association was a party to this agreement with you?—It was simply a verbal arrangement. There was no agreement at all in the legal sense; no penalty attached to it, but simply a moral obligation.

56. That they would only supply the association?—That they would keep us supplied at a price.

57. That you would keep them going with supplies provided that they did not supply any one outside the association?—No; we have agreed to that list, but the people do go to them direct.

58. How can you make an arrangement with the association and still allow the public to come into competition with you?—We cannot help ourselves; the millers supply the music, and we have to dance to it.

59. *Mr. Leyland.*] You said that some thousands of feet of Oregon were dumped here. What did you mean by "dumped"?—It was not dumped in the sense you understand. It was indented here not by a merchant, and the party could not make financial arrangements about it, with the result that the shipper put it on the wharf and it was sold at a low rate.

60. In your association do you find there is a demand for Oregon?—In some cases we had to supply it. Wherever it is specified it has to be supplied.

61. It was your duty to supply your customers with Oregon if they wanted it?—It is simply a question of supply and demand.

62. *Mr. Morris.*] How did you manage to supply the wants of the builders in this market previously to 1908?—That is a question you ought to put to a merchant. I neither buy nor sell. We had not a sufficient supply at the beginning of last year; the local millers could not supply the demand.

63. Which was largely due to the serious fires that burnt them out?—I am not suggesting what was the reason, but I know the supply was not there. Later on this depression came on, and there was more timber than was required, and it was really that, I believe, that invoked all the complaints about Oregon.

64. I think you also know that it is a fact that this timber being landed here at a cheap rate led to its being appreciated in this market?—It is very probable; but, as I have already told you, some builders and others imported a lot of it. Personally I do not know anything about the price the stuff was imported at.

65. The builders imported a lot of it?—Yes, direct.

66. And that might account for the reason they are so anxious to use it?—It might.

67. I say that it has accounted for it?—Possibly.

68. Talking about this combination that a lot has been made of: I think you were present at a meeting I attended myself, when I undertook as far as I possibly could to supply the Wellington merchants with their requirements on condition that they did not encourage the importation of Oregon pine? Do you remember anything about that?—I know you have tried to do that, but I do not remember which particular meeting you refer to.

69. Do you consider that is an unholy combination to make?—Not at all.

70. Do you recollect that instance, Mr. Marley?—I do not know what meeting you refer to. I know that has been your attitude; you have always tried that.

71. You know, of course, the merchants have not attempted to come up to that now?—I think it cut both ways. The millers should not say too much.

WILLIAM HOPKIRK sworn and examined. (No. 157.)

1. *Hon. the Chairman.*] You are Chairman of the Timber-merchants' Association here?—Yes.

2. Can you throw any light on the matters we are inquiring into?—I have prepared a statement, which I should like to put before you:—

I am a timber-merchant, a member of the firm of McLeod, Weir, and Hopkirk, and have been connected with the timber business for considerably over thirty years. I propose to address you on the following points, all of which have been matters of public discussion during the past few months, and are clearly within the order of reference, a copy of which I duly received: First, in justification of the merchants' position; second, in justification of our prices; third, in justification of our association; fourth, attitude towards importation of foreign timbers.

First, I cannot give an opinion about other places, except from hearsay, but I wish emphatically to state that in this city the timber-merchant is a necessity, and that the business cannot even approximately be satisfactorily conducted by the bush sawmiller. The builder prefers a stock to choose from and to see his supplies, and personally judge of their quality and suitability, and particularly whether the timber is properly seasoned or not. He then is assured that small orders as well as larger ones are readily executed, and should adjustments be required, they are easily made. Sawmillers are handicapped by distance and the uncertainty of railway delivery, and it will not pay a builder to keep men idle waiting for supplies, neither can he get his timber in advance, as he has no room to stack it. The merchant buys from the miller, and retails or distributes to the builder, for which he must, or at least should have an adequate return; but to my certain knowledge this return has often been very inadequate and disappointing. I go further, and assert that at the best of times the average profits made by the merchant have never been unreasonable or exorbitant, although on some lines the margin is higher than on others, but this is the case in every business.

Second, the timber business is particularly slack at present in this city, caused, I believe, chiefly by the lack of money, and financial tightness; and the demand for either local or foreign timber is very low. I do not think it has ever been in a worse state, although there have been previous slumps in the trade, notably from 1880 to 1882, and in lesser degrees since. Sales at present are being made at prices which cannot possibly pay, although I am aware that, by a judicious mixing of firsts with seconds or inferior quality, timber may be sold cheaply and yet pay, but my statement does not apply to such. Merchants are simply playing a waiting game, feeling assured that the depression will soon pass and better times again revive a drooping industry. I do not mention the prevailing rates, either buying or selling, because they are normal

and controlled by so many different considerations, such as stocks in hand, quality of timber required, financial standing of client, merchants' obligations, &c.; suffice it to say that profits are simply nil: I would now refer to twelve or eighteen months ago, or when the trade was brisk and prices at their best: The difference between the buying and selling rates were—Buying-rates, 10s. 10d. net; selling, 13s. 5d.: making a difference of 2s. 7d. From this we have to deduct all expenses, such as cartage, handling, stacking, waste (very considerable), rents, rates, fire insurance, accident insurance, salaries, and sundries, such as stationery, stamps, telephones, telegrams, &c.; besides which we have bad debts (a serious item), and capital must be credited with interest: totalling 2s. 1d. or 2s. 2d.; leaving a net profit of 5d. or 6d. per hundred feet, and this at the very best time and when prices were highest, and so I hold that the highest price of sawn timber is amply justified.

Referring to the increases in prices during the past seven or eight years, let me mention the following fact, which speaks for itself: My firm paid in city rates in 1901 the sum of £120; the figure now has mounted by leaps and bounds to no less than £520 per annum. Of course, this is an extraordinary increase, but all expenses have very materially advanced, and I put it to you that prices must under such conditions advance also.

As to the cry that increased cost of timber is responsible for the high rents and advance in house property, I emphatically deny that it is so, and you yourselves will agree when I tell you that an addition of 1s. per hundred superficial feet would mean only an extra cost of £10 to £11 on a six-roomed house—say, 12s. 6d. per annum, or 3d. per week in rent.

Third, we have a merchants' association formed for the regulation of the trade and as a protection against labour troubles. I desire to say that there is nothing in the nature of a combine, interpreting that term to mean an organization for fleecing the public or securing excessive profits, in it. We endeavour to prevent unfair competition, and to maintain a payable margin between buying and selling prices. I say "endeavour," for we have not always been successful, and the competition that exists on every hand keeps prices at the veriest minimum, and the figures that I have previously given you surely prove that this is so.

Fourth, the question of the importation of Oregon does not affect us as merchants particularly. Our *rôle* is to buy and sell, and from a strictly business or selfish point of view we should deal in that which gives us the best return. There is one consideration which a merchant must take cognisance of—it is inconvenient and costly to keep large stocks of both rimu and Oregon, and the charges are heavier on the latter than on the former. This fact frees the merchant from the insinuation that we deal in it because of the extra profit, for extra expenses entail higher prices, and, as it is more expensive to handle, it must legitimately bear a higher price to meet such. I estimate this extra cost at not less than 1s. 3d. to 1s. 6d. per hundred superficial feet.

But I cannot look at this question from the business or selfish standpoint, if you like, only, for we are bound together in our different interests which ultimately should make for the common goo, and so from the economic, or shall I say patriotic view, it does not seem to be reasonable or wise to send money out of the country for a product which, if not used, would be very much wasted —go up in smoke as much of it has already done—and in the using of which so much would result not to the wage-earner alone but to the whole body of people. Of course, if rimu or other local timbers cannot be got at reasonable rates, then encourage the foreign article; but at present there is no lack of local supplies, and I am certain these can be increased if necessary, especially if an assured market is secured.

It has been said that Oregon is needed for long timbers, and no doubt it is very handy for these, but long lengths do not constitute more than probably 1 per cent. of the whole quantity used, so that an extra price in either red-pine or Oregon does not amount to much.

Whilst the importation of foreign timber may, and, I believe, does accentuate the dullness in the sawmilling industry, I am persuaded the lack of money and the general financial tightness is by far the chief cause. As things are, however, I am forced to admit that Oregon at present does very seriously diminish the sale of local timber, and this, in my opinion, means an impoverishment of the country to the extent of at least 6s. for every hundred feet imported, besides causing a serious falling-off in railway freights, which again is a further loss to the whole community.

3. *Mr. Jennings.*] Taking the timber that is supplied to this market, do you get the best timber—the heart timber—generally from the Wairarapa and the Main Trunk and the West Coast?—As merchants we have as a rule to take the whole product of the log. We get the best, the second best, and the third best sometimes.

4. You know there is a feeling in the public mind that too high a price is charged for timber. Can you tell the Commission what the increase has been, comparing the price charged ten years ago with that of twelve months ago?—I have not got the figures for ten years ago, but I have them for seven years ago. My reason for taking them for seven years ago is that expenses increased very materially at about that time.

5. Very well, take that time?—Our buying-price then was 9s. 3d. on the trucks here, which, less the discount, would be 9s. 1¼d. Our selling-price, again deducting the discount, would be 10s. 8¾d. Those are the figures for 1901. The buying-price of twelve months ago was 10s. 9¾d., and the selling-price 13s. 5d. That shows a rise of 2s. 8¼d. in our price. The advance in the buying-price has not been quite so much, but it has been very considerable.

6. Evidence has been given by former witnesses about the class of timber that has been put into houses by jerry-builders: have you any knowledge of such business?—I do know that the jerry-builders do buy the very cheapest timber, and they are not very particular about the quality. Cheapness is the first consideration with them.

7. Do you know if the Builders' Association protect the public in any way with respect to the class of timber foisted on to them?—I would not charge the Builders' Association with buying that class of timber. The respectable builders put up a very good building.

8. What are the relationships prevailing generally between the sawmillers and the merchants and the builders? Are there feelings of antagonism?—There is no antagonism, exactly. While there is a competition it does not amount to antagonism, because we understand that we are necessary to each other.

9. The Timber-merchants in Wellington, as a general principle, are more than anxious to get the best New Zealand timbers for sale, I presume?—Certainly.

10. As president of the Timber-merchants' Association, will you give the Commission your straightforward opinion of New Zealand timbers as compared with Oregon pine and other timbers that come in?—I think that ours is very good timber indeed. I should say that, taken in a general way, our timber is second to none.

11. Have you any instance you can give of a building erected of local timber a long time ago?—Part of the house I am living in has been built thirty or forty years. One I sold a little while ago had been built for about the same time. It was built of O.B. rimu chiefly.

12. And what is the condition of the house to-day?—I do not expect to pull it down if I live another twenty years.

13. Can you account for statements that have been made here frequently that our timber is not so good now as it was ten years ago?—It is exactly the same timber, cut from exactly the same districts. I suppose that the mills are working now within a mile or two of the places that the timber was supplied from ten years ago. It is exactly the same timber. It may sometimes be graded differently.

14. Does not the matter of seasoning come in?—Oh, yes!

15. To a great extent?—Seasoned timber is far and away better than green timber.

16. Do you charge more for your seasoned timber than the green timber?—We do for the first-class, but only enough to cover expenses of stacking and keeping. There is waste through weather-conditions and other things. Perhaps a split or a shake will develop during drying, or something like that.

17. Have you any knowledge of the bush about the Wellington district?—Not particularly.

18. You have no idea, then, of the supplies that are still available?—No; that is a matter I would not care to answer upon.

19. Are you in favour of afforestation?—Certainly.

20. *Mr. Leyland.*] Have you any difficulty in obtaining supplies of kauri?—I had a letter to-day saying that logs were very scarce, but they hoped to give me supplies very shortly.

21. You have had some difficulty, then, in getting kauri?—I cannot say I have not been able to get my supplies, but now and again logs have been scarce, especially after a dry season. Sometimes we have got our supplies very quickly, and at other times they have been delayed, when the reason given has been that the creeks have been low and they could not get the logs forward.

22. Are you interested financially in any mills outside Wellington City?—Yes.

23. *Mr. Clarke.*] You said, speaking of supplies, that it is necessary the merchant should have a stock, so as to insure that small orders as well as large ones are readily supplied. That statement that small orders as well as large ones are readily supplied has been absolutely contradicted by builders who have given evidence. Do you say that yours is a correct statement?—It is a comparative statement. Sometimes supplies have not been so readily obtained as at others. It is the same with all commodities. If there is a "boom" demand, then supplies will not be obtained so readily. I have heard the evidence, and I should like to suggest that one reason for supplies not being got in time was that the orders were not given as early as they might have been. I know that many builders do not wish to pay over the money for timber until, pretty well, they get the money for the building. And they try to keep their orders back very often until there is hardly time to get special sizes.

24. These builders have stated that they have had to wait not once, but continually, and they were really driven to the expedient of getting timber from elsewhere on that account. Does that not directly contradict your statement that they can be readily supplied?—Eighteen months ago there was a difficulty caused by a "boom" demand and fires. There have been difficulties in getting supplies forward, and I have no doubt builders have had to wait sometimes for supplies; but I insist that they themselves might have managed their business better so as to have got their supplies earlier or given longer time for them to come. I have known myself of cases where perhaps the foundations of a building would take two or three months to put in; the builder has had the specifications and plans all that time, but has not come for his timber till the end of that three months, and has then wanted it the following week. I say that for ordinary building purposes, as a rule—there are exceptional cases—supplies can be got in fair time, and have been got in fair time.

25. You mentioned in your statement that merchants would be able to get rid of their timber by a judicious mixture of first-class with inferior-quality timber. What did you mean by that?—I have heard statements made about cheap timber. "Cheap," again, is a comparative term. If you want to take inferior timber it may be dear at the very lowest price. In a log, as you know, there are many different qualities. You heard the last witness say that even in O.B. there is first-class O.B. and second-class O.B, and I am not sure but that there is not a third-class O.B.; and if a builder comes and asks for O.B. timber, and you give him some third-class O.B. with the first-class O.B., you will be able to sell it at a cheaper price than if you gave him all first-class O.B.

26. The inference to be drawn from your statement is that timber-merchants here are practically adulterating their first-class timber by mixing a lower grade with it. Is not that the meaning?—I would not insinuate anything like that. I have a better opinion of the fraternity than that.

27. In what sense could it be called judicious to mix a third grade with a superior timber—you made use of the word "judicious"?—I did. It may not have been the best word to use. If you want to sell timber very cheaply, you put in more inferior timber than first-class. That is

what I want the Commission to understand. My statement is not to refer to anything but a first-class quality of timber.

28. You do not think it would be judicious to mix in any way?—I think it would be dishonest to do so.

29. With regard to the quality of the timber compared with what was sold years ago, you said it was the same as used ten years ago, but may be graded somewhat differently. Would it not be more correct to say it is graded now very differently, and that the timber used now would have been discarded years ago?—I do not think respectable builders use much inferior-class timber.

30. With regard to the effect of the Merchants' Association, is there any combination which prevents ordinary trade competition?—Not in the slightest.

31. Are you not under an agreement to sell at a fixed price?—Yes, but it is a price that we put at the very lowest to meet our expenses.

32. Has the buyer any say as to whether it is a fair price or not, or is it entirely fixed by the seller?—He takes it or not, as he pleases. Many of them do not please, and go outside.

33. Has there been anybody in recent times selling below association prices at retail rates?—For a good few months past, I think, there have been as many prices as there are members of this Commission.

34. But previous to twelve months ago, was there not one all-round price that was adhered to?—There was a minimum price, and the demand was such that even higher prices were obtained in many instances.

35. Do you not think that the high price of timber that ruled then acted as a deterrent on building operations?—I have never admitted that the price was high. "High," again, is a comparative term. It has not been so high in Wellington as it has been in Christchurch, for instance.

36. *Mr. Morris.*] Can you tell us whether the importation of Oregon pine has had the effect of cheapening cottage-building?—I should not think so.

37. In that respect you do not think it has been of any benefit to the working-man?—Certainly not, because, so far as I am aware, it has never been sold at a lower price than red-pine.

38. Are you aware that a considerable quantity of second-class timber has been brought into the Wellington market?—Yes, I know of one lot of over 100,000 ft. of what might be called offcuts, and which a builder bought up. It came from one mill, and it was certainly of a lower quality than what we call O.B.

39. It was not good enough for the merchant?—No.

40. You can tell the Commission it was not a timber-merchant who bought that timber?—No, it was what has been referred to as the jerry-builder.

41. Would that account for the statement that houses have been built in Wellington quite recently which will probably be rotten in five years' time?—Well, five years is a very short time. I think even the worst of it will last double that time. Even the white-pine, that induces the borer, would last for five years.

42. You have no means of stopping people from going to the country to buy this class of timber to erect houses and sell to the public?—No, we have no way. We try to hinder it as far as possible. Of course, we like to get as much business as we can ourselves.

43. *Mr. Ell.*] With regard to this inferior timber which the jerry-builders have been using, is it just the offcuts on the outside of the log?—Mostly; but it might be even heart, because heart of rimu is shaky sometimes.

44. You would not take resiny heart as first-class heart?—It depends upon what it is for. Sometimes it will last longer than the other. I have supplied resiny heart for floor-joists.

45. Would you call resiny-heart timber which had a great many cracks in it first-class?—No, it is not first-class; but it is often better than a very sappy piece.

46. Would it be used by those people who put up the cheap description of houses?—They use anything they can get cheaply. It is not quality they look to so much as cheapness.

47. Suppose you had a stack of timber free from all resiny shakes and free from all imperfections, you would call that first-class?—Yes, first-class O.B. if it was cut within half an inch of the bark.

48. We are told by West Coast people that resiny heart is the best timber you can get?—It is better than a good deal we get. We get that mixed with O.B.

49. The people who use this rough description of timber, as a matter of fact, are using a more lasting timber than that which is cut within half an inch of the bark?—That is not the only class of timber they use.

50. You say you would call timber "first-class O.B." if it were free from the imperfections I have mentioned, and it was within half an inch of the bark?—I have seen 4 by 3 that would not measure more than 3 by 3½. One-quarter would be bark.

51. We have it in evidence from experienced builders and sawmillers that even timber with a little bark on the edge in a dry situation will last a great many years. Has much Oregon been used for studding purposes for cottages?—Some of it has been used.

52. What do you sell Oregon at for studding purposes?—At pretty well for what we can get for it. I sold some the other day at 14s. a hundred, and I have known it sold as low as 11s. I have sold a little at 11s. 6d., but there was a reason for it. It was something like "a sprat to catch a mackerel."

53. What are you selling rimu at for studding purposes?—Our price at the present time is about 11s. to 12s. 6d. I have known it sold as cheaply as 10s., but there were reasons for it.

54. When you sell rimu for 12s. 6d. and Oregon for 14s., how is it that Oregon is preferred by the builder?—I was referring to my own firm just now. I have known Oregon sold just as cheaply as red-pine.

55. Even if both are the same price, how is it that Oregon is taken by the builder? He is not compelled to take it, is he?—It is easier to handle in small sizes; and then when he has big stocks

lying in his yard the merchant probably uses all his powers of persuasion to induce the builder to take it.

56. Is Oregon used to any great extent in the larger buildings for commercial purposes?—It is largely used at the present time.

57. Is it necessary for such buildings?—I believe it is very handy indeed.

58. More handy than rimu?—Yes, because so much of it is stocked in long lengths.

59. With regard to the cost of it, according to a comparison given us by Mr. Bennett, a 30 ft. length of Oregon would cost 19s., while a 30 ft. length of rimu, 75 per cent. heart, which is usually stipulated by the architect, would cost £1 9s. 3d.?—Probably twelve months ago it would; but the red-pine would be much better than the Oregon. It is all heart, not O.B.

60. It is 75 per cent. heart?—Well, that means practically all heart.

61. You say there was 10s. 3d. a hundred difference?—Yes, for a better article.

62. And that it is only 1 per cent. of the long-length timber that is used?—Of course, there may be a higher percentage in the buildings it is particularly wanted for.

63. *Mr. Stallworthy.*] What stocks of rimu do you carry?—I could hardly tell you. At the present time our stocks are very low, because trade is dull; but, say, twelve months ago, we should have possibly four or five hundred thousand feet of rimu.

64. What quantity of Oregon do you stock? We have not gone into that so largely as some. We have not had more than 100,000 ft. at one time.

65. Your net profits have not been more than 5d. or 6d. per hundred. Does that refer to the present time?—No; when we were getting the best prices we ever got—twelve or eighteen months ago.

66. You gave us as one reason for the formation of your association that it was to prevent unfair competition. What unfair competition was that?—Well, I hardly know. There was one class of competition which we reckoned was not very fair. A sawmiller would come to me and ask for an order. I would give him the order. That order would comprise all classes of timber. He would go to my customer next week and sell him perhaps a hundred special lengths, very likely the same kind of stuff he had sent me two or three days before at the same price, or perhaps 6d. cheaper. We considered that very unfair.

67. The unfair competition was that the miller was selling at a lower rate than you were?—The unfair competition was that he was selling to us a general line—the full contents of his log, or perhaps his offcuts off a special order. He might take the cream of the log and sell it to my customer direct, and send to our yard the balance of the log, and he would do that at a price just low enough to enable him to get the order. The unfair competition was not only in the price. I consider it unfair dealing—in fact, an immoral thing to do.

68. He would sell it at a lower price than you asked the consumer, relying upon you to take the poorer stock?—Yes.

69. Can you call to mind any other unfair competition the merchants have suffered under?—I cannot just now. I may before we finish.

70. *Mr. Mander.*] You said it was more expensive to handle Oregon timber. That may appear somewhat contradictory to another statement you made as to its being cheaper. Why is it more expensive to handle Oregon?—When a shipment of Oregon arrives, it is inconvenient for the merchant to take the lot just as it comes out of the ship and stack it as it comes in his yard, so he endeavours to have very much the same sizes on each dray-load. In order to have it partly sorted in that way he has to employ some kind of labour himself—say, and extra man or two a day on the wharf. That would probably cost him 3d. a hundred. Then at his yard the handling of the long lengths would cost him more than shorter lengths of rimu. You must have a large number of men to handle a comparatively small quantity. That would be perhaps another 3d. Then you have to provide extra yard-room. When Oregon came in I had to look around for room to stack it, and the best I could do was to get a section of land costing £1 10s. per week. That might come to considerably more than 6d. a hundred. Then you have to pay cash down for duty and everything before you see the timber almost, and it would be only fair that you should charge it with a little interest to make up the 1s. 3d. or 1s. 6d. extra. That is how I make the extra charge up.

71. Is there any difference between the standing quality of the sap rimu supplied to-day and the sap rimu supplied ten years ago?—None.

72. What has given rise to the statement that there is a great difference in the quality of the timber as between now and the past?—I am satisfied there is no difference whatever. Some lines of timber may be inferior to others, and some of those inferior lots may be inferior to what you got ten years ago. But ten years ago you got inferior lines as well. I say the inferior lines at present are not inferior to the inferior lines of ten years ago, and the good lines we get now are equal to the good lines we got ten years ago.

73. There is some difference in the classification though, is there not?—There is perhaps more demand for the heart quality now, but in my own business, when we speak of heart quality we mean clean heart—figured heart, without resin or gum—and that is generally kept quite distinct from the other.

74. I suppose formerly, when you were dealing more in kauri, a great deal more heart of rimu went with O.B.?—That is it exactly.

75. Do you think sap rimu from the West Coast is as good as sap rimu from the North?—It is difficult to say, because it would be unfair to put the inferior from the West Coast against perhaps the best from this Island. I consider that timber grown in swampy ground is inferior to timber grown in the harder soil.

76. Do you consider fresh sap rimu, reasonably seasoned and put into a building, would rot in ten or fifteen years?—I do not think so.

77. Do you think sap rimu is suitable timber to use for the lining, flooring, ceilings, joists, and so on of a building?—I am not going to say it is as good as all heart, but if you get good

fresh rimu timber and use it judiciously it is good enough for all practical purposes, and will last forty or fifty years. I am living in a house part of which was built about thirty years ago.

78. Is there any sap in that building?—Well, I do not know that there is much heart.

79. When people say sap rimu is not fit to use in building you say it is an exaggeration?—Yes, most of such statements are exaggerated according to the point of view of the people who make them, I think.

80. As a rule Oregon is somewhat dearer than rimu on the market?—Yes.

81. Then, the introduction of Oregon cannot have reduced the cost of building to the workman?—That is my argument.

82. You heard the question put as to consulting the customer as to what prices you should put on your timber: do drapers or any other class of business men in the community ever consult their customers as to the prices to be charged for any material?—No; nor are they found fault with for not doing so. That only happens in our trade.

83. If you consulted a purchaser with regard to the price you should charge him for a commodity you would not be allowed very much profit off it?—He would not allow any.

84. *Mr. Field.*] Can you give the Commission any idea as to the expense you are put to between the time you purchase a hundred feet of timber on the trucks and the time you sell it to a customer?—I said in my statement 2s., roughly speaking. The biggest profit is something like 2s. 7d. That is the biggest margin we have had between the buying and selling prices.

85. How many motor-cars have you?—None; neither do I know of any merchant in Wellington who has, neither do I know of any who have retired on account of having made a fortune, although I have been connected with the trade between thirty and thirty-five years.

86. We were shown this morning a form of letter which it was customary for builders to sign in order to be placed on the special discount list?—It was only an ordinary business arrangement. To make my meaning clear, I will take milk, for instance, for the purposes of analogy. We as merchants have to buy the milk—the proceeds of the log. A builder comes and asks us for cream—the picked heart—and cream only. Can we sell the cream at the same price as we could sell the cream if we were able to dispose of the skim-milk as well? If a builder comes to us for special lines in small quantities can we supply him as cheaply as if he comes to us for wholesale lines and took the whole or part of the whole output of the log, because in our business to get any kind of timber we have usually to take the whole output of the log. We have never penalised further than 5 per cent.

87. Are the timber-merchants' price-lists throughout Wellington pretty well the same?—Yes, they were pretty well the same; but they are not the same nowadays.

88. We have had it stated over and over again in evidence in various places in the Dominion that Stewart and Co.'s price-list shows that O.B. timber has risen 6s. per hundred in nine years: what has been your increase of price?—I have only looked up seven years back, but I know if you go further back—say thirty or forty years—you will find that the selling-price was higher than ever it has been in my time. It has been higher and lower many times since I have been connected with the business. It has ebbed and flowed.

89. Then, to get a true estimate of the increase in prices you would have to go through the price-lists for many years back?—That is so; and if you want the profits made then you have to look very closely into the expenses—the rise in the cost to the merchant.

90. I have a little memorandum before me showing the Wellington merchants' prices in 1901 and 1908: are these the prices to the public?—That is to the builder.

91. Suppose a member of the general public comes along and wants timber, is he entitled to a discount if he pays cash?—Yes, to 2½ per cent. instead of 7½ per cent. That is off the prices for 1908. I cannot remember if there was any differential discount between the builders and the general public in 1901. There may have been a little.

92. We had it from a witness—Mr. Bennett—that it was clear that prices could come down, because the millers were now selling in Wellington at 9s. 6d.: is that an accurate or fair statement to make?—It is very unfair.

93. For the reason that they are selling at a loss?—That is so: they have to sell. In my statement I indicated some of those reasons.

94. I do not think you have said anything as to the durability of our timbers?—I am quite satisfied with our timbers, generally.

95. Do you ever find the borer any great detriment in respect to O.B. rimu?—Well, we could certainly do without the borer, but I have not found in my experience that the borer is so bad with rimu unless it comes in contact with other soft woods. For instance, I believe I have got the borer into a place I had from my piano.

96. If you were considering the question of building in O.B. rimu would you not regard the question of the borer operating as a serious matter at all?—Not as a serious matter; and, besides, I do not see the point of the question unless you wish to compare it with Oregon. I have not had it made plain, to my mind, yet that the borer will not attack Oregon

97. We know that the borer attacks English oak and other hardwoods on occasion?—I hold that you will not get a much better timber than heart of red-pine, and I have seen it attack heart red-pine.

98. You are satisfied that heart rimu and O.B. rimu are good sound building-timbers for ordinary housebuilding purposes?—They are, and I think if we can get good supplies for ordinary building purposes in these timbers it is a mistake to send our money out of the country to get a foreign article.

99. You would not be astonished if I told you I saw a piece of rimu with the bark on it taken out of a building recently in which it had been for over sixty years, and it was absolutely sound, and there was no borer either?—I would not contradict you; I think it is quite possible.

100. Can you tell us anything about the use of our O.B. rimu when well seasoned for framing in the ordinary dwellinghouse, particularly where you want to use plaster?—I do not know that I can authoratively answer that question; I do not know that seasoned timber stands very well.

101. Have you ever heard that studs of our O.B. rimu used in plaster-work for framing warp and twist and crack the plaster to a great extent?—No. It might do so if it was not seasoned.

102. I suppose you do not sell much kauri?—Nothing like as much as we used to.

103. Can you tell us anything on the subject mentioned by Mr. Bennett the other day as to kauri being much cheaper in Sydney than it is here?—It is not.

104. He tells us that kauri which is £1 17s. 6d. here is £1 11s. 6d. in Sydney, and I think he said he quoted from the price-list of Langdon and Langdon?—I have the Sydney price-list here of one of the biggest firms in Sydney.

105. Are you satisfied that you will not find in this that kauri is any cheaper there than here?—I am quite sure you will not, if you have regard to quality. All these terms are comparative. I do not know that they do not grade so closely in Sydney as they do here. Mr. McKenzie, of this firm, has told me so, and he has a mill up north in New Zealand, and knows a good deal about New Zealand timbers too.

106. Do you hold any opinion on the subject of putting an export duty on kauri?—If I have an opinion I should be against it. I do not know why it should be.

107. You cannot see that it will benefit any large class of the community to put an export duty on kauri?—No. My idea is that it will be time enough to look for a substitute when it runs out altogether. I do not think it will be off the market so soon as the very best experts say. I think that, as it gets more difficult to obtain, the price will increase, and that will be quite sufficient, perhaps, to keep it from being exported in too large quantities.

108. You said you thought Oregon a very handy timber for large pieces?—Yes.

109. It has been said that any Oregon sold here has mostly taken the place of kauri: is that correct?—I do not think so. At one time we used to have a lot of kauri for joists and long lengths and that sort of thing, but not latterly.

110. In cases where you have sold Oregon recently, if there had been no Oregon what would you have sold?—Most likely rimu. But I do not want it to be understood that I think Oregon should be prohibited altogether. I have said it is very handy for these long lengths.

111. But, seeing that these long lengths only constitute 2 per cent of the total quantity of timber used, then we could afford to pay a little extra for that 2 per cent?—That is my opinion.

112. Can you give us any idea of the amount of Oregon in stock in Wellington just now?—Very roughly, I should say probably a million to a million and a quarter, or a million and a half.

113. One of the reasons why people prefer Oregon is that they say it is straight and seasoned, and that they can always get it when they go to the merchant. Is there any reason why our own timbers should not be stocked in such quantities that people could get whatever they want practically, or is there any good reason against it?—You will find, I think, that money is at the bottom of all these questions. If we can manage to do business without laying out capital, well, of course, we try to do it.

114. In the case of Oregon you have to find the capital before you can buy?—Yes; we cannot help ourselves.

115. Whereas you can buy New Zealand timbers piecemeal?—Yes; and, speaking as a merchant, I say you have to take these things into account.

116. *Mr. Barber.*] What is O.B. selling for in Wellington now?—I can hardly tell you, because there are so many different prices. It is sold very low. I have heard you can buy it from 10s. to 12s. 6d., and perhaps 9s. 6d. in some cases. I should say that would be giving it to you.

117. You said that these prices are not a fair basis?—I say they do not pay.

118. Are you interested in a mill?—Yes.

119. Do you know absolutely that these prices do not pay?—Absolutely.

120. You were here yesterday, I think, when Mr. Moore gave his evidence?—Yes.

121. Did you hear him saying they were supplying O.B. matai for 5s. 6d.?—Yes, on the rail.

122. And O.B. totara at 6s. 6d.?—Yes.

123. And the railage on that is about 4s. 6d.?—Yes.

124. That is superior timber to O.B. rimu?—I would take O.B. rimu ten times for every once I would take O.B. matai.

125. Does a man who buys rusticating or flooring always get heart?—You will find O.B. redpine and matai rusticating last year about the same price, and yet there were many different opinions as to which would last the better. In my opinion, there is nothing better for weatherboarding than heart matai.

126. What does it cost to dress timber, as a rule?—We charge usually something like 2s. 6d. to 3s.

127. If O.B. matai is such an inferior timber to rimu, how is it that Stewart and Co. charge £1 a hundred dressed—certainly they do not quote O.B. matai undressed?—Well, O.B. rimu is quoted there dressed: what is it?

128. It is quoted at 19s.?—That is a difference of a shilling.

129. That is rusticating as compared with dressed timber?—It is all the same: rusticating is dressing. We charge exactly the same for O.B. matai dressed as for O.B. rusticating.

130. Then, there was a witness from Nireaha, from which place the freight is 2s. 8d. to Wellington, and he said he would like to get 8s. 4d. for his timber, and that he would make a profit out of it: do you say that is not a fair price?—If he says it is a fair price, I am satisfied with his statement.

131. You make out that it is unfair to take the present prices as a basis, but take the price at which it was sold last year—namely, 14s. 6d. as against 11s. now?—But the same timber he is asking 10s. 8d. for he would sell to us at 10s. 8d., and we should distribute it to the builder at something like 11s. 6d. and make a loss on it.

132. I do not see why you should make a loss on it?—Of course, I could easily explain to you, if necessary, why we should make a loss.

133. Here is a man who is prepared to supply orders at 11s. in Wellington, and yet you say the price at which timber is being sold here now—namely, from 10s. to 12s. 6d.—is an unfair basis?—So it is, because the merchant is making a loss over it. I suppose the buyer would say it was not an unfair price, but the seller who had to live on the business would say it was, because he could not make a profit.

134. In regard to the additional cost of timber in proportion to the length of time, will you say that Mr. Bennett and Mr. Mitchell are not in a position to say what they paid for timber nine or ten years ago?—I say they will uphold their end of the stick. You will not sell it too cheaply for them.

135. Will you tell me that I have not bought timber myself less than ten years ago from Stewart and Co.—ordinary small lots—at 8s.?—You may have done so ten years ago, and if you go further back you may have paid 15s. for it; in fact, I have seen it sold in Wellington myself for 7s. 6d. It has ebbed and flowed, as I have said.

136. Then these people are correct?—How do you make that out?

137. If it was sold at 8s. 6d. ten years ago and last year it was 14s. 6d.?—No one has paid 14s. 6d. for it.

138. If they pay before the 20th of the following month they got 6d. discount, so there is a rise of 6s. on that?—Perhaps they came and took away a couple of boards, and we had to send a man to look after it. I do not say that 8s. 6d. was the standard price, because I have not my price-list. You are speaking of ten years ago; then we paid something like £80 for city rates, while last year we paid £520 for the same holding for yard purposes.

139. There has been a rise in Oregon timber?—Yes, it has gone up, but I cannot say how much.

140. With regard to the increased lengths of timber, we have had a return which shows that a 32 ft. length of Oregon would cost 19s. 6d., whereas a substitute for Oregon in the same length would cost £1 14s. 3d.: is that correct?—Probably eighteen months ago that was so. You say "a substitute," but I say that all-heart rimu is better than Oregon.

141. If architects think Oregon at 19s. 6d. is equal to red-pine, do you think it is fair to ask the purchaser to pay the difference if he is satisfied with Oregon?—If everything else was equal, I should say it was unfair, but everything else is not equal. You have to take the whole standing of the industry into consideration. I say that if there is only one long piece going to be used for every hundred pieces ordinary lengths, and that the industry is going to be killed, I am prepared to pay a little more for the one piece when by so doing I can save the industry.

142. Can you, as chairman of the Wellington Timber-merchants' Association, give this Commission a guarantee that the price of pine will not go up if an increased duty is put on Oregon?—I can give no guarantee. Even although there is no duty put on I cannot give you any guarantee.

143. Is there not a probability of it going up if the duty is increased?—I cannot say. I do not think it will, I am sorry to say.

144. You said you were not in favour of an export duty on kauri?—I have not considered the question very much. I am not conversant with the whole bearings of the case.

145. There is a very great shortage in the kauri-supplies?—I have heard it said so. We are always able to get all we require, although sometimes not as readily as we should like it.

146. When north we saw some correspondence of yours at the Kauri Timber Company's mill?—I have had reason to complain.

147. You know there is a shortage of kauri?—I read the papers, and I see statements that it will not last more than ten or fifteen years.

148. Have you not experienced difficulty in getting your own orders executed?—They have not been executed as promptly as we should like on occasions.

149. As a matter of fact some builders that required kauri for their work, after waiting for what they thought was a reasonable time, have had to cancel their orders, and put in Oregon?—Very likely.

150. So therefore Oregon is really supplying a want which is experienced throughout the Dominion?—Very probably it is doing so.

151. Do you not think that, if there is a want, that want should be filled when it cannot be filled by other timber. Should the timber industry be hampered?—I have already said that if rimu cannot be supplied, then get Oregon. I have said that it is a very handy thing to have Oregon, and that I did not want it prohibited.

152. Is there any connection between your association and the West Coast Timber Trading Company?—Only a business connection.

153. There is no agreement of any kind?—There is an agreement that they will supply us, and that we will take their stuff.

154. Is there not an agreement to the effect that, in consideration of you taking their stuff, they are not to supply any one outside the association?—Our agreement is that if they will supply us we will take the timber from them.

155. There is no agreement about that?—There is an agreement which is a nominal one that if they go to the trouble of keeping us well supplied we will buy from them.

