

(3.) *The Price when sold by the Mill to—(a) the Consumer, (b) the Middleman, and (c) the Retailer.*

This was a very complicated and difficult problem to solve, and every effort was made to arrive at reliable conclusions.

Owing to the fact that prices vary so greatly in the different towns of New Zealand according to local causes, and that they have advanced during the past decade, it is impossible to say that prices have ruled as low as they might have, in each town, and during any particular year.

Judging from the evidence that was given, as bearing on the cost of production, and already dealt with in clauses (1) and (2), we have come to the conclusion that the average prices now obtaining for the great bulk of the timber are not unreasonable, but that, as regards past prices, in certain localities, there is evidence to show that attempts were made to unduly raise and maintain the price of timber by combination amongst millers and middlemen not in the public interest. This undesirable practice has been, however, checked to a large extent by the recent trade depression, and other conditions affecting the sawmilling industry generally.

(4.) *The Price when sold by the Middleman to—(a) the Consumer and (b) the Retailer.*

Bearing in mind the conclusions just arrived at, and the grounds for same, we consider that, having regard to the prices obtained by the producing miller, the prices charged by the middlemen and retailers to the consumer in certain districts, where it has been the rule to class anything as low as 20 ft. or 22 ft. in length as "long lengths," have been unduly high. We regret that this seems to have been the case, and do not think that it has been a general practice throughout the Dominion, but undoubtedly the middlemen have in certain instances taken undue advantage of the late demand for timber, caused by an unusual expansion of the building trade, and have in some cases charged and obtained prices in excess of a fair trade profit. The said high prices seem to have been maintained by combined action on the part of a number of timber-merchants in some districts. This condition, however, does not appear to exist at the present time.

Railway freights add largely to the cost of timber in the chief centres of the Dominion, and in the interests of the sawmilling industry and the public generally we recommend that sawn timber be carried at the lowest payable rate.

With the view of utilising a class of timber which is largely wanted, and known as "shorts" (lengths 6 ft. and under), we recommend the Government to reduce the railway freight on this class of timber.

We are of opinion that the whole railway tariff on timber requires reconsideration, and would draw attention to the evidence given before the Commission by Mr. R. A. Wilson, of Bull's, and supported by compiled tables embodied in his evidence, alleging that timber is charged higher rates of freight than many other classes of goods, and also to the statement made by the General Manager of New Zealand Railways (Mr. T. Ronayne) in reply thereto.

(5.) *The Areas of Crown Land held for Sawmilling Purposes under the Land Act or the State Forests Act, showing in each Case the Name of the Licensee and the Acreage held.*

These are given in detail in Appendix A, and show that a total area of 151,607 acres is held for sawmilling purposes, under 255 licenses. This area is also shown on the map attached to the appendix.

In this connection it is recommended that the royalties throughout the Dominion should be uniformly charged on the log-measurement, as so doing will tend to the prevention of waste in dealing with our native forests; whilst, in order to encourage the erection of a better class of mill, and the adoption of improved methods of working, so as to reduce the cost of production, sawmilling areas should be allotted to each mill, and fixed on the quantity basis, taking into account the cutting-capacity of the mill as well as horse-power.