

The heavy expansion of timber production in the North Island during the past two years has not been paralleled in the South Island, where the forward position now needs careful consideration. For some decades production by South Island sawmillers consistently exceeded the local demand and substantial quantities of timber were shipped each year to the North Island and to Australia; now almost the whole of the output is required for local consumption.

The trend of timber consumption is greatly influenced by the momentum of population movements, and the stage has now been reached where an accelerated increase in population must be anticipated and provision made for its impact on the forward demand for timber. There is every indication that over the next twenty years there will be a very much greater increase in population than over the last twenty years. In particular, it appears that there must be a vigorous immigration movement as soon as the shipping situation improves, and, while forward estimates of population are apt to be highly speculative, it is believed that from the viewpoint of planning for future timber requirements allowance must be made for a minimum annual immigration movement equivalent to 2 per cent. of the population in addition to providing for a natural rate of increase of not less than 1 per cent. Assuming that this highly desirable figure of 2 per cent. immigration is reached by 1955, the total demand for sawn timber will soar to nearly 500,000,000 board feet, while if immigration continues at this level until 1965 the total demand will then be just over 600,000,000 board feet annually. These are levels of consumption never before reached in this country, and our ability to service such a demand is contingent on the large-scale development of the exotic-forest resources. Since the indigenous cut is to be deliberately curtailed (refer to paragraph 110) and only token quantities can be expected from overseas sources, it means that the exotic forests must supply about 300,000,000 board feet of sawn timber in 1955, or more than double the present output, and nearly 500,000,000 board feet by 1965. These appear phenomenal figures when it is remembered that only ten years ago the output of exotic timbers was less than 40,000,000 board feet, and while such a demand may not eventuate, it is nevertheless a distinct possibility, even a probability, and must therefore be anticipated and prepared for.

The largest single item of sawn-timber consumption is for building purposes, hence the significance attached to the forward housing programme. The accompanying graph (No. 1) was prepared in conjunction with a survey of the housing position at the close of the war to assist in determining timber requirements for the early post-war period; it shows, *inter alia*, that one of the fundamental reasons for the current abnormal demand for timber is the acute shortage of dwellings which is the direct outcome of the marked disparity, firstly during the depression years and later during the war period, between new construction and the number of dwellings which should have been erected to cover obsolescence and to cater for the increase in the population; so much so, that by 1945 there was an accumulated shortage of 35,000 houses. On the basis of a minimum serviceable life of sixty years per dwelling, and allowing for a 1 per cent. rate of natural increase in population, the graph shows the total number of new dwellings required annually for a considerable number of years. The pertinent fact which emerged from this graph was that, disregarding the question of immigration, the long-term housing position did not justify a rate of housing construction in excess of 12,000 annually, but that a rate of 12,000 nevertheless would allow the accumulated arrears to be overtaken by 1953. Thereafter, the continuance of this rate depended on a modest immigration movement of diminishing proportions, commencing with approximately 18,000 annually during the period 1953-57 and tapering off to nil over twenty years. Since this survey was completed the entire aspect of immigration has altered, so that in arriving at the timber requirements for 1965 allowance has been made for a suitable step-up in the housing programme to cater for 2 per cent. immigration annually. The most important point at this juncture as regards future timber supplies is to sound a