boarding, and furniture-manufacture. For furniture a grade guaranteeing at least 6 lineal feet of clean timber per board, in cuttings of 2 ft. or longer, found much favour among manufacturers, and demand for this tentative grade exceeded production.

As could be expected under conditions of such demand, wood-users urgently needing supplies were prepared to accept and use timber in grades and under conditions which in normal times would have received scant consideration. Owing to the fact that kiln facilities are inadequate in many urban areas and in most bush areas, the use of green and partially air-seasoned timber for finishing purposes was all too common. In some areas without kilns a policy was adopted of forwarding timber for drying as far away as one hundred and fifty miles rather than allowing the use of green timber for flooring and weatherboarding. Although this involved additional charges of as much as £1 per 100 board feet for transport and drying, the Forest Service believes that the practice was fully justified, for future maintenance charges will be much less than if green timber had been used.

Despite the fact that the production of indigenous finishing grades was much below current demand, no serious or realistic approach to a revision of standards for flooring and weatherboarding was made by builders or architects. In Australia, where shipments of 6½ in. by 1 in. kiln-dried first- and pith-grade insignis pine for flooring from the Waipa Mill have received very favourable comment, the use of knotty insignis pine for flooring, weatherboarding, and linings is widely accepted. In New Zealand, on the other hand, house-building authorities will not permit the use of such grades for flooring, and, what is considered still more unrealistic, have shown no inclination to use knotty grades of rimu or matai for that purpose. It appears difficult to drive home the fact that henceforth the production of rimu and matai must steadily decline, as remaining bush resources are no longer adequate to sustain pre-war level of cutting. Whilst, by accelerating the cutting of all economically accessible stands, the production of rimu and matai might possibly be slightly increased for a few years, it now appears certain that, unless requirements greatly decrease, the supply of these timbers will never again overtake demand. In the future, therefore, the use of a lower grade of rimu and matai and the acceptance of insignis pine for such purposes as flooring and weatherboarding cannot be avoided, and house-building authorities should take cognizance of this fact.

The year served to demonstrate clearly that, in the interests of securing maximum production, distribution control of indigenous timber must take account of the tendency to integration in sawmilling and merchandising activities. Many sawmillers who have hitherto confined themselves to production are now establishing retail yards through which their timber will henceforth be sold. This trend, combined with the withdrawal of other sawmillers from the industry on exhaustion of their bush resources, has taken away timber-supplies upon which many merchants rely to maintain their yards in operation, and as a result increasing numbers of merchants are now seeking to engage in sawmilling so that they can remain in business as distributors.

The significance of these developments in both maintaining and increasing indigenous-timber production cannot be ignored. As increased production alone can overcome the difficulties facing wood-users, it has been found expedient in distribution control to confine directions to fairly wide geographical zones, leaving sawmillers free to distribute timber to whom they wish within the zone, provided that the directed total quota assessed for each zone is delivered.

Manufacturers and primary producers found greater difficulty in securing a satisfactory supply of boxes than at any period during the war years. Owing to the steady expansion of secondary industries and an acute world scarcity of fibre board, the demand for wooden boxes has become very heavy. Boxes that are particularly affected are fruit-cases and cheese-crates, for which the overall demand totals the large figure of 4,500,000 containers, requiring 27,000,000 board feet of timber in their manufacture. As a result of the decline in production of containers by other boxmakers,