

Employees at the beginning of the year under review totalled 900, and by the end of the year, six months after VJ Day, their number had increased to only 1,230. A further 2,000 men can be employed from September, 1946, until March, 1948, but present indications are that this additional number will not be fully recruited. Apart from employment, accommodation is in itself a difficult problem because of the scarcity of tradesmen and materials. Postponement of the construction of permanent accommodation with modern amenities seems inevitable, but every effort is being made to install comfortable temporary living-quarters consisting of refitted and improved Army huts, including some of the sectional steel types. Other works in hand in preparation for the rehabilitation programme are layout surveys and the development of four new tree nurseries.

A list of forests in which expansion is planned, and their location is given in Appendix X.

99. *Export Butter-box and Cheese-crate Pools.*—The deliveries of timber for butter-box manufacture to North Island boxmakers licensed under the Export Butter-box and Cheese-crate Pool Regulations 1941 amounted to 8,704,000 board feet (10,475,000). Shipments from the South Island totalled 5,249,000 board feet (5,381,000), comprising 2,544,000 board feet of white-pine and 2,705,000 board feet of rimu. The balance, of which only 354,000 board feet were rimu, was secured from North Island sawmills. Shortages of coastal shipping again made it difficult to move timber from the west coast ports to the North Island. Details of the boxes supplied during the past year are as follows:—

Standard wooden boxes (approximately 60 per cent. white pine and 40 per cent. rimu)	1,366,000
“Saranac” type (fibre-board mats and wooden ends)	814,000
Corrugated kraft fibre-board cartons	1,336,000
Solid fibre-board cartons made from imported blanks	1,002,000
Solid fibre-board cartons made from New-Zealand-manufactured blanks	495,000
	5,013,000

Total manufacture during the previous year was 4,077,000.

At 31st March, 1946, stocks of boxes held by dairy companies totalled 934,000 (400,000).

Two serious fires occurred during the year. The first, in July, 1945, destroyed the box-factory of K.D.V. Boxes, Ltd., at Auckland, one of the largest manufacturers of butter-boxes in the country. The other destroyed the factory of T. W. Wall, Ltd., at Owango in February, 1946. Fortunately there were two factors that mitigated the otherwise serious effects of these fires. The former and more disastrous fire occurred at the slackest period of the dairy season, and while the latter occurred more in the flush of the year, the demand for boxes had already greatly diminished as a result of the drought conditions in dairying districts.

At the time of preparing this report the total output of butter to date for the current season shows a decrease of 16 per cent. compared with the same period of the preceding year, and while a fall of these dimensions, coinciding with a world food crisis, is to be greatly regretted, there is no doubt that an output equal to that of the previous season would have involved grave problems regarding box-supplies. The forward supply for next season, moreover, is far from reassuring. With the approaching exhaustion of the accessible white-pine supplies, New Zealand has come to depend in a large measure on the fibre-board container for its butter-box requirements. Substantial orders were placed for Canadian supplies, but advice in recent months leaves little hope that more than a small proportion of this material will be received. There appears to be no alternative other than to use a larger proportion of wooden boxes, even though this must necessarily mean a continued and expanded use of the rimu box, which is held in general disfavour by the dairy industry.