

2. *Log Sales*.—Sawlogs and peeler logs comprised 89 per cent. of all logs produced by departmental logging schemes. The quantities and values of logs sold during the last three years were :—

—	Indigenous.	Exotic.	Total.	Value.
	Cu. ft.	Cu. ft.	Cu. ft.	£
1946-47	1,174,000	2,783,000	3,957,000	154,300
1947-48	1,721,000	3,284,000	5,005,000	203,600
1948-49	2,707,000	4,082,000	6,789,000	288,900

The increase in production of indigenous species resulted mainly from the first full year's operations in those areas in which new log sales were made in 1946. During the past year logs were sold to twenty-two sawmills, deliveries being as follows :—

—	Indigenous.	Exotic.	Total.	Percentage.	Number of Mills.
	Cu. ft.	Cu. ft.	Cu. ft.		
Private sawmills	2,705,000	289,000	2,994,000	44	19
State sawmills	..	3,795,000	3,795,000	56	3
Total	2,705,000	4,084,000	6,789,000	100	22

DEPARTMENTAL SAWMILLING OPERATIONS

1. *Sawn Output*.—Sawn-timber production in departmental sawmills amounted to 22,831,000 board feet for the year. This represents approximately 5 per cent. of all timber produced in New Zealand during the year, and 14 per cent. of all exotic-timber production. For the first time more than half of the total output was sold in the form of sawn timber. The balance was used for boxmaking and for departmental building purposes. Statistics of the production and distribution of sawn timber during the past five years are given in Appendix XIV.

2. *Waipa Sawmill*.—This mill again averaged a forty-eight-hour week throughout the year, with the circular rig again working both a day and a night shift. During the year, 265 nine-hour days were worked, and production was again a record for this plant.

Sawn timber produced and profits earned by this mill each year since it commenced operating during 1940 are shown in the following schedule :—

Year Ended 31st March,	Log Frame Mill.	Circular Rig.	Total.	Profit.
	Bd. ft.	Bd. ft.	Bd. ft.	£
1941	4,064,000	..	4,064,000	8,500*
1942	6,346,000	..	6,346,000	9,000
1943	7,696,000	..	7,696,000	7,100
1944	8,272,000	872,000	9,144,000	13,700
1945	10,066,000	2,345,000	12,411,000	20,100
1946	11,379,000	2,379,000	13,758,000	21,400
1947	12,367,000	3,771,000	16,138,000	14,900
1948	12,649,000	4,132,000	16,781,000	22,800
1949	13,300,000	4,691,000	17,991,000	19,200

* Loss during first part-year of operation.

The reduced profit for 1949 is due to two causes : (a) the alteration of the exchange-rate in August, 1948, meant that some of our prices for the Australian market had to be reduced ; and (b) considerable lapses occurred between the time wage increases for