156. The public will have to buy from you?—Yes, and the miller guarantees to supply us.

157. Do they not also give an undertaking that they will not supply any one outside the association?—There has been no undertaking given by any one. What I do myself I know is correct. I say that we only get a percentage of our supplies from the West Coast Timber Trading Company, and our arrangements are just the same all round.

158. Have you purchased any supplies from any one outside the association?—Yes.

159. Can you name a mill outside the association which you have got timber from?—I do not think that is a fair question. I have no objection to give the Chairman the names.

160. You are not afraid of being fined?—No.

161. You said that you have fined other people?—I have not collected any fines.

162. You have given notice that they were fined? Well, we felt that if we had said to a certain association, "We will take supplies from you," and if some of our members who had agreed to that went and took supplies from another place, we should certainly tell them that they were not keeping their word.

163. There is an agreement, then?—Yes, only a nominal one. If the association ignored the action of its members in this matter they might be jeopardizing the supplies of all the others. As a body we want to do the best for the whole lot.

164. You would inflict a fine, and fines have been inflicted?—Yes; but they have not been collected.

165. A fine was inflicted if not collected?—Yes.

166. *Mr. Mander.*] You see this piece of timber and you know it to be Oregon?—I do not know. It is nothing like the class of Oregon that is being delivered in Wellington to-day. It is a good piece of timber whatever kind it is.

167. I suppose there are other timbers that are so similar to Oregon that it is hard to tell what is Oregon?—I can give you pieces of timber that the best expert would have difficulty in telling what they were. This seems to close in the grain.

168. I suppose the class of Oregon delivered to-day is rougher and opener in the grain?—This piece seems to be a harder timber.

169. It is supposed to have come out of a building sixty years old?—I suppose you may say that Oregon sixty years ago was better than it is to-day, just as red-pine ten years ago was better than to-day. It seems to be close in the grain for Oregon.

170. Could rimu be taken out of a building sixty years old and be as sound as that?—You might take it out of the ground after it had laid there sixty years and find it sound.

171. Could you get a piece of sap rimu out of the ground sixty years old?—I should not like to say that. With the bark on, it has been quite sound after forty years. That is a particularly well preserved piece of timber.

172. It is not an ordinary piece of timber?—I would not like to say that it is Oregon at all. I would not deny that it is if Mr. Leyland says it is. If it is Oregon it is one of the best samples I have seen. I can show you thousands of pieces of the same size that will not be within 100 per cent. of being as good as that.

173. There are times when drapers call sales and sell off their stocks at a reduction or a sacrifice?—Yes.

174. You would not regard that as a permanent method of doing business?—Certainly not. That is the only objection I have to some of the questions, although I have no right to object; they are one-sided, and I am afraid that some of the answers are exaggerated. Speaking generally, I take it that it is wise to keep the money we have at these present slack times in the country, and so, if we have a product that can be used satisfactorily for any work we want done, we should use it in preference to the imported article. But if the imported one is valuable for any purpose, then let us have that also; but, seeing that only a very small percentage of the imported article is necessary, I repeat that it will not hurt the people of the Dominion if they have to pay a little extra for that percentage of the foreign article, which is very handy for us to have.

175. You do not think it should be looked upon as criminal for a timber-merchant to make a reasonable profit out of his business?—It should not be; but the fact is that it is next door to impossible for timber-merchants to do so, although it is not so for other businesses.

WILLIAM MCKONE, Secretary of the Wairarapa Sawmillers' Association, Masterton, sworn and examined. (No. 158.)

1. *Hon. the Chairman.*] You are managing secretary of the Wairarapa Sawmillers' Co-operative Association (Limited)?—Yes. I submit the following statement:—

Although only a little over a year in charge of the Wairarapa Sawmillers' Association, I have had considerable experience in the working of timber in New Zealand, principally in the Wairarapa.

Between Woodville and Wellington there are thirty-three sawmills, twenty-one in the association, and twelve not associated. At the present time there are ten sawmills which have ceased operations, some of them being shut down since November last, and a number of the balance are not cutting more than half-time.

The majority of mills in the Wairarapa and Hutt districts work under adverse conditions now in comparison with what the early sawmillers had to contend with. The timber is much farther from the railway, and is situated in much more difficult localities. The following are the most prominent items which are responsible for the cost of production: Royalties, repairs to plant, timber for building and repairing trams (which are of no value to the miller after the bush is cut out), housing of employees, high rate of fire insurance (£7 per £100), oils, labour, depreciation of value of horses and working-bullocks (with occasional deaths of same), cost of horse and bullock fodder and grazing, depreciation of plant, accident insurance and interest.

The cost of producing and placing timber on railway-trucks, as shown by the books of Mr. McLeod, a Wairarapa sawmiller (whose mill is by no means the farthest Wairarapa mill from Wellington, or the most difficult to work) is—royalty, 1s. per 100 sup. ft.; felling and delivering logs at mill, 3s. 6d. per 100 sup. ft.; mill wages and insurance, 1s. 6d. per 100 sup. ft.; yarding, 6d. per 100 sup. ft.; cartage to Opaki Railway-station, 1s. 6d. per 100 sup. ft.: total, 8s. per 100 sup. ft. To this will be added freight to Wellington from Opaki, 2s. 6d., making a total cost of 10s. 6d., thereby showing that the sawmiller in this district was not making any undue profits even when ordinary building-timber was 11s. per 100 sup. ft. At the inception of our association in 1902 the price of O.B. rimu was 9s. 3d. on trucks, Wellington, as against 11s. in

December last, which is a very small increase in price during seven years when compared with the increase in the cost of production.

I am aware that the present depression in the sawmilling industry is caused to some extent by the tightness of the money-market; but I am also aware that the importation of Oregon pine has deprived the sawmills in our association during the past eight months of orders which would amount to hundreds of thousands of feet of good marketable New Zealand timber. Had we been given the opportunity with other colonial millers of supplying a comparative share of the quantity supplied by foreign trade, it would have been of immense benefit in assisting to keep our mills cutting, and to keep a large number of our men at work during the depression. Oregon pine has come into competition mostly with our ordinary building-rimu and building heart rimu, and to a great extent with ordinary building-matai and heart of matai, and with other classes in a smaller degree. I have canvassed Wellington on several occasions seeking orders for our millers, and have failed to book one foot of timber, and at the same time I have seen dray-loads of Oregon pine, scantling sizes, plate sizes, beams, rustic, and flooring being carted to jobs. There are houses in Wellington built almost throughout with Oregon. The sawmillers in our district felt their business decreasing in May last year, partly through Oregon taking the place of their product

Long joisting can be supplied by the New Zealand sawmillers if sufficient time is given to cut it, or it could be ordered in lengths and sizes, and stocked by merchants and builders in the same manner as Oregon is at present. This has been done in the past with New Zealand timber up to certain lengths. I have placed 40 ft. 12 by 6 in Wellington.

What with the many contingent risks attached to the sawmilling industry, a profit to the miller on the following scale would be only a fair margin: Ordinary building, 1s. 6d. per 100 sup. ft.; building heart, 2s. per 100 sup. ft.; dressing-lines, 2s. 6d. per 100 sup. ft. These prices may be termed a millers' bread-and-butter lines, and would assist to some extent to recoup him for the loss sustained on timbers of an inferior class such as seconds.

Association.—I deny that our association is anything in the nature of a combine. Its objects are to safeguard against bad debts as much as possible, to considerably curtail the expense of book-keeping, and fix prices that will give a reasonable return for the outlay; and it is a boon to millers in the way of paying them cash for their timber.

Conservation.—I do not think it wise to conserve a forest after it has come to maturity, more particularly when it stands on land suitable for settlement. In the Wairarapa some of the best dairying farms have been made fit for that purpose by sawmillers. In my opinion, bush fit for milling should be turned into an article of commercial value to prevent loss by fire and decay. Mr. H. Holmes, of Matahiwi Station, near Masterton, endeavoured to conserve a beautiful forest on his property; but the fires during the 1906–7 summer swept through it, necessitating the felling and conversion into a merchantable article to save further loss. As shown by the reports of the association's directors, the association put through 2,969,690 ft. less for the year ending 28th February, 1909, than for the previous year. This amount, worked out at the low average of 10s. per hundred feet, means a loss of £14,848 to circulation for that period; also, at 2s. 6d. freightage, means a loss to the railways of £3,712 2s. 6d.

Employees.—As nearly as can be ascertained, there are some two hundred men less employed at sawmilling now in the Wairarapa and Hutt Valley than were employed at this time last year, with wives and families depending on a number of them. I am safe in saying five hundred people are left in a state of want, or to seek employment in other pursuits, which means that others must be forced into idleness.

Both for the sawmillers and their employees it is an urgent matter to have a further duty placed on imported Oregon pine immediately. I am of opinion that the duty should have been increased twelve months ago, which action would have prevented hardships to workers and financial difficulties to certain millers in our district during that time. As a means of protecting our vast colonial industry, and assuring sawmill-workers of being more fully employed, Oregon pine should carry an extra duty of 2s. per hundred feet on sizes up to and including 12 by 12, and 1s. per hundred feet extra duty on all sizes above that.

I have other evidence, of a private nature, which I should be pleased to have considered in committee.

2. Do you agree with the evidence given by the last witness, Mr. Hopkirk?—To a certain extent. The sawmillers have great capital sunk in the New Zealand bush, and the workers are there to do the work. I object to seeing foreign timber coming in to oust our timber, especially when the foreign is handled under different labour-conditions.

3. You know there is 2s. per hundred feet duty on Oregon: do you think that is sufficient?—No, if you take into consideration the laws obtaining in the country at the present time.

4. You do not object to the laws, do you?—No. The wages paid to the workers are not any too much.

5. Then, you would stop it coming in altogether by putting an exorbitant duty on it?—That is so.

6. *Mr. Field.*] You would increase the duty on all sizes, and you think that is a fair thing to do in view of what the last witness said?—Yes, I think so.

7. You are aware that we have had evidence that Oregon is useful in large sizes and pieces, and even whether we can produce the large pieces or not, we have evidence that it will cost more than Oregon: notwithstanding that, would you still increase the duty on the large pieces?—Yes.

8. Would you do that because of the small proportion of large lengths used?—That is so. Long lengths or large sizes form a very small proportion.

9. How would that affect the smaller man?—It would not affect the smaller man; it would only affect the large buildings.

10. How long have you been in the Masterton district?—I have been very little out of it for the last seven years.

11. I suppose you know enough of that district to know that a very large area of valuable timber has been burnt?—That is so; in fact, during the previous summer there were miles of forest destroyed by fire accidentally.

12. Can you speak with practical certainty that if the industry does not improve much more of our valuable timber will be burnt and the land put into grass?—Undoubtedly; there is nothing else for it. If the foreign article takes its place it must go to the fire.

13. The duty of 4s. which you ask for seems to be rather heavy on an article which costs here about 10s.?—Well, I do not agree with you there. I think I have asked for something rather low, and in my opinion, under the circumstances, 4s. per hundred feet is justifiable.

14. Taking another partly manufactured article—namely, cement—have you any idea of the duty on cement, including the preferential duty?—No.

15. Well, we charge a duty of 2s., and a preferential duty of 2s., which makes the cement 10s. a barrel here. You can compare a barrel of cement with a hundred feet of timber, both being partly manufactured articles, can you not?—Yes, 10s., I suppose, is the average price of a hundred feet of timber.

16. You think, in view of the fact that both are partly manufactured articles, it is a fair comparison?—I think so.

17. But there is something further in the case of the imported timber, on account of the labour-conditions, that gives the people in America an advantage over us?—Yes. In my opinion, I do not see why coolie labour paid at a much cheaper rate than our labour here should be encouraged by the Government of this country.

18. You think it would be a fair thing, by the imposition of a duty, to equalise matters as nearly as possible so as to give each producer a fair start?—That is so. I think that with 4s. on Oregon we can very nearly beat the Americans.

19. And you want to put us in a position to beat them?—Yes.

20. I take it that you are strongly in favour of using our own timbers?—Very much so. I can see no reason why there should be such enormous quantities of Oregon coming in here.

21. You have had experience of our O.B. timber as a building-timber?—Yes.

22. Do you find it attacked seriously by the worm?—I have seen O.B. rimu attacked by the borer, and other timbers also.

23. Would you regard it as a serious matter in the case of O.B. rimu?—No. The small amount the borer would affect O.B. rimu in a City like Wellington at the present day would be so slight that it would not be felt very much.

24. *Mr. Jennings.*] Do the farmers complain about the high price of timber in your district?—They have never complained to me.

25. Are the rates ruling up there for the timber akin to the rates existing here?—The prices in Wellington and up there are totally different. Every man has his own price at present, and some lines may be in advance a sixpence, or they may be less by sixpence here.

26. Is there any differential rate in the local district for timber as against the rate in the town?—In what way?

27. You have the two railway freights?—Yes.

28. Does the local resident get any advantage from the local sawmiller?—If a man goes to the mill and carts his own timber away he is allowed so-much off for has own cartage according to the distance.

WILLIAM HOPKIRK further examined. (No. 159.)

1. *Hon. the Chairman.*] What is it you wish to add?—I wish to make a personal explanation. In cross-examination Mr. Barber asked me if we fined any of our members. I said "Yes, but that we had not collected the fines." He added, "For buying outside the association?" implying that fines had been inflicted for buying outside the association. Now, our association has never fined one of its members for buying outside the association. We have fined members for breaches of the regulations, but not for buying outside the association.

2. What regulation did they break?—For underquoting to customers, and not for buying outside the association.

3. *Mr. Arnold.*] Why was one member fined £25?—For underquoting and breaking other rules about cartage, and that sort of thing. We had a rule that cartage was to be charged.

4. *Mr. Barber.*] There have been fines?—I admit that.

5. For selling below the price fixed by the association?—And other breaches. We had a rule about attendance at meetings. That was a matter of a fine, but no fine has ever been inflicted for buying outside the association.

6. But there have been fines inflicted?—Yes, and not collected.

7. For selling below the price fixed by the association?—For breaches of the regulations—for several things.

8. But that is one of them?—It came pretty well to the same thing; they did not charge cartage.

9. It was underhand work?—That is what we considered it to be.

10. Clause 21 says that the union may from time to time fix the prices and rates at which members of the union shall sell and supply timber to their customers and the public, and may provide for fines and penalties for the non-observance thereof. It was under that clause, I presume, they were fined?—Yes, under the general terms of our rules.

11. That does give power for fining people for selling below the price which has been arrived at by the merchants themselves?—The association is just simply the merchants themselves saying that this shall be the rule or the price under which we do our business. When they have broken it we have fined them, but have not collected the fine—simply inflicted it to show that there was a breach of the rule.

12. I understand they did not pay the fine, but a resolution was passed fining them?—To show that there was a breach of the rule.

MICHAEL JOHN REARDON sworn and examined. (No. 160.)

1. *Hon. the Chairman.*] What are you?—I am a trade-union secretary and ex-sawmill-hand. I want to make a general statement that, in my opinion, it would be in the interests of the workers and the general community if the Commission recommended the imposition of a protective duty on timber that is coming into competition with New Zealand timbers. My reason is because I regard the timber as being a primary industry, and one which is paying very high wages—wages which will compare favourably with those paid in any other industry, and more especially with the protected industries in the Dominion. In support of that statement I may say that I represented the sawmill hands here in a dispute with the millers and merchants in 1907, and appeared before the Conciliation Board and the Arbitration Court. We took evidence throughout the whole of the Wellington Industrial District, and to illustrate the wages that were being paid I have here lists of the wages being paid in that district. They were approximately as follows:—

——	Anderson and Co., Dannevirke.	Irwin and Co., Dannevirke.	Gamman and Co.	Fairburn Timber Company.	Manawatu Timber Company.	Award (Vol. iii, p. 234.)
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Benchman	12 0	£14*	£18*	16 0	14 0	10 0 9 0
Tailer-out	10 0	10 0	10 0	9 0	9 0	8 0
Breakdown ..	12 0	11 0	12 0	9 0	10 0	8 6
Second breakdown ..	10 0	..	..	..	..	7 6
Engine-driver ..	..	..	..	11 0	..	10 0
Hauler-driver ..	..	..	..	..	..	9 0 7 6
Ropeman	..	..	..	..	..	8 0
First bushman ..	12 0	11 0	12 0	10 0	10 0	8 0
Other bushmen ..	10 0	10 0	10 0	9 0	9 0	7 6
Tramlayers ..	..	..	..	..	..	..
Yardman	£16*	£16*	£18*	..	£14*	10 0
Other yard-workers ..	..	..	..	..	..	8 0
Trollyman	10 0†	..	..	..	..	7 6
Slabby	..	..	..	..	..	7 0
Machinist	..	12 0	12 0	..	..	10 0

* Monthly. † And free house.

Very few men were working for 1s. an hour or less as labourers, whereas by the award of the Court they could have been paid 7s. a day. In 1908 I was in Invercargill during the hearing of the dispute there between the employers and the workers, and there we had evidence from the various companies that in the case of benchmen the award provided for 10s. a day.

2. *Mr. Hanan.*] When was the award made?—About a month later. I have here a further list of the Southland wages. It is as follows:—

——	Stewart Island Sawmill Company.	Southland Timber Company.	McCallum and Co.	Woodlands Sawmill Company.	Award (Vol. ix, p. 551).
	s. d.	s. d.	s. d.		s. d.
Benchman	£16 and bonus*	£13*	£15*	£16*	10 0
Tailer-out	10 0	10 0	9 6	..	9 0
Breakdown	12 0	..	..	..	9 6
Second breakdown	..	..	..	..	9 0
Engine-driver	..	..	10 0	..	10 0 9 0
Hauler-driver	..	..	9 0	..	6 0
Ropeman	11 0	..	10 0	..	9 0
First bushman	11 0	£13*	11 6	..	9 0
Others	10 0	..	10 0	..	8 0
Tramlayers	10 0 9 0	10 0	10 0	..	8 0
Yardman	£12*	£11 10s.*	£12*	..	£10 10s.*
Other yard-workers	..	..	..	..	8 0
Trollyman	10 0	£12*	£14*	..	9 0 8 0
Slabby	9 0	8 6	..	..	7 0
Machinist	..	..	10 0	..	10 0 9 0

* Monthly.

I do not mean to say that all the employers are doing it, but we proved in Southland that an absolute majority of the employers, who are doing more than half the total output of Southland, were paying wages considerably above the award. I am pleased to say that. Then we had evidence from the West Coast as to the wages being paid there. It is is as follows:—

—	Moss and Co., Westland.	Manson and Tuck, Te Kingi.	Baxter Bros., Kapitea.
	s. d.	s. d.	s. d.
Benchman	..	£4 10s.*	£4 10s.*
Tailer-out	12 0	12 0	12 0
Big bench	12 0	£20†	12 0
Second breakdown	11 0	11 0	..
Engine-driver	£3*	£3 10s.*	£3 10s.*
Hauler-driver	11 0	12 0	11 0
Ropeman	11 0	12 0	12 0
First bushman	13 0	12 0	12 6
Others	12 0	11 0	11 0
Tramlayers	10 0	10 0	10 0
Yardman	£3 12s.*	£3 10s.*	£3 10s.*
Others	10 0	10 0	..
Trollyman	13 8‡	..	£3*
Slabby (labourer)	10 0	10 0	10 0

* Weekly. † Monthly. ‡ Wet and dry.

It would probably interest the Commission to know that at the present time within a few hundred yards of this building the employers in a protected industry are offering to settle the dispute by paying skilled men, who have spent years in learning their trade, 1s. an hour. Comparing the above rate with this, I submit that this is a trade that should be protected, because here on the West Coast, without labour legislation to compel the millers to pay proper wages to their men, the employers have paid better wages than are being paid to men who take years to learn their trade. I should like to see something done on the same lines as in Victoria in 1887, where the Parliament put increases on a protective tariff which ranged from 60 to 460 per cent. on imported timber, as follows:—

	Former.	At July 27, 1887.
	s. d.	s. d.
Mouldings, 3 in. and under, wholly or partly prepared, per 100 lin. ft.	1 6	4 0
Mouldings over 3 in., including architraves, wholly or partially prepared, per 100 lin. ft.	1 6	7 0
Skirtings, wholly or partly prepared, per 100 lin. ft. ...	1 6	7 0
Laths, per 1,000	1 6	5 0
Dressed pickets, per 100	1 6	6 6
All other timbers under 7 in. by 2½ in.	1 6	2 6

3. *Mr. Field.*] Have you any knowledge of the labour-conditions under which the American timber is produced?—During the last conference of trades councils, in July, last year, we had the statement of a man who had worked in the mills, and he told us that, while the higher-skilled men were all whites, in the rougher work they employed coolie labour.

4. Do you think that is a fair condition to compete on, and that the conditions should be equalised by the imposition of a tariff?—I hold that, seeing that under the laws of the land we compel the employers to pay a certain wage and not allow them to take advantage of the laws of supply and demand, then in equity we should also enable them to protect themselves against outside competition.

5. You are aware that in the milling of an acre of timber-bush a very large sum is spent in labour alone, whereas if the bush is burnt the amount spent on labour is very little—the amount in the first case is £50, in the second £2. Have you any comment to make on that point?—I am aware of those figures, and I know of many instances of bush country where the land is of very little value, the timber being the best crop they will ever get off it.

6. You have worked in a sawmill?—Yes, about ten years ago.

7. Then you know something of the conditions?—Yes.

8. And you state that the wages paid are fair wages?—Speaking generally, they are very fair. There are exceptions, but, taking the bulk of the sawmillers, they pay very good wages.

9. And you are not surprised to learn that harmony exists between the millers and the men in the industry?—That is so.

10. *Mr. Barber.*] You say the foreign timber should be taxed where it comes into competition with the local article, but if the bulk of the evidence through New Zealand is to the effect that the local article is unable to supply the requirements of the trade in long lengths, would that alter the opinion you have expressed with regard to the question?—I never place very much value on the evidence of some people. I know that in a commercial community like this the whole place is honeycombed with secret commissions and that sort of thing, and therefore I always allow for statements of that kind. During the hearing of the case in Southland the question of long lengths

came up. It had absolutely no bearing on the question, but was brought in simply to show the method adopted in different parts of the district to do the work. It was stated there in evidence that on the West Coast they bring their timber out of the bush in long lengths, because it paid them to carry it so on account of the long distance, and they crosscut it when they got it to the mill.

11. Who stated that?—We had a witness from the Coast, Mr. Samuel Gordon, who stated that they brought it in in long lengths. I was a yardman some years ago—in fact, I went through the whole trade—and I do not remember ever having had to refuse an order for long lengths. We did not like them, not because they were not to be got, but because the men did not like handling them.

12. The prices quoted by the merchants lead one to believe that there is a difficulty in supplying these long lengths, and therefore they discourage their being used by increasing the price accordingly. Do you think that is so?—The prices when I was in the industry are different from what they are now; but with regard to long lengths, when you are considering a broad principle such as this, the long lengths are not worth consideration. There are very few orders for long lengths of that sort, and it is not worth consideration.

13. How long is it since you were in the timber trade?—Five or six years.

14. What was the selling-price of O.B. red-pine?—About 10s.

15. Do you think there was any justification for charging 14s. 6d. for it last year?—I was paying 1s. 6d. a pound for butter last year, although there was three times as much better produced in the country, and I do not know why the timber-millers should be the only people who should not raise their prices. The timber was much more get-at-able, and it was cheaper to put on the trucks then than it is to-day.

16. But the fact of timber going up to such a high price, you will admit, has some bearing on the rents which the working-men have to pay?—I do not admit that it affects it in the slightest.

17. We had a return here giving the cost of each line of timber in a cottage that is erected at a place called "Jam-tin Gully." You know the house, which is situated near Crawford Street. A contractor who gave evidence built that cottage from certain specifications, and he worked out the cost of that house to-day and compared it with the cost of the house when it was built, and there was a difference of £62 in the timber alone?—Yes.

18. Do you not realise that if a man is renting that house he has got to pay more on account of that extra cost, and that would naturally have a tendency to increase the rents in the city?—By comparison with the land question it does not count.

19. *Mr. Hanan.*] Do you think that during the last two or three years the price of timber has been too high, having regard to the position of the wage-earning classes in this country?—No. I think that as soon as timber gets beyond a certain price other commodities will be used.

20. Seeing, then, that you believe that the price of timber during the last two or three years has not been too high, do you think there is any necessity for further competition?—Not from outside.

21. You think competition fairly obtains between the mills?—I think so. I know very well that if I were the lucky owner of a section of land to build on I could get timber at a price that I would be quite prepared to pay for it.

22. Do you believe in the State establishing State sawmills?—Yes, I aprove of that principle.

23. Why is there a necessity for the State establishing sawmills, having regard to the evidence you have already given?—Probably if you put me to that I should have to say that as a Socialist I believe in the State being the producer.

24. But you have already told us that you consider the price charged for timber is reasonable and that there is no necessity under present conditions for further competition, to regulate prices. Why, then, do you advocate a State sawmill?—On principle.

25. Although there is no necessity for it?—I do not say there is no necessity for it.

26. Well, do you say there is a necessity for establishing State sawmills?—I say that the whole means of production, distribution, and exchange——

27. That is not my question. Is there a necessity in your opinion for the State now establishing State sawmills?—Yes.

28. Is it to bring down prices that you advocate that?—No.

29. Is it to create more competition?—No; it is to abolish competition.

30. But you say that so far as prices are concerned they are satisfactory?—I should probably be satisfied if the State charged the same prices.

31. If the prices charged by private individuals are satisfactory, why should the State start?—You cannot realise, or will not, that you want me to mix up the question before this Commission with my broad principles.

32. You have come here to give evidence on behalf of the workers, and I want to know whether you think—but let me ask first if you do come here to give evidence on behalf of the workers, or is this your own opinion?—I have been invited by the Commission to give evidence, as a matter of fact.

33. Are you speaking now on behalf of the workers of the Dominion?—I do not think any man in the colony could say that.

34. On behalf of whom are you speaking?—I came here by invitation.

35. You are speaking as an individual, not as representing the workers?—I am not officially representing the workers, but I can claim to be representing the workers in the industry.

36. How many men are there employed in the industry?—In the Wellington Industrial District there are over eleven hundred men.

37. How many are there in the Dominion?—I have not gone into that.

38. How many are members of the Sawmill-workers' Union?—I could not say.

39. How many workers in the Dominion are there outside the Sawmill-workers' Union?—I do not know.

40. Have you taken their interests into consideration when you advocate an increased duty on Oregon?—Yes.

41. Do I understand you to say that you believe that the feeling of the majority of the workers in New Zealand, outside the milling industry, is in favour of an increased duty on Oregon?—I did not say anything of the sort. I say that in my opinion it is in their interests that an increased duty should be put on Oregon.

42. Would it surprise you to know that they do not believe in a duty on Oregon?—Nothing would surprise me in that respect, because we have got a thousand different opinions on almost every subject.

43. You mean the workers have?—Yes.

44. Is there unanimity so far as establishing a State sawmill is concerned?—I do not suppose there is.

45. Do the majority of the workers of the Dominion believe in a State sawmill?—I do not know, I am sure.

46. Is it not a plank of the labour platform of New Zealand?—No, it is not, except in the broad principle of compelling the State to acquire all industry.

47. That in itself shows that the workers believe in State sawmills, does it not?—It shows that the persons whom they choose as their representatives at the annual conference believe it, at all events.

48. Is not the object of that plank—that principle of State sawmills—to reduce the price of timber and get rid of competition?—No, not necessarily. It does not follow that when commodities are produced cheaply they are always the best.

49. Is not the idea this: that by the State establishing State sawmills the people would derive greater benefits than they would by private individuals running the mills?—Not altogether.

50. Well, what is it?—That they do not desire one class of the community to trade on the other portion of the community's work.

51. Do you consider that that is going on now?—Certainly.

52. You consider the prices are reasonable?—Yes.

53. And do you consider where the prices are reasonable that the people are being exploited—traded on?—Certainly.

54. Although the prices are reasonable, you are of opinion that the people are being exploited?—Yes.

55. What would you suggest would prevent the people being exploited by the sawmillers of this country?—I am not talking about the people being exploited; I am talking of the workers.

56. The workers constitute the majority of the people, do they not?—Yes.

57. What do you suggest to prevent the people of the colony—the mass of the people—being exploited by sawmillers?—That State sawmills should be established.

58. Then you think the people are being exploited?—We contend, of course, that where a man has to work for another man his labour is being exploited, otherwise he would not be employed at all.

59. Then you suggest that a duty should be put on Oregon?—Yes.

60. What for?—To protect the industries of the colony against outside competition.

61. That is all the reason that you have?—That is the only reason I have.

62. Are you prepared to recommend that, although it may tend to increase the price of timber to the mass of the people?—Yes, I am prepared to recommend a protective duty against any other consideration.

63. If architects and builders have sworn on their oath before this Commission that it is absolutely necessary in the interests of the Dominion — of building-construction — that Oregon should come into this country, would you disbelieve them?—Yes, I would.

64. Can you give us any reason why they should come to this Commission and give such evidence, which you disbelieve?—Self-interest.

65. If we had evidence, for instance, by Mr. Moore, the engineer for the new Grafton Bridge at Auckland, that it is absolutely necessary—that he could not have got timber that would have met his purposes like Oregon for an important work like that—would you place a duty on it?—I would simply say, Well, find another material.

66. If he said he could not procure it in the Dominion to suit his purpose so well, what would you say then?—I should say, Build a steel bridge.

67. Where does the steel come from?—It is being imported at the present time, but it does not follow that it always will be.

68. You would sooner import steel than allow imported timber to come in?—I would sooner do without an article than take an article from a country that was in competition with our own.

69. Would you place a duty on imported timbers?—Yes, certainly.

70. On jarrah?—If it could be shown that it was competing with our own timber.

71. What imported timbers would you have come in free?—I have not considered that question at all.

72. You said just now that you would place a duty on imported timbers?—Yes, or any other article that is in competition with our own products.

73. What imported timbers are in competition with our local articles?—I suppose that Oregon is.

74. What else?—I hardly know; but I know that Oregon is.

75. The last award in the sawmilling industry you said was made about September, 1908, and there was an increase in wages to the workmen?—September, 1908.

76. At that time, I suppose, you contended that the sawmilling industry was in a prosperous condition, and could afford to give an increase in wages?—No, we did not.

77. What were the grounds upon which you submitted there should be an increase in wages?—The cost of living, and the fact that the majority of the sawmillers in the districts were already paying more than we were asking for.

78. You contended that they were in a position to pay more?—No, we did not go into the question of profits at all.

79. Do you not consider the position of the employer when you go to the Arbitration Court?—The ruling of the Court repeatedly has prevented our taking the question of profits into consideration at all.

80. I understand you to say that in making application for an increase in wages on behalf of all the members of a union you do not consider whether the industry is paying or not or being profitably conducted?—No, we do not.

81. You look at it from only the one standpoint?—Yes; we trust the other side to look after their own affairs.

82. Do you believe in increasing the timber areas granted to sawmillers?—No, I do not.

83. Why?—I believe that while you allow areas to be given to private owners those areas should be distributed over as many persons as possible.

84. Would you give a man 1,000 acres if he applied for it for milling purposes?—It would depend largely on the nature of the bush. There is plenty of bush in New Zealand that I would not give a man 1,000 acres of.

85. Do you know anything as to what conditions or regulations apply with regard to granting areas to millers in New Zelaand?—Yes, I have a rough idea.

86. Do you think that the area should be increased—that we should give larger timber areas to millers?—I have already said No, if the quantity of timber is there. If it is heavy timber-bearing country I would not approve of large areas being given to private individuals—in fact, I do not approve of any areas being given to private individuals: I approve of the State running it.

87. Then, you would ask this Commission to recommend that no further timber areas be granted to private individuals?—Yes, I would not mind asking that, although that was not the object I came here for.

88. Are you aware that Oregon came into New Zealand up to and since September, 1908, when this award was made increasing the wages?—Yes, the question of Oregon was brought prominently before the Court during the whole of the sittings in Invercargill.

89. By the millers?—Yes.

90. Was it raised by the workers?—No; we had to meet the millers' contention.

91. And you met it, did you not?—Judging by the award I should say we did not meet it.

92. You tried to meet it—you tried at the Arbitration Court to meet the objection that Oregon was coming in and injuring the sawmilling industry?—Yes. At the time the Court was sitting at Invercargill there was a vessel at the Bluff with foreign timber on board.

93. What were the arguments you used against the millers' contention that Oregon was injuring their industry?—We compared the imports of Oregon with the total output.

94. And you came to the conclusion that it was not seriously affecting the industry?—We held that it was not, but at the same time we knew in our minds that it was a false contention on our part.

95. Do you, as a workers' representative, say that you put forward a false contention before the Arbitration Court?—I may be wrong in saying "false," but it was a contention that, had I been on the other side, I should have met very easily.

96. What do you say now?—I say that Oregon does not come into competition with the whole of the timber of the colony: it comes into competition with rimu mainly.

97. Seeing that it comes so little into competition with the great output of the the mills, would you say that Parliament should amend the tariff and place an extra duty on Oregon?—Yes, absolutely, because as soon as our own forests are gone we shall be at the mercy of the American syndicates.

98. How much rimu has been displaced by Oregon coming in during the last eighteen months?—I have not gone into the figures at all; but I know this, that almost wherever you go now you will find Oregon.

99. Not knowing how much rimu has been actually displaced by Oregon, you still urge that a duty should be placed on Oregon?—Even if none had come in I would still maintain that a protective duty should be imposed.

100. Why?—Simply because we have got to protect our primary industries.

101. But if none comes in why protect your native industry?—Well, to guard against its coming in.

102. Do you mean for revenue purposes?—No, I do not believe in a revenue tariff at all; I believe in a protective tariff.

103. But would you protect an industry unless you saw a necessity for it?—I submit there is a necessity now.

104. But if none were coming in?—I would have the duty then as a safeguard.

105. Whether it were wanted or not?—It might be wanted.

106. Do you believe in an export duty on kauri?—No, I think the thing could be met in some other way.

107. What duty would you impose on Oregon—a higher duty than you would place on boots? What do you suggest?—A duty of 7s. was put on it at one time. I suggest that you put a duty of 7s. on everything, we will say, from 30 ft. lengths 20 by 20, and 10s. on any smaller sizes.

108. What percentage would that be?—I do not know.

109. Would you place a 50-per-cent. duty on Oregon?—I would place a 100-per-cent. duty on it if it were necessary.

110. But is it necessary to place a 100-per-cent. duty on it?—I submit that it is.

111. A greater duty than that on boots?—Yes.

112. Is there any other article on our tariff list upon which we impose a 100-per-cent. duty?—I do not know of any other article; but while we are advocating a protective tariff it is no use in having a tariff if it is not protective.

113. Do you believe in conserving our rimu for the use of future generations?—I believe in using it as we require it.

114. You would not conserve it?—Not if we wanted it; certainly not.

115. You would get rid of it at the present day, as it is wanted?—Yes.

116. *Mr. Jennings.*] What portion of the sawmill have you worked in?—I have worked pretty well all through the mill. I started carrying slabs, then I took up engine-driving, and then I did a bit of work among the benches.

117. In what portion of the Dominion did you work?—In the Forty-mile Bush and in the Taihape district.

118. You made the statement in your evidence that the best crop on the land was the timber on it. What portion of the Dominion do you refer to?—Well, I think that much of the Waimarino will be of little value after the bush is taken off it.

119. What makes you say that?—The nature of the country surrounding it.

120. Have you been into the Waimarino?—Yes; I was through the Ohakune and Raetihi districts.

121. Have you made any close observation as to what they have done in the way of grassing the land?—I saw sections up there which were felled fourteen years ago. It was pointed out to me that the bush was so heavy that it was impossible to burn it, and after twelve years the logs were so big that it was still impossible to stock it, because the cattle could not get through it.

122. Was that at Ohakune?—I am not sure, but it was between Ohakune and Raetihi or between Ohakune and Pipiriki.

123. Do you say that there the timber is the best crop on the land?—I say, if the surrounding land is any criterion, it certainly is.

124. Did you visit any of the farms or clearings there?—Only the farms on the Ohakune–Raetihi Road.

125. Are you aware what amount of stock comes from Raetihi and that district to the railway at the present time?—I do not know that that would affect my contention.

126. What would, when you give away a part of the country as being practically useless for pastoral or agricultural purposes?—I did not say it was useless. Mr. Punch, of Raetihi, in extending a welcome to a number of members of Parliament there some considerable time ago, said he valued the crop there at over £100 an acre. Well, I am positive no agricultural land in that district is worth that.

127. Mr. Punch, as a sawmiller, was probably speaking of his own bush. But let us take it at £100 an acre: the timber is one crop, and if you bring it into productiveness for growing grass, that goes on for hundreds of years?—Yes.

128. Do you wish to convey the impression to the Commission that the bush should be reserved, and that there should be no settlement going on?—I say the bush should not be destroyed by fire, but that the first crop off the land should be given to the people, and work provided for the men whose interests you are advocating.

129. If these forest lands in the Waimarino are to be conserved or reserved, is that not going to stop to a very large extent the milling industry for a time at any rate?—I propose to stop the timber from being burned until it can be used.

130. What do you suggest in order to bring that about?—To encourage local industry and protect it against outside competitors.

131. Then, I assume you would be willing that the timber should be cut for milling purposes. In reference to State sawmilling, have you any knowledge of the position of the Kakahi State sawmill?—No; but I should like to make a general statement. It might be inferred that I have come here to push the Socialist propaganda, or something or that sort. I do not think this is the time or place to do that at all; but in answer to questions I had to say that was my belief as an objective. My immediate purpose in coming here was to protect our workers against foreign competition. Having protected our people against the foreigners, it will then be time to consider our relations with the sawmillers as employers.

132. Have you any special knowledge of the effect the State sawmill at Kakahi has had in regard to supplying timber to the local residents, for instance?—No, I am not concerned about an isolated case very much. I simply stated my belief in State sawmills as a broad principle, but I did not come here to push that principle.

