

The ample orders which have been available have enabled production to be maintained at a peak level, resulting in the use of an additional 2,000,000 board feet of timber over last year's quantity. The box-factory's output of case-shooks accounted for a gross total of 9,593,000 board feet (7,468,000) of rough-sawn timber. Sales of dressed timber during the year amounted to 414,000 board feet (862,000).

Profit from the box-factory operations amounted to £27,751 (£8,303), a satisfactory figure reflecting the full use made of the box-factory during the year. Had the box-factory, however, been charged market price for dimension grades, unavoidably used to secure the output recorded, the profit would have been significantly smaller and the sawmill profit correspondingly greater.

68. *Departmental Wood-preserving Activities.* The quantity of produce creosoted at the departmental creosoting plants during the year was considerably below the total plant capacity, as was the case in the previous year. Operations at Waipa were again seriously retarded owing to lack of seasoned material for creosoting, but it has now been possible to resume cutting for seasoning in advance of creosoting, and a much greater output of creosoted produce can be expected in future. At Hanmer there was again insufficient labour to cut adequate supplies for seasoning and, although more produce was creosoted than in the previous year, this plant will continue to operate below capacity. Fencing-material for departmental use constituted the principal output of the Conical Hill plant.

69. *Exotic Forest Exploitation.*—At the 31st March, 1948, registered sawmills wholly or partly engaged in the cutting of exotic timber totalled 270, representing an increase of 11 per cent. on the number of mills so engaged at 31st March, 1947.

Many of the recently established sawmills are both primitive in construction and incapable of producing a high standard of sawn timber, and viewed from the angle of orderly development of markets for exotic softwoods these are most undesirable features. Although similar sawmills have cut an acceptable standard of product in indigenous timber, this provides no criterion for exotic timber, which, being produced only from low-grade logs, yields a product comparable only with lower grades of indigenous timber. As, however, indigenous timbers were much overproduced before the war, and will still continue to be produced in substantial quantities despite the anticipated decline, there would be little future for exotic timbers if their potential uses were confined to purposes for which the lower grades of indigenous timbers are employed. Although all grades of exotic timber must contain considerable defect, the limited and declining supply of upper grades of indigenous timber offers a wide though difficult market for the better grades obtainable in exotic timbers. It will be appreciated, therefore, that as the best exotic timber grades are fundamentally inferior to the higher grades of indigenous timber, the utmost care in sawing, grading, and seasoning will be a prerequisite to the successful development of a worth-while and stable market.

The State Forest Service continues to concentrate upon improving its seasoning and grading practices with a view to widening the market for exotic timbers, particularly as flooring, weatherboarding, and interior joinery, for natural or paint-finished furniture, and for the framing of factories, schools, and commercial buildings. Although the quality of the product obtained by the Forest Service is far higher than that of most other operators, the Service is convinced that only by adopting the best sawmilling technique can a permanent market be established.

CHAPTER IX.—TIMBER TRADE

70. *Production of Sawn Timber.*—The production of sawn timber of all species by registered sawmills for the year ended the 31st March, 1948, amounted to 429,000,000 board feet. Although production in immediate pre-war years fluctuated around 325,000,000 board feet, wartime demand used up practically all timber stocks, and in order that post-war needs might be met with reasonable promptitude it was