

*Duty.*—It has been stated that the sawmillers receive a greater protection by way of import duties than any other manufacturing industry within the Dominion. If this were so the sawmiller would not be entitled to any further protection by way of increased duties on Oregon; but if other instances are analysed it will be found that there are cases where a higher protection prevails, and still the New Zealand manufacturer has a big task to keep out the imported article. Take boilers, for instance: these are subject to a protection of 30 per cent. on those of foreign manufacture, or 20 per cent. on British. The latter is about the same as is charged on timber both foreign and British; but in the case of boilers the material is admitted free, and the material represents at least 25 per cent. of the value of the manufactured article; so that on the labour involved in the manufacture of the boiler there is a protection of 33 per cent. But if we take the American boiler (which is a fair comparison for American timber), the New Zealand labour receives a protection of 40 per cent. Boilers also receive a further protection by the opportunity afforded by the sending-out of the material in the shape of plates; while the imported boiler has to carry all the costs incurred by reason of its greater bulk, and consequent higher tonnage-charges. Even with these solid advantages the local boilermakers have a struggle to keep out the imported article. The only reason that boilers have been taken for illustration is that practically all sawmillers have to use them, and have to pay for this industrial protection.

*Suggestions.*—Looking at the whole question, there are many interests involved. The timber-consumer wants cheap timber, and is entitled to every fair protection from extortion. The builder, who may be considered a consumer, believes in Oregon, because on account of its corky character it is lighter to handle and easier to work than our more substantial rimu or kauri. Oregon, having these constructive advantages, is sure to be sought after by the builder even when prices are equal with rimu. It is yet to be proved whether it is as durable as rimu. As regards strength, I understand that it has been put to a test and been found inferior. The Government want a fair royalty, and I think the present royalty charged for rimu, if anything, is on the low side. My reason for so thinking is that it would take considerably more than the price received for it to reproduce it by afforestation. The sawmiller wants a fair protection for his capital and labour which he has invested in what is acknowledged to be one of the most important industries in New Zealand. Naturally, he is much alarmed at the progress of the Oregon invasion, because every foot that comes in prevents the use of a foot of his own commodity. He resents it all the more when he considers the conditions that induces such an unfair competition; unfair because the article that he is brought into competition with is manufactured under conditions that happily do not exist here. I allude to the longer hours, the coloured and unrestricted labour, and the employers' privilege to make reductions from moneys earned. The community is entitled to every protection from extortion, and should be able to obtain its necessities at a fair protective value. It would be useless to deny that timber has increased in price during the last few years; but, so far as the miller is concerned, it has only been in response to higher wages, greater difficulty in obtaining log-supplies, and general increase in all commodities. It is said that the higher price of timber has induced higher rents, which bears on the worker. The proportion of increase of rent due to the increase in the price of timber is very small compared to the increase that has taken place in the price of land. Looking at the other side of the question, from the worker's point of view, it must be admitted that, while the increased price of timber has a tendency to increase rents, it has also the tendency to increase the wages of all those engaged in its production.

In order to conciliate the various interests involved, I would suggest that a fair remunerative value for timber at the mill be ascertained. In the case of the West Coast timber I think that 7s. on trucks at the mill should be a satisfactory figure. The price should be strictly on trucks at the mill, because at this point the miller ceases to have control over any subsequent charges that may be levied as between the miller and the consumer. To this price should be added all charges made by the Railway Department, the shipping companies, and Harbour Boards (if the timber is coastal-borne), and all other such charges as would accrue as between the mills and the merchant's yard. To this, then, should be added such profit for the merchant as would be consistent with fair trading. This ascertained, it would produce a specific trading value for timber, on which a trading schedule of prices should be arranged, covering prices of the different sizes, quantities, classes, and grades. These prices should be fixed by a representative Board appointed by the Government, or possibly by extended powers given to the Arbitration Court. It should then be a public privilege for any one purchasing timber, in whatever quantity or class, to have the charges taxed, according to the authorised schedule, in any competent Court. This taxing privilege should also be allowed as between the merchant and the miller. And penalties would be imposed for overcharging. In return for this there should be such increase in the import duty on Oregon as would exclude the coming into competition with rimu or other native timbers as the schedule price. I submit that there cannot be a fairer proposal than this, especially when it is considered that the workers are penalised if they accept less than a minimum for their commodity, and are at liberty to take as much more as they can get; while the miller and the merchant would be penalised if they accepted more than the maximum placed upon their commodities, which are the direct product of the labour protected from underselling.

*Industrial Protection.*—In the case of timbers we have yet ample forests providing raw material, and we have men skilled in its manufacture; we have all the natural facilities necessary for cheap production; and yet we are threatened with extinction by outside competition. New Zealand cannot afford to buy foreign timber and have unemployed sawmill hands. If we are desirous of meeting our national obligations we must be sellers, not buyers. There must be something wrong with the country's economics when we have to admit that, although we possess forests produced at no cost to ourselves, a climate which admits of work at all seasons, well-fed, skilled workmen, of excellent physique, State railways, and the most up-to-date coastal service, yet we are unable to hold our own markets against the foreigner. It is patent that to conserve the timber industry we must have a higher tariff wall if we are to maintain our high rate of wages and all conditions surrounding labour, our transit-rates, and our rates and taxes.

*Export of Kauri.*—It has been suggested by some that the export of timber from New Zealand should be stopped. I can think of no measure so closely approaching confiscation of privately