133. Would you be prepared to agree that the State has limitations?—I do not think so.

134. Take the question of advances to settlers: has not the time almost come when the demands made are almost beyond the scope of the Department?—I do not think I should say that. I should like to see the State the sole money-lender.

135. Do you know the number of men in the Sawmillers' Union in the Waimarino and Taumarunui districts?—No, I do not pretend to know the membership of all the unions with which I am not connected, and I am not connected with the Timber-workers' Union. When they have wanted the services of a man to take their case before the Court I have done it for them. I know the membership of the Southland union, because it is so recently I had their case before the Court.

136. Is the award in existence at the present time?—Yes; the men are feeling the advantage of that award considerably in the country districts.

137. Have you any knowledge of the number of men out of employment now as general labourers or sawmill hands in the district?—No; I could not give any indication as to the numbers.

138. Can you give an approximate number. It would have this bearing: that as regards the protection of the worker it would be a factor in considering the question of the importation of foreign timbers?—I can only just give the statements that have been made to me by men in the district who are working at the sawmills.

139. *Mr. Leyland.*] I understood you approved of the Victorian tariff?—I did not say that. I quoted the increase that had been provided for. I am speaking of the tariff imposed in 1887. The present tariff is, of course, the Commonwealth tariff.

140. Will you give us the Victorian tariff for rough timber in 1887. You have it, for moulding and dressed, I think, as being about 2s. 6d. Have you the figures there?—Yes.

141. Why did you leave that out, seeing that we are importing rough timber? Why did you lead us to believe it was 7s.?—I did not lead you to believe it. I quoted a particular instance.

142. Yes, in moulding?—I said the increase had ranged from 60 to 460 per cent. On rough timber there was an increase of 60 per cent. over the previous tariff.

143. Do you know what the tariff is to-day in Australia?—I have the report that appeared in the *Board of Trade Journal* for September, 1907. That was the report presented to Parliament, but I do not know what the result of it was.

144. I suppose you will admit, if the tariff has been altered, it has been as the result of the experience and the wisdom of the Federal Parliament?—I do not admit that at all, because the Federal House was composed at that time in the main of Free-traders.

145. What is it composed of to-day?—Well, I believe a big proportion of them are Free-traders still, and this was a compromise tariff.

146. Is not the feeling of the country represented there?—The position is that the Victorian Parliament was strongly protectionist, whilst the other States of the Commonwealth were Free-traders, and the House being divided in that way, the probability is that the Protectionists did not get all they desired.

147. Do you think that that section of Australia which meets with your approval should outweigh all the other sections?—No; I gave that as an illustration of what a protectionist colony was prepared to do.

148. Well, in Australia to-day the people who have formed the tariff are the representatives of the Australians?—That is so.

149. They have fixed the tariff on rough Oregon timber, 12 by 6 and over, at 6d. a hundred; 7 by 2½ to 6, at 2s.; less than 7 by 2½, at 2s. 6d.; and dressed timber, at 3s. Do you not think it fairer to quote the tariff to-day than to go back to 1887?—No, I do not, because over a big area of Australia it would be impossible to get timber such as Oregon.

150. Do you object to the exportation of timber from this country?—No.

151. Are you aware that the workers and the millers in Australia endeavoured to get an additional duty put on New Zealand pine?—They are probably justified, because they want to protect their own industry.

152. What about our exportation if they are successful?—That is their affair entirely.

153. The leading architects in the large centres of New Zealand are fairly unanimous in saying that we ought to have Oregon. Do you say those gentlemen are all wrong and that you are right?—No; but I am concerned entirely with the welfare of the workers of New Zealand.

154. Is it not possible that those gentlemen are as sincere about the welfare of the workers as you are?—They have not shown that they are very sincere about the welfare of the workers.

155. Can you prove that statement?—I have had a varied experience, and I have found that if we want anything we have to look for it ourselves. We get little sympathy or support from outside.

156. But many people who wish the workers well hold different opinions from you?—It is quite possible, but while I believe my policy to be right I am going to push it.

157. Do you consider, when America buys largely our kauri-gum and fungus, which is a product of our forests, and which employs a large amount of labour here, that you should object to buy from them?—Yes, if we can produce the articles ourselves.

158. *Mr. Clarke.*] If we have the strongest evidence from builders, architects, and others that the sawmillers and merchants have not been able to supply all requirements, surely they are in as good a position to judge as you?—They might be concerned about what is going to return them the greatest profit. I have been written to by old employers of mine, stating that they had large quantities of timber on stock, and that they would be glad if I knew of any one who was likely to buy from them. Although I have shown the offer, with the prices and everything else, to the people here, I have not yet been able to get an order for any of my old employers.

159. Does that fact make any difference to the actual experience of those men whom you would discredit?—It is a refutation of the contention that they cannot get what they have asked for, and that the timber was not available.

160. You are dealing with individual instances. I am speaking of the experience of the trade throughout the Dominion. It is that they have been hindered and hampered for want of efficient supplies, and that by the importation of a reasonable amount of foreign timber that difficulty has been overcome for the time being. Is your experience of more value than that of the other witnesses I have referred to?—Of course, my experience is over a limited scope, but it absolutely refutes the contention that the timber was not available.

161. You said you believed it was partly self-interest that induced these men to support the introduction of Oregon. If, as has been stated here, the builders have been obliged at times to take Oregon to keep their work going and so keep their men employed—for that is one of the most important features in connection with it—is that self-interest?—No; that is not self-interest.

162. If the importation of foreign timbers is absolutely prohibited, what is to act as a check against undue raising of prices by a combination of millers and dealers?—State sawmills.

163. We have only two at present. Do you suggest that all the millers should be ordered off the job until we can erect State sawmills?—No; it is a matter of only three weeks to erect a sawmill.

164. That is the only remedy you suggest—that the workers should be charged more for their timber than they would otherwise have to pay for it?—The workers never buy timber, or very seldom.

165. Is it not a part of the programme of the Liberal and Labour movement that the worker buys everything in the end?—Yes; but I am speaking of direct purchases.

166. So long as he purchases it the effect is the same. It is passed on to the consumer. I understand you only represent yourself in this particular instance; but, as a representative of the workers, are you willing to tax your fellow-workers by keeping out foreign competition no matter what the New Zealand article may cost?—I did not say I was prepared to keep out competition no matter what anything might cost. I submit that our duty at the present time is to protect our workers absolutely against outside competition.

167. *Mr. Morris.*] You realise that the worker has got to earn money in the country before he is able to pay for the cheap timber that may come in, and that cheap timber would not benefit him if he could not earn the wages to pay for it?—That is the position.

168. Did you hear Mr. Hopkirk say that the average run of builders did not order their long-length material as quickly as they might do, because they might be expected to pay for it sooner than they were prepared to do; but there would be no difficulty in getting the required lengths if the orders were given in time. What do you think about that?—When I was in charge of a yard we had little difficulty in meeting any order that was sent to us if we had the time to do it in; but if we got a telegram to send stuff in a week's time or a few days' time, it was impossible to meet the order.

169. What about the merchant stocking 30 ft. and 40 ft. lengths of rimu in the ordinary way, just as they are doing now with Oregon pine?—It is rather difficult to stock timber at all except in certain sizes known as stock sizes, because it is so difficult to tell what the orders will be.

170. You were asked questions about the areas that should be granted to millers, and you did not seem to be too clear on that question: do you think that small areas have a tendency to cheapen timber?—No. I quite realise that one of the reasons why American timber is so cheap is that the areas are so large that the millers can go into the business in a large way. But the policy of this country has always been against the granting of large areas of land.

171. I suppose large areas amount practically to a monopoly?—Yes.

172. Still, it is not practicable for a man to put up a large expensive plant and turn out timber as cheap as possible unless he has a sufficient area behind him to warrant his outlay of capital?—Speaking from memory, I fancy the limit is about 800 acres. If it was a good bush, in my opinion 800 acres would be sufficient; but, if it was scrappy bush, probably three times the amount would not be too much. It depends entirely on the value of the bush.

173. You told us something about housebuilding in Wellington: are you aware that the city by-laws are largely responsible for the increased cost of building in this city?—I have no doubt of that.

174. You know that last year they passed a by-law compelling the whole inside of the building to be lined with ¾ in. T. and G., which adds to the cost of that dwellinghouse?—I was not aware of that particular by-law. But I do not think the price of timber has added very much to the cost, because most of the new buildings put up within the last five or six years are just outside the city, and are very much cheaper than the buildings put up ten years ago. So it is obvious that it is the land that is the trouble.

175. Now, I suppose you are aware that these long lengths of Oregon timber are chiefly used in covering up large warehouses, and that sort of thing?—Yes, they do not concern the workers.

176. They have no effect practically on the cost of building for the working-people?—No.

177. You can also tell that a great deal of the Oregon that comes in in long lengths is cut up afterwards?—What I object to is that it seems to be used everywhere.

178. *Mr. Arnold.*] You told us you received notice from the secretary asking you to come here and give evidence?—Yes.

179. You were not appointed by anybody to come?—No.

180. You are simply voicing your own opinions?—Yes; but I think I can claim I am voicing the opinions of the men engaged in the industry.

181. You believe you represent the views of the mill-workers?—I think so.

182. Have you any financial interest in any sawmill?—No such luck.

183. You said you believed that an extra duty on Oregon would be in the interests of the whole community?—I said it would be in the interests of the workers, and I believe that in serving the interests of the workers you serve the interests of the community as a whole.

184. A moment or two ago you told us that the workers were not interested in the long lengths of Oregon: would you be in favour of them coming in free?—No; I would be in favour of a minimum duty on lengths over 30 ft. and 20 by 20 in size.

185. What would you suggest as the minimum duty—25 per cent.?—I would increase the present duty.

186. Now, although probably it is true that you can get a newly built house at as cheap a rental as those erected for some time, and although you are quite correct in regard to land-values, nevertheless it does follow, does it not, that the extra expense in erecting a building is passed on to the tenant, whatever that extra expense may be?—Yes: but, of course, it is so small.

187. But if there be an extra expense in a building it is naturally passed on?—Oh, yes!

188. And if it be in a warehouse or in a big retail shop it is still passed on to the consumer through the trade?—That would be so small that it would not be worth counting.

189. But it will be passed on to the consumer, naturally?—Yes.

190. So that if the duty on Oregon is increased threefold, up to 10s., and the price of timber in general rises in consequence, the community as a whole will have to pay the difference?—But it does not follow that if you prohibit——

191. But I ask you the question, if the timber did rise in consequence?—Yes; but if the timber rose that much in consequence they would find other material.

192. But, if it did rise in consequence, that rise would be passed on as a tax on the community?—Yes, but it never would.

193. Will you tell us why it never would?—Because you could get other material.

194. What material?—Bricks or concrete.

195. Do you suggest that a concrete house would be erected instead of wood?—Certainly; and there is on exhibition here now cornice-material made of pulp. It is quite obvious that it is impossible for timber to rise above a certain price before other material comes into competition from all quarters.

196. What price do you think it would rise to before these materials would be used?—It is impossible for me to state any amount; I do not know.

197. Of course, even in a steel building or in a brick building there must be joists and flooring and a certain amount of timber used?—Not "must." About two or three months ago the *Scientific American* had illustrations of a building that did not contain a stick of timber of any sort.

198. Then, do you think that, by the time timber has increased by another 6s. per hundred, this tax that you suggest should be put on could be abolished altogether?—No. I submit that before it was raised another 6s. a hundred it would be the duty of the State to prevent the rise by entering into competition with these people.

199. But, if there have been rings between the merchants and the millers up to the present time, there is nothing to prevent them raising the price of timber before the State could interfere?—Well, the "rings," as you call them, are different from what we know of rings, say, in America. The associations here are debt-collecting agencies, actually.

200. We know better than that. If these rings or combines do exist, even if they are only babies in comparison with American rings, and if it has been possible for them to raise the price of timber in the past, there is nothing to prevent them doing so again in the future?—Yes, I think there is. I think there is the risk of State competition, for one thing, and there is the risk of losing their market by the use of other materials.

201. Do you anticipate State competition?—Well, we always hope to see the State take as much responsibility as it will. That has been our policy for many years.

202. Seeing that the millers are in such a bad way that their business is not paying, do you not think this is a very opportune time for the State to step in and cancel many of these leases and take over the mills at a valuation?—I do not think I would approve of the State doing that. I would rather that they completed their present engagements, and then let the State mill any further areas in its possession if it is not satisfied with the existing conditions.

203. You think it is just as well to let the millers go on losing money if they cannot make their business pay?—I do not say, Let them gon on losing money: I say the State should give them every opportunity, by protecting them from outside competition.

204. And you would do that by taxing the people further?—I do not propose to tax the people further.

205. You would do that by putting a higher duty on imported timber?—Yes; but I should be sorry if they bought that timber and paid the tax.

206. You stated that at the present time there was a case before the Arbitration Court in connection with a protected trade: do you know to what extent that trade is protected?—I do not know positively, but I believe 25 per cent.

207. Do you know that it is protected to the extent of over 50 per cent.?—It is quite likely. I have been told that it is protected to a greater extent than this timber industry.

208. Do you know also that the workers recognise that they made a mistake in asking the Government to put on that extra taxation, and that they have since asked the Government to remove it?—Yes; but they did that because, unlike the timber industry, the people who benefited by the protection were not prepared to share their privileges. The same position obtains in Australia at the present time. The labour community found that, after putting on duties to protect local industries, the workers were not given a living-wage, and now they are advocating what is called the new protection policy.

209. Now, if another 25 per cent. is put on Oregon, what percentage do you say should go to the workers?—I do not say that any percentage should go to the workers.

210. You say none of it should?—Of course, there comes in the principles of socialism. I do not want to parade that.

211. You have gone back on that already by saying you do not think the Government should take over the mills?—I do not think I have. I do not think many socialists would agree with you that the State should buy these things.

212. *Mr. Hanan.*] Confiscate them?—Yes, a good many will say so.

213. *Mr. Arnold.*] Do you favour that?—No, I do not say, Either pay compensation or confiscate. I say, Complete existing agreements.

214. If another 25 or 30 per cent. is put on, do you say that the worker should not participate in that?—I say that under existing conditions—and this is the reason I have come here—the majority of the sawmillers are paying more than any other industry in New Zealand to their workmen.

215. You quoted a wages-sheet: where did you get that?—I got that in evidence from the employers and employees themselves during the hearing of the cases.

216. Do you know whether these wages are paid now?—No.

217. Do you know whether notice has been given on the West Coast for a reduction of wages?—I am not surprised to hear it. I have been expecting it, and that is the reason I have been hoping for protection to come along, so that the millers may be in a position to pay what they have previously paid. You cannot blame them for bringing down the wages under the circumstances.

218. Still, it is not fair to quote these wages if they are not being paid to-day?—I quote the wages to show what the millers were voluntarily prepared to pay while they were getting returns from their output.

219. You have had a considerable experience amongst workers and unionists: did you ever hear of a man being marked for taking a prominent part in union matters?—That is an every-day experience.

220. Do you know that is sometimes done by compelling the men to produce dismissal notices from their last employer?—Yes, I have seen an agreement entered into by both workers and employers, where a man had to produce his reason for leaving his last employment.

221. Do you know that this system is frequently used by employers so that they can mark a man?—Yes, but not frequently.

222. Would you be surprised to hear that such a system has recently been adopted on the West Coast?—Yes, I should be surprised.

223. And if you knew that for a fact, would that not alter your opinion about some of these first-class employers you have been speaking about?—I do not think isolated cases should be taken.

224. It is not an isolated case: it has been done by the West Coast Association?—Probably the workers have a remedy in their own hands. They should be in a position to guard against it.

225. But that does not justify the action of the millers. With regard to the wages the employers in Southland are paying, you said you proved they were paying more than the arbitration award?—Yes, that was our case. We set out to show that the majority of the millers were paying more than the award, and we asked the Court to raise the minimum to the wages we had fixed, and by our evidence we endeavoured to show this would be no hardship on the majority, who were paying proper wages.

226. Although the employers paid more than the award, you were dissatisfied, and you wanted to bring the wages above that?—No, we wanted to bring the minority up to a level with the majority.

127. Then the figures quoted to-day are only the wages being paid by the majority of the mills?—Yes; a small minority are not paying these wages.

228. You said that the imported Oregon came into competition with rimu alone?—Mostly.

229. Would you be surprised to hear that evidence has been given to show that it comes into competition with kauri to a very large extent—that it is being used for works where kauri has been previously used?—Well, my recollection is that those in the kauri industry in Auckland said that Oregon did not affect them.

230. Exactly, but was that not because they could not meet the demands of the market for kauri?—I should not say that, in view of the fact that a good many million feet are exported yearly.

231. You recognise, of course, that the forests of the Dominion are the people's asset?—Yes.

232. Do you not think it is a bad policy for the Government to sell the people's assets to individuals?—Yes.

233. And therefore would you favour the State commencing one or more sawmills in each province?—We have approved of that time and again.

234. Would you agree with that yourself?—Yes.

235. But you do not think the State should take over some of the mills that are not paying and pay compensation for them?—No.

236. You think it would be better for the State to start mills of its own and come into competition with mills which are already losing concerns?—In the first place, I would say that the State should work the mills to serve their own Departments.

237. *Mr. Stallworthy.*] I think you began by recommending us to put a heavy protectionist duty on Oregon, because the sawmillers are such good fellows when they pay high wages?—I was not studying the interests of the sawmillers; I was studying the interests of the workers.

238. Can you tell me what it is that regulates the price in any trade: is it not supply and demand?—In countries where there is no Arbitration Act, probably, but here we have endeavoured to limit the rigors of the law of supply and demand by the Arbitration Act.

239. Are not the millers paying above the award wage because they could not get good men for anything less than they are paying?—I do not know what has actuated them, but there are the facts.

240. Is it not a fact that they are paying a high wage because that is the price of a good man?—They are paying high wages even to unskilled labourers, much higher wages than many of the trades.

241. What are the hours of joiners, say, in the towns?—I think forty-eight hours.

242. In some of the factories in connection with the mills have not the employees to work forty-six hours?—That is the case in Wellington, but it is an exceptional case. That was done in order not to inconvenience the employers. The award fixed the hours of timber-workers at forty-six a week, and, in order not to inconvenience the employers, the timber-merchants were allowed to work their joiners forty-six hours. There is a clause in the award providing for joiners who work forty-six hours.

243. The position is this: that the mill hands have to remain working longer than those in the other departments?—I do not think it is the position. The joiners outside work forty-five hours; but I think it will be found that in the Carpenters' award there is a special clause which provides that joiners in timber-yards shall work forty-six hours a week.

244. If the secretary of the Timber-workers' Union said that was not so, he was telling what was not true?—I do not say that he is saying what is not true; he may have believed it to be true. We endeavoured to bring the hours in timber-yards down to forty-five hours, because the joiners who were working forty-six hours were aggrieved at having to work forty-six hours when joiners outside the timber-yards only worked forty-five hours.

245. You did not succeed because the employers objected?—Yes, they objected. You are confusing the town merchants with the country sawmillers.

246. No, I am not. I am keeping the country in the background?—We were not successful.

247. You wanted forty-five hours, but the employers refused?—That is so.

248. You gave them credit for paying higher wages?—I did not give them credit for anything. I spoke entirely of the country sawmillers.

249. Could they get men to work for 10s. who are now receiving more wages?—They are working for it.

250. Do you expect the employers to pay a minimum wage?—Some of them do it, but there are exceptions, and I am always pleased to record the fact.

251. There is a majority paying more than the minimum wage, and therefore you urge that this trade should be specially protected?—I say the country sawmillers are paying more than the majority of the skilled trades of the Dominion. They are paying more than the highly protected trades of the Dominion.

252. You are comparing the wages paid in the country with the wages paid in the town?—I know of men who are getting 18s. a day.

253. What hours do they work in the country?—They work any hours they like.

254. Is it forty-eight hours?—It is ninety-six hours a fortnight, and they can work sixty hours in one week and the balance in the other.

255. What is the average per week?—Forty-eight hours.

256. Therefore men who are working at least three hours a week longer than men who are working in the towns, and in adverse circumstances, should get higher wages than the towns?—They are paid for the time they work. They are not on a weekly wage.

257. That makes it worse. This high wage is not a regular wage?—It is the same in the boot industry, and that is the position except in certain cases.

258. How long is it since you have been working at a mill?—About six years.

259. What wages were you getting?—I was getting about £2 14s.

260. You left it because you bettered yourself?—I left it because I was foolish. I was eight months out of work after I left sawmilling.

261. You said that you got several letters from your old employers asking you to find a market for their timber. Were you paid for this?—No doubt they would have paid me a commission, but it was only a matter of friendship. They did not ask me to become their agent, nor did I want the work.

262. Have these letters anything to do with your being here to-day?—Nothing, as I did not want agency work. If I met a man in the street and knew he was in the line I would tell him that So-and-so had got so many hundred feet; if you want to order, wire to him.

263. *Mr. Ell.*] You said that the wages in this industry were much higher than in the highly protected industries in cities?—Yes, I think they are.

264. Are you aware that this timber industry is already highly protected?—No; I do not think it is protected.

265. The duty on Oregon works out at between 20 and 30 per cent.?—But the fact that Oregon is coming in is a proof that it is not protected.

266. Boots come in, and yet they are protected?—Yes, that is so.

267. The same with furniture, and so also with all of our protected industries—clothing comes in?—Yes.

268. The timber is a protected industry to the extent of 25 per cent. on the raw product?—Yes.

269. You are aware that there is 25 per cent. on furniture, which is a manufactured article?—Yes.

270. You said you favoured the cutting of our own timber so as to protect our people against the American timber syndicates?—Yes.

271. Do you not see that, if you hasten the cutting-out of our limited quantity of timber, the sooner we must depend entirely upon foreign timbers?—Yes, if we did not make provision by afforestation.

272. You know that trees do not grow in a week. It takes thirty years at least?—Yes.

273. And for some of the more intense fibres in wood it means sixty or a hundred years. Seeing that we have some 25,000 men engaged in timber-working industries—that is, the building trade and the manufacture of woodware—as against 9,000 employed directly in the milling industry, do you not consider that is a matter which should engage the attention of the whole of us?—Of course, you assume that the 25,000, if we killed our primary industry, would still find employment. If the primary industries are killed there is nothing for the 25,000 to do.

274. We must have wood for these industries, and you know the high quality of totara for woodwork purposes. It is used for all kinds of joinery-work, staircases, furniture, &c., involving a great deal of labour to work it up, so also with kauri and rimu?—Yes.

275. Is it not entirely in the interests of those thousands of men in this country who are engaged in earning their living that a rough description of timber should come in to take the place of our finer timbers that are so well adapted for joinery-work? When building a large warehouse in this city you want rough timber—you want beams and stringers, heavy flooring, and joists. Would it not be in the interests of our people that a rough description of timber should be imported to put into these buildings, and thus admit of our own timbers being used for finer work?—No, because in every sawmill there is only a small proportion valuable for dressing purposes.

276. I see you are falling into the same mistake as many others. I am not speaking of the highly decorative timber?—I am speaking of clean timber, suitable for dressing.

277. You know that in many rimu-trees there is only 3 in., 4 in., or 5 in. of sap?—I know that you would be very lucky if you got one-third of a log in dressing-timber. I say that two-thirds of the log is rough, and not more than one-third is suitable for dressing; so that if you admit rough timber for rough purposes you allow us to use one-third for dressing purposes, and we have got to throw two-thirds on the slab-heap.

278. That finds it way into our markets for building purposes?—In all timbers not more than one-third, perhaps less, of the output of the tree is fit for dressing purposes.

279. There is a lot of sap used up for inside work?—Sap may be good dressing-timber where there is a proportion of heart in it. Some of the prettiest of our work is of a proportion of sap and heart.

280. *Mr. Field.*] It cannot for an instant be said that you are here on behalf of the sawmillers?—I am not here on behalf of the sawmillers or the Socialists either. I come here to look after the present, because, in my opinion, there is a necessity to protect the workers from outside competition.

281. You have heard on evidence to-day that the Timber-merchants' Association is registered as an industrial union?—Yes, I have seen their rules.

282. I suppose that our labour laws view with approval the establishment of industrial unions?—Yes; we cannot reasonably object to the employers being organized.

283. If they fixed a price for the product they are dealing with it would not be any more unreasonable than for workers to endeavour to get a fair rate of wages?—It would be quite justifiable.

284. Do you know that throughout the Dominion, speaking generally, the sawmillers are paying above the award rate of wages?—I do not know that there was very much variation since the time I heard of it. I do not know anything about the Auckland Province. I am speaking now about Wellington, Southland, and the West Coast.

285. It has been proved by the evidence of millers and men that the millers are paying more than the award rate of wages?—That is, speaking broadly.

286. Knowing some of the millers, you would give them credit for paying a man a high wage if they considered him worthy of it?—Oh, yes! they recognise merit. In fact, I know that they have. I have seen a man when I was engine-driving engaged at 13s. 6d. per day. His wages were voluntarily raised to 16s. per day after the first month.

287. With regard to this question of marked men. It is true that one miller should know, when a man comes to obtain employment from him, where that man was working last, for what reason he was dismissed, and why he left his employment. Do you think there is anything morally wrong about that?—I do not approve of that system. It was practised to some extent by millers in Western Australia. It is certainly an objectionable practice, and one I am surprised to hear was adopted here.

288. It was pointed out to us that it was rather to meet the case of a man who had been guilty of daring misconduct, such as the wilful destruction of the employer's property?—I should not advise the workers to accept notices of that description. I think the worker should refuse to either accept or produce a notice of dismissal. I should strongly object to that system.

289. You think it would be liable to great abuse?—I know of cases in Auckland. They left without notice, and it was stated so on their dismissal notices, and that prevented them from getting a job in Auckland. It amounted to practically a black mark which they could not get over in Auckland. I would strongly oppose it. In their own interests the employers might be justified in doing it amongst themselves. They would not be justified in asking a worker to carry it about in his pocket.

290. That is all right; I agree with you. I think you stated that you disagree with the State taking over the existing mills. You would not, I presume, object to the State entering into an agreement with a miller if he wanted to sell?—That is a different matter.

291. *Mr. Hanan.*] I think you referred to the fact that you conducted a case before the Arbitration Court in Invercargill?—No; I assisted.

292. Did you make this statement in the course of your opening address to the Court: "They would probably be met with the objection that there was slackness in the trade due to overproduction, but his experience in sawmilling was that there was always slackness in the winter, when the state of the roads prevented the output being got out, and that the stocks had been made heavy from this cause should not weigh in the question. Then, the objection that mills were in old workings should not be considered, as small areas that were left years ago would not now be touched unless it paid the millers to work them. A great deal would be heard about Oregon, but he would point out that much was made of this when the last award was considered, and nothing had come of it. In this connection it would be necessary for the union to expose the prices obtained by millers. From 1901 the awards had not increased, while the millers' prices had increased from 100 to 300 per cent. Regarding the possibility of opposition from Amercia, the millers had gone to Parliament, and the Court could not take this into account." Did you deliver that statement?—Yes.

293. Did you hear Mr. Scott, the employers' representative, make this statement—this is his concluding address to the Court: "There were seventy mills in Southland, and he was informed by the employers that of that number there were not more than ten or fifteen paying interest on the capital, and that the proprietors of the others would be better off as workers. There was no doubt that the great majority of the mills were not in a position to pay an increase in wages." Do you remember Mr. Scott making that statement?—Yes.

294. Did you make this statement: "Mr. Reardon further pointed out that the employers had been allowed to go into the question of profits; but, although this had to some extent put him out of Court, he did not intend to complain, as an opportunity would probably arise later enabling him to take advantage of that position." Do you remember that statement?—Yes.

295. The question of profits was gone into?—Not from our side.

296. You also made the following statement: "It must be apparent to everybody that the industry had the possibility of making enormous profits, for the reason that it had an organization which would enable it to command the market. Those employers who complained of their sad lot were the employers who had to find the market through the larger organization by which the market was controlled." I was right in suggesting that you had a right to go into the question of the profits made by the employers?—The Court has always held that we should not enter into that matter at all, but we held differently. The Judge did not agree to that.

297. You knew at that time that Oregon was coming in here?—Yes.

298. And you knew that it was contended that Oregon was doing an injury to the sawmilling industry?—Yes.

299. You also said, "It would be unjust to have the workers bound down for a year or two years to low wages because of the depression that might lift at any moment." Did you say that?—Yes.

300. Do you hold to that still?—Well, of course, you have covered such a large quantity of ground that it would be really difficult to say offhand whether I "hold to that still."

301. I will repeat it for your information. Now, do you hold to that now?—Probably if I was conducting that case I should still argue that way; but there are a good many points there that it would be unfair to let go at that. For instance, in my opening statement I said I should be able to prove that they were making a 100 per cent. profit, but I failed to prove that, because when the witness went into the box he went back on me. He was one of six in a partnership. He told me that he put timber f.o.b. at 3s. 6d., and that he was getting 7s. from the association. He admitted that in estimating the expenses in connection with this 3s. 6d. he did not take into consideration the partnership, which made a difference of wages of six men; so that threw me right out. On that score, you see, I was not able to establish the point.

302. Those statements that I have quoted were made by you on the 12th August, 1908?—Yes; and I should probably make the same statements again, and leave it to the man who was conducting the case for the employers to refute them.

303. But you do not honestly believe that the sawmilling industry is in such a bad position that a duty on Oregon would put it in a proper position again to-morrow?—No, certainly not; But I say that the Oregon has accentuated the trouble that is on. The sawmillers are suffering from the general depression.

CHARLES CAMPERDOWN ODLIN sworn and examined. (No. 161.)

1. *Hon. the Chairman.*] What firm do you represent?—The C. and A. Odlin Timber and Hardware Company (Limited), of Wellington, timber-merchants.

2. Can you give the Commission any information with regard to the matters they have to inquire into?—I agree with the statements of some of the previous witnesses. I have been in the timber business in Wellington eight years, and until last year trade was good. This year it has been bad. From about eighteen months to two years ago we were unable to get our supplies in big timbers, rimu, kauri, and totara, without great delay.

3. What class of timber was it you could get supplied?—Generally speaking, the merchants found a difficulty in getting lengths over 20 ft., and over 12 by 2, for quick delivery.

4. Was there any difficulty in getting the O.B. timber when you ordered it?—No; not in the smaller sizes.

5. Have you had any difficulty lately?—No. For the last twelve months the larger sizes have been supplied in Oregon.

6. Did the Oregon people keep you long in regard to those supplies?—Of course, Oregon is generally bought under contract to supply it in a certain month.

7. Then, you get a certain amount at the one time?—Yes.

8. Do you not think you could have done that if you had asked for the ordinary rimu?—No.

9. Do you mean to say that the rimu-mills could not have supplied you with a certain amount of timber in even these large sizes if you gave them reasonable time?—I am perfectly certain that, eighteen months ago, if you had offered any sawmiller in New Zealand an order for 1,000 "twenties," 12 by 2, in rimu, he would not have accepted the order.

10. Would not that be an extraordinary order?—I will say 100 "twenties." You could not get them without taking all the other smaller sizes with it. And then you would have to wait a long time.

11. But do not the timber-merchants of Wellington keep these in stock at present?—Yes; but we do not carry such large quantities as that.

12. Did you keep them in stock previous to the Oregon?—Yes, always in small reasonable quantities.

13. Did you keep a supply in the same proportion before the Oregon came in as you have done since?—No; we did not keep such a big supply.

14. *Mr. Field.*] What have you to say about the increased price of timber, about which we hear complaints in certain quarters. We have heard that in nine years the price of O.B. rimu has gone up 6s.?—That is not correct, to my knowledge.

15. I suppose you are one of the timber-merchants who joined with the others in fixing prices?—Yes.

16. Have you heard the evidence of any of the witnesses on this subject?—No.

17. If a witness said that the increase in the price in eight years was 2s. 8d. on O.B. rimu, would that be near the mark?—I make it about 3s. 2d. on the O.B. timber.

18. Do you think, in view of the increased difficulties of production and changes generally in the trade, that that is an unreasonable increase?—I do not. Our firm are paying now in freight from 1s. 4d. to 2s. (an average of, say, 1s. 8d.) per hundred more than they paid six years ago to the Government Railways. Six years ago we used to get out timber in the Hutt Valley and Wairarapa, and now it comes from the Main Trunk.

19. Do you consider that, speaking generally, any complaints which have been made as to the unreasonably high price of timber have been unjustifiable?—In my opinion they are not justifiable.

20. Do you think we could do without timber-merchants? Some people think they are an unnecessary evil?—I do not think so. It would be impossible to do without the town yards.

21. You are quite satisfied that they are a convenience to the consumers?—I am quite certain of that.

22. And that if there were any increase in the price they would have to pay it in any case, even if they tried to deal direct with the miller?—I do not think they could deal direct with the miller excepting in such things as joists and green timber.

23. About this question of giving certain builders full discounts in consideration of their purchasing from the associated timber-merchants: what have you to say in justification of that?—We have never had any trouble with any builders over that question.

24. You think, under the circumstances, that it is entirely justifiable, what you have done?—I do.

25. You have told us that you have had difficulty in getting orders supplied in our own timber when the boom was on?—Quite so.

26. At the time you got this Oregon from America, was not that a time when the boom was off?—No, the boom was on here.

27. But the boom was off there?—Yes.

28. And there was some reason for your getting ample supplies of Oregon from America, seeing that the boom was off there?—I have no doubt that is the reason.

29. Then, the fact of the boom being off there has had a prejudicial effect on the miller here, when he finds the market pretty full of Oregon timber, with the boom off here?—Quite true.

30. Are you one of those who believe in using our own timbers where you can?—I do.

31. Before the Oregon came we were doing fairly well, were we not, in our own timbers?—Yes.

32. And the main justification for using Oregon lies in the fact that you were unable to secure the fulfilment of your orders?—That was the main justification of our buying it in the first instance.

33. What do you think it is fair that Oregon should be used for in this country?—I think there is a place for Oregon. It should be used for large sizes—heavy joists, girders, runners for lifts, and beams.

34. You think our own timber should be used for the smaller sizes, the framing of smaller buildings, &c.?—Yes.

35. Is it true that the millers now are selling below cost?—I believe they are.

36. It would not be a fair thing to say that the fact that they can sell cheaper than they did, and much below cost, clearly proves that there was ample room for bringing down the price?—I do not think so.

37. Do you think the millers have been receiving an undue amount for their timber?—I do not know of any miller who ever made a fortune at sawmilling.

38. Could you tell us what the consumption of timber is in Wellington for a year?—No.

39. We understand it is about forty million feet?—I should say, about that. Our own firm would sell about three and a half to four million feet a year, and there are about fourteen timber-merchants here.

40. Roughly speaking, taking the O.B. rimu as an illustration, what do you get for your timber over and above what you pay the miller for it when times are normal? How much per hundred feet?—About from 2s. to 2s. 6d.

41. If you considered the rents you have to pay, and the interest, cartage, horse-feed, &c., what profit do you make out of that?—If we sold O.B. rimu only, we should very soon be bankrupt. We do not profess to make any profit out of the O.B. rimu.

42. And that it is the timber mainly used for the construction of small cottages?—Yes.

43. You cannot then be said to be robbing the working-man?—No.

44. You are aware that Oregon is used here for small buildings to some extent as well as in large buildings?—Yes.

45. Would you say that it has come into competition mostly with O.B. rimu, or what does it come into competition with?—I should say that while this present slump has been on it has come into competition unduly with O.B. rimu.

46. And, of course, it is while the slump is on that the millers feel the competition most severely?—That is so.

47. We were told that Oregon has come into competition mostly with kauri in Wellington?—I do not think it is mostly with kauri through our own firm. I should say Oregon has come into competition with kauri to the extent of 5 per cent. It has come into competition with O.B. totara and O.B. matai, besides rimu.

48. Can you give us any idea of the amount of Oregon which is lying in the yards at the present time?—No.

49. I notice you have a fair stock of it in your yard, and a good deal is in small sizes?—We have about half a million feet.

50. What proportion of an average shipment is in big pieces or small pieces?—In a whole shipment I should say we have had about a half in small sizes.

51. You have had some experience in building in our timber?—Yes.

52. If our timber is thoroughly seasoned, do you think it is fit for framing?—What do you call "our timber?"

53. O.B. rimu?—I would say that. I would not put sap rimu under plaster. What do you call "O.B. timber?"

54. A really good picked class of thoroughly seasoned timber?—That might be 75 per cent. of heart.

55. Take it at that?—I would not mind putting rimu containing 75 per cent. of heart under plaster.

56. You would not expect it to warp and twist and crack?—I should say that it is not as good as Oregon or kauri laths.

57. I do not mean for laths, but for framing?—I would put 75 per cent. of heart in the framing of a building of rimu.

58. Has it not been the custom to use O.B. rimu for the purpose, with very good results?—It is, but the O.B. rimu at present is of a better standard than it was eighteen months ago.

59. You would sooner put in what you get now than what you got eighteen months ago?—Exactly.

60. I suppose it is possible to buy up from the mills the pretty low-class timber, some of which has been used in this city, we are told?—Yes; I think there has been plenty of low-class timber used in the city.

61. It is unfair to condemn them all, as some builders are building with better-class timber?—Quite true.

62. Have you had any experience of our timber taken recently from buildings which have been demolished?—I have seen plenty of it very good, and I have seen some which is quite the reverse. Our timber has not the same uniformity of heart that you get in the Oregon timber.

63. Perhaps the difference is that in one portion of the building the timber has been longer in position than in another part of the same building?—Perhaps so; but I have seen two joists, one 18 in. away from the other, and one will be sappy and decayed, and the other would be perfectly sound. That would be accounted for by one consisting mostly of heart and the other mostly of sap.

