

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