

Opinions of builders and architects in the main centres have been sought on the subject of the demand for timber. Briefly, it may be said that these opinions show that in Auckland, Christchurch, and Dunedin the demand during the past year, or at least during recent months, has been at a low level. Opinions expressed in respect of Wellington City and Suburbs were to the effect that the demand has been maintained.

It is well recognized that during recent months there has existed a relative financial stringency throughout the Dominion, and this must have an effect in restricting the demand for timber, particularly for building purposes. The amount paid out by the State Advances Office during the six months ended October, 1926, was £1,417,775, as compared with £1,201,725 in the six months ended April, 1927.

(b) *Higher Productive Capacity in Recent Years, as indicated by Production, Number of Mills and Employees in the Industry.*—The production of sawn timber in New Zealand in recent years has been at a high level. A statement showing the production of various species of timber in the main timber-producing areas and for New Zealand as a whole, together with details of the numbers of mills and of employees during the years ended 31st March, 1921 to 1926 (inclusive), is set out in the Schedule to this Report.

The production figures for the year ended 31st March, 1927, are not available. The statement in the schedule shows, however, the increase which had taken place up to 31st March, 1926, in (a) the production of timber as a whole and of rimu—our main building-timber—in particular, and (b) the number of mills engaged in the industry.

It has been contended in evidence that the increase in production of New Zealand timbers since, say, 1920 has been proportionate to the increase in the population. This, however, does not appear to be correct. The following figures show the production per head of the population from and including the year ended 31st March, 1921 :—

					Production of Sawn Timber in New Zealand per Head of Population.
Year ended 31st March, 1921..	..	..	..	..	245·7
„ 1922..	..	..	..	..	244·9
„ 1923..	..	..	..	..	232·0
„ 1924..	..	..	..	..	237·6
„ 1925..	..	..	..	..	253·0
„ 1926..	..	..	..	..	253·7

Moreover, the Commission considers that any comparison between production and population does not give a correct view of the position in the circumstances which have existed in regard to the abnormal demand for housing since the war period. It is well recognized that as a result of war conditions there arose a deferred demand for housing-accommodation, which brought about in recent years a substantial increase both in local production and in importation of timbers for this purpose. The Commission is of the opinion that the existence of this high productive capacity in the timber industry of the Dominion is one of the main causes in making the present depression keenly felt by producers of sawn timber.

(c) *Reduction in the Demand for Export.*—Another factor in bringing about depressed conditions in the industry has been the reduced demand during the past year for timber for export to Australia. The total exports from New Zealand have been as under :—

					Sup. ft.
Year ended 31st March, 1923	..	..	..	..	45,189,000
„ 1924	..	..	..	..	43,165,000
„ 1925	..	..	..	..	45,165,000
„ 1926	..	..	..	..	47,898,000
„ 1927	..	..	..	..	39,048,000

The decline in the exports in 1926–27 shown by the above figures is essentially due to a reduction in exports from Auckland. White-pine exports from that port have greatly decreased in 1926–27 as compared with the previous year.

A detailed statement showing export of various species of timber according to ports of export is given in the Schedule.

In addition to the reduction in exports actually disclosed by the trade returns, it has been stated in evidence that millers are at present receiving reduced export orders, particularly for white-pine. It therefore appears that in recent months the reduction in the demand from Australia is an increasingly important factor in the depression.

While the Commission is not in a position to state definitely the reasons which have brought about this reduction in exports, the evidence indicates that the competition of other timbers in the Australian market and the presence of heavy stocks in the Commonwealth have contributed to the decline in our trade.

(d) *The Increased Use of Wall-board as a Substitute for Timber.*—Full information respecting the importation of these materials is not recorded, but it is estimated that during the calendar year 1926 about 11,500,000 square feet of plaster wall-board were imported into the Dominion. This appears to have been an appreciable increase on the imports of 1925 and a marked advance on the quantity brought to New Zealand in earlier years. Evidence tendered to the Commission shows that these importations have been responsible for a very material reduction in sawmillers' sales of rough lining. This means the displacement of a comparatively large quantity of O.B. timber, and accordingly seriously affects the sawmillers in the disposal of that portion of their production which meets with the least ready sale.