

demand is not in excess of the production. The possibility of increasing production is wholly dependent on the supply of suitable labour, and sawmillers are at present experiencing the greatest difficulty in securing such labour; in a number of cases it has not yet been possible for mills to recommence operations that were discontinued when labour was withdrawn for the Expeditionary Force.

KAURI AND BEECH.

In the matter of exporting-rights, kauri and beech are being dealt with on the same basis as rimu.

TOTARA.

A market is available in New Zealand for the whole of this kind of timber produced, and no permits for export have been or will be granted.

MATAI.

The restrictions on the export of matai apply only to heart, for the whole of which New Zealand offers a market. The poorer classes of matai find no market in New Zealand, and consequently no restriction has been placed on the export.

PRICE.

In imposing a restriction on the export it was also considered necessary to limit the price that could be demanded for timber sold in New Zealand, and action was taken by the Board accordingly under the powers vested in it by the Cost of Living Act, 1915. An investigation into the sawmillers' costs of production showed that, so far as the sawmiller was concerned, no undue profits were being made, and an undertaking was given by the sawmillers, through their representatives on the advisory committee, that the prices ruling on the 1st November, 1918, would not be increased without the Board's consent. This arrangement still continues in operation. Competition resulting from the restriction of export and consequent increase in supplies on the New Zealand market will tend to prevent any undue increases in prices.

COAL.

The shortage of supplies and comparative high price of this commodity resulted in many complaints being made to the Board. Whilst the distribution of available supplies was attended to by the Coal Boards set up by the Government, the Board of Trade dealt with complaints as to prices. Grave labour unrest seriously threatened supplies, and an industrial crisis was averted only by action being taken by Cabinet in granting increased wages to the miners. Following allegations as to exploitation and profiteering in the industry, the Board in September last was authorized and empowered by Warrant issued by His Excellency the Governor-General under section 6 of the Cost of Living Act, 1915, to inquire into and report upon the following matters:—

- (1.) The present cost of the production and distribution of coal in New Zealand.
- (2.) Any increases in the cost of such production or distribution since the commencement of the present war, and the causes of such increases.
- (3.) Whether the profits made in the production and distribution of coal are fair and reasonable.
- (4.) Whether the selling-prices of coal are fair and reasonable.
- (5.) Whether increased economy or efficiency can be obtained in the production and distribution of coal, and, if so, in what respects and in what manner.
- (6.) All other matters affecting the supply or price of coal.
- (7.) The increases since the commencement of the present war in the cost of living so far as such increases affect men engaged in the production of coal, distinguishing between increases, if any, prior to and subsequent to the industrial agreements made in the coal industry in the year 1917.
- (8.) The increases since the commencement of the present war in the earnings of men engaged in the production of coal, distinguishing between increases, if any, prior to and subsequent to the said industrial agreements.

The Board held sittings at Auckland, Huntly, Glen Massey, Wellington, Christchurch, Dunedin, Invercargill, Nightcaps, Kaitangata, Greymouth, Runanga, Blackball, Westport, Denniston, Millerton, and Ngakawau, and heard evidence from 112 witnesses, comprising coal-mine owners, managers and secretaries of coal companies, mine-managers, coal-merchants, dealers, and mine-workers. Considerable evidence was also taken regarding the cost-of-living side of the inquiry from storekeepers and other tradesmen in the mining districts relative to changes in prices of commodities. The taking of the evidence was completed on the 28th January last, and the Board completed its report on the 20th May. This report has already been published, and will be presented to Parliament in due course. A summary of the chief findings and recommendations of the Board upon the order of reference submitted to it is as follows:—

REFERENCE NO. 1.—THE PRESENT COST OF THE PRODUCTION AND DISTRIBUTION OF COAL IN NEW ZEALAND.

(i.) The cost of production is analysed in Chapter II, pages 24–31, of the Coal Report,* and the chief data summarized in Tables 16 to 24.

The average cost of production at the mines of coal from all the principal collieries of the Dominion for the year 1917–18, taking into account the different outputs of the several mines, was approximately

* The chapters and tables indicated in this section of the report relate to chapters and tables in the Coal Report, H. 44A.