

remainder being utilized at the Waipa and Kaingaroa Sawmills. Minor forest produce extracted by the Forest Service comprised: poles, 4,575 (1,905); posts, 81,092 (645); rails, 2,055 (1,430); battens, 9,300 (nil); firewood, 6,438 (5,238) cords; pulpwood, 40 (481) cords; mining timber, 133,142 (117,700) pieces.

64. *Indigenous Timber Disposal*.—As forecast in last year's report, a further increase has been achieved in the amount of cruising work carried out, an indication of the value of the training courses provided for timber measurers (see paras. 21 and 30). The quantity of timber cruised during the year—182,066,000 board feet (168,020,000)—is the greatest in any twelve months since this Service undertook such work. For the year 1948–49 an even greater quantity will require measurement, and arrangements are being made for accelerated training for suitable junior employees. It was not, as hoped, found possible to have appraisals completed well ahead of sawmillers' requirements, owing mainly to the increased demand for State and Maori-owned areas resulting from increased milling activities and the gradual cutting out of privately owned forests; nor is it anticipated that any great advance in forward cruising will be possible in the year 1948–49, but every effort is being made to provide sawmillers with areas having a cutting life of two to two and a half years. Appraisals of Maori-owned forest represented 29 per cent. of the total, an increase of 25 per cent. over the previous year, whereas for the State forests the proportion was 66 per cent. representing an increase of only 4 per cent.

The quantity of sawn timber produced from indigenous State forests, together with that from Forest Service indigenous logging operations, amounted to approximately 138,000,000 (120,000,000) board feet, which represents 49 (49) per cent. of the total quantity of indigenous timbers milled.

Registered sawmills obtaining supplies from indigenous State forests during the year totalled 144 (123), being 21 (23) per cent. of all registered sawmills and 37 (35) per cent. of those cutting principally indigenous timbers. In view of the inevitable decline in the future sale of indigenous State forest timber, the increase in the number of sawmills operating in State forest is noteworthy and is explained by the fact that most of the new units are working small isolated areas which hitherto have been considered too small or remote to warrant attention. The heavy demand for indigenous timber has now encouraged such utilization, either for log supply to existing sawmills and plywood-factories or for new small sawmills. In most cases these areas have been too remote or unattractive for exploitation by existing sawmills.

In other sections of this report reference has been made to artificial conditions which now exist in the timber industry on account of price-control policy. Because indigenous timbers are now often under-priced compared with the cost of substitutes, many consumers are willing to pay more than approved rates to secure supplies. As sawmillers and merchants are unprepared to adopt the illegal practice of selling at above approved prices, some users, in order to obtain what they want, have adopted the practice of buying logs and having them sawn. Poor-grade logs are often purchased from remote places, their delivered cost being generally abnormal, and the timber produced from them costing considerably more than if purchased at approved market rates. To discourage such practices the Forest Service has modified its timber and log sales policy, and most sales are now made conditional upon the conversion of all sawlogs being undertaken in the district where the timber is growing; and if approval is given to rail sawlogs away from the district, maximum log prices are prescribed. Furthermore, to assist equitable distribution of sawn timber, sales on occasions are made conditional upon the successful tenderer selling in prescribed markets; as, for example, to provide a reasonable supply of timber to the southern districts of the North Island, some Main Trunk forest sales are made contingent upon a southwards distribution of sawn timber. In the exercise of this policy, every endeavour is made to leave the sawmiller as wide a market as possible, and no attempt is made to influence him in his choice of customers. With demand for