The decrease in output which was contemplated in last year's report has eventuated, and the lowest total production for many years was recorded for the 1928 period. The reduced output affects all the well-known classes, and is indicative of the generally poor business conditions which ruled so far as timber-sales were concerned during the year just concluded. It may be said with conviction that the period was one of the hardest experienced in the history of the industry. Despite the lower outputs, the competition for sales was most keen, and the sawmillers frequently quitted stocks at little or no profit. Many of the mills accumulated large stocks, and could not find either local or export markets at profitable prices.

During the winter of 1928 the industry was in a particularly bad plight, and accusations of unfair dealing between competing mills, particularly in selling timber below cost, were rife. The conditions towards the end of the year, and more particularly in the early part of 1929, showed considerable improvement, and much of the suicidal competition has been eliminated. Apart from domestic troubles, the miller has had to face increased competition from imported supplies. The following table shows in thousands of superficial feet the quantities of timber, other than Australian hardwoods, which have come into New Zealand during the last five years:—

| —— | 1924–25. | 1925–26. | 1926–27. | 1927–28. | 1928–29. |
|---|---|---|---|---|---|
| Ash, hickory, lancewood, lignum-vitæ, beech, mahogany, walnut | * | 127 | 219 | 145 | 146 |
| Cedar .. .. .. .. | 2,314 | 7,571 | 8,202 | 1,910 | 1,642 |
| Oregon .. .. .. .. | 13,653 | 16,206 | 18,622 | 16,298 | 16,674 |
| Hemlock .. .. .. .. | 1,747 | 4,258 | 3,744† | 2,053† | 6,019† |
| Spruce .. .. .. .. | 899 | 1,463 | 239† | 144† | 90† |
| Oak .. .. .. .. .. | 2,136 | 2,586 | 2,343 | 1,656 | 2,112 |
| Other kinds, including redwood .. .. | 2,812 | 8,716 | 9,628‡ | 10,845‡ | 12,413‡ |
| Totals .. .. .. | 23,561 | 40,927 | 42,997 | 33,051 | 39,096 |

* Included under "Cedar."
† Does not include timber for butter-boxes or cheese-crates (if any) of hemlock or spruce. Previous years' figures for hemlock and spruce include any butter-boxes or cheese-crates of these species.
‡ Includes all butter-boxes and cheese-crates of any species of timber. Redwood in 1928–29 was 8,370,000 superficial feet.

## Sugar.

Sugar constitutes one of the most important items of New Zealand's imports, our raw-sugar requirements amounting to approximately £1,000,000 per annum. Our imports of raw sugar are derived mainly from Fiji, Dutch East Indies, Cuba, and Peru, although of recent years there have been considerable changes in the quantities obtained from each country, as will be seen from a glance at the following figures:—

*Imports of Raw Sugar, 1926–28.*

| Country. | 1926. | | 1927. | | 1928. | |
|---|---|---|---|---|---|---|
| | Cwt. | £ | Cwt. | £ | Cwt. | £ |
| Fiji .. .. .. | 976,241 | 736,279 | 316,011 | 270,156 | 570,889 | 423,825 |
| Dutch East Indies .. | .. | .. | 363,927 | 258,516 | 919,141 | 595,970 |
| Cuba .. .. | 607,272 | 378,751 | 432,554 | 322,684 | .. | .. |
| Peru .. .. | .. | .. | 128,431 | 89,999 | 96,642 | 55,921 |

There has been a considerable decrease in the quantity purchased from Fiji, and a corresponding increase in the quantity purchased from the Dutch East Indies. Cuba, which supplied a large proportion of our imports in 1926 and 1927, supplied none at all in 1928. Peru supplied the remainder of our requirements.

The Department has continued to receive and record information regarding the world's sugar-markets, and has compared the movement of overseas prices with the prices ruling for the product of the New Zealand refinery. The prices of refined sugars are, of course, appreciably above those quoted for standard raws, while the latter are, too, subject to more frequent fluctuations than in the case of the finished product. The downward tendency, which has been so marked during recent years, has been steadily continued during the period under review. On the 13th February, 1928, the price of No. 1A sugar (the popular table grade), f.o.b. Auckland, was quoted at £21 10s. Since that date there have been four reductions of 10s. a ton each in 1928, and three in the current year to date, the latest quotation being £18 per ton.

Sugar-markets continue to reveal a depressing atmosphere, and quotations to stand at nearly the lowest on record. Owing to a considerable expansion of sugar-growing since the war, due largely to a recovery in the European beet-sugar, but also to greater production of cane-sugars, without any