64. If you were building a house, would you restrict the use of the O.B. rimu?—If I were building a house I would not put any sap in it.

65. But you would not mind putting it in with a large proportion of heart?—I would put in timber with 75 per cent. of heart.

66. Do you consider the borer a serious menace where you build in rimu with a fair proportion of heart?—Not with a fair proportion. I do not think the borer would hurt it much.

67. You have not seen any serious complaints about the borer in red-pine?—Not where there is a fair percentage of heart in it.

68. *Mr. Leyland.*] Are you interested in any mills outside the City of Wellington?—No.

69. Have you any difficulty in getting your kauri supplies?—We have great difficulty in getting kauri.

70. How long have you to wait for orders?—Sometimes twelve months, and nine months, and to get my last order for kauri I had to go to Auckland and charter my own ship to get it down. I had to go about a hundred miles above Auckland.

71. Have you any orders in hand now?—Yes.

72. How long?—I have had orders executed this last month which had been in hand nine months.

73. I understood you to say the other day at your yard that the Oregon timber very largely supplies the kauri shortage for joists and principals?—No, sir.

74. Did I misunderstand you?—Yes. I do not think I have supplied one length of kauri joists in Wellington in the last eight years I have been in business.

75. Has it taken the place of the 75-per-cent. heart-of-rimu joist?—It has.

76. But it has not of the O.B.?—No, not to any great extent.

77. *Mr. Clarke.*] With regard to the advance in price, can you tell us how much timber has gone up in the last ten years?—I cannot.

78. If it were stated that within that time it has gone up 6s., would it be about correct?—I do not think it would be correct.

79. You do not think it has gone up as much as that?—No.

80. You know, of course, that the O.B. rimu was sold at 8s. 6d. for a long time?—I heard that.

81. So that it has within a reasonable time gone up from 8s. 6d. to 14s. 6d.?—In that 14s. 6d. you have to take the discount off.

82. With regard to the price you pay, I think you stated in reply to Mr. Field that you got 2s. and 2s. 6d. over and above the price you paid the millers. Does the difference apply to O.B. rimu only, or to all classes?—To O.B. rimu only.

83. It does not apply to long lengths either?—No.

84. There would be a great difference in the long lengths in regard to prices?—Exactly.

85. Did the millers charge you anything extra for the long lengths?—Yes.

86. How much extra per foot of length?—On rimu?

87. Yes?—I have not got the price-list here, but I think it is 3d. per foot up to 25 ft.

88. Do you not think that in charging 13s. 3d. per hundred more for a 33 ft. length of rimu than an Oregon stick of the same size you are charging too much?—If there is 13s. 3d. a hundred difference in the price, I think a man would be a fool if he did not take the Oregon.

89. In that case you do not believe in any principle that would compel a man to pay this amount, by putting a bigger duty on Oregon. Do you think we should be allowed to get Oregon in fair competition?—Yes, I should say so, for the large sizes and the long lengths.

90. Do you not think that the difference in price between that 33 ft. length of rimu and a piece half that length is too great?—That is more a question for a sawmiller to answer; but I know that if you buy a large size in rimu—say 33 ft.—you have to pay extra for it, and may have to wait for weeks to get it.

91. Do you think that he (the sawmiller) would probably have to wait for weeks before he could get it?—I feel sure he would.

92. That justifies your statement that Oregon is a necessity in that case?—Yes, for long lengths and large sizes it is a necessity.

93. As to the combination regarding prices, have you been bound by any agreement, either written or verbal, not to supply a certain customer who might have dealt with non-associated millers or merchants?—No.

94. *Mr. Morris.*] You are a timber-merchant, and I presume it does not matter very much to you, in a way, as long as you make a profit out of your business, whether you sell Oregon or rimu?—No.

95. Can you tell the Commission that the introduction of Oregon into this country has cheapened the cost of building very much?—No, I do not think it has cheapened the cost at all. The price of timber during the last six months has been a good deal lower than it was previously, but I do not believe that that has been caused through Oregon coming in. The depression, I think, is the principal cause.

96. Do you agree with the general principle of sending our money out of the country to buy foreign material with?—No.

97. You think we ought to encourage our own industries?—I do.

98. You told us that you had ordered 100 20 ft. lengths, I think you said, 12 by 2, and you could not get them without taking the small stuff?—Yes.

99. But you have always had a market for the small stuff, have you not?—We could not take anything the sawmiller might choose to send us.

100. Have you ever been put to any great inconvenience in getting 20 ft. lengths 12 by 2, 50 or 75 per cent. heart?—Yes.

101. I do not think you sent an order to the West Coast, then?—Yes.

102. You did not send these orders that you say you could not get?—Yes, I have sent them to the Coast, and I have had to take thousands and thousands of feet of stuff that I did not want, and just had to store it up.

103. But what would the miller do with that stuff?—I do not blame the miller for sending it, if he can get it away.

104. I did not see a great deal of that stuff about your yard?—It has been sold.

105. Then it was not a loss to you?—Yes, it was; I sold it for less than I gave for it.

106. *Mr. Ell.*] During the boom times what were you paying for rimu, free on the trucks?—An average of from 6s. 9d. to 7s. 9d., according to the freight. We always base our price in Wellington off the trucks. Prior to the Main Trunk Railway being opened we were paying as high as 4s. 4d. freight on rimu from that district.

107. And the millers at that time were well satisfied with the prices they were getting — at least, they told us so?—Apparently they were.

108. What are you getting the timber at now, free on the trucks?—For the cheapest now we pay 6s. 4d., and the freight is 3s. 8d. The freight is lower now. The millers further away cannot supply us with rimu at all now: the price is too low for them, apparently, or the freight too heavy.

109. So there has been very little easing in the price so far?—Yes, the price is down.

110. But you said just now that you were paying 6s. 9d. during boom times, and now you are paying, less the freight, 6s. 4d.—that is, for the cheapest?—But, you see, the miller gets the benefit of the difference in the freight. The same miller in boom times would be getting 7s. 4d. instead of 6s. 4d.

111. It is down 1s. a hundred?—We are paying 10s. in Wellington now, whereas we were paying 11s.

112. Do you import any timbers for cabinetmaking purposes?—Yes.

113. What is the lowest price at which you import timber for joinery-work?—From £2 5s. to £3 a hundred, leaving out Oregon. That is for cedar, and oak, and walnut.

114. Do you know of any other timbers in the world's markets that you can draw on for a very much less rate than that—timbers suitable for furniture-making?—No.

115. What are you selling rimu at for furniture-making—not the highly figured rimu, but good dressing-lines?—What you would use for, say, a chest of drawers for an ordinary cottage?

116. Yes?—Fourteen shillings.

117. If the factories of this colony were dependent on an outside supply, what would be the effect on the furniture for the people?—Unless it was made out of Oregon pine, it would be pretty dear.

118. They would have to pay a good deal more than they have to pay now?—Yes.

119. Seeing that the trees in our plantations will not mature for fifty years, would it not be a desirable thing to conserve our supplies in some measure for the needs of our own manufacturing industries until such time as the planted trees have matured?—I think that should be done within reason.

120. *Mr. Arnold.*] You quoted from price-lists a little while ago: what is the latest price-list that you quoted from?—I quoted from the price-list that we issued over six months ago.

121. Would you recommend that the duty should be taken off the big sizes of Oregon?—No. I think Oregon would always hold its own in large sizes with the present duty, and I would even recommend that a bigger duty be put on the small sizes.

122. You said that you believed in encouraging our local industries: to what extent would you encourage them?—To the extent of an increased duty on the small sizes of Oregon. We can always get small sizes in our local timbers.

123. What increased duty would you suggest should be put on?—I have not got any suggestion to make.

124. Do you know of any other industry that is protected to the extent of 25 per cent. on raw material?—Yes, cement.

125. Any other?—I cannot call any other to mind.

126. Do you not think that 25 per cent. is a very fair thing on a material for manufacture?—Yes, on the large sizes.

127. *Mr. Stallworthy.*] What profit do you reckon to make on O.B. rimu per hundred?—I am quite satisfied if I make a profit of 3d. a hundred as a merchant, after paying expenses.

128. That would pay you?—Yes, on O.B. rimu. It does not take the same amount of keeping as other timbers.

129. Have you any Oregon under order?—Yes.

130. Any quantity?—Yes.

131. Were the orders given recently?—No; over ten months ago.

132. Before the rise took place?—Yes.

133. Is there any likelihood of further orders going forward?—No, not on the present prices. They are too high to import Oregon in large quantities.

134. I believe you deal very largely in furnishings for buildings, and so on?—Yes.

135. Can you give us any idea as to the falling-off in the trade in those furnishings, as compared with the falling-off in the timber trade?—Yes; the falling-off in the building-hardware business is as much as in the timber business itself.

136. There is as much falling-off in that trade as in the timber trade?—Yes.

137. May we conclude from that, then, that the slump in the timber trade is due almost wholly to the falling-off in business generally?—Yes. Of course, as merchants we should not feel the slump so badly if we were selling Oregon to take the place of the local timber.

WELLINGTON, THURSDAY, 27TH MAY, 1909.

FREDERICK GEORGE DALZIELL sworn and examined. (No. 162.)

Hon. the Chairman: Have you a statement to make to the Commission, Mr. Dalziell?

Witness: I am giving evidence as chairman of the Taupo Totara Timber Company. I do not claim to be an expert in timber, but I want to say something on behalf of those people who have put their money into the concern. I have been chairman of this company since its formation in 1902, and I can therefore speak as to the difficulties the industry has to contend with in the Dominion. Our company has embarked about £350,000 of capital in its venture. It took us about four years to construct a railway from our bushes to Putaruru, a distance of about fifty miles, and to make all the necessary preparations for getting our timber to market. The undertaking was a very difficult one, because the work was all pioneering work, and it was impossible to ascertain the nature of it altogether, or the probable cost of it. Our experience showed it was quite impossible to get from any experts who were available to us any reliable estimates of either the nature of the work we had to undertake or of its cost.

When this company was promoted we were aware that the kauri forests of Auckland were rapidly becoming exhausted; and at this time also we knew, of course, that the timber industry of the colony was protected. We naturally relied upon having our own markets therefore in a protected condition when we had completed our line and had placed this timber upon the market. We felt that, owing to the diminution of our own forests, the large expenditure it was necessary for us to undertake to get this timber to market would be justified, because it would be necessary to fill up the deficiency that was apparently ahead of us in the kauri forests. Now, this enterprise was not a wrong thing—it was perfectly justifiable; and what we claim is that it entitles us to the fullest consideration from the Commission. We claim that we have not only brought this timber to market, but that we have opened up for settlement—no doubt in large areas, because the land is poor—a very large district. The railway-line we have built is within five miles at present of Lake Taupo. We hope that in the near future it will be extended, as it can be at comparatively small expense, to Lake Taupo—whether it is done by us or by somebody else—so that with the steamer service the whole Taupo district will have very efficient means of communication. If it had not been for the construction of this line, if it had not been for our enterprise in going out to get this timber from the Taupo district, that country would probably not have been opened up at all. Though the land is poor, it is not too poor for settlement. It is, however, too poor for

settlement unless you have a railway such as we have constructed. With the railway the country can be settled. Without it it could not, and never would be. We have a considerable area of land there, which we purchased the freehold of. We bought that not for the land itself, but for the timber; but, as some evidence of the fact that the construction of this line is opening up the country, I should like to say that we have received offers for the purchase of these private lands. We have not been offered much for them, but that does not matter from our point of view. So long as the land is settled, as we believe it will be settled upon, from the point of view of the Dominion it is a good thing.

I should also like to draw your attention to this: that where you have sawmilling ahead of settlement or going along with settlement you have this very great advantage to the country: that the settler in the neighbourhood of the sawmill or anywhere within easy reach of it gets his timber at bed-rock prices—that is to say, he gets it without any of the cost of handling—and I think probably the evidence you have had before you will have convinced you that the main item of cost to the consumer, in the towns at any rate, is the cost of handling and cost incidental to handling. Another advantage is that the settler has the opportunity of getting employment in his spare time, both for himself and the members of his family; and he has this further inducement: that he has beside him a market for at any rate a considerable part of his produce, and he will probably get more for it than if he has to send it to a more distant market. Now, in our own case, in and around Putaruru a considerable area of land has been opened up by the Government quite recently, and a considerable portion, if not the whole of it, has been taken up. Those settlers have benefited greatly by the presence there of the Taupo Timber Company's line. They have got their timber at a very low price indeed, probably at about half what they would have to pay for it in the towns. Our company has been marketing its timber for about two and a half years. We had, as you know, to contend with many difficulties before we could get an efficient staff of men to get properly under way, but in October last we had just got everything running well when, unfortunately for us and our employees, the slump came and we had to dismiss about seventy of our hands. We are at present employing 160 hands, but we were then employing 230. The trouble was that when we were running our double shift we could not find a market for our timber, and it meant that we had either to dismiss those seventy men or lock up enormous capital in stocks, and we had not sufficient capital to enable that to be done, besides which we are advised it is a wasteful procedure to adopt. If the demand increases, so far as our company is concerned, we are to-day in a position not only to take back those seventy men and run a double shift, but we are also in a position to put in some small mills in addition to the mill we have, and thus employ not less than a hundred more men, and certainly more than that if the demand justifies it. Our mill is situated in one bush, but we propose to have separate mills in the separate bushes which will be all adjacent to the line, and each bush may be worked simultaneously. We have therefore available for the labour of the country a very large amount of raw material, to develop which we only await a further improvement in the demand.

As I understand the position—and I have considerable business knowledge and experience—the special danger the Taupo Company is under is that we have had to rely largely upon the Auckland market, as it does not pay us to ship our second-class timber to places outside the Dominion or to the southern ports of New Zealand. Now, just as we expected to have the benefit of the Auckland market we find it flooded with Oregon timber; and the danger I, at any rate, foresee is this: that it is not merely the Oregon pine that is there now so much as the fact that there is growing up in Auckland a combination which is in direct antagonism to ourselves and to the Main Trunk timbers. Of course, the timber-merchants are perfectly justified in looking for the cheapest timber they can get, but that, I submit, is not the question for the country to consider. What the country ought to see to is that it gets the best for the country as a whole, and not legislate only for the timber-merchant or the sawmiller. Surely the best course for this country is to have every interest possible moving in the direction of encouraging our own industry, and not to do anything that will tend to weaken it. Instead of our energies being put into the encouragement of foreign timbers they ought to be diverted to the improvement of our own methods of treating our own timbers.

It is, of course, quite natural that the timber-merchants should wish to import foreign timbers. It is also natural that the architects and builders should wish to have available at hand every class of timber they might want to use. That is, of course, perfectly natural, and it is the right thing, in fact. But that is an impossibility. You cannot have here available to you all the timbers of the world, and there is not sufficient demand here to encourage the whole world to come into competition with us. The true test is: what is for the benefit of this country? If they want long lengths of Oregon, no doubt it would be a good thing to have them, or better than not to have them; but it would not be a good thing if by getting them you are destroying an industry which is of more value to you than the industry which is assisted by the importation of these long lengths. The real question at issue is whether it will pay you better to import the whole of your timber or to maintain the industry which you have working in the Dominion at the present time. It is suggested that if you import timber the dweller in the town will have less rent to pay than if he uses his own timber. It may be that the nominal rent he pays is greater, and it probably is so. I am assuming for the moment that Oregon is being sold at a lower price than our local timbers, but I do not know of my own knowledge whether that is so or not. Assuming, however, that the workman's cottage does cost more than it would cost if he were allowed to import foreign timbers, it does not necessarily follow that the workman is paying more. It is a very difficult question and one which has to be looked at from all points of view. Though he may be paying a higher rent, I think our experience goes to show that his wages are higher to the full extent that his rent may be increased. Apart from that, however, it is not for us merely to consider whether the workman in the town pays a high rent, but whether the country as a whole requires that you should have the industry protected.

It is to be remembered that most of our timbers—practically all of them to-day—have to be brought considerable distances by rail. Our railways therefore rely very largely upon the timber traffic for their revenue. The Hon. Mr. Millar has told us, according to the newspapers, that he relies for the Midland Railway traffic upon the timber-output from the West Coast.

A Member: Which he is not likely to get.

Witness: That depends, of course, upon circumstances. Nobody can say definitely that he will or will not. It is only experience that can teach us that. It depends, I suppose, on the price he takes it over at. But, apart from any particular line, assuming that our railways at the present time depend very largely upon the timber traffic, if that timber traffic is taken away, that deficiency, which I think you will find is a very large deficiency, has to be made up by some other means. Our main item of revenue is indirect taxation, which is taken very largely from the working-classes, so they will probably in that way have to pay a good deal of the deficiency that arises from the loss of timber traffic. Of course, it may be suggested that our railways would carry imported timber—that is, that if your local industry stops and you import timber, the railways will have the carriage of it. That probably is so, but the natural result of that would be that the settlers in the remote districts—the people who at present are under greater hardship than any other people in the Dominion—would have to bear the burden, and therefore the part of the colony that ought to be assisted more than any other would bear this extra burden. Instead of the burden lying on the townsman, you would have it lying on the country settler, and so you would tend to prevent the development of the country.

There can be no question but that the milling industry is helpful to the community. It employs more hands than any other industry in the Dominion. You have the figures before you. It pays them better, and the conditions under which these men work make them a splendid body of men. You have seen the sawmilling industry in its home, and I do not think you will find in any country a finer body of men than you have there. It is certainly as fine a class of men as you have anywhere. The reason for that is that sawmilling, always being pioneering work, is strenuous work, and the conditions, although healthful, are rough. The consequence is that the men have to be tempted out by good wages, good food, and so on. I may say we have had in our experience very serious difficulty in tuckering the men. In a pioneering work like that one of the greatest difficulties is to get proper food, and a good cook on whom you can rely. Now, all these conditions make it essential, gentlemen, that you should make the work attractive to the men. It has been made attractive, and the result is that you have as fine a body of men as you could get in any country in the world. It has been suggested by one member of the Commission that this industry employs fewer men to the capital involved than any other industry in the Dominion. I am speaking now from a newspaper report: I do not know if the suggestion was correctly reported or not. But that suggestion is not borne out by our Year-book. As a matter of fact, there are very few industries in the colony in which there are more men employed to the capital involved than in the timber industry. I do not wish to burden you with figures, but I have taken out two statements showing the position, as follows:—

Nature of Works.	Proportion of Value of Land, Buildings, Machinery, and Plant to 1 Man employed.
1. Boot and shoe factories	69
2. Phormium-mills	87
3. Sawmills and sash and door factories	132
4. Fellmongery, tanning, currying, and wool-scouring	136
5. Iron, brass, boiler, range, and engineering	144
6. Furniture-factories	156
7. Woollen-mills	198
8. Brick, tile, and pottery works	218
9. Soap and candle works	288
10. Butter and cheese factories	415
11. Lime and cement works	416
12. Freezing, preserving, and boiling-down works	461
13. Grain-mills	762
14. Gasworks	1,441

Nature of Works.	Proportion of Wages paid to Total Output, per Cent.
1. Brick, tile, and pottery works	45
2. Furniture-factories	41
3. Phormium-mills	40¾
4. Sawmills and sash and door factories	39¼
5. Iron, brass, boiler, range, and engineering	38
6. Boot and shoe factories	34
7. Lime and cement works	31¾
8. Gasworks	29½
9. Woollen-mills	26½
10. Soap and candle works	12¼
11. Freezing, preserving, and boiling-down works	5¾
12. Grain-mills	5½
13. Butter and cheese factories	5
14. Fellmongery, tanning, currying, and wool-scouring	5

So that the total wages in proportion to the output in sawmills is 39 per cent.

There is another comparison which applies very much in favour of the timber industry. Last year the industry employed, as you know, 9,111 people, and it paid them in wages £834,000. Now, comparing that with the whole of the industries relating to dress, which are considerably more protected than timber is, you will find this result: Clothing-factories and all the other minor industries which are concerned in the preparation of dress, taking them together, employed 11,177 people, as against 9,111 in the timber industry—that is, practically two thousand more people. But the total wages paid to the sawmilling-workers was £834,000, while the amount paid to the 11,000-odd people in these other concerns was only £658,000; so that, while there are two thousand more hands in these industries, they receive £200,000 less in wages than the timber-workers receive.

There are just one or two other points I should like to refer to. One effect of the importation of Oregon is to send out of the country at least £70,000 in gold. I am assuming now, as I understand to be the fact, that the timber that has been imported costs 7s. per hundred without duty. That, I understand, amounts to about £70,000 or £75,000, and that amount of actual cash has gone out of the country in the last twelve months. Now, I know, from my experience in Wellington amongst financial institutions, that there has never been a time in which cash has been so necessary in this country as at present—certainly there never has been a time within my business experience. And you have also to remember this: that you have to add to the cost of importing this timber the interest on the mills which have been idle in this country in consequence of that importation. Of course, I do not suggest for a moment that these mills are lying idle because Oregon is coming in. That is nonsense. Any one who has had anything to do with the financial position of the country knows that Oregon has only been a part of the trouble; but to the extent of 20,000,000 ft. during the year it has caused that trouble, and the result has been that some of these mills have been locked up, and the interest on these mills has been a dead loss to the country. There can be no question about that. You have to add that to the £70,000 you have sent out from the country in cash.

I have heard it said often, and I think the Commission has pretty often been told, that it would be a good thing to conserve our timbers in the colony until other timbers were exhausted. That is not a practical question at all: you cannot do it. But, suppose you could do it, the only result would be that you would be certain to have a combination both of millers and of the people who owned the timber on the other side. It has taken many years in this country, and in any country, to start an industry such as the timber industry and to get it up to its present state. If you are going to import your timber, then you are going to establish very large interests indeed which are opposed to your local industry. You are going to have a combination of these interests. That combination, and not this colony, will control the cost of timber. While you have your own local industry, if you conserve your markets for the local timbers, you have the whole thing in the Dominion and you can control it. If you have your sawmillers and timber-merchants and architects and builders engaged in trying to conserve your own industry and doing their best with it, you are getting very much better results than if you put yourself in the hands of foreign control. Keep the control of your own timber and own industry and foster it; and do not go to something else which ultimately will have you in its grip. There can be no question about that.

In conclusion I should just like to say one word on behalf of the people like myself and the people I am acting for, who have put their money into these concerns. It was a perfectly right and proper thing, I submit, to have gone out and endeavoured to gain the natural wealth of the country by their industry. Having done that, and just at a time when they most need protection, when the demand in the colony itself has fallen so low, they find that their market is threatened; because it is not only the timber that has come in, but it is the combination you are creating to bring it in that is always the dangerous element. That is the thin edge of the wedge. It is just at the time of the worst financial stress we have had in the Dominion that we find our market flooded with this timber. Surely these people who have gone out and done pioneering work in the country are more entitled to consideration than the people who have not launched out or done anything in the nature of enterprise at all, but are merely acting in the position of middlemen. I would like you to understand that when I say "middlemen" I do not use the term in any offensive sense. The middleman is quite as good a man as the sawmiller, and they are all essential to the country; but I am speaking on behalf of the sawmillers, and I say these are the people who tend to build up a country. They are the people with enterprise, and who have the pluck to go out practically into the wilderness and risk their money there under conditions which are very difficult indeed, and which experience teaches you you cannot properly estimate at all. I understand you had a lot of evidence from different classes of people to the effect that if you import timber free you will encourage a lot of other industries. I admit the possibility of it, but anybody who has had business experience knows that theories are never borne out. You get a lot of beautiful theories, but in business they do not work out, somehow. You have to-day an industry that employs more labour than any other industry in the colony, and pays them better and has a better body of men. Surely it is better to conserve that industry rather than go to something which you do not know is going to be a success or not. That is all I have to say.

1. *Hon. the Chairman.*] You did not include one industry that I look upon as the paramount industry of the Dominion—agriculture?—I also look upon that as the paramount industry.

2. These people have to be considered, and one of the things they are hoping to get is cheap timber. If you talk to them they will tell you that the sawmillers have bumped up prices to an extent that has risen wages and expenses all round. Do you think if the price of timber had been kept more moderate Oregon would not have been imported?—It does not necessarily follow. I understand that a lot of this timber has been imported on account of bad times in America. What the Americans are doing is to take advantage of our market to relieve their own distress. What

we suggest is that our market should be available to relieve the distress of the local timber-people. I should like to say this further with regard to the price at which timber has been sold to the farmers: Our company's practice has not been to charge the farmers any more than we charge the townsman—that is, after deducting all the charges of transportation we charge him just the same as the townsman. We have a schedule price at the mill to which the further expenses of transit to the town and handling are added, so that the farmer gets the full benefit.

3. Is your company in this Timber-millers' Association?—It is a member of the South Auckland Timber-millers' Association.

4. We have it in evidence that timber has gone up during the last three or four years 3s. and over per hundred feet, and the country people contend that that rise was not warranted?—My only answer to that is this: that I do not know of any sawmilling company which has been carrying on business during the last few years which has paid. I know a few who are working on a small scale and who have made profit out of it; but it is a very difficult business to run, and as time goes on the expense of getting our own timber increases. The result has been that people have been relying upon their past experience of the cost of getting out timber, and have found that recent conditions have added greatly to the cost, and the result is that they have lost considerable amounts of money in the enterprise.

5. That will apply to those who have started late: they had not a fair share of the boom that was going?—No; some of those who were in the middle of the boom have failed for that reason. It applies to them, too, for this reason: that the longer you go on in any timber company the further back you have to go to get your timbers.

6. We have been led to believe that people who concentrated their business on a large scale, with less management and less expense, were able to do better than the small miller, but you have told us that the small man has made money and some of the large ones have not?—Yes; and the reason, I think, is very largely this: The miller has probably a small piece of bush that is easily worked, and he has put in a mill sufficient only to work that small piece of bush out. That small miller is able to work with very little capital; but you cannot get out the main bulk of our timbers without large expense. For instance, take our concern: it was necessary in the first place to build a railway which has cost us £120,000. So that timber was not available except as the result of a large expenditure. It could not have been worked by small people.

7. *Mr. Jennings.*] What is the area of your company's bush land?—About 12,000 acres.

8. What royalties do you pay, and to whom?—We do not pay any royalties. We purchased the bush outright, part from the Natives, and part from a private individual. Our bush is heavily timbered, and consists mainly of totara and matai.

9. Have you had any experience after the bush has been felled as to the suitability of the land for grazing purposes?—Yes, I have seen it myself. It grows grass splendidly. In fact, some of it has been taken up by a man who has put a lot of cattle on it.

10. Are these lands leased by your company?—Part is Native leasehold and part freehold.

11. Is your company willing to dispose of the land after the timber has been taken off?—We are going to call immediately for tenders for the whole of our freehold. We want to cut it up in small areas, because naturally we want as many settlers in the locality as we can get.

12. Does your company charge the settlers the same rate for timber as the people in Wellington—is the price the same in your milling district as it is in Wellington?—No; it is the same price, but without any cost of transit or handling.

13. That is deducted in your district?—Yes. That is the position, as I understand it.

14. I would like you to ascertain and let the Commission know definitely as to what rates are paid by the local people for the timber they require for building and other purposes as compared with the price charged, say, in Auckland or Wellington?—Yes. I will have to telegraph for the information, but I can get it.

15. Is it not a fact that the price of every other commodity has gone up in the Dominion in the last few years as well as timber?—That is my experience.

16. Then, why should timber be singled out to bear the whole burden, as it were, when painting, plumbing, brickmaking, clothing, boots, bread, and everything have gone up in proportion?—I think I can emphasize the position more strongly than that. All other products have gone up in price; but, whereas the cost of these other things has not gone up, the cost of cutting timber has gone up very much indeed. I think the present duty was fixed in 1879, and I have seen it in evidence that the cost of getting the timber at that time was very much less than it is to-day.

17. Does your company pay any local rates?—We do pay local rates, both in respect to our land and on some of our timbers. We pay rates on our railway-line.

18. Would a system of branch railways be a benefit to the timber industry? Would it lessen the cost of production?—That all depends. If the railways are for the purpose of getting out timber only, then it would depend upon the cost of constructing your line. Our line was constructed at a comparatively cheap cost.

19. Is it the intention of your company to construct a line from Taupo to Kakahi?—I am not concerned in that company. What we propose to do is to finish our line to Taupo.

20. Your company is a very big concern?—Yes, it has a capital of £350,000.

21. It has not so far been very successful?—No, not very successful.

22. Have any of your practical men taken into consideration the advisability of dealing in some way with the waste timbers for the purpose of making paper, for instance?—I may say the promoter of this company was a man of wide knowledge, with good ideas on the subject of timber generally. He considered all those matters, but, unfortunately, the result of our experience goes to show that it is not practicable to move in the direction you indicate. It requires more capital than we have available, and more capital than you are justified in putting into a thing with the comparatively small quantity of timber there is to work upon. Our capital expenditure is necessarily limited by the supply of timber.

23. I was rather interested to hear what you said about settlement and the reservation of bush lands. That is an aspect of the question that strikes me in many ways. As a man with a great deal of experience and having great interests, what would be the effect, in your opinion, if undue reservations of our bush lands were adopted by Parliament?—Well, I cannot speak, of course, as one living in bush districts. I know with regard to fires, and so on, that in our country—in the Taupo country—very large areas of timber have been destroyed owing to bush-fires. You have also got to remember that, unless you let free all the areas that are necessary to keep the industry going, you will need to import a lot of timber, and, as I said before, instead of having your industry controlled in the Dominion, where you can look after it, you will be at the mercy of foreign control. It is all very well to say that the moment foreign competition gets control of you you can start your own industry again. That could not be, because no private capitalist, having once suffered, would start and go out again and do all that risky work. The industry is there now, and if you do anything to kill it you may not be able to restore it again.

24. If the bush lands that are proposed to be reserved were very general, what would be the effect on the settlements that have sprung up recently on the Northern Main Trunk line—say, on places like Ohakune and Taumarunui?—There is no question that this timber traffic provides labour while your settlement is being developed, and enables you to tide over very difficult times in the settlement of the country. If you conserve your timber the land is lying idle.

25. Have you any knowledge of the strength and durability of timbers that are in your bush, such as totara and matai?—I have not any practical knowledge. All I know is what I have gained in conversation with experts.

26. You are aware that one aspect of the timber question that has cropped up before the Commission is that our timbers, which have hitherto been reckoned the best in the world, are said to be unsuitable now?—That is rather an astonishing thing. It is absurd, after going on for many years without this foreign timber, to say that we cannot do without it still. If architects and builders made up their minds to it they could use our timbers.

27. Do you see any wisdom in the Government reserving 23,000 acres of kauri-bush land at the present time when there is a great demand for kauri?—Of course, it is difficult to say when you are dealing with a special area of timber whether it would pay to conserve it or cut it immediately. There are lots of points to be taken into consideration.

28. What are the points requiring consideration?—The value of the land for other purposes after the timber is removed from it; the price of the timber; the question whether the land is close to settlement and likely to be destroyed. If there is settlement about it, then you cannot save it.

29. We have had Rangers' evidence to prove that it is practically impossible to conserve kauri bush?—I am satisfied that it is practically impossible to save our bushes. There is not much danger of fire to the bushes we are working, because we are there to look after them, but if you are not there the settlers go inside and make fires.

30. You construct your own sidings necessary to put your timber on to the railway?—The Government insist on making the sidings. We construct our own yards. We have a timber-yard at Putaruru.

31. That is a very extensive yard, is it not?—Yes.

32. Do you know if there are any differential rates in the matter of railway charges on the Rotorua line as compared with Wellington lines?—I had suspected at one time that we were being badly treated in that respect, but when I came to look into it I found that we were not. I found that everybody was treated on the same basis.

33. *Mr. Leyland.*] I should like to see your company a success, because it would be a guarantee that our company would be a success?—You buy as cheaply from us as you can.

34. We produce more timber than you do?—I do not know that.

35. You have no scarcity of orders for heart totara?—That is so.

36. So that Oregon does not compete with your heart totara?—That is so.

37. The trouble is that you make a large percentage of O.B. totara?—Yes, that is so.

38. You have got to keep cutting logs and piling up O.B.?—Yes.

39. You referred specially to Auckland, and the evidence in Auckland proves that Oregon is not taking the place of O.B. totara. Now, for instance, you would not contend that O.B. totara would do for the purpose of shipbuilding?—I cannot say.

40. It would not do for ferro-concrete or Harbour Board punts?—I know nothing about that.

41. It would not do for joists in a brick building?—I cannot tell you. I do not want your statements to go down as my answer. I do not want your question mixed up with my answer, and thereby create confusion.

42. If I assure you that the evidence in Auckland showed that Oregon was taking very largely the place of kauri?—With regard to that I must rely upon my expert advice, which is to the effect that if it had not been for Oregon we should have been able to dispose of the whole of our O.B. timber in Auckland.

43. I think that is a mistake?—I am not speaking as an expert in that.

44. You spoke about a combination in Auckland: what did you allude to?—I was speaking generally about a possible combination. If you import foreign timbers for some years, there are a lot of interests built up around that. The moment you begin to import you build up a combination which is antagonistic to our own industry.

45. The people who have imported Oregon into Auckland have great interests in the local timber?—You do not suggest that the timber-merchant does not want to get as much as he can get out of the timber He would not import the Oregon unless he believed he would make more profit out of it than out of the local timber.

46. I think you are mistaken, because 90 per cent. of our business is in local timbers, and why should be endanger them?—But I do not think you do endanger them.

47. You say that we would not consider local timber?—No. What I did say was that you would consider the one that would pay best. I think you would not import Oregon if it did not pay you better than the local timbers.

48. You spoke about the energy which was being displayed in developing the local timbers. I may tell you that we have built up a trade in the local timbers until it is now about £100,000 a year?—That shows industry and great ability.

49. We are culprits?—What you are doing now is to try and drag down the local industry.

50. This brings us to the necessity for Oregon. You spoke about long lengths. I am afraid that some people who speak about long lengths do not realise the demand there is for them. The last shipment of Oregon consisted of more than 60 per cent. of long lengths, and they were being waited for. The "Elsa" had 109 spars 12 by 12 and upwards, up to 60 ft. long. Before they were discharged half of them were sold, notwithstanding the fact that we were cutting long lengths at our rimu and kauri mills. I want to show you still further: Directly I got to Rotorua I wrote to my partner, and I advised him to get the list and increase the number of long lengths. This is the letter: "I have your letters of the 15th and 16th instant, and have ordered 200 pieces of 12 in. by 12 in. 32 ft. long and upwards, 400 pieces in large sizes 32 ft. long and upwards: in all 600 spars in long lengths 32 ft. to 70 ft. long, averaging, say, 50 ft. in length." Do you think we should have ordered these if there was not a demand for long lengths?—You thought you could dispose of the timber at a profit.

51. We would much rather supply it out of our own local timber?—You cannot persuade me that you are carrying on your business for the public benefit. You will make more out of the Oregon than out of the local timber.

52. We are protecting our local business by importing the Oregon?—You are conserving it at the expense of the local sawmiller.

53. These orders cannot be filled by the local sawmiller?—Not so profitably to you as they can be filled by the foreign importation.

54. You are speaking without knowledge. Kauri logs would yield us a great profit?—I do not know whether the long lengths have been imported during the last ten years.

55. They have been imported chiefly only during the last two years. Long lengths in kauri have been getting scarcer and scarcer very rapidly?—That shows that these long lengths are not essential to our business. You are able to import them because you import a lot of other stuff.

56. The population is increasing very rapidly, especially in Auckland, and we have an increasing demand for these long lengths, and the supply is a decreasing quantity?—It did not begin to increase so enormously two years ago.

57. You spoke about £70,000 going out of the country for Oregon. I suppose you will allow that trade cannot be one-sided. If we are doing a large export trade we must expect to do some importing?—Yes; but why not import things that pay us.

58. Seeing that our timber exports were £904,000, and that our total timber imports are only £270,000, leaving a balance of £633,000 in favour of our exports, why should you grumble?—I should grumble at any loss. The loss of cash is a loss, and a serious loss, to the country.

59. You said that the Americans took advantage of their depression. Now, seeing that they did not come here and canvass for orders and that we went to them, would it not be more correct to state that we took advantage of the situation to purchase their timber while it was cheap?—They would not have sold that timber to you unless it benefited them. At the same time, my statement was that it relieved their distress.

60. It is more correct to say that we took advantage?—I say that it relieved their distress to the extent of £75,000.

61. If their timber is rising in value, does it not prove that an extra duty will not be necessary?—No, it does not prove that. It is quite apparent that we have suffered during this past year because the country has not been able to protect itself against this importation. We should be perfectly satisfied if provision was made so that in time of distress such as we have now our local timbers could be protected. Unfortunately, our legislation does not permit of that protection being given. All we want to see is that the Government of the day may have power to relieve the industry when it is in distress.

62. It does not occur to you that it might possibly be an advantage to this country?—I am satisfied that it is not so.

63. *Mr. Clarke.*] You said the importation of Oregon relieved the distress of the American millers. Would you tell us how it would relieve their distress if sold under cost-price?—Well, if it did not relieve their distress they would not have sold it. They may have had to sell at a loss because they wanted cash.

64. Do you consider that having to sell at a loss can relieve anybody's distress?—Of course it does.

65. Now, with regard to the volume of trade involving the employment of the number of hands you quoted in the sawmilling industry, including sash and door factories, of course a large number of those are actually employed in manufacturing articles, so that that number would really represent not actually sawmillers, but joiners and other timber-workers combined?—It is limited to sash and door factories and timber-people. It is not all merely sawmilling.

66. Your contention has been that Oregon has injured the sawmilling industry of the country. The evidence that has been given here in respect to the building industry is that it has greatly benefited the industry: that it has enabled work to be carried on that could not otherwise have been done. Is it not fair that we should consider their interests as well as the interests of the sawmillers?—I do not think you have had any evidence of actual facts with regard to distress being relieved owing to the importation of Oregon.

