

(b) The degree of depression is clearly not so great in the South Island as in the North Island. Sales from southern timber producing areas have been better maintained than in the North, although an appreciable reduction in the sales, particularly from Westland, had been noticeable since late in 1926.

(c) The following information is given in relation to (1) stocks of sawn timber, (2) employment, (3) sales of sawn timber, and (4) prices, with the object of showing the extent of the falling off in the trade.

(1) *Stocks*.—The stocks of sawn timber held by a number of representative mills in the Auckland area in early 1925 totalled 16,590,000 sup. ft.; the same mills held late in 1926 25,362,000 sup. ft. In the Wellington area the stock records of certain mills show that in January, 1927, the total quantity of timber held by those mills was 6,709,000 sup. ft. A normal total stock for these mills was 4,473,000 sup. ft. The stocks of a number of Westland mills in early 1925 was 3,432,000 sup. ft.; this was increased by September, 1926, to 3,924,000 sup. ft. In Otago and Southland the stocks of twelve mills increased between March, 1925, and September, 1926, by 1,700,000 sup. ft.

The evidence shows that stock accumulations in the North Island have been (a) more noticeable than in the South Island, and (b) mainly in O.B. and lower-grade timbers. Heart timbers in the North Island have generally found a satisfactory sale.

The evidence indicates that in the North Island at least the tendency is for stocks to be held to a greater extent than in the past by the bush mills. This is apparently due to the fact that merchants and users now find themselves able to draw at short notice on mill stocks, and also to the fact that city merchants are carrying larger stocks of imported timbers. The figures of mill stocks set out above should be considered in the light of the above.

(2) *Employment*.—In the Auckland District fourteen mills employed in September, 1925, 1,211 men; in September, 1926, this had been reduced to 1,023 men. The figures for twenty-six mills in the Wellington District show a reduction in employees from 628 in October, 1925, to 584 in October, 1926. Ten Westland mills in January, 1926 and 1927, employed 625 men and 582 men respectively. In ten representative mills in Otago and Southland the average number of men employed between January, 1925, and September, 1926, was 441. The highest number was 453 and the lowest 410. Towards the end of February, 1927, the number employed in those mills was 448.

The Commission has received evidence that during recent months unemployment in the industry has tended to increase.

It should be noted that the foregoing figures do not record the unemployment which has resulted from the actual closing-down of certain mills. It is difficult to ascertain with accuracy the number of mills closed down, the reasons for such closing, and the unemployment resulting therefrom. Recent information, however, shows that a large number of mills throughout New Zealand has closed during the past twelve months. A majority of these are reported to have ceased operations on account of lack of orders. The working of short time in many mills throughout the Dominion has been a feature of the industry since about the middle of 1926.

(3) *Sales*.—The evidence in regard to the Auckland District indicates that sales have been made at a reduced rate in the latter half of 1926 and since that time. This is more particularly noticeable in O.B. rimu and matai. Sales of lower-grade kauri have been reduced, and sales of totara during the past six months have also shown a considerable falling-off.

In the Wellington area the sales by a representative number of mills of timber (other than white-pine) during the twelve months ended 31st January, 1927, were 23,319,000 sup. ft., as compared with 25,640,000 sup. ft. in the previous year; the sales of white-pine for the local market by the same companies during the same periods decreased from 4,013,000 sup. ft. to 2,963,000 sup. ft., and sales of white-pine for export decreased from 1,193,000 sup. ft. to 687,000 sup. ft.

The quantity of timber (including timber for shipment) railed from Westland mills during the twelve months ended 31st March, 1925, 1926, and 1927 was as follows: 1925, 77,844,200 sup. ft.; 1926, 79,917,800 sup. ft.; 1927, 73,042,800 sup. ft. Inspection of the figures for 1926-27 shows, however, that while the average quantity railed in each four-weekly period throughout the year was 5,618,700 sup. ft., the average for the last four periods was 4,255,600 sup. ft.

The sales of twenty-five mills in Otago and Southland during the years ended 30th September, 1924, 1925, and 1926, were 17,000,000 sup. ft., 18,100,000 sup. ft. and 16,200,000 sup. ft. respectively. During the quarters ended January, 1924, 1925, 1926, and 1927 the sales for the same mills were as follows:—1924, 5,920,000 sup. ft.; 1925, 5,990,000 sup. ft.; 1926, 4,850,000 sup. ft.; 1927, 5,030,000 sup. ft.

The foregoing figures do not indicate any general falling-off in sales. It is noteworthy, however, that the sales of rimu by these companies for the year ended 30th September, 1926, were 1,671,000 sup. ft. less than in the previous year. It was further stated in evidence that the sales of rimu were continuing to decline.

(4) *Prices*.—The millers' price-lists for the Auckland District show that there has been no very marked fall, although some reductions were made in September, 1926, in prices of O.B. rimu and matai, and to a lesser extent in prices of rough heart timber. These reductions range from 6d. to 4s. per 100 sup. ft. On the more important lines the reduction was apparently 2s. or 2s. 6d. per 100 ft. In addition to this alteration of list-prices, however, the evidence shows that in recent months the lists have not been closely adhered to, and sales at less than list prices are stated to have been not uncommon.

The list prices of mills in the Wellington area were also reduced in September, 1926, to approximately the same extent as in the case of mills in the South Auckland district. In the Wellington area the "cutting" of list prices also obtained.