

Not unnaturally difficulties have been experienced in the necessary negotiations with the industry, but, having regard to the far-reaching effects and implications of price-control, it is a striking tribute to the constructive attitude of its representatives that the result, representing a considerable saving to the consuming public and therefore at the expense of the industry, has been secured by a spirit of amicable negotiation. As the most promising offset against this sacrifice the industry has freely accepted the view of the Government that only by keeping prices as low as possible consistent with a fair return to the producer can a healthy tone be maintained in the building trade, thereby keeping the demand for timber at its present remunerative level. Few other industries are subject to the same proportionately high overhead charges as the timber trade, and for this basic reason the industry is lending every effort to assist the Government in implementing a building policy which will maintain its units at a high operating ratio. It is hoped that the industry's anticipations will be realized.

*(b) Export Butter-box Pool.*

Numerous factors combined during the year to threaten a serious shortage of white-pine boxes for the export of butter, and to relieve the position approval was given to the import of 600,000 spruce boxes in shock. So acute was the situation at one time that a number of dairy factories were reduced to one day's supply of boxes, and the box-factories to only three weeks' supply of timber. Arising out of this position the Government decided that some central authority should be created for the purpose of regulating box-supplies and of disposing of them at a uniform cost to dairy factories. It was therefore arranged that the New Zealand Dairy Board should operate an export butter-box pool, the necessary authority being conferred upon it by regulations issued under the Agricultural Emergency Powers Amendment Act, 1936. Under these regulations the Government Timber Price Committee, acting as adviser to the Minister of Agriculture, negotiates standard prices for the various types of packages with the butter-box manufacturers, the Dairy Board subsequently charging out these different boxes to dairy factories at predetermined prices. Considering the chaotic conditions under which this Pool was formed, its working has proved remarkably successful. Destructive fires in two butter-box factories amply demonstrated the value of the organization built up by the Board and the New Zealand Boxmakers' Association, under which emergency supplies were available from other manufacturing units without embarrassment to any of the dairy factories affected.

The acute shortage of white-pine which developed during the year has become accentuated with every passing month, and, if for no other reason, some form of organization such as that now built up in connection with the butter-box Pool would have been required in any event to allocate the necessary supplies of timber to the various boxmaking units throughout the industry and to see that these were secured at a reasonable price. Again, it cannot be overemphasized that the dairy industry has had a very valuable consideration conferred upon it under the operation of this Pool. Had it not been for the enforcement by the Government of its policy that not only should local demands for white-pine have precedence over export, but that New Zealand consumers of white-pine should not be required to pay export parity but only a fair return value to the producers, the dairy industry would have been compelled to pay, for boxes of a quality comparable with those now being manufactured, at least 3d. per box more than during last season, irrespective of whether or not the labour legislation of 1936 had been introduced.

Neither can the outstanding merits of white-pine as a butter-box container be ignored. Its possession is a valuable marketing asset to the New Zealand industry in competition with other countries, which is clearly demonstrated by the fact that Australian users have been prepared to pay heavy increases in price to secure supplies.

*(c) Organization of Fruit-case Supplies, &c.*

Organizing the supply of export-fruit cases and cheese-crates has also occupied considerable attention by the Timber Price Committee. Working in conjunction with the New Zealand Boxmakers' Association, no difficulty was experienced in providing an adequate supply of cheese-crates, these now being manufactured from a wide variety of both indigenous and exotic timbers. Due to the existence of old contracts, however, anomalies were experienced in the delivered price of cheese-crates to various dairy factories. With a view to removing these and securing crates at the lowest possible cost to the industry, various proposals will probably be advanced for the formation of a cheese-crate pool, but it is not unlikely that the majority of consumers will prefer to be left free to conclude their own arrangements even at a higher price than could be secured by the operation of a pool.

The organization of the export-fruit-case supplies has been left, as in former years, in the hands of the New Zealand Fruitgrowers' Federation, the Government co-operating where required to secure agreement upon prices, &c. During the year an import of 300,000 boxes was approved for the purpose of avoiding any local shortage, but these did not arrive until late in the season and the carry-over for the 1937-38 season is about 230,000. A number of local shortages developed during the year largely as a result of the failure of growers to place orders well in advance for their requirements. Although causing some temporary embarrassment, these shortages were eventually overcome without serious results, but to avoid a recurrence of the trouble arrangements have been concluded with the New Zealand Fruitgrowers' Federation for the complete ordering of the whole of the 1937-38 requirements from local box-manufacturers by the 1st July. By this means it will be possible to spread production over the greater part of the year and ensure various economies in production which will be reflected in lower prices. As a result of the carry-over of imported shocks already referred to no imports are contemplated for the forthcoming season.