

work would be exactly the same; the workers would have to work our own timber instead of, as now, to some extent working the foreign timber. Wages would be paid just the same.

21. You are a believer, I take it, in our selling what we can to the foreigner and not buying any more than is unavoidable—you are in favour of using our own products and keeping the money in the country?—Yes.

22. Do you think that things have arrived at such a pass in the sawmilling industry that the remedy, if it comes, ought to come quickly?—It is absolutely necessary. I believe that the price of Oregon timber has risen to such a degree in America that it will cease being imported on that account; but we never know when there will be another slump in America and we shall have Oregon pine here again. If nothing is done meanwhile we shall have to go through the same trouble again.

23. Did you hear any of the workers describe the condition of things in the district, where the mills are shortening hands?—I did.

24. Do you think they overstated the case at all?—No. I am positive the distress is beginning to be very acute.

25. *Mr. Barber.*] You say you are milling by contract?—Yes.

26. What are the terms of your contract?—I simply have to cut the timber. I get the use of the mills, and horses, and bullocks, and utilise them to cut the timber.

27. What do you get for cutting the timber?—I do not like to make it public, but will tell you privately.

28. You fell the bush and produce the timber, and cut it to the specification that is given you?—Yes, as near as the timber will give it.

29. With regard to the sample you put in, you are not sure that it is Oregon?—I was requested to bring the piece of timber here, and I did not pass any opinion as to whether it is Oregon or what it is.

30. You say that it had been in use for a very long time?—It is reported to have been up for forty years; but the point is that it has taken the borer.

31. It is an outside weatherboard?—Yes.

32. And there is very little of it decayed, so that if it has been outside in the weather for forty years is not that rather in favour of the quality of the timber?—But the argument was that Oregon would not take the borer at all. I have nothing to say against the timber.

33. As a man with a good deal of experience, you think that that has stood the test fairly well?—I think it is a very good test indeed.

JOSEPH BUTLER sworn and examined. (No. 167.)

1. *Hon. the Chairman.*] What are you?—A sawmiller, carrying on business at Hokitika.

2. Were you in Hokitika when we were down the West Coast?—No; I have not had an opportunity of giving evidence until now.

*Hon. the Chairman:* Very well; we shall be pleased to hear you.

*Witness:* In submitting my evidence I shall mainly deal with the question of the importation of Oregon and its general effect upon the sawmilling industry of New Zealand. In the first instance, I should like to draw the Commissioners' attention to the unequal conditions under which Oregon and rimu are produced.

*Comparison of Forest Holdings.*—From information gathered on the spot it was ascertained that in the production of Oregon a section containing a square mile could be secured from the Government at an annual rental of about 10d. per acre, with a further charge of about 2½d. per hundred superficial feet for "stumpage" (or royalty). Around Puget Sound there are vast areas of forest lands over which the sawmiller has every opportunity and encouragement in securing large areas and holding same, because of the nominal "stumpage" and the low rents and taxes levied against this class of property. The quantity of timber is assessed by "cruisers," whose duty it is to arrive at a quantity upon which the stumpage is payable. In ascertaining the quantities there is always a liberal allowance made in favour of the occupier, so that the timber lands invariably yield a much greater quantity of timber than the estimate of the "cruisers." As the bush carries from 100,000 ft. to 200,000 ft. to the acre, as against our 10,000 ft. to 20,000 ft., it will be readily seen that their rental and rate charges as to their standing timber would be only one-tenth of ours, while their royalty, being at less than half of ours, gives them the opportunity of holding twenty times more timber than we can at the same expense. A miller having holdings containing a thousand million feet was not considered to be overprovided for in the matter of the supply of raw material. This can be readily understood when the sawmills using it produce from one hundred to two hundred million feet of timber per annum; so that a mill operating with a holding of the size mentioned would have only a ten-years life, which is about half of what is considered sufficient to recoup the outlay in plant. In New Zealand a holding containing one hundred millions is considered a big holding. Our firm on the West Coast has a holding estimated by the Commissioner of Crown Lands to contain one hundred and twenty million feet. Our rates and taxes amount to £205 per annum. Interest on purchase-amount at 5 per cent. amounts to £1,415, or a total of £1,620; added to this are administrative, law, and many other incidental charges. The earning-power of this property in its present state is only about £100 per annum, which is mainly accrued from mining privileges and grazing-rights, so that we are losing over £1,500 per annum on this property. Nor can this condition be remedied until we commence sawing operations on a large scale, which would be suicidal under present market-conditions. There is another big factor in favour of the American holdings: it rests in the utility of the lands after the depletion of the milling-timber by loggers. The land, if not used for agriculture, will naturally afforest; while ours develops into a hotbed for noxious weeds, and becomes an eyesore unless it is suitable for grass lands.

*Comparison of Operations.*—The large holdings give those operating them every opportunity of embracing the latest and cheapest method of bush-work. In most cases systematized railways are constructed throughout the forests, and are engined with large powerful locomotives capable of hauling from fifty to a hundred thousand feet of timber at twenty to thirty miles an hour. The rolling-stock is up to date in every respect, having air-brakes and all labour-saving devices. The