

The principal sawmilling groups in the South Island continued during the year to apportion deliveries, thus ensuring that each district received an equitable share of production, and so it did not become necessary to introduce the intensive zoning and end-use control that it has been essential to maintain in the North Island.

Apart from boxmaking requirements, the principal indigenous timbers used prior to the recent war were rimu, matai, and totara and such imported woods as Douglas fir, redwood, and western red cedar. For the year ended 31st March, 1946, the quantity of all these timbers available for domestic consumption amounted to 211,000,000 board feet, and for the year ended 31st March, 1947, the quantity is estimated to have totalled 207,000,000 board feet. These figures compare unfavourably with the average of 259,000,000 board feet available during the years 1924, 1925, and 1926 and the 243,000,000 board feet available during 1939. When it is considered that in 1939 stocks amounted to more than 100,000,000 board feet, as compared with less than 30,000,000 board feet at present, it becomes clear that wood-using industries to-day have neither the stocks nor the current supply of former years. As the demand for timber during the year was considerably above pre-war levels, the extent to which essential work requiring timber could be undertaken depended principally upon two factors—viz., (a) the effectiveness of the restraint placed on the use and sale of indigenous and imported building-timbers for work which could be deferred or classified as non-essential, and (b) the extent to which exotic timbers might replace indigenous and imported timbers. Control of timber-distribution during the year aimed, through the End-use Committees, at restricting the use and sale of timber to work essential in the public interest and at using the species of timber and grades available for purposes to which they were best suited.

110. *Timber Prices.*—Economic surveys of the sawmilling industry were commenced in 1945, and as the result of a survey during the year under review increased prices were granted by the Price Tribunal to South Island sawmillers. The increase in price was allowed to enable the sawmillers to be placed in the same earning position as they were in 1939. In the West Coast - Nelson - Marlborough area the increase was 1s. per 100 board feet, and in the Southland area it was 2s. 6d. per 100 board feet.

During the year the Government removed the sales tax from timber, which resulted in lower prices to consumers, but the introduction of the timber-worker's housing levy has added 6d. per 100 board feet to the prices so lowered.

As from February, 1947, timber-workers' awards throughout New Zealand were revised to allow increased rates of pay. In order to compensate sawmillers for these increases, the Price Tribunal authorized small increases in the selling-prices of timber in all areas.

In continuation of its policy of establishing fixed price points for sales of timber, the Price Tribunal has authorized the sale of insignis pine in the Southland and Otago area based on the price point at Edievale. The increased demand for insignis pine as a building-timber has resulted in the establishment of authorized maximum prices for merchants' sales of this timber.

111. *Timber-production.*—The granting of the economic price increase to the indigenous-timber section of the North Island sawmilling industry last year was followed by prompt investment of fresh capital for the establishment of new sawmills. Whereas the State Forest Service in 1945 received no bids when tenders for the purchase of saw-logs at Te Whaiti were called, a number of tenders were received when the sales were readvertised after the economic increase was granted. As a result, the establishment of three new sawmills is now well advanced at Te Whaiti, and all are expected to be in full production before the present year ends. Similar progress can be recorded in other parts of the Dominion, as is shown by the fact that applications were received during the year for the registration of fifty-four new sawmills intended entirely or principally for the cutting of indigenous timbers.