

hospitals, or similar uses. The building industry therefore was able to concentrate its efforts on meeting the civilian demand for houses and other buildings, and as a result of the high priority accorded dwelling construction about 9,000 houses were erected during the year.

The system of end-use control described in last year's annual report was originally premised on the regulation of building permits in accordance with the timber-supply. Had this policy been followed there is no reason to doubt that the End-use Committees would have succeeded in organizing timber distribution in an orderly fashion and, in particular, permit-holders would have received their timber-supplies in chronological order of the date on which their permits were issued and without undue delay. However, once the issue of permits had far outstripped timber-supplies, a tendency developed for permit-holders to adopt extraordinary measures to secure their needs. In some cases builders, rather than wait their turn for supplies, went to much expense in organizing log-supplies and had them sawn in mills which, due to a shortage of logs, were not working full time. Although this policy often resulted in the timber costing the builder more than if he had waited and obtained his supplies from his normal retail merchant, it did lead to increased timber production, which otherwise would not have been secured.

It is now certain that timber demand and supply are going to remain out of equilibrium for the next two years at least. Due to the heavy housing programme undertaken last year, timber stocks, which were badly subnormal when the year commenced, have now reached an irreducible level. To meet the changed conditions, steps are being taken to tighten up the control of sawmill production and so ensure that builders will no longer be able to induce country sawmillers to supply them with timber in priority to holders of earlier-dated permits. End-use control is also being strengthened by vesting end-use officers with legal powers to enforce the distribution of timber-supplies under their control according to priorities established, and where priorities do not exist, then according to the date of issue of building permits. In addition, the use of indigenous building timber for commercial buildings and other purposes is being limited so as to assure the maximum possible rate of house-building.

Periodically throughout the year, and particularly during the months of February and March, timber distribution to consuming zones was rendered extremely difficult by a shortage of railway trucks. Owing to the tire position, it was not possible to relieve the position by using road transport, as was done in the previous year.

Inasmuch as the South Island wood-using industries enjoyed relatively a better timber-supply than the North Island, it was not necessary to institute there the intensive zoning and end-use control that operated in the North Island. Nevertheless, the West Coast Sawmillers' Association, which produces 70 per cent. of the rimu in the South Island and has an area of distribution extending from Nelson to Dunedin, introduced a system of zoning to ensure an equitable apportionment of the timber produced.

The North Island received less timber from Westland than during any year since war commenced, mainly owing to coal being afforded a clear priority of shipping-space available for loading at Greymouth. For six months no tonnage has been available for shipping timber to Auckland, and only one vessel a month has loaded timber for Wellington. Concurrently, no shipping could be secured for loading at Greymouth for Australian ports, with the result that the North Island had to assume responsibility for the supply of most of the timber despatched to Australia under the reciprocal agreement for supply of hardwoods. The timber position in the North Island is therefore more serious than in the South and the urgent need for more shipping to move timber to northern ports is again emphasized.

110. *Timber Prices.*—After a lengthy period of relatively stable timber prices, three separate rises were approved by the Price Tribunal during the year. In two instances the increases arose out of alterations to the Timber Workers' award which increased the cost of timber production. To compensate sawmillers for these increases, the selling prices of indigenous timbers were advanced by a total gross or list average of 3s. per 100 board feet in the North Island and in Southland, and by 2s. 2d. on the west coast of the South Island. The third rise was granted after an exhaustive survey had revealed