

Otago markets to Southland and Otago mills in order to reduce their stocks and absorb current production. By this means Westland timber, which met a substantial portion of the Otago demand, was released for increasing exports to Australia. The arrangement was agreed to both by the Government and by the sawmillers.

Immediately following this zoning, a close study was made of the general position and of developments which had occurred in the timber trade during World War I. This latter study showed an annual fall in production and demand of about 6 per cent. to 7 per cent., due basically to the declining man-power available to both producers and consumers. After discussions, therefore, with both sawmillers and the Government, it was decided that, in addition to zoning the Otago market, the declining demand throughout the country should be generally met not by attempting to impose any general reduction in production, but by refraining from opening up new State forest areas for milling by units cutting out of bush supplies in other areas. The wisdom of this decision was fully justified by the downward trend in the timber trade over 1940 and 1941, but in actual effect few mills cut out of bush, and only two are known to have ceased operations as a direct result of this policy. Incidentally, the numbers of operating mills as registered in 1939, 1940, and 1941 were recorded as 363, 365, and 358 respectively.

When Japan entered the war the demand for timber both for our own and for American requirements in this theatre of war expanded rapidly, and demand not only exceeded supply, but made heavy inroads upon the excellent stocks then in existence. By this time, however, man-power had declined so seriously in the industry that, with the concurrence of the Government and the sawmillers, the policy of refraining from opening up new State forest areas was continued, it also being agreed that the Office of the Timber Controller should not allow the shifting of mills cut out or assist in the procurement either by negotiation or direction sale of private- and Native-owned timber for the reopening elsewhere of either cut out or closed mills. With most mills under-staffed, the objective was to concentrate the limited man-power available in fewer units and thereby secure maximum production. The alternative was to follow the British policy of completely regimenting the industry, creating a number of so-called "nucleus" units in which all man-power would be concentrated, closing all others, and introducing a profit-sharing scheme to cover both operating and closed units. Such a scheme was fraught with obvious dangers and difficulties, and there can be no doubt whatsoever that the departmental policy of concentrating limited man-power in fewer mills by a natural process of elimination has achieved the objective of maximum production; its continuance has been logical until man-power surplus to the requirements of all operating units has become available.

In accordance with the usual principles of policy implementation, each case involved has been treated on its merits and quite a few excluded from the general arrangement. Typical of these were those mills wholly dependent upon local or part-time labour incapable of transfer to other mills outside their immediate locality, and in such cases either State-forest or Native-owned timber was arranged in nearby areas to allow of the shifting of the mill and its maintenance in production. Nevertheless, another two mills did cease operations in the interest of conserving man-power, making four in all similarly affected. The fact that almost 100 mills have been kept in production for each one so closed down is an answer in itself. To have agreed to the opening of new mills and of further dispersing the limited man-power available would have defeated the essential objective of maximum production.

On the basis of fact there is not even yet, with some 500 volunteers becoming available from the Pacific theatre of war, any personnel surplus to the requirements of existing units. To secure the extra timber-production now needed, at least another 1,000 men will be required before the end of 1945, and for their effective use suitable supplies of State, Native, and privately owned timber and logs, both indigenous and exotic, will be readily available as and when required to the right type of operator and the right type of mill. The wartime record of production in the face of a declining man-power and equipment position is a complete vindication of timber control, which it is claimed has operated with commendable efficiency and with less restriction and vexatious detail than timber control in any other part of the British Commonwealth.