67. Have we not had evidence that builders have been delayed for want of supplies, and have had to pay extra money to get supplies from abroad because they could not get their timbers locally: you will not dispute that?—I cannot believe that timber has been imported simply because it could not be obtained in New Zealand, although, of course, it may be so for special pieces of timber.

68. Do you state that you do not believe those architects and builders?—I am not going to say that I disbelieve anybody. You put the statement.

69. Builders here have told us that they have given orders, say, in the month of January, and up to the month of July those orders were not fulfilled. Do you dispute that?—I am not disputing that. It is no doubt correct in many cases. If you sent to a miller in America you would have to wait too.

70. They say that want of supplies has dislocated the trade?—You have had evidence before you as to that, but I say I cannot believe that it is so.

71. You say you are not a timber expert?—I have said so.

72. Can you say why, not being an expert, you should tell this Commission that you did not believe the statements made by our expert builders and architects?—Pardon me, I never made any such statement. You asked me to believe that you have had to import foreign timbers because you could not get local orders filled. Now, I do not believe that they could not be filled.

73. You stated in advocating the claims of the sawmilling industry that it was the largest industry in the Dominion. Do you say it is larger than the building industry?—I am speaking from the Year-book. I do not know what you mean by the building industry, which consists of several industries.

74. It consists of an industry with several branches?—If you look at the building industry as one, I would say the erection of houses is part of the timber industry.

75. Would you say that is part of the sawmilling industry?—Yes.

76. You are speaking now from the sawmiller's point of view?—No, but from the point of view of a man who has got money in, and who represents people who have money in, an industry, and who want to get it back again.

77. Do you claim that it is in the interests of the timber industry that the importation of foreign timber should be practically prohibited?—I do, if it destroys the timber industry here. I admit at once that the sawmilling industry should not be protected unless it is going to pay the colony to protect it.

78. Do you say that those views are the views of the majority of those representing the building trade?—Oh, no! I am not a builder, and have no building interests.

79. In view of the number of persons engaged in the building industry, the woodware industry, and the furniture trade, making a total of over 24,500 people employed in working up the timber which is sent from the bush, do you not think they are engaged in a greater industry than the one the sawmilling trade forms?—Yes; of course, industries are of different kinds. The Chairman referred to the question of farming.

80. Is not that an industry?—Yes; but if you consider the question of the labour employed you will find that the timber business is a long way ahead of farming in the number of men it employs relatively to the capital involved.

81. Can you establish those facts?—No doubt. Look at the enormous areas of country held by three or four men, and which employ a few men only in comparison with the hundreds of men employed, for the same amount of capital locked up, in the sawmilling business.

82. Do you not know that the average wages paid to every man employed in the building trade is greater than that paid in the sawmilling industry?—I did not know that.

83. Would you be surprised to know that it is so?—No.

84. If it be the fact, and that there are over 24,000 people employed in the building trade as against less than 9,000 in the sawmilling, must it not prove that the building industry involves a larger amount of work than the sawmilling industry?—I think we are getting off the track. I do not suggest that those industries are antagonistic. If run together their interests are the same. It does not matter to the builder if he pays a little more for local timbers than for foreign timbers. it is the man who has to build the house and live in it who has to pay that; and I have not heard any evidence which satisfies me that people do not build because of the increased cost of timber.

85. Do you not think that the average cost of the raw material has a large influence on all industries?—Of course it has; but other items have increased as much as timber.

86. Would you say every other item, including labour?—Certainly labour.

87. Would you be surprised to hear that it has not done any such thing?—I should be very much surprised.

88. Would you be surprised to know that in ten years the cost of the timber for building a house containing 16,000 ft. of timber has increased by £60, equal to about 36 per cent., while the labour has only risen about 10 per cent.?—I cannot admit your facts. I have heard men upon whose opinion I rely say that it has not increased the cost of a four-roomed cottage more than about £10.

89. I am speaking of evidence which has actually been given before this Commission?—I have had occasion to go into that question with people whom I know to be very able men, and well qualified to speak on the subject. I am convinced that their statements are correct to the effect that it does not add more than £10 to the cost of a four-roomed house.

90. You spoke of a combination of importers and merchants here as likely to be injurious to the trade of the colony: can you say in what way an outside combination could be more harmful than one that has existed here to the detriment of the consumer?—An outside combination?

91. Yes?—I should say that a combination in the colony is very much better than a combination outside, for the reason that any combination in the colony is subject to the control of our laws, whereas the combination outside the colony is also outside your laws.

92. And do they not get inside our laws the moment they touch our ports with their stuff?—They do not touch our ports. Their stuff does, and that is where they get the exemption. You have to take their stuff because you have no choice.

93. With regard to combinations fixing the price, do you not think it is a notorious fact that the building trade and the community generally have to pay more for their timbers than they would probably have to pay if they gave only a fair price for the article?—I say they have not had to pay more than they should have, and the best test and the only test is that sawmilling has not been paying. You cannot point to a single sawmiller who is making a big fortune. If you could you would have an argument to suggest that the consumer is paying too much.

94. With regard to comparing the prices which has been submitted here: it has been stated that a piece of timber—O.B. rimu—33 ft. long would cost 13·3d. per hundred feet more than a piece of Oregon timber of the same length. Do you not think that is undue protection to the timber-selling industry to tax it to that extent?—I cannot tell you how those prices work out or are made up. I have not sufficient technical knowledge to know whether it is fair or not.

95. Is it fair that the consumer should be asked to pay 13s. 3d. per hundred more for local timber of certain sizes when he can get an equally good article, or better, in another way which can be sold at a profit, and still pay a large revenue to the country?—If the industry is worth having, whatever is necessary to preserve it, and will pay the colony to preserve it, ought to be done.

96. It has been said that the importation of Oregon has enabled the necessary supplies to be obtained. If that is the fact, is not that an advantage?—I have no doubt it is. If you could bring enormous stocks of timbers here from all parts of the world it would be a very fine thing, but look at what you have to pay for it. You should not do that when you have to pay for it by killing your own industry.

97. Do you suggest that, in view of the near approach of a shortage of timber all the world over, we are likely to be troubled with very much cheap timber here?—It is impossible for us to know whether that is going to happen or not, but if it is going to happen our laws should be in such a position that if it is threatened we ought to protect our own industry against it. We merely ask for permissive legislation; we do not ask for legislation that is going to keep out foreign timbers for all time. We want the Government of the day to have the power to protect the timber here if it is satisfied that it ought under the circumstances to be protected.

98. *Mr. Morris.*] You realise that in this community we are all very largely leaning upon each other?—That is so.

99. The Oregon timber was brought in here when trade was very brisk, and owing to the financial crisis in America it was sold at less than cost-price. That is the reason why Oregon is such a suitable timber here to-day: it could be bought very cheaply?—Yes.

100. You know that is the fact?—I have no doubt that it is the fact. It is the only thing for a builder to do. It is his duty to buy in the cheapest market, and sell in the dearest.

101. You said that you could not supply your heart orders for totara?—Yes.

102. You told us that you have knocked off seventy men: is not that due to the fact that you are not selling the O.B. totara that you were turning out?—Entirely.

203. Then, it is not an unfair thing to assume that you had not more heart orders than you could supply, because when you sold 1,000,000 ft. of heart orders you had a stock of 2,000,000 ft. of O.B. quality?—I was not aware that there had been a shortage of heart supply; but we could certainly have supplied it if we could have got rid of our O.B., and by so doing we could have employed another 200 men.

104. You have always understood that the O.B. quality of totara is first-class for building purposes?—Yes.

105. About the price of timber: You know, of course, that many men sell their goods at less than their actual worth in order to obtain capital to carry on?—Yes; it is very often a benefit to be able to do so.

106. You have told us that you fully believe in keeping our own industries going in this country, as one industry is dependent on another?—I believe in getting as big a population in this country as possible, and you can only do that by creating your own industries.

107. *Mr. Stallworthy.*] When did you feel the first of the slump here?—Towards the end if last year.

108. Can you give us the amount you were putting out at Putaruru before the slump, and now?—I cannot give you the exact figures, but we were turning out about one million a month for a few months just before we stopped our double shift, and since then we have been turning out from 500,000 ft. to 600,000 ft. a month.

109. Did you put your double shift on for special orders?—No, for the general output.

110. You said your market is chiefly Auckland: what price do you get in Auckland?—I cannot tell you that.

111. You do not know the price?—I assume our manager gave you the price.

112. You know nothing at all about the merchants' profit per hundred?—The question of profit depends on how you make it up, and the amount taken into account for debenture-interest and interest on your capital. We have not yet been able to pay a dividend, so there is no margin of profit.

113. You do not expect to pay a dividend with a heavy outlay going on?—No; but we did expect that at the present time we should have been paying dividends if this slump had not come. Owing to the enormous capital we have locked up in the concern, it was necessary to have a big output in order to get sufficient profit to enable us to pay a dividend. We required an output of a million feet a month to enable us, at the prices of last year, to pay a dividend.

114. *Mr. Mander.*] You say you can sell all the heart totara that you have?—Yes.

115. Readily?—I understand so.

116. And you do not consider that Oregon comes into competition with your heart totara?—I understand not, but I am not speaking as an expert.

117. You have found that it does come into competition with the O.B. timber?—Yes.

118. Of inferior quality?—Yes.

119. Is Auckland your only market for O.B. timber?—Auckland and the Waikato.

120. You do not ship to any other southern portion of the colony?—Not to any extent, unless it is an occasional special shipment.

121. But you do ship heart timber to other parts?—Yes.

122. I suppose you know there are a large number of men leaving New Zealand at present because they cannot get work here?—I do not know that.

123. I suppose you know that those men who are turned out of employment in consequence of your mills being compelled to close down will have to find employment in other channels?—Yes.

124. And the labour in those channels will also be congested?—Yes.

125. Is it your experience that the introduction of Oregon into this country will in any way affect the farmers, and enable them to get timber cheaper in consequence?—They cannot do so.

126. You are aware that there is railage and a half in the case of Oregon timber?—I was not aware of that. In any case it would not pay them to take Oregon in competition with their own timbers. They could not sell it at the price we sell it at to the country settler.

127. Do you think the farmers would be damaged by the mills, owing to the introduction of the Oregon timber, being compelled to close down?—No question about it. They would be very seriously prejudiced.

128. I presume the people who have an idea of settling on the land will be encouraged to do so by the fact that they can get employment close handy to help them to make a start?—Yes.

129. Have you known any millers in the totara or rimu business who have accumulated anything like large fortunes?—No. I have seen a lot of different timber companies, and they have nearly all gone down.

130. And is it not a fact that your company have had to write off a considerable sume—something like £150,000?—No. We have done no writing off. We do not know the value of our areas, and we have not done anything in the way of writing down, because we do not know what the future has in store. We are living at present in hope.

131. It has been said that the people going into the back country to open up milling areas are going there too early in the history of the colony, and are therefore compelling people to pay an undue price for the timber. Is it not the fact that you have to compete with the mills which are in a more convenient position than your own?—In the case of the Taupo Company, yes.

132. And you charge a higher price on the market than the people closer to the line can sell for?—That is right.

133. In regard to beams, we have been informed that joists are not required longer than 20 ft., that the architects will not allow it. Do you not think that totara is good enough for a joist 20 ft. long in a building?—I do not know anything about the value of different timbers for building purposes.

134. Is it not well for a country to export as much of its products as it can, and import as little?—That is so.

135. The less we can import, then, the better for us?—Yes.

136. As a general principle, I suppose, you believe it is the right thing to protect our own industries and our own workpeople against foreign competition as much as possible?—Yes, so long as it pays the country to do it.

137. I suppose you are aware that in America they employ Oriental labour and get their timber very cheaply?—I am so informed. I do not know that of my own knowledge.

138. *Mr. Field.*] The Chairman asked you whether it was true that, if there has been no bad times, the importation of Oregon would not have been heard of, and you misunderstood him, I think. It is true, I suppose, that if times had remained boom times, the millers could have got along very well even if Oregon had come in in fairly large quantities?—Yes.

139. But the converse is also true, that, times being bad, if Oregon had not come in they could perhaps have pulled through, a great many of them?—Yes, that is so.

140. Do you say that if the present condition of things continues it is almost certain that you will have to send more men away?—There is no doubt about it. At the present time we are piling up stocks, and we cannot go on doing that indefinitely.

141. Has it been shown that the importation of Oregon has in any way cheapened the building of small houses, at any rate?—I do not know that.

142. Can you tell us from your own knowledge of the supplies of timber on the Main Trunk line and elsewhere, that we have ample in our own country for our own purposes for many years to come?—There is no question about it.

143. How can it be said, then, that what the millers and the mill hands are now asking for is in any way hostile to the interests of the building industry, inasmuch as there will always be houses to build and material to build them with even if Oregon does not come in?—I do not think the interests are antagonistic at all.

144. It is suggested that millers are now milling in such difficult country that, although they may not be making undue profits, the cost of getting the timber is such that it puts the price of the timber up to an amount which is really more than it is worth. Is that so?—The answer to that is this: When a man goes in to cut out timber he goes in on the prices then ruling, and believes when he goes in that it will pay him to cut it at the then prices.

145. You have sold a good deal of totara locally, I understand, as well as sending it away to a distance?—Yes.

146. You have sold it as cheaply as you possibly could consistent with a fair profit?—I have often wondered why we could not add something on to the cost of our first-class timber and take it off the second-class; but I am informed that we should immediately come into competition with other timbers—hardwood, and so on; so you are limited in the price you can get for your heart timber.

147. The totara you are milling is a good sound totara, I suppose?—There is no question about that. We have had the opinion of several experts, and they say it is equal to any they have ever seen.

148. The trees are big and sound?—They are as sound as trees of that kind can be. Apparently after a certain age the trees are attacked by decay.

149. Did you hear of the offer the millers made last year to the Government, to mill at Government prices, or in any other way submit themselves to the Government so as to provide beyond any possibility of doubt that the consumer should never have to pay more than a fair price?—Yes.

150. You know the law that is in existence with regard to wheat, and flour, and potatoes?—Yes.

151. Do you see any real objection to such a law being made to apply to timber?—No, none at all.

152. It has been suggested that the reason why the millers have not made large fortunes may be that they have made great mistakes. You have met a good many millers, have you not?—Yes.

153. Are they as a rule practical, intelligent men, or are they a set of blunderers?—There are very few more capable business men that our present manager.

154. But speaking of millers generally, have you formed a high opinion of them as practical men?—Yes. They have necessarily to make mistakes, because they have to experiment. They go into new country to get their timber, and sometimes find they have to spend more to get it out than they had reckoned. But that is so in all enterprises of that kind.

155. The present duty has been on a good long time?—Yes.

156. Do you not think there is all the more reason for having a protective duty when times are bad than in good times?—Yes; whatever duty is necessary to protect our industry and keep it alive ought to be imposed.

157. Although it may be said that the Oregon trouble is becoming less, do you not think that we ought to provide against a similar trouble in the future?—There is no doubt about it. It is a very difficult thing to alter your tariff at any time by legislation, and if you have to rely on legislation the remedy generally comes too late—you suffer enormous loss before it can be applied.

158. That is what has occurred in the present instance?—Yes.

159. Would you say that the condition of the sawmilling industry is such that the remedy ought to be applied as promptly as possible?—Yes; and I do think it would pay the Government and the country if the Government had a great deal more information on the subject of foreign timbers than it has at present. It ought to be able to advise the local millers on the timber trade of the world generally. The Government have information of that kind in connection with other branches of industry.

160. You think it would be wise to set up a real live Forestry Department, not only to deal with tree-planting, but to disseminate information among millers?—Yes, with respect to foreign timbers generally—the areas, and the proper treatment, and so on. I have no doubt at all that in connection with our own timbers there is enormous waste going on because of the methods of dealing with them. This is caused very largely by our bushes being so scattered; but I believe a good deal of the waste could be prevented if we had proper information.

161. You were asked about the resolution passed by a Farmers' Union meeting in favour of admitting foreign timber duty-free. Is it not beyond doubt that, if our milling industry were killed, the farmer, instead of being able to obtain local timber at bed-rock price, would have to pay a very heavy price for the imported timber, in addition to the cost of transit from the port to his locality?—Yes, he would certainly have to pay the difference between what he gets it at now and what the townsman pays.

162. With regard to the imposition of a duty, do you think it a fair thing for us to look at the matter as I understand the Americans look at it—that, where there is an inequality existing between the conditions in a foreign country and the conditions in their own country, that inequality should be made up by the imposition of a duty?—Yes, that is so.

163. It is suggested that it is wrong to put a high tariff on what is practically a raw product. Would you regard timber as a raw product or as a manufactured article?—It is very largely a manufactured article.

164. We have already put a heavy duty on cement—equal to about 40 per cent. Do you see as much justification for putting as heavy a duty on timber as cement?—More justification. The timber industry employs very much more labour, and generally is of very much more advantage to the colony.

165. Are you aware that some time ago in Victoria they put on duties for the protection of their timber ranging from 60 per cent. up to 200 per cent.?—Yes, I understand that is so.

166. You are strongly in favour of our selling all we can to the foreigner, and abstaining as far as possible from buying the foreigner's goods where we have our own as reasonable in price and as good?—Yes, for the reason that by so doing you employ the people in the country and keep the money in the country; and in this industry you employ the people under the most healthy conditions possible.

167. *Mr. Leyland.*] Would you suggest an extra duty on jarrah as well?—Yes; I think we ought to exclude all foreign timbers that tend to injure our industry. Of course, you have got to consider the whole subject, and determine what is best for the country generally.

WILLIAM CHARLES KENSINGTON, Under-Secretary for Lands, sworn and examined. (No. 163.)

1. *Hon. the Chairman.*] The Commission wish to know from you, Mr. Kensington, something about timber matters. They are dealt with by the Lands Department, are they not?—Yes, sir.

2. We want you to tell us the amount of timber remaining, and how long it will last at the present rate of output?—I may say that I have put into a statement information that I thought the Commission would like, and with your permission I will read it. It is as follows:—

Timber-supply.

The area covered with milling-timber in New Zealand is probably 14,131,933 acres, and the total amount of timber thereon of all kinds is estimated at 35,484,250,697 sup. ft. The area of Crown lands, including State forests and forest reserves, is 7,010,535 acres, and the amount of timber thereon is 19,585,221,344 sup. ft.; on the 31st March, 1909, the State forests contained 2,117,215 acres. The area of national parks, scenery and climatic reserves, is about 2,079,979 acres, the amount of timber being 1,439,799,940 sup. ft. The area of alienated lands (*i.e.*, private and Maori lands) is reckoned at 5,041,419 acres, and the amount of timber thereon 14,459,229,413 sup. ft. These figures are only approximate, and are continually being revised and corrected by our Rangers and officers as the result of periodical inspections.

The approximate amount of the principal milling-timbers is as follows:—

	On Crown Lands. Sup. ft.	On Private and Native Lands. Sup. ft.
Kauri	209,627,889	275,819,100
Rimu	8,971,380,310	6,525,703,960
Kahikatea	1,168,671,863	1,449,385,640
Totara	302,440,203	271,455,980
Matai	1,370,194,879	2,054,833,605
Birches	3,617,735,200	713,130,000
Miscellaneous (unclassified)	3,945,171,000	3,168,901,128
Totals	19,585,221,344	14,459,229,413

Or a grand total for Crown and alienated lands of 34,044,450,757 sup. ft.

The length of time the present supply of timber is estimated to last at the present rate of output of sawmills per annum is from fifty to sixty years, perhaps seventy years; whilst the probable area of forest country outside of milling-timber area on Crown, private, and Native lands, available for domestic supply, has not been ascertained, but is probably from four to five million acres.

Afforestation.

The various nurseries and plantations under the control of the Department of Lands are as follows:—

Auckland District.—Ruatangata Nursery, of 65 acres, and plantation, of 22 acres; the Puhipuhi Plantation, of 3,000 acres, of which 1,512 acres has been planted. Rotorua Nursery, of 85 acres. Whakarewarewa and Waipa Plantations, of 9,000 acres, of which 3,158 acres has been planted. Waiotapu and Kaingaroa Plantations, of 9,000 acres, of which 3,544 acres has been planted.

Marlborough District.—Starborough Nursery, of 148 acres. Dumgree Plantation, of 700 acres, of which 469 acres has been planted.

Canterbury District.—Hanmer Nursery, of 34 acres, and the plantation, of 3,000 acres, of which some 876 acres has been planted. Raincliff, 207 acres planted.

Otago District.—Eweburn Nursery, of 50 acres. Gimmerburn Plantation, of 1,233 acres, of which 173 acres has been planted. Survey Paddock Plantation, of 143 acres. Tapanui Nursery, of 120 acres, and a plantation of 1,000 acres, not planted. Conical Hills Plantation, of 3,705 acres, of which 1,252 acres has been planted. Dusky Hill Plantation, of 846 acres, of which 806 acres has been planted. Waitahuna Plantation, of 12 acres.

Area planted in North Island, 8,236 acres; area planted in South Island, 3,939 acres: total area planted, 12,175 acres.

The following is a summary of forestry operations: Number of trees raised in nurseries during year 1908–9, 11,169,300; total number of trees raised in nurseries from 1896 to 1909, 63,576,448; total value of trees raised in nurseries from 1896 to 1909, £124,585 13s. 6d.; total number of trees in nurseries or plantations at the 31st March, 1909, 47,835,217; number of trees planted in new areas during year 1908–9, 6,231,479; area planted during year 1908–9, 2,709 acres and 39 perches; total area planted at 31st March, 1909, 12,175 acres and 21 perches.

Principal Trees grown at Stations.—Ranfurly: Pinus austriaca, P. Laricio, P. ponderosa, Larix europæa. Tapanui: Picea excelsa, P. sitchensis, Pinus austriaca, P. Laricio, P. ponderosa, P. muricata, Larix europæa, Acer pseudo-platanus, Quercus pedunculata (planted *in situ*). Rotorua: Larix europæa, Pinus Laricio, P. ponderosa, P. austriaca, Eucalyptus amygdalina, E. pauciflora, Acacia melanoxylon, Pseudo-tsuga taxifolia, Picea sitchensis. Starborough: Larix europæa, Pinus Laricio, P. ponderosa, P. austriaca, Robinia pseudo-acacia, Pseudo-tsuga taxifolia. Hanmer: Larix europæa, Pinus Laricio, P. austriaca, P. ponderosa, Quercus pedunculata (planted *in situ*). Ruatangata, near Kamo: Podocarpus totara, Vitex lucens, Eucalyptus (different species).

The following details are extracts from C.–1B of 1908 (Report on State Nurseries and Plantations), and serve to show what has been done by the Department:—

Uses to which the Different Kinds of Trees grown in the State Plantations may be put.

The accompanying table gives an interesting description of the uses to which the timber of the trees now being grown in the State nurseries and plantations may eventually be put. The totals therein given are those growing on the 31st March, 1907.

Name of Tree.	Number planted.	Uses for which the Different Kinds of Trees are suitable.
Acacia melanoxylon ..	45,435	Furniture, shop-fittings, pianos, railway purposes, billiard-tables, &c.
Acer saccharum	3,625	Furniture, shoe-lasts, flooring, and general purposes (sap is made into sugar).
,, pseudo-platanus ..	485,211	Turnery, furniture, boxes, dairy utensils, blocks and pulleys.
Æsculus hippocastanum ..	2,232	Cabinetmaking, sides and bottoms of carts, general turnery.
Alnus glutinosa	67,518	Barrel-staves, boxes, general purposes under ground or under water.
Betula alba	210,540	Cabinetmaking, turnery, barrel-staves, crates, brooms, &c.
Castanea sativa	15,911	Furniture, flooring, interior work, posts, rails, &c.
Catalpa speciosa	222,575	Furniture, posts, sleepers, and telephone-poles.
Cupressus Lawsoniana ..	23,700	Flooring, sleepers, fencing, and general lumber.
Eucalypti (species) ..	2,196,544	Used generally for all constructive works where durability is essential; also for sleepers, posts, wheels, and other purposes where strength is required, telegraph-poles.
Fraxinus americana ..	1,775	Boat-oars, cabinetmaking, coachbuilding, agricultural implements, tool-handles, &c.
,, excelsior	578,175	Ditto.
Juglans cinerea	2,651	Chiefly furniture and pianos, gun-stocks, billiard-tables, clocks, &c.
,, nigra	4,952	Ditto.
,, regia	61,424	,,
Knightia excelsa	200	Furniture.
Larix europæa	5,275,460	Railway-sleepers, posts, boat and bridge building, pit-props, and general farm purposes.
,, leptolepsis	2,850	Ditto.
Picea excelsa	1,165,998	General constructive purposes, flooring, scaffolding, masts, spars, packing-cases, casks, pit-props, wood-pulp, &c.
,, sitchensis	153,993	Ditto.
,, canadensis	1,400	,,
Pinus austriaca	3,085,926	Used generally for all constructive purposes both inside and outside buildings, packing-cases, butter-boxes, shelving, pattern-making, posts, sleepers, &c.
,, canariensis	1,025	Ditto.
,, contorta	1,090	,,
,, Coulterii	605	,,
,, densiflora	2,325	,,
,, excelsa	100	,,
,, halapensis	66,575	,,
,, Jeffreyii	3,693	,,
,, Lambertiana	1,250	,,
,, Laricio	677,900	,,
,, muricata	109,070	,,
,, ponderosa	435,000	,,
,, Benthamiana ..	117,050	,,
,, pinaster	11,425	,,
,, radiata	110,161	,,
,, rigida	9,325	,,
,, sabiniana	25	,,
,, silvestris	200	,,
,, strobus	108,625	,,
,, Thumbergii	700	,,
,, Torreyana	1,820	,,
,, tæda	1,100	,,
Platanus orientalis ..	3,900	Furniture, box-making, turnery, pulleys, and pattern-making.
Podocarpus dacrydioides ..	550	Butter-boxes and packing-cases.

Name of Tree.	Number planted.	Uses for which the Different Kinds of Trees are suitable.
Podocarpus totara	181,100	Telegraph-poles, sleepers, joinery, plates, and all purposes where durability is required.
„ Hallii	200	Ditto.
Poplars (var.)	14,500	Packing-cases, sides and bottoms of drays, furniture-frames and interior work.
Pseudo-tsuga taxifolia ..	419,972	Beams, general lumber, scaffolding, and all constructive works.
Pyrus aucuparia	32,033	Cabinetmaking, furniture, turnery, carving, &c.
Quercus pedunculata ..	2,031,671	House and ship building, wagons, carriages, casks, &c.
„ suber	1,124	Produces the cork of commerce.
Robinia pseudo-acacia ..	161,800	Posts, axe and pick handles, and general farm purposes.
Salix (var.)	13,663	Cricket-bats, barrow and dray bottoms, knifeboards, bread-platters.
Sequoia sempervirens ..	41,841	Venetian-blinds, general carpentry and joinery work.
Sophora tetraptera.. ..	7,875	Posts, rake-teeth, dowels, and bent work, and general joinery and interior finishing.
Thuja gigantea	13,975	General joinery-work and interior finishing.
Ulmus campestris	775	Coffins, coachbuilding, furniture, packing-cases, &c.
Corylus avellana	1,310	
Ornamental shrubs ..	68,655	
Leguminous plants.. ..	37,676	
Total	18,300,779	

Future Requirements.

These, however, will not all be available in the years to come, as it must be remembered that they will need very extensive thinning and trimming to enable a satisfactory crop of timber to result. In fact, it is probable that out of the five or six million trees planted annually at the present time no more than a third will eventually survive the repeated thinning processes and reach maturity. Moreover, long before they reach an age at which the best results can be expected, the scarcity of timber in New Zealand is likely to be such that there will be a general demand for the utilisation of the trees for immediate use so soon as they are in any way suitable for the requirements of our trades. Bearing in mind, therefore, only the industrial requirements of the Dominion, the present rate of planting is only barely sufficient for our future needs, and, although the greatest efforts are made to plant trees which will yield the best results in the shortest space of time, there are very few trees fit for milling under forty or fifty years, and even these will be much more profitable if allowed to remain in the ground another ten or twenty years. Planting for posterity, though admirable in theory, is inevitably attended by pressing and irresistible drawbacks in practice, and all that can be done is to harmonize the needs of the present day as far as practicable with the requirements of future generations. It is almost impossible to lay too great stress upon the importance of the work of reforestation in this country, and each year sees its importance in other lands more and more recognised by far-sighted statesmen, and greater efforts made to insure the permanent timber-supply of the nation.

Production of Artificial Forests.

Although there is a vast disproportion between the areas annually cut down in our native forests for sawmilling purposes and the areas planted by the Forestry Branch, yet it may be well to point out that an average acre of milling-bush contains a large number of trees unsuitable for sawmilling, and probably only from 10,000 to 20,000 superficial feet of timber is eventually extracted from the area. On the other hand, in our plantations, by successive thinnings, only the best specimens are allowed to remain, and, if a systematic supervision is exercised in the future, the final result will be the production of perhaps three hundred suitable milling trees, which in forty years' time will each contain on an average 1,000 superficial feet of timber, so that the artificial forest will yield no less than 300,000 superficial feet of timber against the indigenous forest's return of from 10,000 to 20,000 superficial feet. In this comparison no account is taken of the kauri forest, which gives an exceptional yield, for, as the kauri is rapidly disappearing and only forms a small proportion of our native forests, its comparison would be somewhat misleading.

Selection of Trees limited by Climatic Conditions.

The question is frequently asked, Is the Department raising and planting the best species of trees suitable for the future timber-supply of the Dominion? The answer is partly in the negative and partly in the affirmative, as I will endeavour to explain.

(1.) There are many species of trees which produce excellent timbers that could be grown in the Dominion, but none of our stations are suitable for their best development, chiefly on account of unseasonable frosts. In this class may be mentioned puriri and pohutukawa amongst native trees, and jarrah, sugar-gum, red ironbark, spotted gum, &c., from Australia.

(2.) Another class may be mentioned which comprises most valuable timber-trees, but their slow growth renders them unprofitable from a commercial point of view—kauri, rimu, kahikatea,

matai, tanekaha, kawaka, northern manaoa, southern manaoa, silver-pine, yellow-pine, maire species, and many others.

(3.) The third class comprises exotic trees producing various timbers suitable for all technical purposes, but, owing either to the high cost of the seeds, or the uncertainty of procuring annual supplies, their general cultivation is not considered expedient. The common English beech, for instance, is a valuable timber-tree, but there are few trees in the Dominion of sufficient age to produce seeds. The crop is not an annual one (generally every third or fourth year), and all attempts to import it in a sound condition have failed. Other species comprise the English elm, hickory in variety, many of the American oaks, maples, pines, piceas, and abies, seeds of which are either difficult to procure in quantity, do not carry well, or are too expensive for general plantation purposes.

It is confidently asserted that so far as is possible the Department is raising and planting the most suitable classes of timber-trees available for the varied soils and climatic conditions obtaining at the stations at present in operation.

As mentioned in the foregoing remarks on temperature and rainfall, we are restricted to a very narrow limit in our selection, but nevertheless any suggestion or recommendation in regard to this subject will gladly receive every consideration.

3. *Mr. Jennings.*] For a small country like this Dominion there appears to be enormous reserves at the present time. Have you personally any pronounced opinion as to the advisability of making further reservations of timber lands, which may perhaps militate against the settlement of the country?—I understand you to mean this: that as we open lands for settlement, should we or should we not reserve any further lands for timber purposes or for conservation purposes? I certainly think the Government should go on reserving the summits of hills and ranges. For instance, Government are purchasing lands in the North Island from the Maoris, and some of those lands contain mountain-tops. I should certainly go on conserving such areas. In 1907 a return laid before Parliament showed that 1,541,458 acres had been reserved for educational purposes, 113,387 acres for municipal, 308,647 acres as Harbour Board reserves, 168,952 acres as scenic reserves, and 5,545,240 acres for other public purposes, or a total of 7,677,684 acres.

4. In all lands that are suitable for close-settlement purposes, would you recommend further reservations?—No; but I want to emphasize this first: that if lands suitable for settlement purposes are covered with heavy milling-timber, I certainly should not be in favour of opening those lands for settlement at once. I would keep them back for a time until the Land Boards could dispose of the milling-timber upon them, and then open them for selection. But that will have to be done in a very prudent manner. We must meet all legitimate requests from sawmill-owners for areas to keep their mills going. This is the present policy: We do not ask the Land Boards, for the sake of obtaining revenue, as has often been done in the past, to throw open areas of timber lands by auction or by calling for tenders. We say "Here are certain areas covered with milling-timber. If a sawmill-owner requires a supply of timber for legitimate milling purposes, let him make application to the Land Board for the necessary milling-timber and the timber will be opened for application." That is the Lands Department's policy.

5. I was glad to get your own opinion as to the number of years the supplies of timber would last—that is, from fifty to sixty years. We have had some wild statements to the effect that the timber would be all cut out in from twenty to thirty years?—I feel certain our timber-supply will last not less than fifty years.

6. You are aware that many other materials may be used in the near future for building purposes. For instance, ferro-concrete is used now for the piles of wharves, and heretofore piles were either imported from Australia or local timber was used. Then, again, asbestos, steel framing, and other things are likely to be used in the place of timber for different kinds of structures?—That is so.

7. Can you tell the Commission what year Sir Julius Vogel's paper on afforestation was placed upon the table of the House?—No; I do not remember the date.

8. Would you be in favour of recommending that in certain districts where it is impossible to get timber, the Rangers should mark, for the use of local bodies, timbers that could be cut down on reserves? In some places—take, for instance, the Buller Gorge—the local authority may require some timber for bridge-building, and under the present law they are not allowed to cut down any of the trees?—That is a question of policy, and I do not care to pronounce upon questions of policy; but in the past wherever a local body wanted a certain number of trees for a bridge they have often been allowed to have them at a very much lower rate than that ruling at the time. In some cases, where a local body lets a contract for a bridge, the contractor comes and asks for the timber at a certain price, and naturally he is replied to, "You have taken the contract, and it is not for you to decide what price you are going to pay for this timber. You can only have it at the schedule prices under the timber regulations."

9. Would it be possible for you to prepare a coloured map showing the forest reserves for all purposes in the different land districts?—It could be done, but so many of the reserves are of comparatively small area and they would have to be all coloured on the 80-chain county maps; they could not be shown on the small maps.

10. *Mr. Leyland.*] With reference to reafforestation, is all the revenue derived from the State forests being spent in that direction?—Yes.

11. Do you think it would be wise to put increased activity into the work of tree-planting in view of the fact that fifty years may end our timber-supplies?—I consider it is a splendid thing for any country to proceed with energy in the direction of reafforestation. We have ample space in New Zealand, particularly in those districts in the South Island which are practically treeless; but the whole thing resolves itself into a question of the amount of money available for the purpose. At the present time the Department has used nearly the whole of the funds that have accumulated in past years from the sales of timber in State forests. It has nearly all been absorbed in reafforestation expenses.

12. That does not apply to the moneys derived from the sale of timber on Crown lands?—No; I am referring to State forests only.

13. So that it would be within the province of this Commission to recommend that further moneys should be expended in that direction?—Certainly.

14. We have noticed in the larch plantations, owing to the trees being deciduous, the land is enriched, so that, apart from the valuable timber produced, when the crop is removed there will be good land available for cultivation?—Yes; that is what makes the larch such a valuable tree.

15. One of the questions we have to consider is as to whether the bush should be sacrificed to settlement. Could you give us a return showing the quantity of open Crown and Native land there is that could be made available for settlement, approximately?—I think so; but our experience, particularly in the North Island, is that the lands that are most suitable for settlement purposes and those which take grass best, are the lands which have been covered with forest, and subsequently burned; these grow rich pasture at once, whereas in the case of the open lands they, generally speaking, require artificial manure before you can get permanent pasture.

16. You would not open any of those lands until the timber had been milled?—As I have already said, in all cases where the lands are covered with valuable milling-timber we, if possible, reserve them for milling purposes, dispose of the timber, and then open the lands for selection.

17. Does your remark apply to Native lands?—No.

18. Are there not good Native open lands locked up?—I do not think they will be locked up if the present proposals are carried out.

19. With regard to royalties, in some portions of New Zealand the sawmillers pay on the sawn output, and it was thought you might be able to give some reason why one part of the country should be treated differently from another?—Yes, the system prevailing, say, on the West Coast and Nelson Districts, differs from that in the North. What we have always wished should be done is for the purchasers to pay on the log-measurement. In the North as a rule the Rangers mark the trees, estimate the quantity of timber in the tree standing, and the royalty is paid on such measurement. In the West Coast the Crown is paid mostly on the sawn measurement. I prefer the first, certainly.

20. Surely there must be some reason for the two systems?—The reason is this: The whole of the West Coast is within a mining district, and that makes the difference. In a mining district, as you know, the whole of the timber is under the Warden except in the following cases. In every mining district there are two sets of areas: one is called "Warden's areas," and the other is called "Land Board areas." In the Warden's areas the Warden deals with that timber as he likes, and there is this important point, that the revenue derived from the timber in the Warden's areas goes to the local bodies, and the timber is measured as it suits the local bodies. In regard to what are called "Land Board areas" in a mining district the Governor has power to order that they shall be dealt with by the Warden, but all the revenue does not go to the local bodies. My own feeling always has been, with regard to the Land Board areas in a mining district, that they should be dealt with by the Land Board and not by the Warden, because it does not matter to the local body the least bit, as they do not obtain such revenue. I should like to see the whole thing put on a different footing.

21. I do not think the millers have any objection which way it is?—No, though I think there has been some misapprehension on the part of the local bodies in Westland and Nelson. They have thought that, by taking these Land Board areas away from the Warden, they would be losing revenue, whereas it involves no loss of revenue to them at all.

