

from Greymouth, and pay 3s. per hundred feet freight, and f.o.b. price is 6s. 9d. for ordinary building-timber, and 8s. 6d. for the better class of rimu. With regard to rimu, that is the main timber we use in Christchurch, and leaving Oregon pine out of the question, the amount of other timber that has been used in Christchurch during the last number of years is infinitesimal. We have to pay the Union Company 3s. a hundred for freight, and our charges from Lyttelton to Christchurch are 3½d. for wharfage, 3d. for loading into the truck, and 8d. railage, making a total charge of 1s. 2½d. Now, in regard to the figures that have been gone into by Mr. Page, I might say I entirely agree with them. I made out some figures myself, and they almost agree with Mr. Page's. I am situated somewhat differently from Mr. Page. I receive the timber at my siding, it is then tallied up and carted to my particular yard, and the timber that is for dressing purposes has to be sorted. It remains on the stacks for an average of perhaps six months, it is then taken down from the stacks, and, as Mr. Page has said, what is not fit for dressing has to be thrown on one side. The rest is put away for the market and is then dressed. This method of doing the business is a source of considerable expense. It is necessary in Christchurch to have a considerable amount of room, and that means a large area of land. In Christchurch, as you know, we are rated on unimproved values, and thus, unfortunately for the timber-merchants, their rates are very heavy in proportion to their business and the amount of capital invested. I consider I am right in saying that we pay more in rates and taxes than any other class of the community. All those things should be taken into consideration in dealing with the cost of the timber. I might say I am not discussing the question of right or wrong of unimproved values—I am rather in favour of the unimproved values, which has been the means probably of increasing building, and what we have lost hitherto in one way we have probably gained in another; but, still, when taking into consideration the cost of the timber, we must not overlook the fact that this is one factor in connection with our expenses. There is a big item in insurance, as we run a big risk from fire, and not only that, we must of necessity put up with the average clause so that we may be paying a premium on a very large amount, and we only get a certain amount if a fire takes place. Another question is that of depreciation. We have depreciation all along the line; timber cannot be handled without being depreciated. The longer the time it is kept in stock if it is exposed to the weather the more it will depreciate. We have depreciation from all sorts of causes; we have depreciation through the north-westerns that we have in Christchurch, and we will sometimes probably find that we will have it wet one day and the timber will get very wet, and the next day we will have a howling north-wester, and the consequence is that the timber will pull asunder through the rapidly increased temperature. Then there has been some talk to-day in regard to the question as to whether the sawmillers can supply the builder. Well, I consider that one reason why the sawmillers do not supply the builders is that they very much prefer that they should have a go-between as far as the risk of bad debts is concerned. They are quite satisfied that the merchants should take that upon their own shoulders, and that has been a very large item—in fact, too much of it in the past. In a season of this sort, when there is a slump in the industry we feel that more than we do at any other time. That is a thing that always affects the timber-merchant far more heavily than if the conditions are better and good times ruling. Then, of course, we have the accident insurance, which has been increasing, and is still increasing. Rates are going up, and we are liable now for more than we ever were before, and consequently our rates are increasing, so that I consider in some items we are selling we are really not making any profit whatever. I have some extracts here from a balance-sheet of a firm which balanced at the end of February this year, and Mr. Page has told us that the gross profit on his business for last year was 15·65 per cent. The trade expenses of the firm I am referring to now were 19·09 per cent. of the turnover, and I am prepared to allow any recognised accountant to verify these figures for the Commission. So that, should 15·65 per cent. be the amount of gross profit that can be made by timber-merchants at the present time, and I maintain under existing conditions it is not possible to get more than that, then it will be readily seen that with trade expenses amounting to 19·09 per cent. of the turnover, it would be impossible to make a net profit at all, and that is the position of the firm I am referring to—that is, that they have no profit at all to show for their last year's working.

2. *Mr. Jennings.*] Is that business still in existence?—Yes, unfortunately it is. Another point has been made, and has been somewhat elaborated. That is with regard to the difficulty of getting the larger red-pine. I want to say here that we had excellent testimony from Mr. Seager along certain lines, but I also want to state that he has been away from the colony for some two years or more, and his last experience of the timber industry in Christchurch was at the time we were extremely busy, when the Exhibition building was going on, and, as I have stated, there was a tremendously large amount of business being done at that time, and it may have been a little difficult to get certain sizes of red-pine; but I will defy any one to prove that it is impossible to get the ordinary requirements for building purposes in red-pine from the yards in Christchurch now. A point has also been made with regard to rough timber—what we call ordinary building-timber. Now, our rule is not to dry the ordinary building-timber, but to send it out of the yard just as it comes in. It has also been pointed out that it is only used for framing, and in consequence of that it is exposed to the air for some considerable time before it is covered in. As a result of that, in building weatherboard houses in Christchurch there is a considerable amount of draught and seasoning going on till the studs are dry. I have not known of any serious results in consequence of putting unseasoned framing into a house. I might say that, owing to the badness of trade, merchants in Christchurch have had to fillet their ordinary timber, and that is a loss to the merchant. They cannot get any more for it, for the reason that timber when dry is liable to twist. When wet it is generally straighter than when dry, and of course any one with any knowledge of house-building knows it is essential that the studs should be straight when put in a building, otherwise they have a tendency to pull the whole wall crooked. With regard to the price we are paying