

## 2. DOMESTIC MARKETS.

Firmer prices and an increased volume of business have characterized practically every timber market in the Dominion. This improved tone of the timber markets rests upon two bases. The first is the building subsidy scheme of the Unemployment Board; the second, the increased confidence in private building enterprise. For the year ended 31st March, 1935, the dwelling permits for the larger towns and cities as reported by the Government Statistician numbered 2,173, as compared with 1,981 for the previous period.

The opening of the year found the stocks of dry timber, both in sawmillers' and merchants' yards, almost completely exhausted, and the subsequent acceleration of building has stimulated production in an effort to build up adequate stocks for the first time since the advent of the depression. All building timbers have shared in the improved demand, the imported woods, however, to only a limited extent as regards actual volume, owing both to tariff barriers and to the restrictions upon their use in buildings erected by unemployment subsidy. With increasing dry-kiln facilities throughout the Dominion few occasions should arise where building requirements cannot be almost completely met by the use of local woods.

Renewed constructional activities by both Government Departments and local bodies also stimulated the demand for Australian hardwoods, for which the supply of local substitutes is strictly limited.

Local manufacturers continue to dominate the boxing and crating industry, the imports of box shooks being the lowest for many years. The outstanding feature of the trade is the ever-increasing importance of insignis pine as a boxing timber, the annual production having increased from 14,500,000 ft. board measure for the year ended 31st March, 1933, to 21,500,000 ft. board measure for the year ended 31st March, 1934. The greater part of this is absorbed for boxmaking purposes.

## 3. EXPORTS.

A substantial improvement occurred in the export trade, the total export of 35,000,000 ft. board measure for 1934 representing an increase of 9,000,000 ft. board measure over the figures for the previous period and equalling the exports during the boom period of 1927-29.

The principal feature of note in the Australian export trade was the shipment of over 7,000,000 ft. board measure of rimu, this quantity being double that exported in 1933 and a record for the past ten years. The bulk of this timber was shipped from the West Coast of the South Island, where mills are admirably situated geographically. The only disquieting feature of the trade is the reluctance of Commonwealth buyers to purchase anything but clean grade timber, the shipments of "merchantable" grade having been so small as to complicate the domestic marketing problem. In contradistinction the increased export of sap matai is assisting materially in the local marketing of this timber. All other woods participated in the increased trade, the shipment of silver-beech in particular increasing from 1,375,000 ft. board measure for the calendar year 1933 to 2,410,000 ft. board measure for 1934.

The export of timber to Great Britain progresses slowly, and the shipment of only 219,000 ft. board measure of silver-beech and only 16,000 ft. board measure of rimu is disappointing. The fact that all timber for the English markets must not only be most carefully manufactured and seasoned, but also trimmed, graded, and trade-marked before shipment, has undoubtedly slowed up the trade in favour of the less discriminating local and Australian markets.

## CHAPTER V.—GENERAL.

### 1. LEGISLATION.

The most important legislation affecting State forests enacted during the year is section 23 of the Mining Amendment Act, 1934, which provides for payment to the Crown of compensation for damage resulting from mining operations to any land vested in the Crown. Such compensation in respect to State forests may from time to time, as damage is caused, be claimed by the Commissioner of State Forests.

Other legislation affecting State forests is contained in the Reserves and other Lands Disposal Act, 1934, section 12 of which cancelled the provisional State forest reservation over 1,250 acres situated in Blocks IV and VIII, Arnaud Survey District, and set the land apart as a scenic reserve.

Section 15 adjusts the boundaries between a State forest (Waiotapu Plantation) and a scenic reserve situated in Block VII, Paeroa Survey District. In this adjustment 9 acres 1 rood 20 perches of State forest land was exchanged for 7 acres 2 roods 30 perches of Section 5, Block VII, Paeroa Survey District.

Section 16 cancels the permanent State forest reservation over 26 acres 3 roods 37 perches situated in Blocks III and VII, Paeroa Survey District, and sets the land apart as a scenic reserve.

Section 20 cancels the provisional State forest reservation over approximately 18,000 acres in Hollyford, Caples, and Greenstone Survey Districts, and reserves the land as part of the Sounds National Park.

### 2. FINANCE.

#### *Receipts.*

The gross receipts for the year totalled £72,900, the highest for four years and approximately £20,200 greater than last year.

This fact may be regarded as an indication that the milling industry is now definitely on the highway to recovery from the economic ills which have affected it for some years.