22. The millers round the Mamaku plateau, who have been purchasing timber from the Crown, are now asked to pay for tawa, and they consider this a very great hardship, because they are unable to sell tawa. I was asked to inquire about that?—The milling-timber that has been sold lately on the slopes reaching from Mamaku to Okoroire has been situated in what is known as the Selwyn Estate. Under the Land for Settlements Act everything purchased with an estate has to go to the credit of the estate, so tawa, which is a very valuable firewood timber, has been looked upon as an asset, and has been included in the timber sold. But that has not been done in any other case.

23. I know there has ben a considerable agitation amongst the millers about it, and I was wondering if it would be possible to give them relief in any way?—That is the policy of the Land Board. We do not interfere with the Land Boards' method of offering areas.

24. You realise that it increases the cost of timber very much if tawa is paid for and left there?—I understand that.

25. *Mr. Clarke.*] I suppose you know that shortly before the expiry of President Roosevelt's term of office he convened a conference on the conservation of the natural resources of the United States, and when he said that but for the efforts of the Chief Forester the conference would probably have not been held, does that not establish the fact that conservation and reafforestation were considered of very great importance?—I say it shows that it is of vital importance.

26. Do you not think we might take the example of America and treat it as of the very first importance?—I think we are doing so.

27. And you hold that that effort should be continued and extended?—If possible; it is all a question of ways and means.

28. *Mr. Morris.*] I understand you have drawn up some new regulations lately?—Yes. The new regulations, which have been lately issued, were the result of a very interesting conference I had with the sawmill-owners on the West Coast and after long and protracted interviews with sawmill-owners in Southland and with representatives from Auckland. The principal alteration in these new regulations is the adoption of the regulations in force in Tasmania—that is, to increase the area granted to sawmill-owners in proportion to the nominal horse-power of the

engine working their mill. It was pointed out to me in Southland and Westland that a sawmill-owner who put up a very valuable mill, on which he had spent many thousands, was only in exactly the same position so far as reservation of areas was concerned as the man who went out with a portable 6- or 8-horse-power engine, and set up a rough temporary mill. We thought it was a fair thing to give the man with a large amount of capital involved an increased timber area.

29. How far do you extend that principle?—I will read the regulation, as follows: "32. The original area of a sawmill license shall not exceed 200 acres, nor with this limit be less than at the rate of 10 acres for each nominal horse-power of the mill in connection with which it is granted; but the holder may apply to have one or more additional areas of not more than 200 acres each, adjoining each other, reserved for his exclusive use. The total areas so granted shall not exceed the following amounts: Where the nominal horse-power of a mill does not exceed 8 h.p., 300 acres; where it is 9 or 10 h.p., 400 acres; where it is 11 or 12 h.p., 500 acres; where it is 13 or 14 h.p., 600 acres; where it is 15 or 16 h.p., 800 acres; where it is 17 or 18 h.p., 900 acres; where it is 19 or 20 h.p., 1,000 acres; where it is 21 or 22 h.p., 1,200 acres; where it is between 22 and 30 h.p., 1,300 acres; from 30 h.p. upwards, 1,500 acres.

30. Have you done away with the annual renewal application to the Warden, which in itself has been a confounded humbug?—That refers to Wardens' areas, and that is just the trouble. They do not come under our regulations at all.

31. Of course, you really have nothing to do with the regulations under the Wardens?—Nothing at all. That is why I maintain that where there are two sets of areas in a mining district—one Wardens' areas and one Land Board areas—the Land Boards should be allowed to deal with their own areas. We have tried in these new regulations to meet every objection raised in the past, and there is a large discretionary power given to the Commissioner or Land Board to meet every class of person applying. I think the regulations will be found to work very well indeed.

32. A couple of years ago there was a very serious drought in Hawke's Bay, and when I went through then the whole of the country was practically in a blaze, and it struck me, seeing the hilltops had once carried a good crop of timber, that some of the timber on the hilltops should be reserved for climatic reasons?—What we have done is this: The whole summit of the Ruahine Range and a certain distance down the flanks on each side has been reserved for climatic purposes; but under the State Forests Act there is power given to the Crown to lift the reservation where the timber has been burnt, and then open the land for selection in the ordinary way. But large areas in Hawke's Bay are reserved under the Land Act, and at present, by some defect in the machinery of the Act, we cannot lift the reservation. It is hoped to introduce special legislation this year to enable this reservation to be lifted off the areas I have referred to.

33. Perhaps the Lands Department may be able, by precept and example, to induce our settlers also to go in for growing a little timber?—Our experience is that settlers who have knocked down the native bush are beginning to replant with trees other than those indigenous to New Zealand.

34. Could not your Department see its way to help these settlers in this good work by supplying them with trees from your nurseries?—This raises another point. Up to the present time a large portion of reafforestation operations has been carried on with prison-labour. The Government tried the experiment, and it has proved very satisfactory so far as tree-planting is concerned. We have only grown up to now sufficient trees in our State nurseries to meet the planting requirements for the year. The trees are of no use after that. A curious incident occurred two or three years ago at Ruatangata, where we planted a great deal of totara-seed. The first year it never came up. The next year we planted another lot of seed, and then the two lots came up together, and the consequence is that this year we found we had 750,000 more totara-trees than we required to plant out in the season. So the Minister said at once, Advertise that the Government would be only too glad to give these trees away in lots of 250, or 500, or 1,000, if the recipients would pay the freight charges. That is what we are doing in this case. If we double the number of trees grown in any nursery we double the expense at once, and if we have not the labour to plant them out there is a loss to the community. Of course, if the Government decided to enlarge the nursery operations, and grow a large number of trees to distribute amongst settlers, we should require double the amount of the appropriation. That is the whole point.

35. But it appears to me it would be in the interests of the country if the settlers were made aware even that they could buy these trees at cost-price?—Yes, that is a question of policy, and it is governed by the amount of money voted by Parliament.

36. You realise that it is one of the things that really requires attention?—I thoroughly realise that one of the finest works any country could undertake is the reafforestation of its waste lands, and it is one the Government are pushing on as much as they possibly can with the funds available.

37. *Mr. Ell.*] When you answered Mr. Jennings with regard to there being 7,000,000 acres of reserves, you gave an erroneous impression to the public without the further explanation which I now wish to make. Do not these 7,000,000 acres include a vast area of land that has not a shrub upon it?—Yes. I gave the position quite clearly in my statement.

38. But does not that State-forest area of 2,000,000-odd acres include a patch of country covered with forest in Canterbury?—We included all State forest areas.

39. But there is not a tree on that country that you would ever dream of cutting?—It is not milling-timber.

40. So that the public must not form the impression that these 2,117,215 acres of State forests are covered with milling-timber?—Certainly not. The State forests do not include in many cases milling-timber. Large areas of State forests are reserved for climatic purposes—to preserve the sources of streams—but, in addition to that, large areas are reserved which I call Land Board reservations. The total area is over 4,000,000 acres.

41. I am glad to hear you say that the policy of the Department for the last few years has been not to allow any land with milling-timber upon it to pass into the hands of the settlers without having first passed through the hands of a sawmiller?—Yes, that is the policy.

42. We have the evidence of a sawmiller yesterday who told us that he was cutting on settlers' land yielding from 20,000 ft. to 25,000 ft. per acre, and that that land had been sold at ordinary land prices for settlement?—The whole condition of things has altered. It was not so very many years ago that you could not induce people to take up heavy-forest land at all. We were thankful to get people to take it up for the sake of settlement. Of course, New Zealand is country, particularly in the North Island, where all the good land that is actually fit for settlement is our forest land. You convert your forest land into pasture and get a return far sooner than you do in ordinary open land.

43. With regard to the timber in our forests lasting fifty years, of course you do not include kauri and totara?—Kauri, of course, is being cut out very fast. I should not say so of totara, but kauri certainly in twenty years, unless we keep the reserves we have left. I noticed just now one member was asking Mr. Dalziell a question as to some area of 12,000 acres being reserved for kauri purposes. I suppose he referred to the Waipoua Block, near Hokianga. Well, Waipoua is in a peculiar position—it is in a very difficult position to mill the timber. It happens to be on a very damp watershed, where there is almost continuous moisture, so that it is possible to preserve the kauri for many years. It is a specimen of a magnificent kauri forest, and owing to the facts I have mentioned it has been reserved for State purposes. I know every inch of it, and I am speaking from my personal knowledge.

44. Is it not surrounded too by a growth of mixed bush which forms a natural protection against fire?—Yes.

45. With regard to our timber-supplies lasting for the next fifty years, are you basing that estimate on the present consumption?—No; I have allowed for an increase of population, necessitating a greater consumption.

46. You are aware of the fact that between 1900 and 1907 the sawn output of the mills increased from 261,000,000 ft. to 432,000,000 ft.?—Yes. Of course, there has been an abnormal output within the last three or four years. There has been an extraordinary increase in the number of mills.

47. I only mention this to show the enormous increase in this sawn output of the mills?—I have allowed for that. I still think it will certainly last fifty years.

48. In the operations of the Forestry Department is it not a fact that you have been practically limited by the small amount of money available?—Yes, we have been limited in the past by the amount that has accumulated to the State Forest Fund from the timber sold off the State forest areas.

49. That is all you have had to operate upon?—Yes, by law.

50. You have had no vote by Parliament up to the present?—No.

51. With regard to the situation of these plantations, you know, of course, that the cost of transit would add largely to the cost of the timber to the people. In Taranaki, for instance, where the forests are practically cut out, there is a dense population, and every likelihood of it being greatly increased. Would it not be a wise policy to pursue with regard to reafforestation to have a plantation in every province, so that the timber from these plantations should not be unduly loaded with the cost of transit?—It is right to consider that, but there are other things to be considered too. Our forestry operations were started at Waiotapu and Waipa because there you have an unlimited quantity of Crown lands—practically four hundred to five hundred thousand acres altogether. That land has been of no use hitherto for any purpose: it will not grow grass. There you have a tremendous tract of country under certain climatic conditions, and by planting you make the whole of that land available, and perhaps change the whole climatic conditions. Although no railway happens to be there at present, it is not far away, and it may be extended shortly. You have to consider when selecting your areas to be planted where you will do the greatest good for the country at large. What has been done in the past is this: certain areas have been selected, such as the Kaiangaroa Plains, in which you want to change the whole climatic conditions by covering them with forests. Another area was chosen as near Central Otago as possible, in a treeless district. Another area has been recently selected in North Canterbury. There has been no prison-labour used in the South Island except at Hanmer. I hope to see nurseries and plantations established in the different centres and extended by-and-by. In the South Island we can extend them in any direction, because as the pastoral runs fall in there is no difficulty in getting areas for tree-planting. I think your contention that the timber should not be too heavily loaded with transit charges is a very proper and sufficient argument, provided you have the land. In most cases the railways are being extended so fast that this trouble will be met.

52. I am talking about the possible future of Taranaki?—You mean that in every district we should take centres and start plantations and nurseries. That will all come in time.

53. *Mr. Arnold.*] You say that, as the leases for those runs fall in, they should not be renewed, but planted: do you mean runs that are not raising stock?—I said that in all runs that are being leased we should have no difficulty in getting the runholders or leaseholders for the time being to give us over the areas we required for three-planting. The leases are, of course, now falling in. Areas of those could be selected and reserved for tree-planting purposes.

54. It is not the policy of the Department to take over runs that are well fitted for grazing purposes and plant them with trees?—Wherever land is suitable for settlement we would prefer to open it undoubtedly, and in all runs that are falling in in the South Island they are being opened for that purpose.

55. Your policy is only to plant trees on land that is too poor for grazing or agricultural purposes?—Not in every case. Take that area at Hanmer. We were able to make use of it. That land might be suitable for other purposes, I suppose.

56. Do you think that was a mistake?—No, I do not think it was a mistake.

57. What is the date of those new regulations?—They were issued two months ago.

58. They were practically prepared long before this Commission was set up?—Yes, they were prepared long before the Commission was set up.

59. They were not specially framed so as to anticipate the report of this Commission?—As I said just now, these regulations were practically all put into shape more than a year ago. It is only just the accident of the tremendous lot of printing and other matters that prevented them coming out before this.

60. *Mr. Field.*] Can you give the Commission any idea of the area of milling-timber that has been destroyed in New Zealand as compared with the amount that has been milled and which still remains to be milled?—We have no data by which to get at that. I am afraid we are too late in the day to do it. There is no record kept, either, by the Land Boards of the forest-areas forfeited as distinct from other classes of forfeiture.

61. Then the evidence of the forest has entirely disappeared?—That is quite true.

62. With regard to the method of assessing royalty, we have never properly understood the principle in force in Southland: what do they do there, and how do they assess it?—I understand the way of assessment in Southland is the same as in the North Island. The number of superficial feet of timber in the tree is estimated in the tree as it stands.

63. What you endeavour to charge the miller with is the amount of actual sawn output?—That is what is done in Marlborough and Westland. It is not done in the North and it is not done in Wellington.

64. Are Marlborough and Westland in more favoured positions than other parts of the Dominion?—I think so, but it is more a matter of opinion. I am not a timber expert, although I take a deep interest in the subject. I am of opinion myself that to save waste when you pay upon the sawn output you encourage to a certain extent the sawmiller simply to put through the very best of the tree, and so there is a great deal of waste. When the value of the timber for royalty purposes is estimated standing in the forest the sawmiller will naturally use a great deal more than he would if he paid on the sawn output. The leaving of such a large quantity of fairly good timber on the ground to rot, and simply selecting the best, is a waste.

65. When endeavouring to assess the royalty you have consideration of the amount of timber that the miller can get out of the tree?—That is so. We have what we call timber experts. There are two sets of men. There are the Rangers who do the ordinary Crown lands ranging, and then there are the experts who have got a full knowledge of timber before they are appointed. Most of them are men who were employed by companies before they joined the service.

66. You seek to avoid charging a man with any portion of the log which he must necessarily waste?—There is a liberal allowance made. Moreover, it is the duty of the person tendering to consider the position and set down such a price as would eschew such timber as he could not make use of.

67. With regard to afforestation, I particularly want to ask you a question as to whether you consider it wise to plant areas in hardwoods for supplies as railway-sleepers in places where they would be readily obtainable?—I will answer that at once by saying we find we cannot successfully plant the Australian hardwoods in places where the frosts are severe. While some trees do well, we have others that are being continually cut down by the frosts at Rotorua.

68. Do you think it is advisable to plant in the South Island?—I am speaking of the late Mr. Matthews's advice to me.

69. You think it would be an excellent policy to grow such trees where they can be grown?—Yes, I do.

70. Do you know whether this question of supplying young trees has been considered, particularly as to the aspect of competing with our own nurserymen?—That has been thought out very carefully, and that was one of the reasons why it was considered that it would not be fair to supply trees in any quantities, because if the Government did so they might deprive many nurserymen of their living.

71. I presume you have ascertained whether nurserymen are willing to sell at a reasonable price?—We have never gone into that very fully. The general policy has been that we ought not to deprive the nurseryman of his living by entering into competition.

72. Do you think, if the trees were supplied free, the person taking them merely paying the cost of transit, that that would encourage people to plant in many places where they are not now planting?—Yes, it would. The class of trees that we are raising in the nurseries is not the class of trees that is generally grown by the nurseryman.

73. Do you think it would be a fair thing to take the taxes off land that was actually planted with trees?—I have thought it over, but I have not gone into the question.

74. Is it done in any other countries?—I have heard something of it, but I have not read any pamphlet or book which assures me that it is being done. Under the Forest-tree Planting Act, prior to 1896, provision was made for the Government to give bonuses with the view of encouraging tree-planting. The principle was affirmed there, but it was a complete failure.

75. How long is our white-pine going to last?—Judging from the facts, I should say that it will not last any longer than kauri—about twenty years.

76. Now, do you not think that the Land Department might do more in the way of reserving still further forest-areas in districts which are unfit for farming? I refer in particular to land which comes within my ken—namely, land on the lower slopes of the Tararuas?—The Department has reserved all the Crown land all along that Tararua Range.

77. Do you not think they might reserve the land in the Otaki Gorge?—That is not Crown land, and we cannot reserve anything that is not Crown land.

78. Should they not acquire it?—That is a matter of policy.

79. Land has been taken up that is not fit for farming?—Yes, I know a number of such cases.

80. The attempt to farm some of the land I refer to induces floods?—The whole question of the denudation of areas by taking off the forests is fully dealt with in the reports. The denudation affects the course of the rivers, and there is consequent erosion. We must endeavour to preserve our forests for that purpose.

81. In my opinion, there are many thousands of acres affected in this way?—Yes, that is so.

82. We sat in Invercargill, and then we moved to Dunedin. We were interviewed by a gentleman who had been a sawmiller, named Wallis, and who had some complaints to make against the Land Department?—Mr. Wallis has not suffered any injury. He saw me on several occasions. I was so impressed with the idea that there must be something altogether wrong in some dealings with the land in question that I made an exhaustive inquiry into the whole matter. The trouble is this: In 1886 large areas were taken up in Southland by a company called the New Zealand Pine Company. I believe it went into liquidation, and the areas were sold, I think, by the liquidator to Mr. Massey, of that district, and to others. There is no time-limit, however, provided for in the regulations of 1886. In all our other regulations a man is limited to a certain time. Mr. Wallis complained that we allowed Mr. Massey, of Southland, to hold large areas without forcing him to comply with the regulations. When I looked into the regulations I saw at once that there was no time-limit provided, and consequently he can hold them practically for all time. The Department was powerless to do anything in the matter. That is the position. There are 5,000 acres held now by Mr. Massey under the 1886 regulations, and my opinion is that his position is absolutely impregnable. We cannot touch him. Not that most of those areas are worth very much now, because the timber has been so cut into in various ways.

83. There is no way of assisting Mr. Wallis?—There were a number of other areas held under the Land Act which have been forfeited recently by the Land Board, and the Board has done all it can to put the matter straight.

84. You think that Mr. Wallis has been fairly well treated?—He has been treated in the best possible way under the circumstances.

85. *Mr. Hanan.*] Mr. Flanagan, on the West Coast, referred to the matter of dual control exercised by the Warden and his Department over timber areas. What is your opinion?—I went into that very exhaustively this morning. I explained that the whole position arises from the fact of its being a mining district. In the Westland District both the Warden's areas and the Land Board areas are being dealt with by the Warden. From the Warden's areas the local body obtains the whole of the revenue; from the Land Board areas the local body, under section 319 of "The Land Act, 1908," gets one-half of the royalty received. I think the Land Board should administer them, and not the Warden. The Warden now has power to administer both areas.

THOMAS RONAYNE, Wellington General Manager of Railways, sworn and examined. (No. 164.)

1. *Hon. the Chairman.*] I think the bulk of the evidence the Commission would like from you would be with regard to sleepers, and timbers used for bridge-construction. What evidence can you give the Commission in that direction?—We practically use no New Zealand timbers for bridges now. The policy of the Department, which is considered most economical, is to use ironbark or jarrah. We have had considerable experience in the use of native timbers for bridge-construction. I can call to mind one railway where the bridges have been replaced three times; that was on the Greymouth–Hokitika line. These bridges were originally built in black-birch. The line was not opened for traffic for some time, and subsequently when it was decided to complete the construction it was found that the bridges had all rotted away, and they had to be rebuilt again, and they were rebuilt in birch.

2. The same class of timber?—Yes. I remonstrated at the time, but without avail. I pointed out that they would share the same fate as the first bridges. However, this happened a good many years ago, and my advice was not taken. The Railway Department, as I predicted, had to rebuild, at very great cost, all those bridges in ironbark. There was one exception on that line, and that was the Arahura bridge, which was built of kauri: that bridge until within the last twelve months has not required very material repairs; but owing to the Department requiring a heavier class of locomotives the bridge had to be strengthened, and it was strengthened with ironbark. The kauri lasted well there. I might say the same with regard to the bridges built of totara in the earlier days, many of which—viaducts and bridges—have stood remarkably well; but the time arrived when the timber lost its strength, and it was decided to rebuild those bridges in steel—that is, bridges of any magnitude. Totara has given very satisfactory results, but the cost of totara is quite prohibitive so far as bridge-building is concerned. It is not so suitable or economical as steel for such purposes. The Department is using ferro-concrete to a certain extent, all of which tends to do away with the use of timber. You get a permanent structure. I do not know that there is anything else with regard to bridges that I have to say beyond stating that in Auckland, where the bridges are built of kauri, they have stood well; but their life is now coming to an end, and the Department is faced with the expense of having to rebuild the bridges. In some cases we have had to rebuild in consequence of the traffic demanding a heavier locomotive—this is, where the 45-ton engine has been replaced by the 75-ton engine. Therefore many of them are being rebuilt, not on account of the totara having got into an unsound condition, but on account of the heavier engines. I have had over thirty years' experience in connection with sleepers, and have personally tested a great many kinds of timbers. On the West Coast many years ago a bushman drew my attention to a fallen tree in the forest. He took me into the bush, and he showed me a silver-pine tree lying on the ground, and there was another one growing on the top of it. It was very hard to say how old the prostrate silver-pine tree was, but it must have

been lying on the ground for several hundred years, because the roots of the other tree were growing over it. On account of this I decided to give the silver-pine sleepers a trial, and this is the history of the introduction of the silver-pine sleeper. That would be about 1878. We have used hundreds of thousands of silver-pine sleepers, and they have been uniformly satisfactory. We have had over thirty years' experience of them, but the difficulty now with regard to the silver-pine sleeper is that the supply is becoming exhausted. We cannot get a sufficient number of sleepers of that kind to meet our requirements. I think I have some figures to show you how they are falling off:—

Silver-pine Sleepers from West Coast.—Westland: 1907–8, purchased 60,000; 1908–9, purchased 14,500; being all the Department could obtain in the district. Westport: 1907–8, purchased 34,000; 1908–9, purchased 17,300; being all the Department could obtain in the district.

Totara Sleepers, Auckland and Surrounding Districts.—1907–8—Ordered 60,000, supplied 29,800; 1908–9—open order, 22,800 supplied.

Issue Rate of Sleepers, &c.—Totara: 3s. 7d. each in districts where purchased. Silver-pine: 3s. 6d. each, Westland Section; 3s. 6d. to 3s. 9d. each, Westport Section; 4s. each, Nelson Section; 4s. 1d. each, Hurunui–Bluff Section; 4s. 1d. each, North Island sections. Puriri: 4s. 3d. each, Auckland District. Creosoted: 3s. 1d. each, Woodville; 3s. 2d. each, Kew. To the price of all native sleepers has to be added the cost of inspection in small lots, and to the price of silver-pine sleepers for places other than the West Coast has to be added, in addition, the cost of loading and unloading at the different ports, and cost of double handling at depots. (The freight, 7d. per sleeper, is included in rates shown above.)

Jarrah: 3s. 10d. each at all places. This covers the cost of inspection and handling up to the time the sleepers are handed to Maintenance to place in line.

70 lb. bed-plates cost £2 10s. per 100—6d. each. 70 lb. fang-bolts cost £1 13s. per 100—4d. each.

	s.	d.
Two bed-plates for a sleeper	1	0
Four fang-bolts for a sleeper	1	4
	2	4
Cost per sleeper	4	1
	6	5
Cost of a jarrah sleeper (no bed-plates or fang-bolts required) ...	3	10
Saving per sleeper	2	7

I think it will be patent to the Commission that the right and proper thing for the Railway Department to do in the future, and the most economical, is to import jarrah sleepers to make up the deficiency in the supply of suitable sleepers which are obtainable in New Zealand. The estimated consumption of sleepers in New Zealand for the current financial year is about 300,000 for the working railways. We carry a stock of about 150,000 sleepers, which forms six months' supply in advance. To provide the necessary requirements for the current year we are creosoting about 90,000 white-pine and rimu; but the difficulty is becoming more accentuated every day because of the increase in the price of white-pine or rimu, and the difficulty in procuring the creosote. It has to be imported in casks from Great Britain, and in many instances we have had considerable loss through leakage. We anticipate that it may be possible to substitute the Powellising process, which promises fair to take the place of creosote.

With regard to the construction of rolling-stock, and the use of New Zealand timber in connection therewith, while certain kinds of New Zealand timber are suitable for use in connection with the manufacture of cars and wagons, Australian hardwood is essential for the underframing. We have tried pretty well all the suitable hardwoods obtainable in New Zealand for underframes, but even puriri is not altogether satisfactory, and where the underframing is of a composite nature we prefer using tallow-wood, which is obtained from New South Wales, or the tuart, from Western Australia. Tuart is supposed to be the strongest timber in the world. We have tried rata, maire, and puriri, but neither have been satisfactory; the rata in particular not lasting any time. Then we have used white-pine and rimu, creosoted, for the floors, ends, and sides of L wagons. thought it would be possible to use more native timber by doing that; but then we were faced with the difficulty that the creosote smell affected the goods. Even after the wagons had been in use two or three years, the smell of the creosote damaged bags of sugar, rice, and wheat, and we had to abandon that process. So far as the material for the wagons is concerned, there is no question that jarrah is the most suitable material, and we obtain heart of jarrah delivered at the principal ports. It is all heart—and we do not accept any with sap in it—for the same price we paid in New Zealand for heart of rimu. And it is a very difficult matter to get heart of rimu in New Zealand such as we consider suitable. We have made many attempts. Orders have been given on the West Coast and elsewhere for all heart, but the sawmillers do not care about the orders, and have asked to be relieved of them in many cases. But rimu, though it gives a fairly long life for wagon-building, is certainly not as suitable as jarrah; it will not last anything like the same time, all things being equal. New Zealand totara, on account of its brittleness, is unsuitable for the framework of wagons. We use totara for the flooring of sheep-trucks, and find it very durable there; but it is not sufficiently strong for the flooring of goods-wagons. It is not as suitable as rimu for the purpose, and certainly not as suitable as jarrah. There is another point in connection with the use of jarrah. We will say we use a rimu plank for the sides and ends of wagons 2 in. thick, which is required to give the necessary strength. With jarrah, instead of putting in a 2 in. plank, we put in a 1½ in. plank, so there is a further economy there.

With regard to the supplies of timber, we have had the utmost difficulty in getting our orders supplied, and I will quote a few instances. The following are a few sample cases of timber orders placed with sawmills in the Wellington District, and the delay that occurred in supplying the timber :—

Order No.	Date of Order.	Time in which required.	Particulars of Order.	Date supplied.	Remarks.
591	10/1/08	3 weeks	G. A. Gamman and Co., Dannevirke—4,700 ft. mixed timber	26/8/08 ..	Took seven months to deliver.
628	30/1/08	3 weeks	A. Quinlan, Nireaha,— 5,000 ft. heart rimu. (Very easy order)	Not supplied	The Storekeeper wrote frequently and wired, but could neither get a reply nor delivery of the timber. Was compelled to cancel and reorder.
737	24/3/08	3 weeks	11,900 ft. heart and O.B. rimu. (Very easy order)	,,	
716	16/3/08	6 weeks	Rangitikei Sawmill Company, Taihape,— 5,300 ft. heart rimu and matai	8/9/08 ..	Took six months to supply.
821	24/4/08	4 weeks	20,000 ft. O.B. rimu ..	3/8/08	Took over three months to complete.
822	24/4/08	4 weeks	10,000 ft. heart rimu ..	3/8/08	
824	24/4/08	4 weeks	1,000 ft. heart rimu ..	14/8/08 ..	Wanted for Wanganui goods-shed.
712	14/3/08	4 weeks	Bartholomew and Co.—8,700 ft. heart and O.B. rimu	31/7/08 ..	Took over four months to deliver.
691	5/3/08	3 weeks	Rangitikei Sawmill Company, Taihape—2,000 ft. heart-matai flooring. (Easy order)	4/6/08 ..	Took three months to deliver.
627	30/1/08	3 weeks	Tiratu Sawmill Company, Dannevirke—4,360 ft. heart rimu	14/4/08 ..	Took nearly three months to supply.

The Storekeeper, Petone, reports that until recently the millers were very inattentive to his orders, and, instead of supplying as required, were in the habit of picking the eyes out of them by supplying the easiest parts. He had to write and rewrite to endeavour to get orders fulfilled. He has had orders refused owing to the mills being full of outside orders. Since the slump his orders have been better handled.

On the 30th May, 1908, Messrs. Jack Bros., Greymouth, wrote stating that they were prepared to accept orders for red-pine. An order for about 27,000 ft. was placed with them in August, 1908, and cancelled at their request in December, 1908.

Kauri Timber.—In September, 1908, the Department cancelled orders totalling 846,600 sup. ft. for all places; of this timber 263,300 sup. ft. were reordered: thus leaving 585,300 sup. ft. cancelled outright. The cancelled orders dated back as far as July, 1904. In September, 1908, fresh orders for 75,800 sup. ft. of kauri in long lengths were placed with the Mitchelson Timber Company; in December, 1908, further orders for 253,500 ft. of kauri in lengths up to 25 ft. were placed with McKinstry and Wilkinson, the Mitchelson Timber Company, and Parker, Lamb, and Co.: thus, since September, 1908, the Department has placed orders to the extent of 592,600 sup. ft. of kauri.

So you will see that the Department has endeavoured to obtain supplies, especially in the North Island, within a reasonable time, and has experienced considerable difficulty in getting them. Then, we had to build a goods-shed which was urgently required for Wanganui. The order was placed with the Rangitikei Sawmillers' Association, and it was a fairly large one. I wired the Association as follows on the 2nd June, 1908: "Seriously inconvenienced your delay supply timber ordered 24th April, Order Nos. 821 to 824. Please wire stating definitely when order will be fulfilled." They replied same day, "These are ready, and Inspector advised a few days ago, and he will inspect them some time next week, as he is at present passing timber in the district." Well, there was continual wiring and correspondence going on, owing to the delay in supplying the order, for a period of seven weeks, and on the 21st July, 1908, the association stated, "We have now placed them elsewhere, and they will be ready for inspection next time the Inspector can visit the mills at which they are placed." You will notice that on the 2nd June, 1908, they said the timber was ready, and on the 21st July, 1908, they said that the orders had just been placed. That is the sort of humbug we have to put up with.

3. *Mr. Barber.*] When was the order given?—On the 8th May, 1908, instructions were given to extend the shed, and on the 14th May, 1908, the Chief Engineer advised that the extension should be put in hand when the timber, which had been some time on order, was received. So that I presume the order must have been issued almost simultaneously with my instruction to the Chief Engineer to go on with the erection of the shed. In regard to the supply of timber for the Railway Department in the North Island, the Department has now taken over the State sawmill from the Public Works Department, and we shall be independent in the matter of supplies of timber for our Department, and possibly other departments as well. We shall not be under the necessity of dealing with outsiders in the future.

4. So that your experience of the local millers is that they were very dilatory in regard to supplying orders up to quite a recent date?—There is no question about that.

5. How long have you taken over the State sawmill?—From the 1st April; but we have not got into working-trim yet. We have about a million feet in stock that we took over from the Public Works Department.

6. Do you think that a similar mill could be established in any other part of the Dominion?—That is a matter of Government policy.

7. Can you say if you think it would be a convenience to the Railway Department?—We have not the same difficulty in the South Island in obtaining supplies.

8. I asked one of the subordinate engineers for a return giving the cost of replacing sleepers?—If it has been promised it will be supplied in due course.

9. *Mr. Leyland.*] Mr. Barber asked you about the dilatoriness of the timber-merchant. Generally it is the miller which supplied these orders, was it not?—We have not been dealing with merchants except in the case of contracts. We have to deal direct with the association. No mill will deal with us unless they are outside the association.

10. You are referring to the Wellington association now?—To the Rangitikei association, and to Wellington, Napier, and New Plymouth. I am not referring to Auckland at all.

11. You mentioned Powellising: did you ascertain the cost of it?—We can purchase Powellised sleepers, white-pine, for 3s.

12. You have not tested its durability yet?—No, but the most eminent chemists in Great Britain have examined the process, and have given their opinion that timber so treated is practically indestructible—that is, by dry-rot or by any of the insect pests.

13. Does that get over the question of softness?—No. Under the Powellising system the company prefer to get the sleeper from the saw. It is then boiled for about twenty-four hours, and cools off in the liquid, which is largely composed of molasses. The sleeper is then dried for about seven days, and they case-harden it. They do not treat a sleeper in the same way as timber which they are preparing for the cabinetmaker.

14. Have you made any comparison between that method and the Rueping process?—No. The Powellising system has been largely taken up in Australia.

15. You have read of the Rueping process, have you not?—Yes. There is also a new creosoting process, for forcing the creosote into the timber at a pressure of about 250 lb. to the square inch; but the Powellising process is cheaper and cleaner than creosoting, and more expeditious, and free from objectionable smell. The creosoting process requires the sleepers to be seasoned for five or six months. The Powellising Company claim that timber treated by their process is very materially increased in strength. It is not hardened perceptibly; it becomes slightly harder on the outside, but I do not think it would be any better than a creosoted sleeper so far as that is concerned, and it would still be necessary to use a bed-plate on a Powellised sleeper if you used it at the rail-joints. None of the softwood sleepers are good enough to use on curves now.

16. How about on the straight?—We can use them there with gravel ballast, but not with broken metal.

17. Would you be prepared to consider favourably the idea of using them with bed-plates, with a view to giving work and relieving some of the present distress?—The expense would be too great. It would add 2s. 7d. to the cost of each sleeper.

18. There is 1s. difference in price—3s. as against 4s.?—That is the case if they are Powellised; but we are experimenting: we are not prepared to use a very large number of Powellised sleepers until we have had a little more experience of the process.

19. You are prepared to take into consideration the condition of affairs that now obtains owing to the slump?—Yes.

20. And if you could give any relief I take it you would?—Certainly. I would not buy a stick of foreign timber if the native timber were suitable, even if it were slightly dearer than the imported timber—in fact, we are doing it all the time; but we get much better value in a jarrah sleeper than a totara one, which will not hold the spikes after a certain time.

21. In mentioning the timbers that you use for wagon-building you did not say anything about kauri. You use kauri at times, do you not?—Yes; but it, of course, is a very expensive timber to use nowadays.

22. You have had great difficulty in getting the orders supplied?—Yes.

23. But sometimes you like to get it—I judge so because you keep ordering it?—Yes, we have emergency orders for wagon-building; but I prefer to use Powellised rimu for the future, for economical reasons.

24. You use kauri for other purposes too, do you not?—Only to a limited extent. For car-building, for instance, I shall use rimu in future.

25. We understood in Auckland from the Storekeeper that, owing to Oregon having relieved the pressure of kauri orders, he had been able to get his orders supplied better?—The Storekeepers are not very reliable authorities to give information to the Commission.

26. But he knows how he gets his orders supplied?—Yes, so far as that is concerned he would be able to give information. I noticed some evidence given by them that was not what I should have approved of.

27. With regard to the railway tariff, the freight charge for fifty miles in Auckland, and, I think, in Wellington, is 2s. 2d. on rimu and 1s. 5d. on kahikatea. Some people want an explanation why it is only 1s. 4d., including wharfage, on the West Coast of the South Island for the same distance?—The charges on the West Coast are local rates. They were gazetted many years ago. When the Midland Railway was in operation the Hokitika line came into competition with it, and special rates were fixed. They have really got "favoured-nation" rates.

28. Could you not put all on the same footing?—No. At the present juncture, when we are trying to save not every penny but every farthing we can in the shape of railway expenditure, we are not in a position to give any revenue away. I have an idea that in the near future, instead of lowering rates, we shall have to do something else.

29. People who have to send the timber from inland places to the large centres complain they are very much handicapped by the heavy rates?—The rates were recently reduced in favour of the long-distance sawmillers, and that was a tentative measure. I think the Minister is prepared to consider the whole question when he gets the views of the Commission. I am not in a position to pledge the Department to anything—it is a matter for the Government; but I know that we cannot afford to make reductions.

30. *Mr. Clarke.*] With regard to supplies, if the architects and builders throughout the Dominion say that they have been very much hindered in their work by delay in getting supplies, would you not say that that squares with your own experience?—Certainly; but for all that we have not used Oregon. Our people wanted to get it because they could get it so quickly and easily, but it has been the policy of the Railway Department not to use Oregon. We do not use it. In Auckland a few days ago some planks were wanted in a hurry, and they got Oregon; but I said, "No more Oregon."

31. It has been repeatedly stated that one of the reasons for the non-fulfilment of orders to the Government has been that the Inspectors have been unreasonable as the classification and quality of the timber. Do you think that is a justifiable statement?—The policy of the Railway Department has not been to put up jerry-buildings. We have insisted upon the specifications being carried out in a reasonable way. When a sawmiller gets an order he gets the specification, and knows what he is supposed to do, and it is only just and reasonable for the Inspector to see that the specification is adhered to.

32. So that your Inspectors have really only insisted on what was provided for in the specifications?—That is so. They would be unlikely to exceed it. Any case of that kind, if brought under the notice of their superior officers, would of course be rectified. In the inspection of sleepers, for instance, there is a considerable amount of latitude allowed, especially with regard to silver-pine. It is naturally a small tree, and it is difficult to get the full size in all cases: there may be a corner of sap on it, and where the sap is in such a position that it will do no harm the Inspector has to use a certain amount of discretion; and, so far as I know, he has the same discretion with regard to ordinary timber. But we met with such difficulty in getting all heart that about a year ago I instructed the Chief Engineer to use O.B. of the best class he could get so as to facilitate our work. My experience of the good O.B. is that if it is kept in a dry position, and you have no white-pine about to convey the grubs, the sap rimu will last a long time.

33. With regard to the sleeper question, it has been suggested that the Department might use native sleepers, using two as against one imported sleeper. What is your opinion about that?—It is not workable; the difference in the cost would be so great. A birch sleeper, for instance, bought on the West Coast would cost, perhaps, 3s. 2d. by the time it reached Lyttelton. Well, for two the cost would be 6s. 4d., while the average cost of a jarrah sleeper is 3s. 11d.

