

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 been 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.