

HOME TIMBER TRADE

(1) *Supply and Demand*.—Production of timber is now in excess of domestic demand, and such difficulties as do exist arise chiefly from the altered incidence of species and grades as compared with the supply in pre-war years. In other words, though the physical timber-supply is more than sufficient for all requirements, consumers generally are still sensitive to the restricted supply of the better grades on indigenous timber. The shortage is purely one of quality, and it is becoming of less and less significance as the use of exotic species widens. Export markets provide a ready outlet for all surplus timber.

After allowing for exports and imports, and disregarding stocks which cannot be accurately ascertained, the total sawn-timber supply during the year was a little over 460,000,000 board feet, as against approximately 440,000,000 board feet the previous year. Buyers are exercising greater discrimination as regards quality and grades, and merchants' stocks have improved. There are, however, certain local exceptions: Wairarapa, Taranaki, and the Gisborne—East Coast region are deficient in timber as a result of negligible local resources and the relative remoteness of these districts from timber-producing centres. The most satisfactory long-term solution is the establishment of exotic forests and farm woodlots in these areas. In the short-term, however, these districts undoubtedly can improve their position by a better appreciation of the merits of exotic timbers as substitutes for indigenous timber.

The demand for the secondary commercial species, tawa and rewarewa, declined during the year, and in some cases applications were received from sawmillers for the exclusion of these species from block timber sales. The prospects for an improvement during the coming year are good now that the industry is conscious of the necessity for treating the sapwood of these timbers against insect attack and decay, and is taking steps to install plants for this purpose.

The wider acceptance of exotic species for building purposes has contributed in no small measure to the easing of the supply situation; and the relaxing of restrictions on the erection of garages and farm buildings has facilitated the disposal of the lower grades both of exotic and indigenous species. The demand for white-pine has altered with the reduction in usage of the wooden butter-box by the Dairy Board, and difficulty has been experienced in disposing of some grades of this species. Consequently, since the year closed control over the use of this species has been abandoned.

(2) *Timber Prices*.—In July the Dominion Federated Sawmillers' Association submitted at a public hearing their application to the Price Tribunal for price increases to cover higher labour costs arising out of the West Coast Timber Workers' award of 12th April, 1948. The association also submitted the results of the economic survey of the industry conducted in 1947, claiming increases to restore the economic position to that of 1939, to cover increased incidental costs, adequate depreciation, the cost of insurance, and the balance of the amount claimed to cover increased costs arising from the general wage increase of October, 1947, which had not been granted in full by the Tribunal. The Tribunal granted the following increases operative from 11th August, 1948:—

(a) *Indigenous Timbers* :—

	North Island.	Nelson and Marlborough.	West Coast.	Southland and Otago.
	(Per 100 board feet)			
	s. d.	s. d.	s. d.	s. d.
Balance increased wages cost arising from award of 1st October, 1947	0 4	0 3	0 3	0 4
Increased wages cost, West Coast award of 12th April, 1948	..	..	1 1	..
To cover increased incidental costs ..	0 3	0 3	0 3	0 3
To restore 1939 profit margin ..	0 9	..	..	0 5
Total	1 4	0 6	1 7	1 0