34. And then there would be the double labour?—Yes, so it is out of the question. Our experience is that the average life of a birch sleeper is seven years. Some we have had to take out in five years, while some have been in the track twenty-five years. I have asked the Powellising Company to make experiments with birch sleepers to see if they could be utilised, for there are many large areas of birch forest that are practically useless for other purposes.

35. Would you be prepared to experiment with those birch sleepers if they were treated by that process?—Yes. I am having 500 treated so as to test them.

36. *Mr. Morris.*] With regard to the rimu that you have been unable to procure, of course you know that in the early part of last year all the sawmills in the colony, practically, were very busily employed supplying building-timber to all our big centres?—Yes, that is so.

37. Do you think that had anything to do with your not being able to obtain your supplies?—I think it should have helped us, because we wanted the heart and the other people wanted a little heart or all sap—or they got it.

38. One trouble that I have found in connection with your specification in carriage-work is that there are a lot of odd sizes—odd eighths and three-eighths of an inch, and so on. Would it not be possible to bring your sizes into line with the sizes in general use?—The only way in which you could do that would be to have a conference of architects, and let them standardise the various details of the buildings, in the way in which the engineers of Great Britain have met and standardised pretty well everything.

39. Witnesses have stated that rimu warps and twists. Has that been your experience?—We have no difficulty in the matter of warping. It stands as well as any other timber.

40. *Mr. Ell.*] You ordered kauri up to 25 ft. in length. For what purpose?—For carriage-building. We do not use kauri for anything else.

41. In what sizes?—In a variety of sizes.

42. You give an order for a good quantity to the miller?—Yes, among those I quoted I think you will find there are some very large orders.

43. It seems to me it would justify the miller in giving you the sizes you wanted?—We do not have any complaints from the kauri people about size except as regards long lengths.

44. It is only the rimu-millers who complain?—Of course, the kauri-miller has something more to come and go upon. He has a big log compared to the West Coast rimu.

45. They do not complain about cutting for these special dimensions?—We have a difficulty in getting extra long lengths at times. Some of them are required up to 45 ft. long for the top and bottom rails of carriages. There are only four required for a carriage. They would be about 9 by 4½ or 9 by 3½, and they are rather awkward pieces to get. We have sometimes got them in tallow-wood and jarrah, but they are not easily worked: they twist and turn and warp in all directions, and it is difficult to get them in position. Once you get them there they are all right. Kauri does not work about so badly.

46. You find kauri is the best for that purpose?—Yes.

47. What does kauri cost for that?—Speaking from memory, about £2 a hundred.

48. What is tallow-wood?—About £1 10s. a hundred; but there is a difficulty in getting it in those lengths.

49. With regard to jarrah?—I do not think it would be more than £1. For special lengths it might be £1 2s.

50. Are the Department paying 100 per cent. more for the kauri?—Yes, for these special pieces.

51. Is that not rather a big advance to ask the public to pay for using native timber?—The number of feet in a car is comparatively small. There are only these four pieces, and we have been practically using kauri for that purpose for many years. We have introduced a little hardwood from time to time; but you have to bear in mind that in putting tallow-wood into position, or jarrah, it twists about a good deal, and that takes a certain amount of labour.

52. We saw in Auckland a tram-car built by Cousins and Cousins. It was 60 ft. in length, and it contained the same long lengths of timber, only they were in jarrah—the four pieces?—It would be ironbark. Kauri would have done just as well, but there is a difficulty in getting long heavy logs out of the bush.

53. It seems to me a dear business for the Department, for the sake of using native timbers in specially required lengths, to pay so much more for it, especially when kauri is so largely required for our own industries?—If you take the increased labour involved in putting jarrah or tallow-wood into position the difference will not be very great as against kauri.

54. With regard to the goods-sheds, in what sizes do you get the timber for those?—They would be ordinary building-sizes of rimu. They would, of course, be larger than what you would put into a cottage or dwellinghouse.

55. What do you use for your rough timbers?—All rimu, no Oregon.

56. You say you do not allow the use of Oregon. May I ask your reasons?—It has been the policy of the Department to foster native industries as much as possible.

57. Is that the only reason?—Yes; the same policy applies to the building of our locomotives. We can buy them cheaper in America, but we do not do so.

58. Now, kauri can be obtained in Auckland at 18s. 6d. net, f.o.b. That is the wholesale order. Your Department in Christchurch paid for 25,000 ft. at the rate of £1 7s. a hundred.?—If that is in accordance with the evidence of the Storekeeper there, it is just possible it did cost £1 7s. Assuming you pay 18s. 6d. in Auckland, there is the freight down to Lyttelton, then there is the railway freight, and possibly cartage to the merchant's yard, wharfage, and so on, and cartage by the merchant to the Department; and I think by the time all the figures are totted up it will not be so very excessive. We have a regular timber contract down there. We call for tenders annually for the supply of timber for the Railway Department, and it is possible this £1 7s. would be the contract rate. That contractor would also, of course, have to contract for the supply of rimu, totara, white-pine, and so on.

59. You are aware the Forestry Department tell us the kauri timber is getting rapidly cut out, and we have had evidence in every town that the manufacturers and users of kauri have great difficulty in obtaining it, and we have evidence that some of the orders are still outstanding. You are using it for certain purposes in long lengths, and there are certain rough purposes for which you are using kauri?—We are not using it for rough purposes.

60. Not for rough?—Not as a rule. We might in the Auckland District, but nowhere else. We use rimu for rough work.

61. I saw trucks required for special purposes, and those were all in one length?—Those were Oregon, and that is where the trouble came in.

62. You had ordered kauri for that purpose?—I could not say. It is not many weeks since I gave instructions to have twenty-five timber-trucks converted into trucks temporarily for the carriage of coal. Those would be about 33 ft. lengths.

63. Is it not rather a dear practice to use timber that is specially adapted for cabinetmaking and high-class furniture for such rough work as that? Is that not straining the policy of the country?—We have not looked at it from that point of view. In this case I took exception to their having purchased Oregon. They said it was the most easily obtained, cheaper, and all the rest of it, although it was contrary to the policy of the Department. It was suggested that they could have put in, in place of the 30 ft. lengths, two fifteens, and have had a wider stanchion in the centre.

64. Why force the use of cabinetmaking timber for extremely rough purposes?—We are not forcing it.

65. A builder would never dream of taking a piece of cedar or oak, which was fit for high-class work, and putting it into a roof. He would use a cheaper description of timber as a matter of public economy?—We do not propose to use any more kauri for car-building after our present orders are executed.

66. With regard to the inspection of sleepers, we have been told that some of your Inspectors insist on clean heart—the highest quality of timber—and that the contractors cannot supply it. Some of the Inspectors will not take timber with a few knots in it. Totara was one of the timbers referred to by one of the sawmillers. Is it essential that a sleeper should have no knots in it?—It all depends upon where the location of the knot is. The specification is that the timber is to be clean and free of knots, and so on, and the specification should be complied with. The Inspectors, however, do use some discretion and allow a little latitude. I do not know a position in the railway service, with the same pay attached to it, that our men have so much disinclination to accepting, as that of a Sleeper-inspector. They would rather do anything else, because of the abuse they get. Some years ago, in the North, one of our Inspectors inspected some sleepers, and condemned a number of them. The Inspector, in returning, had a river to cross, and it happened that the man who owned the ferry-boat also owned the sleepers, and he refused to put the Inspector across, and in consequence he had to go many miles round.

67. You have said you had to deal with the Rangitikei Sawmillers' Association?—That is correct.

68. Do you get nothing outside?—For a long time we did not, until one or two mills started near Ohakune. They were outside the association, and they got the bulk of our business.

69. Up to that time you could not get anything outside?—You could if you gave them time enough, but there was a good deal of delay, and a lot of unnecessary letter-writing and red-tape in connection with it. The red-tape was not on the part of the Department.

70. What do you mean by this "red-tape"?—Perhaps I should have said "circumlocution."

71. What were the methods of the association?—I am unable to give you their methods, beyond the fact that we had to deal with the secretary of the association instead of with the individual millers, until such time as some miller started who did not belong to the association. We dealt with those millers as individual parties. There may have been twenty sawmillers in the association, but we could not deal with them individually, and all our orders had to be placed with the secretary or the manager of the association.

72. And you found difficulties raised?—We found difficulties in getting prompt delivery, and there was a good deal of correspondence.

73. Since you have had an opportunity of dealing directly with the millers you have not had much difficulty?—We have not required much timber for some time. Since the completion of the Main Trunk our requirements have been very small indeed.

74. *Mr. Stallworthy.*] Kauri is not used for sleepers?—A large number of them were used on the Auckland Section, and there are still some in the road. Although in some situations they do very well, they are rather soft for the work, and in some classes of ballast, such as pumice, they do not last at all. The hot pumice seems to burn or char the timber in a sort of way. Up to about five years ago, when pressed for sleepers we bought kauri, but we are not buying it now, nor have we done so for several years.

75. I received a letter from a person who says that in the worked-out kauri bushes you could get sleepers from the kauri-tree heads?—No, they would be of no use. Not being matured timber it would not last any time. It might be suitable after Powellising.

76. Have you read the evidence of Mr. R. Wilson in reference to timber-freights. It is to the effect that timber is more heavily charged than any other produce that is carried on the railway?—No, I have not read it.

77. Mr. R. Wilson gave evidence at Taihape in reference to railway freights, and he handed in a table showing the comparative charges?—I believe we are preparing a statement in connection with that. I will let the Commission have a report on the whole business.

78. If there has been a slump in the timber business it has no doubt been felt by the railways. Can you give us any idea of the extent of the timber carried, from a monetary point of view?—I should have to compile a return; but it has had a serious effect, especially on the west coast of the South Island.

79. And on the Main Trunk?—We could scarcely ascertain the position there, because the mills were just getting into working-order and had not sent much timber along before the completion of the line. The timber business, however, is less, I believe, than it was when the Public Works Department were working part of the line.

80. We know there has been a serious falling-off on the West Coast: has there been a similar decrease in the Southland District, where there has been no Oregon used?—There has been a falling-off, but I do not think it has been quite so serious as on the West Coast.

81. *Mr. Mander.*] Have you had any difficulty during the last year in getting orders for timber supplied?—At the present time we are not experiencing any difficulties. There are very few orders out.

82. With regard to these kauri orders, you are aware millers always fight shy of Government orders, on account of their requiring the very best quality of timber, and on account of the rather difficult specifications they send forward?—They have expressed themselves in that way on previous occasions.

83. The millowner would have a difficulty in selling the balance of his timber after he had supplied the very best quality to the Government or any one else, and other people would fight shy of dealing with him?—I can quite understand that in some cases he would.

84. Unless the Government were prepared to take a proportion of what may be called O.B. timber to relieve the situation?—Yes.

85. Of course, a miller naturally expects a much higher price from the Government?—That is so. We are quite prepared to pay a trifle more than the outside people, because we know the difficulties under which the miller is working.

86. Do you not consider that good O.B. rimu is good enough for the insides of carriages and buildings, and all that sort of thing?—I would not put O.B. in to a railway-carriage. It must be all heart.

87. Do you not think it stands well enough in the dry?—It is not a question of standing in a railway-carriage: it is a question of strength. We use so little in a carriage that we would not think of putting in other than all-heart timber.

88. But for O.B. purposes I suppose you consider O.B. rimu is good enough for inside work?—Yes, if there is no white-pine in connection with it, which would introduce the borer.

89. White-pine coming into contact with O.B. or sap kauri would not have the same effect as with rimu?—I think it would, but I have had no experience of that. Of course, the sap of kauri is softer than the sap of rimu.

90. You have seen some of the Oregon landed on the wharves recently?—Yes, I saw a cargo in Dunedin recently.

91. Is that a fair sample [produced] of the quality being delivered now?—No, it is a much inferior quality. It is cut out of small trees—just tops, I should imagine. There was bark on some of it.

92. Have you had any experience of Oregon timber?—A little. We used to have Oregon sleepers at one time, but they were not durable. In Canterbury the other day I went into a goods-shed, and all the principals in the roof were of Oregon. They have been there twenty-five years, and are quite sound.

93. If the ordinary *Pinus insignis* were cut up and placed in a yard beside some of this Oregon timber, do you not think it would require an expert to tell the difference between the two?—I have not seen any *Pinus* cut up. I know they are cutting it in some places for weatherboards.

94. You think that O.B. rimu timber is equal for inside work to most of the Oregon that is being imported now?—Yes; but outside it would not last any longer than Oregon.

95. As a general principle, you, as representing a Government Department, believe in conserving the interests of our own workmen and industries as much as possible?—I have no hesitation in answering. We are all interested in the prosperity of the country we live in, and it has been the policy of the Government to assist local industries.

96. *Mr. Field.*] You are aware that the millers have complained, whether with justification or not, that the timber charges are higher than those on other goods?—I have been advised to that effect; but there is this to bear in mind: In the coal trade, for instance, we get full truckloads all time—there are very few partial loads. But with timber our trucks are not always fully loaded. If we had full truckloads all the time we should be in a much better position. I know that it is a difficult thing for millers to do, unless they are sending to a yard or a ship. On the West Coast the trucks are always loaded to their maximum capacity.

97. I want you to supply us with particulars of the timber traffic in October of last year for distances under and over seventy-five miles on the Main Trunk Railway, to show that the trucks were fully loaded from these particular mills, the average being about 2,400-odd feet?—Yes, for L trucks.

98. Do I understand it is the intention of the Department to go into the question of the tariff generally, or only the timber tariff?—There is no immediate proposal to go into the question of the tariff generally, but it is just possible that the timber tariff may be revised on the receipt of the report of this Commission.

99. You spoke of some recent reductions made: are you aware that these reductions were no good to the people who had to send timber 200 miles?—This impression is erroneous. The rates for distances over 165 miles have been reduced. At 250 miles the reduction is 5d. per hundred feet; at 300 miles the reduction is 1s. 1d., and at 400 miles 2s. 4d., per hundred feet. These are the reductions in classified rates. There are a large number of local rates operating in the various sections of railway, by which means great financial assistance is rendered to the industry.

100. There is a substantial complaint that over 80 miles white-pine is charged more than valuable timbers, which has the effect of making it almost profitless to mill?—This is quite erroneous. The classified rate for 80 miles is 3s. per hundred feet. The white-pine rate for 80 miles is 1s. 9d. For 200 miles, classified rate, the charge is 4s. 1d.; white-pine is 3s. 3d.: a difference of 10d. per hundred feet in favour of white-pine. The rate for white-pine was fixed to encourage its export at a time when the timber was comparatively a waste product. It is now worth nearly as much as rimu, and can well afford to bear the charge made for railage.

101. I should like to know whether you would approve of the planting of Australian hardwoods in suitable localities to provide sleepers for the railways at a future date?—I may not be generally known that about thirty years ago the Department did plant a number of hardwood trees. We have jarrah, ironbark, and several kinds of gums growing in a plantation at Avondale, near Auckland. They have never done very much good. One thing you have to bear in mind is that the gum you grow in this country grows far more rapidly than in Australia and the country to which it is indigenous, and it makes a very poor timber for commercial purposes. It is not aged enough. The policy that should be pursued is to plant larch. The Railway Department has several plantations of larch on the Otago Central, and they are doing wonderfully well. We have also miles and miles of plantations alongside the lines in Canterbury, but they are always in danger of destruction by fire. We have given up such planting on that account. Our nursery has been abolished. I think that in thirty years we should be able to get larch sleepers from New-Zealand-grown trees.

102. I am told that in Western Australia the Government has taken over this Powellising process for sleepers: is that correct?—Yes; but there is a certain reason for that. The hardwoods are not so durable in Australia as they are in New Zealand in bridges, and so on; but the principal reason for using a preservative in Australia is as a protection from the ant, which is very bad. The ants devour ironbark and jarrah, and this preservative process renders the timber impregnable.

103. *Mr. Barber.*] It has been stated that if the traffic from the timber fell off it would be a very serious thing for the railway system. Can you tell us whether that is a correct statement or not?—Yes, I should say it would seriously affect the revenue of the railways.

104. Is there very much profit made out of the carriage of timber?—There is certain profit, but the margin is not very great. The cost of working the railways in New Zealand is 72 per cent.; therefore there is not much profit from any of our business. Some if it is a dead loss.

105. Is timber producing a larger profit than any other colonial produce?—Certainly not.

106. If it is not very profitable, the loss to the country would not be very much?—We should be very sorry to lose the timber business, because there is a certain amount of profit in it.

107. We have been told by a number of witnesses that the timber-trucks that come down fully loaded in a very large number of cases return with goods, so that they earn freights both ways?—That is nonsense: they are only a small proportion. I should say only 10 per cent. of the timber-trucks take goods back.

108. Can you get us any information on that subject?—We can supply a record. A return would be supplied, but it would require a considerable amount of time, and to extend over several months' observations to be of any value.

** Statement of Mr. T. Ronayne, General Manager, New Zealand Railways.*

The conclusions set out by Mr. R. A. Wilson in his evidence at Taihape have been based on wrong premises, and are naturally erroneous. He has given great prominence to the statements made in an American newspaper regarding the freight on timber from Oregon to Pennsylvania; but there is absolutely no evidence to show that the statements made in the newspaper are accurate, and without a full knowledge of the whole of the conditions under which the timber business referred to was carried, and evidence to show that the figures as stated were correct, they should be received with a very great amount of reservation.

When making the statement that "In New Zealand until lately a freight of 8s. 7d. per hundred feet would only carry timber 450 miles," Mr. Wilson should have pointed out that there is no such thing as a 450-mile lead in New Zealand, and no such rate was ever paid on timber, nor does it now exist.

In dealing with the New Zealand timber business Mr. Wilson states the amount of timber carried on the railways was 276,000,000 ft., and, except on the Westland and Westport Sections, the major portion of the timber is carried considerably over a hundred miles at an average freight of 3s., and he estimates the gross income at £400,000 per annum. To show the fallacy of Mr. Wilson's deductions and conclusions, it is only necessary to point out that one-ninth of the timber railed in New Zealand makes a journey of under twenty-five miles. Eliminating the small sections, approximately more than one-half of the timber is carried for distances less than fifty miles, and approximately two-thirds for distances up to seventy-five miles. The classified rates for timber are,—

Distances.	Per 100 sup. ft.								
	s.	d.		s.	d.				
1 to 25 miles	0	8	to	1	6				
26 to 50 ,, ...	1	6	to	2	2				
51 to 75 ,, ...	2	3	to	2	11				
76 to 100 ,, ...	2	11	to	3	2				

As, however, local rates are substituted for the classified rates in various districts, a very large proportion of the timber is carried at rates that are considerably below the classified rates for the same distance. White-pine timber, which is railed in considerable quantities, for instance, pays a freight of 1s. 9d. per hundred feet for distances up to eighty miles. Timber for export is given special reductions on the classified rates, and these reductions apply to various ports in the North Island. Clearly therefore the average freight-rate is very much below the 3s. per hundred feet which Mr. Wilson assumes, and his assumption that the income from timber traffic is worth £400,000 per annum is entirely erroneous.

It is unnecessary to deal with each of Mr. Wilson's arguments in detail. Suffice it to say that his conclusions in regard to other matters are equally as erroneous as those in respect to the distance which timber is carried, the average rate of freight it is charged and the gross revenue which is derived from the business.

He is likewise in error in stating that the sawmiller is penalised in respect to demurrage as compared with the farmer.

Mr. Wilson is also under a misapprehension when he makes the statement that timber-trucks are returned loaded with goods after being discharged. As a matter of fact, quite 90 per cent. of the wagons that are supplied to sawmillers have to be run empty at very considerable expense. The empty haulage of wagons for timber is almost as great as the empty haulage of wagons for cattle. Furthermore, the average time wagons are in use for one load of timber is considerably in excess of the time which sheep or cattle trucks are in use for one load over the same distance. Broadly speaking, during the live-stock season at least two runs would be got out of cattle or sheep wagons, or wagons used for grain, to one run from wagons used for timber.

When therefore all the circumstances connected with the timber traffic are taken into consideration, including the time lost by the wagons, the existing rates of freight are reasonable and the lowest that can be imposed.

The following are a few typical instances of the rates actually charged for conveyance of timber :—

	Miles.	Local Rate.		White-pine Rate.	
		s.	d.	s.	d.
Mamaku to Paeroa	81	2	6	1	9
Mamaku to Thames	100	2	8	2	0
Ngatira to Auckland	147	3	0	2	5
Eketahuna to Wellington	88	2	6	1	10

Similar reductions are made elsewhere.

JOHN THOMAS WATERHOUSE sworn and examined. (No. 165.)

1. *Hon. the Chairman.*] What are you?—I am clerk of works for Mr. Swan, architect. I might state that I was asked to come before the Commission by Mr. Campbell, builder; Mr. Burke, builder; and several other builders, because of the trouble we have had to give them in the matter of timber-supplies. In Mr. Swan's employ I have a good many buildings to look after in Wellington and district. I wish principally to state that since we have been using Oregon in the last six or nine months we have had very little trouble in getting a good quality of either rimu, totara, or matai. I may personally say that during the last nine months I have not had to condemn a single stick of timber in Wellington. But we had heart rimu specified for joists at the Hutt, where

* *Vide* evidence on p. 407 *et seq.*, by R. A. Wilson.

I had to order all the timber that was specified as heart off the site. I am looking after a building at Blenheim, to which I paid a visit on Tuesday. The contractor has had that building between seven and eight weeks, and in that time he has only been able to get about 2,000 ft. of timber on the site, and he has only fourteen weeks to do the job. I am speaking now of O.B. timber. There was a certain amount of heart timber specified for a church, and the contractor could not get certain pieces 16 by 3, 8 ft. long, in that district nor in Wellington, and he asked us to substitute Oregon or kauri instead. In another case we wanted one 20 ft. and one 21 ft. lengths of 12 by 1½ of dry seasoned heart stuff, and we could not get it, and the contractor asked to be allowed to use kauri instead. My experience as foreman for over twenty years in Australia and New Zealand convinces me that Oregon is far better than O.B. rimu for studding or framing purposes. In fact, I maintain it is worth 2s. per hundred feet more to the builder to use it in the labour department alone. There is no fear of good Oregon being condemned as in the case of O.B. red-pine. I was engaged in putting up a building here about two years and a half ago, where I had the roof on before I could get the joists to complete the inside of it, because they were specified as containing 75 per cent. of heart. I was overseeing a church here in Hawker Street last summer, where the builders had given their order for six months to be supplied with heart of rimu for the roof, and when it came on the job I had to order it away, and I had to substitute Oregon in its place, and stain it. Personally I would sooner build an ordinary cottage of 4 by 1½ in Oregon than I would in 4 by 2 O.B. red-pine. In Melbourne all studding is 4 by 1½, in place of 4 by 2. There the houses are all plastered, as they are about Timaru and South Canterbury. In Melbourne there is very little scrim and paper. The buildings here all crack, but that does not occur with Oregon. If we send to the country for timber—for any decent-sized order—we have to wait until the timber is cut, and then we should have to season it. The millers do not seem to keep any stocks at all. At Napier we called tenders for a job, and it had to be tendered for a second time, because we could not get the timber under three weeks. We have had great trouble through green timber and timber that is not fit for use. This last six or nine months it has been better—that is, since the Oregon came into the country.

2. You have been substituting Oregon to get out of the trouble?—Because we cannot get rimu of the quality to suit.

3. How did you do before that?—I sent loads upon loads away from buildings, but we often had finally to put in green timber. People who are building a house will only give us a certain time. They want their house, and we do our best to help them. A house must be built within the prescribed time, otherwise there is a penalty.

4. But that was the case always?—I am speaking of the time when there was no Oregon. I would not use Oregon for rusticating, flooring, or outside work; but for framing purposes, roofing, and so forth, it is the best timber that we have. I have used it in Australia. It is the only soft timber that we use for general purposes about Melbourne.

5. *Mr. Field.*] You are using Oregon where you previously used O.B. red-pine?—Yes.

6. Has there been trouble in getting orders for timber generally supplied?—Yes, of good quality.

7. We have been told that one reason for the general depression is that we have been overstocking the market?—I have had to condemn great quantities of timber. I had an experience in Blenheim of this kind recently. Even the fair qualities of O.B. rimu are poor, not having 25 per cent. of heart in it; indeed we cannot get that percentage.

8. Is it not because they have shortened hands owing to the depression?—They should have some stock on hand.

9. Have you seen any timber-mills?—I was round with this man in Blenheim.

10. Have you seen any timber-mills at Taihape?—No; I was not there.

11. There are big stacks of timber there, piling up, and up, and up?—What is it? It is not the quality of rimu that we want.

12. It looked to be a very good quality. The builder admitted it would be very easy to sell good quality?—We look for the best timbers that we can get for our clients. He had some matai there, but it took seven weeks to get it, and it was good. Totara he had to bring over from Wellington.

13. Regarding the plaster cracking, we have had evidence from Mr. Maxwell that there is not a crack in his house, and it is framed with rimu. Do you not think that the difficulty arises because the timber is not seasoned?—That is the whole trouble.

14. You do not blame the miller?—They should cut sufficient stock to enable them to sell seasoned timber.

15. Do you not think it would be better if the architect gave a little more time?—The architect has not control of that. You clients want your houses in a certain time.

16. Would that not be my fault?—Yes, in that sense. There should be a reasonable stock of seasoned timber kept.

17. You are aware that the people already complain that they are paying too much. The millers have not been getting too much?—I cannot go into what they have been getting. I am only just speaking from what I know. I know that rimu has come down in price since we have been having the Oregon here. I had a job recently in Featherston, where I had to condemn practically the whole of the timber that came on the job.

18. The miller says he is not getting a fair price for timber. If he had to stock it on the ground do you think the builders would pay him the additional price?—Yes, because the builder has got to stock it here in town. The mills will dry it for you, and while it is drying, if you are not careful, they might sell it on you.

19. The main trouble is because the timber is put unseasoned into the house?—That is the whole trouble especially in framing. When we take Oregon it is practically seasoned. There is no shrinking or warping.

20. You think it would be very desirable for all timber going into houses to be seasoned?—Yes.

21. You say that Oregon is a little easier to use?—Yes, from my point of view it is worth probably 2s. per hundred feet more to the builder for using. It is more than equal to the average stuff that we get. With rimu studding it means that you have to turn over the stock and sort it out, and then you are in fear that the architect will not pass it. With Oregon you can go in and cut your stuff and get to work. It is long lengths and straighter.

22. You say that you would prefer to use our timber so long as you could get it at a reasonable price?—Yes.

23. *Mr. Barber.*] Have you any idea of the price of timber ten years ago compared with the price charged for it last year?—About eleven years ago, when I came to Wellington, it was about 8s. or 9s. per hundred feet. We paid 16s. to 18s. for good quality of rimu last year.

24. So you think that any one would say that a rise of 6s. during that time is somewhere near the mark?—Yes, it has gone up fully that amount. Speaking of ten or eleven years ago, when the timber came from the trucks to our building-sites, we could go and take a certain amount out as heart timber for joinery purposes. Of late years it is well picked before it comes, and then it goes to the yards and is repicked again. It is a very inferior class of timber at a much higher price.

25. It was stated here yesterday by the president of the Timber-merchants' Association that the price of timber had only gone up in nine years—from 1901—2s. 8¾d. From your experience as a builder do you think that the rise has been greater than that?—Yes, considerably.

26. You said in giving your evidence that you had some experience in Australia?—Yes, I had five years as foreman.

27. It has been stated that white-pine is preferred in Australia to Oregon?—It is not about Melbourne. In fact, I may say that in five years I only used in one job a New Zealand timber, and that was kauri for flooring. They use Oregon for all rough purposes. They use deal, and that may have been confused with white-pine.

28. Have you used any other New Zealand woods?—There is very little New Zealand wood used in Australia. If they were put in the hot suns of Australia they would simply rise up and look at you. I put a kauri floor down in a dance-room, and after fifteen months' seasoning we had to redress the whole thing.

29. Have you had any experience as to the standing qualities of Oregon in Australia?—Yes, I have altered buildings that were up a vast number of years, and the timber was in perfect condition. In fact, some of them had been put up in the early days of Victoria, and inside they were perfectly sound.

30. The substance of your evidence is that you believe Oregon is supplying a want in New Zealand, and that it is wise to allow it to come in?—Yes, certainly.

31. You have no interest beyond what is most satisfactory to your clients?—Not the slightest. I am anxious that my clients should have the best results.

32. It has been suggested that practically remuneration has been offered by those who are interested in Oregon. Has anything like that come within your experience?—Never.

33. *Mr. Hanan.*] Taking the last three years, what class of New Zealand timbers have we had coming into Wellington?—It has been better during the last twelve months.

34. Have you had any good heart rimu coming on from the West Coast during the last two years?—Well, my experience of the heart of rimu from the West Coast that has come under my special notice has been small. I have had a good deal of O.B. rimu from the West Coast, and I have condemned a good deal of it.

35. You have condemned a good deal of O.B. rimu from the West Coast?—Yes.

36. Have you seen much of long lengths of good heart rimu?—No. Up in the church here in Hawker Street there are some 9 by 6 rafters about 20 ft. long. It took six months for that stuff to come on the job. We had to condemn it and substitute Oregon.

37. Where did it come from?—I suppose it came from the North Island.

38. Do you know what mill?—I know it was through Prouse's yard.

39. Do you prefer to deal with the miller direct or the timber-merchant?—Well, of course, in my line I have nothing to do with dealing with any one. I think I would sooner deal straight with the merchant. I may state that a few years back, at the time of the Duke's visit, about 1901, I was up in the Dannevirke district. I visited several mills round there to see if I could get some trucks of good timber, but not one of them would send it into Wellington to me.

40. What do you mean by that?—One man told me straight that he was afraid to send it into Wellington.

41. Why?—Because the merchants here would have seen the trucks and be able to trace it.

42. Was that due to a combination?—I should say that it was, because this miller in particular told me that he must not send it in—that he was frightened.

43. Do you not think it is cheaper to get the timber direct from the miller, or is it cheaper to get it from the merchant?—It is cheaper to get it from the miller if they would first season it.

44. Most of the timber that has gone into the buildings here during the last two or three years has not been well seasoned?—No.

45. Not much seasoning has taken place with the merchants?—No, very little. They have not the room.

46. Would it be just as well to obtain it from the mill?—Just as well.

47. Cheaper?—Cheaper if you can get it.

48. *Mr. Clarke.*] Do you know that there is a large proportion of miro marked O.B. red-pine?—I am aware of that.

49. Do you consider that a suitable timber?—Yes, I rather like miro, and if it is a good class it is as good as rimu. The piece that I have in my hand is a good piece.

50. Am I right when I assume that your experience as a man who has been working in timber all your lifetime, and has had occasion for a good many years to pass judgment on it—am I right in assuming that you would be a better judge of the actual using-value of timber than, say, a man who was cutting it in the bush?—Yes, or a man who merely theorises about it. We see the difference in various timbers when handling old houses.

51. It has been repeatedly stated by various witnesses that there is no difficulty in supplying long lengths, and that in the future, at any rate, there will be no difficulty. What are your opinions about that?—They have had the opportunity, and we have had awful trouble to get them before. About two and a half years ago I had a three-storied building, and I could only get enough joists to go a few feet round the building. The roof was on before we could get the timber.

52. Did that not involve a great loss to the builder?—Yes, a great loss in working in every way.

53. Do you think it is a fair thing that the tariff arrangements of this country should be arranged for the benefit of the sawmilling class, irrespective of the consumer or builder?—No.

54. Therefore, to unduly tax imported timber would be unfair to the general public?—Yes, unfair. Speaking as a man New-Zealand bred and born, I would like to use New Zealand timbers, but at the same time I think the Oregon is supplying a long-felt want.

55. *Mr. Morris.*] You said that about 1900 you went to Dannevirke, and that the miller told you he was afraid to send timber down here?—That is what he led me to believe. The merchant he thought would find out that he was sending it to an individual builder, and I suppose he would get into trouble afterwards through the merchant refusing to take any more from him. I was prepared at the time—in fact, I had instructions from my employer—to buy several trucks at a reasonable figure.

56. Are you aware that there was no association in existence at that time at all?—No, I cannot say; but things point much in the way I mentioned. I could not swear that there was. I know that these things have occurred, and what personally occurred to myself. I can give you the name of the place. The mill was on the Maungatera property.

57. It might be information for you to know that there was no association formed in that district until 1903. How could there be a ring if there was no association in existence?—Well, there was something.

58. There was something?—He told me he was afraid to send it in. He said that if I was at Petone or the Hutt, and if I would take delivery there, he would send it in, but he could not send it in to Wellington.

59. Would it not be an unreasonable thing to supply you with stuff to come into competition with the merchant who was taking the whole output of the mill?—That must have been the reason. I had a cheque filled in to buy it. He would not take the money, and I could not get the timber.

60. Have you ever seen any sap Oregon?—Yes, but very little.

61. What happens to it if you happen to strike it?—Well, it goes back to the yard.

62. You told us you were in Australia for a few years, and that you only saw New Zealand timber used there on one occasion?—Yes, of my personal knowledge I only used it once and on one floor, and that was a kauri floor.

63. At that time you were pretty young?—About twenty-three or twenty-four.

64. Have you any idea about the quantity of timber that is sent into that market for building purposes?—No, not at the present time.

65. You would not be surprised if I told you that there is thirty or forty million feet going over there for building purposes from New Zealand?—What part?

66. To Adelaide, Melbourne, and Sydney?—I should be surprised to hear that much of it went into Melbourne. In my time there was a scandal through New Zealand timber being used in the construction-work of railway-trucks. An inquiry was held, and the New Zealand timber was condemned, because it was said that it would not stand the Australian heat.

67. What do you think of one company getting an order for 12,000,000 ft., and a good deal of rimu?—For what purpose.

68. All classes of building-work, flooring, lining, and inside work?—I can believe that it would stand that, but it will not stand outside, on account of warping.

69. If you want the very best of our timber, what are we going to do with the balance of it? Are we to burn it?—No; but there is a certain amount that is not fit for use. If we cannot get O.B. rimu with at least 25 per cent. of heart, it is very poor quality. I can show you lots where there has not been the semblance of heart in it.

70. You told us that Oregon was worth from 1s. 6d. to 2s. a hundred more for the builder?—From the labour point of view on the job.

71. I suppose I need not go any further to look for the reason why the builders advocate its use?—No; it is cheaper to them in the long-run.

72. Oregon is easier to handle and lighter to carry?—That is so, and you make a better job with it than with the class of O.B. we get sometimes.

73. If the builders derive a temporary advantage from the handling of this Oregon, do you think anybody else gets any advantage?—I do; the public will get the benefit.

74. In what way have the public derived any benefit from the importation of Oregon pine?—It has been the means during the slump of giving work, and it brought the rimu down.

75. Do you not know that Oregon was selling here for 3s. higher than the rimu price?—Yes.

76. How has it brought it down?—From my own experience of the two timbers I would willingly pay 3s. more a hundred for Oregon for construction purposes than for the class of O.B. rimu we have been getting.

FRITZ JENSSEN sworn and examined. (No. 166.)

1. *Hon. the Chairman.*] What is your occupation?—I have been the manager of the Hawke's Bay Timber Company, Dannevirke, but not for the last two years. I was manager of it for over twenty years. I am now a contractor working one of the company's mills.

2. Can you tell us anything about the matter we are inquiring into?—I wish to make a statement from the notes I have made:—

The timber industry is one of the most important industries of the Dominion, employing, I understand, some 30,000 workers, of which about 9,500 are engaged at the sawmills.

I arrived in New Zealand in 1867, and have been intimately connected with timber during the last thirty-eight years. Some of my people in the old country—Norway—were largely engaged in the timber business, milling and exporting when I left home; and on my recent visit home I found the business still flourishing and no scarcity of timber to mill, owing in a large measure to the systematic and careful way of working the bush and the regular replanting of the areas cut out. But for this replanting being carried out, both by private people and on a very large scale by the State on all waste lands there would now be very little milling-timber left in the country.

Tree-planting on a very large scale is absolutely necessary in New Zealand to provide for future wants, and any one bringing this about will deserve well of the country. It will be a very valuable investment indeed, and the poor waste lands of the Dominion will become valuable in course of time, besides the sanitary and climatic benefits that would ensue. Thousands and thousands of acres of good milling-timber, worth from £5 to £15 or even more per acre for the value of the timber alone, have been disposed of by the various Governments for settlement, at fixed upset prices of £1 to £1 10s. per acre, and the settlers have been compelled under heavy penalties to fall and burn the bush within a certain time. The waste of this system has been pointed out to those in charge time after time, but it has been going on up till quite lately.

The depressed state of the sawmilling industry is affecting sawmillers and workers most seriously. In the Hawke's Bay District fifteen mills are closed down, and several working short-handed. Allowing, say, fifteen men per mill, it means 225 men idle, mostly married men. At an average wage of 10s. per day, and, say, 240 working-days, it means £15,680 per annum lost to the workers in Hawke's Bay alone. The cause of the present limited demand at the mills is not far to seek: First of all I attribute it to the scarcity of money, and secondly to the importation of Oregon pine. If it had not been for this importation we should have managed fairly well. When you have a whole loaf you can afford to give away a few slices to the tramp; but when you have only half a loaf left you can ill spare any for charity. In addition to the actual workers there are various trades seriously affected—engineers, harnessmakers, farriers, and the farmers have also to bear their share of the depression. A great number of draught horses at the mills—some 150 at least — in Hawke's Bay are idle, and do not require to be stable-fed, which means lessened consumption of chaff and oats to at least £2,500 value per annum. The prices of local-grown chaff have, through the demand being reduced, gone down very much. Last year we paid £6 and even more for oaten-sheaf chaff: now it is sold freely at £2 10s. per ton.

