

difficulties of the sawmilling industry. This was confirmed by evidence given on behalf of sawmiller which was to the effect that importations had not affected the Christchurch market to any considerable extent.

Dressed Douglas fir is imported and sold for flooring and lining in comparatively large quantities. This imported timber undersells rimu flooring and lining in Christchurch by a few shillings per hundred feet, and at the price quoted importers are able to secure a very satisfactory margin of profit. Douglas fir rough-sawn (merchantable quality) is imported and sold in competition with O.B. rimu for scantlings and for the construction of commercial buildings. The prices of the imported timber are in general appreciably higher than those of the competing local timbers. Douglas fir (clear and better) competes with clean dry rimu for certain interior work, although here also the prices of the local timbers are generally lower than those of the imported lines.

The total imports into the Otago and Southland District have been as follows :—

Year ended March,	1923	1924	1925	1926	1927	Sup. ft.
	..	..	..	..	..	942,000
..	1924	..	..	..	..	2,448,000
..	1925	..	..	..	..	4,305,000
..	1926	..	..	..	..	5,760,000
..	1927	..	..	..	..	3,444,000

It will be noted that during the past year the importations have been less than in either of the two previous years. Douglas fir represents the bulk of the importations. Hemlock in 1925–26 was imported to the extent of 1,024,000 sup. ft., but in 1926–27 the imports of this species were only 103,000 sup. ft.

Reference to the statement of production of New Zealand timber given in the schedule will show that in Otago and Southland there has been produced during each of the last three years for which statistics are available over 40,000,000 sup. ft. of sawn timber. Imports have therefore represented an average of approximately 10 per cent. of the district's requirements. It is evident that increased importations cannot be held to be a factor in bringing about any depression in the industry in this district in 1926–27 as compared with 1925–26, since imports actually declined by over 2,300,000 sup. ft.

A comparison of prices of timber on the Dunedin market shows that it is only in a comparatively restricted field that imported timber is directly competitive with local timber. In the first place, cedar and redwood are not used in the South for weatherboarding as they are to a large extent in the North Island. The evidence shows that this is due to the fact that the local authorities in the South do not require the use of heart timber for outside work in house-building. The price of the grade of rimu used for weatherboarding in Otago is much less than the price of cedar weatherboarding. Cedar and redwood in the South are used mainly for joinery manufacture. In the second place, the importations of hemlock into Otago have, as already pointed out, fallen considerably for the reason that this timber is now stated to be unsuitable for certain purposes for which it was previously largely used.

The competition in Otago is largely confined to Douglas fir, which is extensively sold for flooring and lining. In these two lines the local timber is undersold by approximately 2s. per 100 sup. ft. For certain uses this species, though higher in price, competes to some extent with local timber owing, it is stated, to the better condition in which the imported timber is placed on the market. Douglas fir is also imported into this area for special purposes such as joinery manufacture, and in long lengths and large sections for constructional work.

Having dealt in outline with the matter of importation in the several main districts of the Dominion, the Commission proposes now to give consideration to some general causes which have brought about the increase in imports for the Dominion as a whole.

The evidence clearly indicates that the demand for timber generally has up till about eighteen months ago been tending to increase, and consequently imported timber, together with local timber, has had an increased sale. Even if imported timbers had not increased their proportion of the New Zealand trade, the increased demand might well have been expected to result in some increase in the importation. This fact is of special importance in relation to the large amount of commercial building which has been carried out during the past few years. This class of building construction has always provided a good market for imported timber in large sizes and long lengths, and more recently for concrete-boxing, scaffolding, &c. A new demand has also arisen during the past two years for timber for the manufacture in the Dominion of petrol and kerosene cases, and an increase in the timber imports has taken place to meet this new demand.

The average values of timber imported as recorded by the trade statistics during the past three years have been as under :—

Year ended 31st December,	Value per 100 sup. ft.				
	Rough Sawn.		Dressed.		
	Cedar.	Douglas Fir.	Hemlock.	Douglas Fir.	Spruce.
	£	£	£	£	£
1924	..	0.870	1.456	1.411	1.430
1925	1.220	0.691	1.023	1.230	1.251
1926	1.178	0.637	0.975	1.301	1.049