

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, 6½d. 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,