Now, as regards the importation of Oregon, it has come to pass not through there being any demand or necessity for it, but it was caused through a combination of circumstances, and it happened at a time when the building trade, which had been very brisk, suddenly collapsed. The total Oregon said to have been imported is some twenty-one millions, and it is still going on, some half-million being landed at Napier the other day. Roughly speaking, we have sent £100,000 in cash from the Dominion, and at a time when we could ill afford it. The workers have lost the benefit of this money in wages. The anomaly is shown of a tax being levied on sawmillers on all standing milling-timber. And then a line of steamers, subsidised with £10,000 per annum, these steamers bringing the Oregon timber from America at a very low rate—about 2s. 6d. per hundred feet—to compete with our local timbers, on which a tax is being paid. Of course, when the subsidy was granted the importation of this timber was not anticipated, but the result is the same. Oregon is not required at all, not even in long lengths. The quantity of long lengths used is very small. Say, for argument's sake, that it amounts to 2,000 ft. in lengths over 30 ft. in a large building, costing from £5,000 to £20,000, and say, that the increased cost on these lengths in local timbers would amount to £1 per hundred feet, which is more than ample to cover it, the extra cost on such a building would be only £20—truly an amount to make a fuss about.

Reduction in railway freights is not required. The Railways must be run to pay.

Not one of you gentlemen would for a moment entertain the idea of importing black labour to work the proposed State sawmills in order to lower the price of timber. I feel confident that you all feel the same as regards the importation of Oregon, which is to a great extent produced by the same black labour.

With regard to the quality and durability of the Oregon, I do not think that there are a great many people about here who know anything definite; but one thing is certain, that any one who knows anything about timber at all can satisfy himself that what is imported here and is to be seen in the local timber-yards is not all heart, as has been so persistently stated. There is a large proportion of sap, and bark is not absent. I must impress upon the Commission the urgency of prompt action to prevent further importation. Prevention is better than cure. Who has benefited by this importation so far? Certainly not the community at large nor the workers. As far as I can learn it is only the importers who have benefited, and even to some of these I believe it has been a doubtful benefit. We ask an increase of the duty, to stop the importation of logs, and all.

3. Is there anything you wish to add?—It has been said that Oregon does not take the borer, but I have a piece of timber here which has been sent to me as Oregon, and it is honeycombed with the worm. Mr. Peter Bartholomew, a well-known sawmiller, sent it to me, and he says it was taken out of a building erected of Oregon timber in the Levin district. [Exhibit put in.] Then there is an anomaly in our taxation relating to sawmills. The sawmillers are taxed in every possible way, and other people holding bush for sawmilling purposes are taxed by the Department on this timber.

4. That is according to their own arrangement?—I do not complain about it, but simply say that as a matter of fact we are taxed for the value of the timber held for sawmilling purposes. The land is taxed separately, and the milling-timber is taxed separately from year to year. That is to say, we are taxed on the same timber over and over again. Supposing a fire occurs after you have been paying taxes for years. You get no compensation because you have paid your taxes, and you get nothing. What I ask the Commission to note is, that the Government levy these taxes, and then they pay a subsidy for the importation of foreign timber to compete with this very timber we are paying the taxes on here.

5. That subsidy has been done away with?—I was going to say that—it is finished.

6. You are getting more of this timber since it was finished than you got before?—Ten thousand pounds was paid in subsidy, and it seems hard that the tax we are paying on the timber which we are prevented from milling, because of the importation of Oregon, should go to pay the subsidy.

7. But every one knows that it is not the Oregon that has stopped all the mills?—I said that it is a secondary cause, the depression in the money-market being the primary cause. But there is no doubt that some five or six million feet have been imported into Wellington, and that timber has displaced that amount of timber that is now lying unsold at the various local mills which have hitherto been supplying the Wellington market.

8. Is there anything you wish to add?—Yes, I wish to refer to the question of the creosote that is used for the creosoting of the Government timbers. I ask why should not that be manufactured in the colony? Some time ago I understand that Dr. Levinge made some proposal to the Government to utilise very large quantities of rata we have in the New Zealand bush, and which is of no use at present, but rather a detriment. He said it was the best timber that could be obtained for producing creosote and other by-products. It seems a loss at present, and I suggest that the Government should offer encouragement for the starting of this industry. Now, as to the strength of Oregon, here is the result of a test, made about a year ago in Mr. Robertson's foundry, of the breaking-strain of rimu and Oregon pine: 12 by 2 rimu stood a hydraulic pressure of 210 lb. to the square inch before showing any sign of fracture; 12 by 2, the second piece, which had a slight diagonal resin-shake, stood 190 lb. before it broke along the line of the shake. The 12 by 2 Oregon went into splinters at a pressure of 145 lb. The above test took place at Mr. D. Robertson's foundry on the 27th July, 1908, in the presence of several timber-merchants and sawmillers. Certain provisions in the Wellington City by-laws also go to prove that Oregon is in every instance inferior to rimu. A good deal has been said about the duty that is imposed on Oregon, but there are a good many raw products on which the duty is very much heavier.

9. What are they?—Spirits, for instance, and tobacco.

10. *Mr. Field.*] The question was asked as to whether there was any duty on raw products. I do not suppose that you regard tobacco as a raw product?—I do not, but it is a manufactured product.

11. *Hon. the Chairman.*] Is that all the evidence you wish to tender?—I should like to put in an extract from the *Australasian* of the 15th May, 1909, relating to the Creswick School of Forestry. It is as follows: "I recently spent an interesting day, in company with Mr. J. Johnstone, Superintendent of State Forest Plantations, in rambling over the Creswick State Forest, which is quite close to the town. The reservation contains 1,300 acres, and about 700 acres of this have been planted, partly with eucalypts and partly with pines and other exotic trees. The soil is very poor, and the gullies were turned over half a century ago by diggers in search of gold. In spite of these drawbacks, excellent work has been done on this plantation, especially during recent years, under Mr. Johnstone's management. Some of the pine plantations are fifteen to eighteen years old, and they are now being thinned out. The timber is sold for making fruit-cases. The trees were all hand-planted, 8 ft. apart each way, there being thus 680 to the acre. Alternate trees are thinned out to make room for the others. In the best patches as much as £100 per acre is obtained for the trees taken out. It is proposed to establish a school of forestry on the Creswick plantation, and preparations are now being made to receive pupils. A fine residence in the town, adjoining the plantation, has been purchased for class-rooms and dormitories. Several trainees have been at work in the Creswick plantation, under Mr. Johnstone's care, for some years, and they have done excellent work." I have also here a statement from a sawmilling company which has been intrusted to me to be left with the Commission, if you wish to have it. It could be verified.

12. Is it to be treated as public or private?—It is not to be published, but considered in committee.

13. What is the nature of the statement?—The gist of it is that it shows that the production of timber by this large company is costing something like 9s., and they have made about 6d. per hundred feet profit by an expenditure of some £25,000 for a year, producing some five million feet of timber. That is an audited account, and the books can be produced and you can verify it, but it is not to be published. Those are my instructions. [Document produced.]

14. *Mr. Field.*] Have you been milling for a long while in the Hawke's Bay District?—Yes, for the last twenty years.

15. Have you millers been of any help to the settlers?—I think so, in very many instances. The settlers have been able to get good royalties for their timber, which otherwise they would have had to burn.

16. You have really helped them materially, have you?—There is no doubt about that.

17. Have you given them work to do as well?—Yes. A good few men who used to be sawmill hands have now sections of their own.

18. I suppose there have been large millers and small millers in that district?—Yes.

19. Do you ever find that the large millers take advantage of the small millers and push them out or undersell them, or do they treat them well?—I think the small millers have always been protected by the large millers—in fact, I am sure of it.

20. Do you think that by putting an increased duty on foreign timber, particularly Oregon, we should be doing any harm to any other class of workers in this country?—Certainly not. The

work would be exactly the same; the workers would have to work our own timber instead of, as now, to some extent working the foreign timber. Wages would be paid just the same.

21. You are a believer, I take it, in our selling what we can to the foreigner and not buying any more than is unavoidable — you are in favour of using our own products and keeping the money in the country?—Yes.

22. Do you think that things have arrived at such a pass in the sawmilling industry that the remedy, if it comes, ought to come quickly?—It is absolutely necessary. I believe that the price of Oregon timber has risen to such a degree in America that it will cease being imported on that account; but we never know when there will be another slump in America and we shall have Oregon pine here again. If nothing is done meanwhile we shall have to go through the same trouble again.

23. Did you hear any of the workers describe the condition of things in the district, where the mills are shortening hands?—I did.

24. Do you think they overstated the case at all?—No. I am positive the distress is beginning to be very acute.

25. *Mr. Barber.*] You say you are milling by contract?—Yes.

26. What are the terms of your contract?—I simply have to cut the timber. I get the use of the mills, and horses, and bullocks, and utilise them to cut the timber.

27. What do you get for cutting the timber?—I do not like to make it public, but will tell you privately.

28. You fell the bush and produce the timber, and cut it to the specification that is given you?—Yes, as near as the timber will give it.

29. With regard to the sample you put in, you are not sure that it is Oregon?—I was requested to bring the piece of timber here, and I did not pass any opinion as to whether it is Oregon or what it is.

30. You say that it had been in use for a very long time?—It is reported to have been up for forty years; but the point is that it has taken the borer.

31. It is an outside weatherboard?—Yes.

32. And there is very little of it decayed, so that if it has been outside in the weather for forty years is not that rather in favour of the quality of the timber?—But the argument was that Oregon would not take the borer at all. I have nothing to say against the timber.

33. As a man with a good deal of experience, you think that that has stood the test fairly well?—I think it is a very good test indeed.

JOSEPH BUTLER sworn and examined. (No. 167.)

1. *Hon. the Chairman.*] What are you?—A sawmiller, carrying on business at Hokitika.

2. Were you in Hokitika when we were down the West Coast?—No; I have not had an opportunity of giving evidence until now.

Hon. the Chairman: Very well; we shall be pleased to hear you.

Witness: In submitting my evidence I shall mainly deal with the question of the importation of Oregon and its general effect upon the sawmilling industry of New Zealand. In the first instance, I should like to draw the Commissioners' attention to the unequal conditions under which Oregon and rimu are produced.

Comparison of Forest Holdings.—From information gathered on the spot it was ascertained that in the production of Oregon a section containing a square mile could be secured from the Government at an annual rental of about 10d. per acre, with a further charge of about 2½d. per hundred superficial feet for "stumpage" (or royalty). Around Puget Sound there are vast areas of forest lands over which the sawmiller has every opportunity and encouragement in securing large areas and holding same, because of the nominal "stumpage" and the low rents and taxes levied against this class of property. The quantity of timber is assessed by "cruisers," whose duty it is to arrive at a quantity upon which the stumpage is payable. In ascertaining the quantities there is always a liberal allowance made in favour of the occupier, so that the timber lands invariably yield a much greater quantity of timber than the estimate of the "cruisers." As the bush carries from 100,000 ft. to 200,000 ft. to the acre, as against our 10,000 ft. to 20,000 ft., it will be readily seen that their rental and rate charges as to their standing timber would be only one-tenth of ours, while their royalty, being at less than half of ours, gives them the opportunity of holding twenty times more timber than we can at the same expense. A miller having holdings containing a thousand million feet was not considered to be overprovided for in the matter of the supply of raw material. This can be readily understood when the sawmills using it produce from one hundred to two hundred million feet of timber per annum; so that a mill operating with a holding of the size mentioned would have only a ten-years life, which is about half of what is considered sufficient to recoup the outlay in plant. In New Zealand a holding containing one hundred millions is considered a big holding. Our firm on the West Coast has a holding estimated by the Commissioner of Crown Lands to contain one hundred and twenty million feet. Our rates and taxes amount to £205 per annum. Interest on purchase-amount at 5 per cent. amounts to £1,415, or a total of £1,620; added to this are administrative, law, and many other incidental charges. The earning-power of this property in its present state is only about £100 per annum, which is mainly accrued from mining privileges and grazing-rights, so that we are losing over £1,500 per annum on this property. Nor can this condition be remedied until we commence sawing operations on a large scale, which would be suicidal under present market-conditions. There is another big factor in favour of the American holdings: it rests in the utility of the lands after the depletion of the milling-timber by loggers. The land, if not used for agriculture, will naturally afforest; while ours develops into a hotbed for noxious weeds, and becomes an eyesore unless it is suitable for grass lands.

Comparison of Operations.—The large holdings give those operating them every opportunity of embracing the latest and cheapest method of bush-work. In most cases systematized railways are constructed throughout the forests, and are engined with large powerful locomotives capable of hauling from fifty to a hundred thousand feet of timber at twenty to thirty miles an hour. The rolling-stock is up to date in every respect, having air-brakes and all labour-saving devices. The

log-hauling engines are of the heaviest type, their portability not being such a necessity, as, owing to the enormous quantity of timber per acre, their removal is not of frequent occurrence. All this gear is worked strenuously for ten hours a day, which represents a 25-per-cent. advantage over the time worked in New Zealand. This means that the capital invested in bush machinery in New Zealand has to carry by way of interest an additional 25 per cent. over and above what the Oregon producers have to pay. Contrast those conditions with those of the smaller sawmillers in New Zealand, who have to employ teams of horses, with a man attending each team, and each team doing well to average a load of 2,000 ft., at three miles an hour, over wooden tramways. With the limited areas meted out to the New Zealand sawmiller he has little chance of improving his methods. It would be far better to give him bigger areas and increase the royalties, rather than drive him to a system of production that is about one remove from using cant-hooks and pit-saws.

Comparison of Labour-conditions in the Bush.—Having made brief comparisons of the bush plants, I will now submit evidence regarding labour and its conditions in some of the logging camps in America. The recognised hours are ten hours a day. In some cases even longer than this is worked. One man told me he was working at a camp where they worked from "can to can't," meaning from the time they could see to the time they could not see. And, what is more, in some camps there was no observance of the Sabbath, it being held that it was better to have all their Sundays together. In other camps I was told it was common for the men to work on Sunday when there was a likelihood of a log-shortage at the mill, and that time so worked was paid for only at the usual rate.

I was informed by a manager of a big lumber company that they had a system of insuring the hands against accident, but that the premium was paid by the men themselves, and that the insurance people allowed the lumber company a commission for doing the business; so that, instead of a payment having to be made by the miller a profit accrued to the miller for having his men insured.

At one camp I visited there was a most complete system of "trucking" in vogue. Seeing that the New Zealand workman is so fortified against impositions of this character that may be forced upon him by unscrupulous employers, I should like to explain the trucking method alluded to. In a camp was a building which was a combination of store, grog-shop, and gambling-den. It was run by a storekeeper in the employment of the logging company. The storekeeper also acted in the capacity of timekeeper and paymaster. When a man had put in a week's work he was provided with a card which had a number of squares marked on a portion of it. Each square had a mark denoting its value either in cents or dollars. When any purchases were made, the value of these was punched out of the squares until the value of the squares punched out equalled the value of the amount earned. If he "shouted" for a friend he tendered the card, which was promptly punched to the value of the drinks. If he wanted nickels for the purpose of investing on the gambling-machine, which was stationed in the store, he applied for them to the storekeeper, and had a corresponding value punched from the card. Money was only available for speculating on the machine. I tried the machine, and lost a dollar in a little over a quarter of an hour. If he left the job and had a number of these cards to his credit—a very unlikely contingency—he would not be able to get them redeemed by the storekeeper, but would have a number of tokens given him representing the unpunched value of his cards. These tokens could be traded to any of the storekeepers in the neighbouring towns. But if he was desirous of obtaining the country's currency for them, he would be charged 10 per cent. for exchange. The storekeeper of the town did not get the whole of this percentage, for when he presented the tokens for payment to the issuing firm, he was charged 5 per cent. for cashing them.

It may be thought I have made an exaggerated statement; but, in order to show that I have not submitted an impossible instance or one laden with bias, I should like to be permitted to hand in a short extract from a book entitled "The Evolution of Modern Capitalism," by John A. Hudson, M.A. This is a text-book for students of political economy when preparing for degree examinations in the New Zealand University. [Extract handed in.]

In fairness to the Oregon millers, although a great amount of trucking goes on in the Puget Sound camps, I do not think it is in so acute a form as what I have instanced. The camp where this was taking place was in the Southern States; but, as it was under the American flag, it is safe to assume that similar conditions could obtain anywhere within the United States.

I would respectfully point out to the Commission that the whole of our later legislation relating to employer and worker has been directed against the undesirable conditions that now exist in our competitor's country; and, while it is expected of us to maintain the dignity of our laws by honouring them, we should receive an ample protection against the invasion of our markets by commodities produced under laws which we consider immoral.

Comparison of Log-transit.—In Puget Sound there are thousands of miles of sheltered foreshore, the whole of which is or has been, magnificent forest. There are many camps near the shore, the occupiers of which are getting logs for the supply of the mills situated on parts of the shore favoured with shelter and deep water. The extreme lightness of the Oregon as compared with our timbers makes rafting an easy and cheap way of conveying logs—so cheap that in some cases the bush supplying the logs is hundreds of miles away from the mills cutting them up. The bushes in many cases are run by contractors, who have secured large holdings for this purpose.

All the timber supplied to the Puget Sound mills is not, however, rafted, but in some instances it is railed. The bigger the lumber company the better are the terms it can obtain from railway companies. On making inquiries from a director of a large lumber company with operations in Puget Sound, what was the rate of freight for his logs from the bush to the mill, he stated it was a dollar a thousand feet, and that the distance was fifty miles. Included in this was the use of the railway company's trucks over nine miles of the timber company's line. This privilege put the trucks right into the heart of the bush, so that the logs could be hoisted into them direct from the log-hauler. When the present Premier held the portfolio of Minister of Railways, it was a just boast of his that the smallest railway customer was on the same footing as regard freight-rates as was the largest customer. This does not obtain in America, where, by guaranteeing a large trade, concessional freights can be secured. One reason for this is that their railways are not

protected from competition like ours, so that, if one railway company will not make a concession there is probably another that will. The service that was rendered this lumber company could not be obtained in this country, because the Railway authorities forbid the use of their rolling-stock over privately owned sawmill-lines. But, excising this privilege, the classified rate in New Zealand would be 2s. 2d. per hundred, or five times more than the cost in this particular instance.

Respecting railway freights charged in this country, I do not consider them excessive when it is considered that many of the conditions that are imposed upon the private employer are also imposed upon the State, and it would be just as unreasonable to expect our Government to carry timber at the same rate as the American railway companies as it would be to expect the New Zealand miller to cut timber at the same rate as the American lumber companies.

Milling Comparisons.—In Canada and America the milling of the timber is carried out on a very big scale, and all economies are rigidly effected by labour-saving machinery, rapid handling, and cheap and strenuous labour. The hours worked are ten per day, and the labour employed in all the unskilled work—which represents a big proportion of the whole—is of the cheapest. Japanese and Hindoos are usually employed for this class of work, the rate of pay being from $1 to $1·50 a day. In most cases there are a few highly paid men, but these are the "hustlers" of the different departments, and on their extra pay devolves the duty of keeping up a continued rush for the whole of the ten hours which constitute their day's work.

Mills cutting from one hundred to five hundred thousand feet a day can produce timber very cheaply as against mills cutting from six to twelve thousand feet per day. For illustration, take the average production of a West Coast mill at 8,000 ft. per day, and the average production of an American mill at 160,000 ft. per day, both comparatively fair averages. The engine-driver, with the automatic appliances employed by the American miller, can look after the whole of the boilers and engines used to produce 160,000 ft. of timber per day. On the other hand, it takes one engine-driver in New Zealand to supervise the engine and boiler used to produce 8,000 ft. per day; or, in other words, the American miller would have twenty men were he to employ West Coast methods; or, if the West Coast miller could employ American methods, it would mean that a man would have to put in only one-twentieth of his time at a job he now devotes the whole of it to. Then, again, in the matter of keeping the mill clear of slabs. In America this is done entirely by machinery, the only cost being its upkeep, interest on cost, and depreciation; while on the West Coast it takes one man a day to clear slabs from 8,000 ft. of produced timber. Therefore the American cuts out twenty men by the installation of his plant. This all proves that, for economical cutting, large plants are required, and that the New Zealand miller cannot take advantage of modern methods unless larger holdings are allowed him.

The employment of coloured labour in the mills around Puget Sound is also a question that materially affects the New Zealand miller, who has to employ British labour. The Hindoo and Japanese fill the unskilled positions in the northern parts of the Sounds, and they all seem to work consistently and obediently at rates from $1 to $1·50 a day. During my visit there there were hordes of Hindoos looking for employment who were willing to take on any class of work at $1 a day. In some mills I have visited, over 90 per cent. of the employees were either Japanese or Hindoos. The rice-eating labourer has not so far made his presence felt in the bush-working, and for this reason labour is paid for at about the same rate per day as in the bushes here, only that the hours worked are ten instead of eight, which means that the American gets 25 per cent. more than we do for the same money.

The class of Oregon imported for our local markets is produced in a greater proportion to the better qualities than the American markets demand; consequently it becomes a drug, and the advantage of having a dumping-ground must be very apparent. There has always been the utmost difficulty attending the disposal of our lower grades of local timbers, which in most cases represent a big percentage of the log-production. If the opportunity of disposing of this class of timber is denied us by the importation of foreign timber, it will mean that, in order to supply our market with ornamental and dressing timbers, it will be necessary to load them with the cost of unsaleable classes unavoidably produced, which would put them up to a prohibitive price, and would let in the better classes of foreign timbers as well as the lower grades.

Oregon not a Necessity.—The fact that the Dominion has been able to supply its own markets with native timbers for building purposes until quite recently, and that there is still an abundance of raw material, is proof that Oregon—which is used exclusively for this purpose—is not a necessity. There have been opinions expressed that it is a necessity in the form of long lengths and balk sizes. But the reason why our markets have not been supplied with long lengths of native timbers at satisfactory prices is that the demand is limited, rather than that our native trees will not produce long lengths.

I do not believe in giving long lengths or balk sizes duty preference to the smaller sizes, the reason being that in buying balk sizes it gives the buyer the option of converting them into smaller sizes at a small cost. The labour employed for the conversion of balk timber into ordinary sizes could probably be covered by 6d. per hundred; but this expense is more than compensated for by the advantage of having timber in sizes capable of being converted at a nominal cost into any size that the local market may require.

In the mill which is now being erected by our firm on the West Coast we are making special provision for cutting lengths up to 60 ft., and in sizes up to the square of our largest tree; and I think there should be every encouragement given to improve and cheapen our methods of production, so long as our workers have proper protection.

The importation of Oregon cannot beneficially affect the country towns and farming districts, because the railage or transport charges which prohibit the rimu from competing successfully with the Oregon in seaport cities also prohibit the Oregon from competing with the rimu in the country districts. The combat lies within the city and suburban areas, which can be readily served by the direct steamers. This being so, it is the millers supplying the seaport cities that are the most affected by the imported article.

I do not think the importation of Oregon has everything to do with the present depressed state of the trade; but there can be no doubt that its importation has seriously aggravated the depression by reason of its invasion at a time when other forces had tended to bring about exceedingly dull times.

Duty.—It has been stated that the sawmillers receive a greater protection by way of import duties than any other manufacturing industry within the Dominion. If this were so the sawmiller would not be entitled to any further protection by way of increased duties on Oregon; but if other instances are analysed it will be found that there are cases where a higher protection prevails, and still the New Zealand manufacturer has a big task to keep out the imported article. Take boilers, for instance: these are subject to a protection of 30 per cent. on those of foreign manufacture, or 20 per cent. on British. The latter is about the same as is charged on timber both foreign and British; but in the case of boilers the material is admitted free, and the material represents at least 25 per cent. of the value of the manufactured article; so that on the labour involved in the manufacture of the boiler there is a protection of 33 per cent. But if we take the American boiler (which is a fair comparison for American timber), the New Zealand labour receives a protection of 40 per cent. Boilers also receive a further protection by the opportunity afforded by the sending-out of the material in the shape of plates; while the imported boiler has to carry all the costs incurred by reason of its greater bulk, and consequent higher tonnage-charges. Even with these solid advantages the local boilermakers have a struggle to keep out the imported article. The only reason that boilers have been taken for illustration is that practically all sawmillers have to use them, and have to pay for this industrial protection.

Suggestions.—Looking at the whole question, there are many interests involved. The timber-consumer wants cheap timber, and is entitled to every fair protection from extortion. The builder, who may be considered a consumer, believes in Oregon, because on account of its corky character it is lighter to handle and easier to work than our more substantial rimu or kauri. Oregon, having these constructive advantages, is sure to be sought after by the builder even when prices are equal with rimu. It is yet to be proved whether it is as durable as rimu. As regards strength, I understand that it has been put to a test and been found inferior. The Government want a fair royalty, and I think the present royalty charged for rimu, if anything, is on the low side. My reason for so thinking is that it would take considerably more than the price received for it to reproduce it by afforestation. The sawmiller wants a fair protection for his capital and labour which he has invested in what is acknowledged to be one of the most important industries in New Zealand. Naturally, he is much alarmed at the progress of the Oregon invasion, because every foot that comes in prevents the use of a foot of his own commodity. He resents it all the more when he considers the conditions that induces such an unfair competition; unfair because the article that he is brought into competition with is manufactured under conditions that happily do not exist here. I allude to the longer hours, the coloured and unrestricted labour, and the employers' privilege to make reductions from moneys earned. The community is entitled to every protection from extortion, and should be able to obtain its necessities at a fair protective value. It would be useless to deny that timber has increased in price during the last few years; but, so far as the miller is concerned, it has only been in response to higher wages, greater difficulty in obtaining log-supplies, and general increase in all commodities. It is said that the higher price of timber has induced higher rents, which bears on the worker. The proportion of increase of rent due to the increase in the price of timber is very small compared to the increase that has taken place in the price of land. Looking at the other side of the question, from the worker's point of view, it must be admitted that, while the increased price of timber has a tendency to increase rents, it has also the tendency to increase the wages of all those engaged in its production.

In order to conciliate the various interests involved, I would suggest that a fair remunerative value for timber at the mill be ascertained. In the case of the West Coast timber I think that 7s. on trucks at the mill should be a satisfactory figure. The price should be strictly on trucks at the mill, because at this point the miller ceases to have control over any subsequent charges that may be levied as between the miller and the consumer. To this price should be added all charges made by the Railway Department, the shipping companies, and Harbour Boards (if the timber is coastal-borne), and all other such charges as would accrue as between the mills and the merchant's yard. To this, then, should be added such profit for the merchant as would be consistent with fair trading. This ascertained, it would produce a specific trading value for timber, on which a trading schedule of prices should be arranged, covering prices of the different sizes, quantities, classes, and grades. These prices should be fixed by a representative Board appointed by the Government, or possibly by extended powers given to the Arbitration Court. It should then be a public privilege for any one purchasing timber, in whatever quantity or class, to have the charges taxed, according to the authorised schedule, in any competent Court. This taxing privilege should also be allowed as between the merchant and the miller. And penalties would be imposed for overcharging. In return for this there should be such increase in the import duty on Oregon as would exclude the coming into competition with rimu or other native timbers as the schedule price. I submit that there cannot be a fairer proposal than this, especially when it is considered that the workers are penalised if they accept less than a minimum for their commodity, and are at liberty to take as much more as they can get; while the miller and the merchant would be penalised if they accepted more than the maximum placed upon their commodities, which are the direct product of the labour protected from underselling.

Industrial Protection.—In the case of timbers we have yet ample forests providing raw material, and we have men skilled in its manufacture; we have all the natural facilities necessary for cheap production; and yet we are threatened with extinction by outside competition. New Zealand cannot afford to buy foreign timber and have unemployed sawmill hands. If we are desirous of meeting our national obligations we must be sellers, not buyers. There must be something wrong with the country's economics when we have to admit that, although we possess forests produced at no cost to ourselves, a climate which admits of work at all seasons, well-fed, skilled workmen, of excellent physique, State railways, and the most up-to-date coastal service, yet we are unable to hold our own markets against the foreigner. It is patent that to conserve the timber industry we must have a higher tariff wall if we are to maintain our high rate of wages and all conditions surrounding labour, our transit-rates, and our rates and taxes.

Export of Kauri.—It has been suggested by some that the export of timber from New Zealand should be stopped. I can think of no measure so closely approaching confiscation of privately

owned timber lands than that advocating on one hand the prohibition of timber export, and on the other hand the encouragement of foreign competition to destroy our domestic trade.

What would give us Equal Conditions.—If the Government would say to the sawmiller, "You can work your men as long as you can possibly get them to work, at the lowest rates you can possibly procure them for; you can search the world for your labour, and we don't care whether it is black, yellow, or white; we will give you the chance of collecting all accident insurances from the worker, and from it you will be allowed to retain a commission for doing the business; you can start grog-shops and gambling-machines at every bush camp; we will issue instructions to the General Manager of Railways to enter into low-rate contracts, provided you are a big customer; your rates and taxes shall be reduced to a minimum; and we will repeal the Truck Act," then I would say, Let Oregon come in free—it would be a fair go; but I should be very sorry indeed to see this Americanised condition come about in our fair land.

3. *Mr. Field.*] Have you any papers in proof of your statement concerning that ticket system you have spoken of?—I have here the forms that are used in the mills and bush camps. I would ask, in submitting these to the Commission, that no names should be divulged as to what company these were obtained from, because they were not obtained for the purpose of giving evidence to the Commission. It was merely to show their system of book-keeping and of handling the labourer in connection with deductions from wages earned. I have them all pinned together here, and I hand them in as evidence, for I dare say they will form interesting matter for the Commission to ponder over, because it bears on a very important aspect of the question, I think. I have here a sheet from a lumber company operating in Puget Sound. There is provision made for the man's name and number, the number of days in the month, and so on, the total time, rate, and amount. It is the mill pay-sheet practically. Then follow the deductions which can be made from the men's wages. The first is insurance. Then there are deductions for board, for coupons, for orders, for store accounts, for hospital, and for firewood. There are different headings under which they can charge a man for things which we do not charge him for here—in fact, in some cases it would be illegal to make such charges. For instance, we cannot charge insurance, and that is the first item they put down. Insurance is 25 cents a week, which is equivalent to about a shilling. I have here an actual sheet which has been filled in. This gives particulars of the employment of a man named Dave Youcen, who was employed at a sawmill. He got $1·50 a day, and he did extra work for which he got $1. Fifteen cents is deducted for insurance for three days. His total earnings were $5·35. Here is another sheet, referring to Victor Youcen, who worked three days—namely, on the 28th, 29th, and 30th December, which are holidays with us. His deduction for insurance was 15 cents for the three days. He received $5·85. Then I have a time-card which has been instituted in some of the logging camps. In this case the man is paid $1·50 a day, and his insurance is 25 cents. He has been charged, I see, 15 cents, and the rest has been paid him by way of coupons. Then there is another card, which has this notice upon it: "*Take Notice.*—Examine this card each day on receiving it from the timekeeper. If any error is discovered, report same to timekeeper at once, otherwise it *will not be corrected.* This card is not transferable, and will not be redeemed unless presented by party to whom issued. Card must be dropped in card-box at mill before commencing work each day, and must be secured from the timekeeper, *properly punched*, each day, when quitting work; otherwise YOUR TIME BECOMES FORFEITED. On the last day of each month this card is dropped in card-box at office, so that your time and amount due you may be entered thereon, and must be called for *no later* than the twelfth of following month, when the TIMEKEEPER will deliver it to you. Time-card must be presented at office on pay-day in order to receive your money. When employee wishes to secure merchandise or other order he must also bring this card to office between 5 and 6.30 p.m. only. Employees wishing to quit work at any time must notify their foreman ten days in advance, and have said notice entered on the timekeeper's books, as well as on their time-card, otherwise time will not be cashed until the regular monthly pay-day. — ABOVE RULES WILL BE RIGIDLY ENFORCED." That is the matter in connection with the truck system to which I was referring.

4. *Mr. Barber.*] You say the facilities they have enable them to produce cheaper timber, and that the fact of their being able to turn out a larger output cheapens the timber. One of the arguments against the colonial millers is that their plants are obsolete, and that is why the price of their timber is so high as compared with that of other countries?—That is why I, against my own interests, advocate larger holdings. Having a large holding, it should be to our interests to advocate smaller holdings, because we recognise we could compete more successfully with the small miller than with the large miller. I think if the Crown were to give facilities for better plants it would assist the New Zealand sawmiller to some considerable extent.

5. Do you think that the plants used in New Zealand are practically obsolete?—Some of them; but there are some good plants in New Zealand. Take the Kaipara plant in the Auckland District, and the Auckland plants generally, they are very good.

6. But take the Southland and West Coast plants?—My experience is that that has come about because it is impossible for them to have large plants to operate on only 200 acres of land.

7. And the reserves?—Yes; there are reserves of 800 acres.

8. Do you recognise that the difficulties of producing timber are becoming more acute?—Yes, they must get more acute as the bush gets farther back; but it does not always follow, because if there were a railway constructed like the North Island Main Trunk line it would bring a lot of bush into the market that otherwise would be very difficult of access.

9. But there are many places to which the railway will not be taken?—That is so.

10. Do you not think there must be a limit to which those difficulties can be undertaken by the man producing the timber and the passing-on of the cost to the consumer?—There need be no limit so long as he is properly protected. He could get a tree that grew on the top of Mount Cook at a certain price.

11. You expect the consumer to pay for the cost of going to the top of Mount Cook to get timber if he wanted it?—No; but I look upon the consumer as a member of the community, and as a member of the community he should at least support and protect his own community.

12. But is there not a limit to what a man should be expected to pay for the production of timber?—Yes; but I think while we have timber fairly accessible in a country it should be the right of the people in that country to utilise that timber, and so exclude the imported article, always provided the community were not subjected to extortion.

13. Take the case of the Taupo Totara Timber Company, which has had to put down fifty miles of private tramway—iron rails—to cart their timber over those fifty miles, and then before they get a market the timber has to be drawn over 140 miles of Government railway. Is that within reasonable distance?—I think so. If they can put in plants which will enable them to compete in the open market, it does not matter if it is a thousand miles away. In fact, I think it does them credit. They have spent money in the country with the idea of establishing a legitimate industry and of competing successfully in the open market.

14. But has there been a system in the timber business of competition in the open market?—As far as I know there has. Our company has no connection whatever with any association, and I could name you several millers on the Coast who have no connection with any association, and who are at liberty to deal direct with the builder.

15. Were you connected with the association?—At the inception only. My interests with the association ceased when I went North. I have now no interest whatever in any combination or association.

16. We find the combination does not exist in the North as it does in the South. Were you a member of the association in the South?—Previous to 1901.

17. You were not a member of the association in 1902?—No.

18. Have you any recollection of a deputation of the West Coast sawmillers interviewing Mr. Seddon with regard to the Trade Monopolies Bill?—No.

19. You do not remember the President of the West Coast Timber Trading Association telling Mr. Seddon they feared the Trade Monopolies Bill would have a serious effect on the association, and that he believed that two-thirds of the millers on the West Coast would be thrown out of work?—No, I do not remember that. I submit that there is a great difference between an association and a combination. You might as well call a union of workers a combination as an association of millers a combination.

20. This Bill was to be for the purpose of putting down monopolies, and the president of the association feared that the passing of the Bill would mean the closing of most of the mills?—I have no recollection of the circumstances at all.

21. You said there were natural advantages possessed for the transport of timber in New Zealand in many ways?—I said we had all the natural facilities—a good coastal service, and so on.

22. Why, then, is the timber so much dearer in New Zealand?—I tried to explain. It is in a great measure due to the higher rates and taxes we have. We have higher royalty to pay; we have higher wages to pay; our men work shorter hours; and we have in the case of the West Coast to pay freight from Greymouth to Wellington, which is, I think, equivalent to the freight paid from Puget Sound to Wellington, so that it really puts our mills away back to Puget Sound.

23. Although we have it in evidence that the freight from Greymouth is high, you say we have natural advantages for transport of timber?—I say we have all the natural facilities. I do not say for a moment our freights are cheap, but I think it is not fair to put the Union Company, for instance, on the same footing as you would put a company that is trading from America here, because the Union Company have higher wages to pay and are subject to severe maritime laws. The Union Company, so far as I know, are not paying any extraordinary dividends.

24. Is not the method of transhipping timber from the West Coast by means of the Union Company's fleet an expensive method? Could not something be arranged to reduce the price of timber to the consumer by adopting means of transport similar to those employed in America?—It is just possible by employing Chinese crews, as Americans do, and trading under American maritime laws, the price of coastal freights could be reduced. I have had for the last eight years an interest in a schooner which has been running timber from Greymouth to Wellington, and I must say that every year we have had to put our hands in our pockets to keep that schooner running, and we get the same freight as is charged by the Union Company.

25. You spoke strongly against the placing of an export duty on kauri?—Yes.

26. If kauri is going out of the country, do you think it natural that something should be allowed in to take its place?—We have rimu here to take the place of kauri, and, as I pointed out, in a country like this, which is essentially an industrial country and a country which has large national obligations, we must be sellers rather than buyers.

27. With regard to this gambling experience in America, you said there was a lot of Chinese employed?—I said Hindoos and Japanese. The gambling was more in the bush camps, where the Europeans and Americans were. The Chinese, as I have said, have not so far invaded bush-work in America. They have kept to the mills around the large centres—chiefly around Vancouver.

28. *Mr. Leyland.*] You might mention the State that these documents refer to in connection with the truck system?—Louisiana.

29. Nothing to do with Oregon?—No, excepting that workmen's insurance and other deductions are made there; but it has all to do with American laws.

30. You know each State makes its own laws?—They have to be ratified by Congress.

31. But in their domestic legislation each State makes its own laws?—My only argument is that it is under the American flag, and, as it is an American law, it is possible to obtain in any State.

(The taking of evidence then closed.)

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