

73. *Equipment for Timber and Allied Industries.*—Many difficulties in obtaining equipment and supplies for the industry again occurred during the year, but the supply of transport, tractors, and machinery generally was sufficient to maintain production, although sawmillers and boxmakers were hard pressed at times to keep their plant in working condition. Shortage of transport, moreover, affected the delivery of logs and sawn timber.

Heavy tractors were allocated through the Mechanical Plant Advisory Committee, and further machines should become available as a result of Government purchase of surplus war equipment in the Pacific. The service given in the past by the Timber Controller's office in locating machinery has been continued in close co-operation with other Departments and organizations, particularly the Transport Department and the War Assets Realization Board.

74. *Domestic Markets.*—Throughout the year the State Forest Service was called upon repeatedly by various sections of the wood-consuming industries for assistance in bridging the gap between timber demand and supply. This gap is not immediately apparent from a study of the production, import, and export statistics. Considering sawn timber only, and excluding such items as sleepers and poles which are included in the import statistics, the net inflow of timber to the domestic market in 1945-46 was the same as the annual inflow immediately before the war—viz., 350,000,000 board feet. Imports admittedly were much below the pre-war figure, but the loss of imported timber was fully counterbalanced by the increase in production and a much lower rate of export. Accordingly little, if any, fault can be found with the net inflow of timber during the year, particularly when it is remembered that half the year had elapsed before hostilities terminated.

The fact that in spite of a satisfactory inflow there was still insufficient timber for the country's internal requirements is explained by a number of factors. Firstly, the overall demand is expanding rapidly to overtake the arrears due to the war. Secondly, the initial shortage thereby created is greatly accentuated by the exhaustion of pre-war stocks during the defence-construction programme. Among other factors may be instanced the progressive decline in rimu production, which means that the building and furniture industries can no longer secure the quota of indigenous timber they were accustomed to before the war; the reduced output of other indigenous species; and the reduction of pre-war stocks of kauri, as the result of wartime demand, to negligible proportions, so that, as production cannot be increased, consumers who have relied on this species in the past now have no alternative but to turn to other timbers for at least a portion of their requirements.

The customary joinery timbers also are in short supply. The total quantity available even in 1939 was below demand, but the position was not generally so patent then as it is to-day, as users were still working on stocks accumulated during depression years and timbers suitable for joinery were readily procurable from overseas. Now, however, existing stocks are negligible, and only limited supplies of overseas timbers are procurable. Joinery-manufacturers must therefore accept the fact that totara, matai, and redwood are no longer available in sufficient quantities for their needs, and that henceforth they must use for many purposes timbers previously considered less suitable.

Despite the difficulties of the supply position, the Dominion in 1945-46 built as many houses as in the year of peak activity immediately before the war, but this was achieved at the expense of other wood-using industries, and to some extent by reducing already subnormal stocks to an irreducible minimum and at the expense of the 1946 housing programme. In the larger North Island towns the result of the 1945 house-building programme is already evident in the number of house frames which can be seen, but for which flooring or weather-boarding is unavailable.

At the conclusion of hostilities, large orders for foodstuff and munition cases were either cancelled or drastically reduced. This permitted a relaxation in the wartime prohibition imposed on insignis pine for purposes other than boxmaking, and led to many wood-using industries exploring the use of this species as a substitute for rimu. With