

During the later years of the war the New Zealand Supply Missions established at Ottawa and at Washington, D.C., negotiated the supply of essential requirements of North American softwoods. On their advice that it would be difficult to procure supplies in 1946, due to demand in both Canada and the United States of America being in excess of potential production, arrangements were made for a representative of the trade and the Deputy Timber Controller to visit North America. Although this delegation found the advices cabled by the New Zealand Supply Missions all too true, export permits were eventually obtained from the Government of the United States for a satisfactory supply of redwood, and an undertaking was secured from the British Columbia exporters for the supply of substantial quantities of Douglas fir. Unfortunately, however, due to a strike in the mills, no redwood has been produced since 14th January, 1946, and at the time of writing this strike was still in progress. As shipments cannot commence until after the strike ends, New Zealand, for a period at least, is going to face a difficult position in the production of external joinery, as redwood stocks are rapidly nearing exhaustion and totara supplies are inadequate to meet the demand. Some slight relief has been secured by the revocation of the notice relating to the cutting of totara into railway sleepers as a result of an improvement in the supply of Australian hardwoods. Due to a lack of shipping, the delivery of Douglas fir did not commence until May, 1946, when 2,000,000 board feet was shipped. On the 15th May another strike commenced, this time in British Columbia sawmills, and future shipments may be seriously prejudiced.

Not unexpectedly, the fact that demand for Canadian production exceeds supply has resulted in a substantial rise in the price of Douglas fir. Although domestic prices in Canada are strictly controlled, export prices are free, and for some years at least it appears likely that demand will result in prices being maintained at a high level. Shipping freights, which are far above pre-war level, also appear unlikely to fall substantially within any short period. In the United States of America both export and domestic prices are controlled, with the result that redwood to-day, although much dearer than pre-war, is considerably cheaper than western red cedar. This position can be expected to continue as long as the United States Government exercises control over export timber prices, but some increase in price appears inevitable on the termination of the redwood-sawmill strike.

76. *Timber Exports.*—For the third year in succession, exports were limited by the shortage of trans-Tasman shipping to slightly over 4,000,000 board feet. A comparison of Appendices IV and V will show that total exports amounted to only 25 per cent. of imports. Although New Zealand has actually gained by imports threefold the timber lost by this modest quantity of exports, there has been much public criticism of the Government's policy of permitting export at a time when there is a serious timber shortage within the Dominion itself. The brief explanation given under paragraph 75 will help to dispel any suspicion that much-needed timber-supplies are being unnecessarily allowed to leave the country. New Zealand is committed to provide Australia with approximately 12,000,000 board feet of softwoods this coming year, but shipping is the bottleneck, and unless more tonnage is made available it will be impossible to deliver the full quota.

During the year 1947-48 and thereafter it is anticipated that New Zealand's timber production will have increased to such an extent, and that the shipping position will have so improved, that export on a much more liberal scale will be possible. The planning of forward production is based on an export trade of 35,000,000 board feet by 1948-49. Therefore, quite apart from express Commonwealth stipulations as to reciprocal trade, it is in New Zealand's own interests to discount the present to some extent in order to maintain her export market for further development when her maturing exotic forests yield a substantial surplus above domestic needs.