

Kingdom; and 4s. a chair, or 45 per cent., whichever is higher, in the case of chairs from foreign countries. In the case of cheap chairs that is a thoroughly protective tariff. The result has been that these chairs are not imported into Australia now. Industries have sprung up, and quite good local articles are being sold in many instances lower than the price of the imported articles before the tariff came into operation. When the war broke out the manufacture of roll-top desks was being started in a somewhat desultory manner, but the high freights which have been ruling afforded protection, with the result that roll-top desks are now being sold lower than when they were being imported from the United States and Canada. There is not a good chair plant in the Dominion at the present time, and will not be until some protection is afforded against the dumping by foreign countries. The industry would afford employment for a great number of men. In such factories there are numbers of men who are only partially skilled, and this I take it would afford an excellent opening for a number of our returned soldiers. I desire to draw attention to the great wastage that is going on in connection with our native timbers. There is not sufficient supervision of the millers cutting out the bush area. The percentage of timber that is cut is certainly not what it should be; in many instances the miller probably leaves at least a third of the available timber uncut. There is an enormous waste in connection with the stumps. There is probably 3 ft. of every logging-tree left standing in the form of a stump, which is an absurd waste. Then there is the question of the importation of Eastern furniture. The Eastern countries have large supplies of timber available at a very low price; they have also many processes of lacquering, &c., which are unknown to us; that remark applies particularly to Japan. They have also cheap labour, which is a distinct menace to furniture-manufacturers in New Zealand. In fact, it will be quite impossible when things go back to normal in the way of freight to compete against Japanese furniture. I have no objection to the importation of furniture provided it is manufactured in a country where the conditions of the workers are somewhat on a parity with the conditions here. To compete with Eastern furniture except with the assistance of a very high tariff is quite an impossibility. I saw articles just at the beginning of 1915—articles imported from Japan—costing 10s. 7d.; and it was quite impossible for any factory in New Zealand to have produced them at less than 17s. 6d., and there are very few factories that could have produced them at that figure.

*To Mr. Craigie:* We do not make bent-wood chairs. There is practically no competition with the Austrian bent-wood chairs, which are made from the Carpathian beech. The sample of roller desk from Japan that I saw here was very good—it was modelled precisely on an English line that we ourselves were handling. The price worked out at about half. The tariff that would enable us to compete with Japan would have to be very "steep." In the case of the cheaper lines I think our tariff should be on the Australian model; the Australian tariff is so much per article, or a certain percentage, whichever is the higher. Of course, there are other people besides the Japanese in the East—there are the Chinese; and there are also exports from Singapore.

*To Mr. Veitch:* We are all a bit short of labour at the present time because there are so many men away at the front; they have not returned yet, but that is only a passing phase. We have no surplus labour in normal times, but we have now a shortage. We have had no serious labour difficulties.

*To Mr. Hornsby:* I advocate a protective tariff in this country as the only way I know of overcoming the difficulty with regard to the competition from cheap-labour countries.

R. LEE, Manager, New Zealand Coal and Oil Company (Limited), examined.

I know nothing about the treatment of shale, and have not been connected with that at all, but the Orepuki shale-works belong to the New Zealand Coal and Oil Company, which company owns the Kaitangata coalfields. My connection with the company is as manager for the company in New Zealand, and for a good many years I have done practically nothing except deal with the coal-mines. The Orepuki Shale-works were opened somewhere about eighteen or nineteen years ago, and after running for something like two years they were closed down. There were a lot of reasons given at the time for that. One reason—and it was a reason that did us a great deal of harm in trying to get a start again—was that there was supposed to be sulphur in the shale, which could not be taken out without injuring the oil. This has been proved to be quite a mistake. The company sent some 50 or 60 tons to the Old Country, to the Pumphreston Shale-works. The shale was treated in the same retort as the retort used at Orepuki, and was treated with very great success. It was found that no special process of desulphurization was necessary to turn out the product. The works at Orepuki have been closed down since then, but all the machinery has been kept in up-to-date condition. Some nine years ago, when I first joined the company, I was sent down to undertake certain prospecting which had been asked for by Mr. Ronald Johnstone, one of the biggest shale experts in Scotland. He was sent out by the company to report on Orepuki. I think he came out first in 1907 or 1908, and he asked that certain prospecting should be done before he sent in a final report. There was great difficulty in getting a suitable drill. Finally it was arranged to get a drill from the Government, but, speaking from memory, I think it took about eighteen months before we could get delivery of the drill. When the drill arrived at Orepuki in the early part of 1910 we started to prospect, and we carried out an extensive prospecting scheme. Mr. Johnstone came out from Home again in 1910, and he went over the ground; and he was then satisfied with what was shown of there having been a sufficient quantity of shale actually proved to be there to justify the reopening of the shale-works. We have a copy of Mr. Johnstone's final report, which you might care to have. [Copy handed to Committee.] Mr. Johnstone in his report estimated that there was sufficient shale to keep the works going for twenty-five years without any further prospecting being done. The indications shown were that the part of the field where we had proved was only a very small part of the total shalefield at Orepuki. The Orepuki Shale-works were