

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. EU.*] 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.