

kauri in Christchurch, and we thought we should have been examined on that point by some one in authority, but instead of that those statements appeared in the papers, and were absolutely erroneous.

5. *Mr. Arnold.*] The present Minister of Labour?—No, this was in 1907. I should like to read a letter which was written and sent to the Minister of Labour, and it explains the position of the merchants in Christchurch. The letter is dated July, 1907, and was written by me as president of the association. It reads, “To the Minister of Labour, Wellington.—Sir,—I have the honour, by direction of the members of the above association, to write you on the matter of the prices ruling for kauri timber in this district. The matter has attracted considerable attention in the daily papers, and the members of this association have not been afforded any opportunity of being heard on the subject. It has been deemed proper that I should place before you the true facts of the case, and it is believed that, after due consideration has been given to them, you will have reason to modify the views which we fear you have hitherto held with regard to this very important matter. Briefly stated, the position is as follows:—

	£	s.	d.
Cost f.o.b. at shipping port	0	17	0
Schooner-freight to Lyttelton	0	2	9
Insurance	0	0	2½
Railway charges from Lyttelton to Christchurch	0	1	2½
Discharging and cartage from railway to yard	0	0	4
Stripping and stacking in yard	0	0	6
Total cost	1	2	6
Selling-price	1	7	0
Less 5 per cent. trade discount and 2½ per cent. cash discount	0	2	0
Net price received by merchants	1	5	0

The foregoing leaves a margin of gross profit of 3s., but from this has to be deducted the cost of giving delivery. This is a considerable item owing to the fact that kauri is only used here for special purposes, and as a good deal is consequently sold in very small quantities, 6d. per hundred feet would be about the average cost of doing so. As indicated, the timber is always stripped for drying, and we cannot, therefore, reckon less than twelve months as the average time kauri is kept in stock in Christchurch. This being so, 5 per cent. must be added to the cost to allow for this—that is another 1s. 1d. off the gross profit. We now have a bare 1s. 5d. left of our gross profit, and out of this all expenses incidental to running a timber-yard have to come, and it also has to provide for all risks, many of which are very considerable in a timber trade, such as fire, split boards, and other damage done to the stock through exposure to the weather, besides unavoidable damage in handling, and, in addition, the ever-present risk of bad debts. In the matter of fire, we would point out that in insuring against this we are heavily handicapped, for not only are the premiums high (higher, too, than in most other large centres owing to the absence of a high-pressure water-supply), but we cannot effect an insurance on a timber-stock without the general average clause being inserted. We must also point out that timber-merchants in Christchurch are very heavily taxed in the matter of rates through the rating being on unimproved values, a timber-yard requiring such a large area of land in proportion to other businesses.” The selling-price at that time was £1 7s., and we deducted a discount which left our net price at £1 5s. That states the case, and, as I have said before, the merchants are quite prepared to answer any questions that might be put to them, and they hope to give to the Commission any information it may require, and if not in their possession they will try to procure it.

6. *Mr. EU.*] Referring to the matter of prices and cost, what are you charging here for scantling and for rough timber up to 8 by 1?—Up to 12 in. we are charging 14s. 6d.

7. Flooring, tongued and grooved, 4 by 1, what are you charging at the present time?—£1 0s. 6d. All the prices that I am quoting are subject to the trade discount and 2½ per cent. for cash.

8. The price in Dunedin is 1s. less on the building-timber?—Yes, but they do not have the same quality. We maintain that ours is a better quality.

9. Better seasoned?—No. Their timber is from the south and ours is from the West Coast, and we hold that our stock is better than theirs. I would not have Southland timber in my yard if I could get the other.

10. There is a difference in the price of tongued and grooved of 2s. 6d. For an 18s. timber they charge £1 0s. 6d. here?—I think that their price is a better price than ours. I have explained the expense that we are put to with regard to that. It is impossible to make the same job in working wet timber as in working dry. The architects of Christchurch are very particular, and the timber must be worked dry. Some years ago we worked it wet, but now it must be seasoned first and worked after.

11. What is your price for rusticated weatherboards?—£1 0s. 6d., the same as the other.

12. There is 4s. difference between the Dunedin price and the Christchurch price. It is 16s. 6d. in Dunedin?—What discount?

13. Two and a half per cent. for cash?—They are very much nearer the sources of supply.

14. You admit there is a great difference?—Just about the difference in the railage from Dunedin to Christchurch.

15. They pay railage from Riverton?—Their railage would not cost as much as we have to pay for sea carriage here. Their railage from Riverton to Dunedin is 2s. 10d., whilst our sea carriage is 3s. to Lyttelton.