

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 railrage 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 railrage, but they do not get the timber cheaper. In fact, I do not suppose any one would get it cheaper than Invercargill.