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MacMillan, H.R.

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REPORT OF

THE TIMBER CONTROLLER

JULY - AUGUST - SEPTEMBER, 1940.

The duties of the Timber Controller fall into two classes:

(A) - Assist the British Timber Controller in securing supplies in Canada.

(B) Canadian timber trade problems affecting public interest.

(A) ASSISTANCE RENDERED TO THE BRITISH TIMBER CONTROLLER:

Canada is now almost the sole supply of wood products for Great Britain. The whole of Europe is cut off by war and the United States is almost entirely cut off by the scarcity of American dollars. Other parts of the world supply no soft woods and only limited quantities of hardwoods. Great Britain is the world's largest importer of wood. Her pre-war requirements were supplied about 75% from the Baltic countries, France and the Danube valley. Even during the Great War, most of these supplies were maintained. Now for the first time since Napoleon's continental policy Great Britain is cut off from European wood supplies and is dependent wholly upon Canada. Napoleon's continental policy gave a great impetus to the initiation of Canadian forest industries. British demands upon Canadian forest resources during this war are leading to extension of manufacturing facilities and expansion of production in Nova Scotia,

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New Brunswick, Quebec, Ontario and British Columbia. The British Timber Controller purchases all British timber requirements directly from the Canadian suppliers. The following classes of goods are purchased:

	Purchased from individual Canadian suppliers
	Estimated value of purchases, 1940
Aeroplane spruce	$ 2,000,000 by British Controller's employee in Vancouver
Box Shooks	2,000,000 " " " representative travelling in Canada
Pitprops	4,000,000 " " " representative in Moncton, N.B.
Birch logs	1,500,000 " " " representative in Montreal, P.Q.
Lumber	35,000,000 " " Timber Controller's buying staff in Bristol, England.
	$ 44,500,000

The following assistance has been rendered to the British Timber Controller's organization by the Timber Controller for Canada:

(1) AEROPLANE SPRUCE This tree is found only in limited quantities in scattered coastal areas of British Columbia. The supply was depleted by the last war. This war will almost exterminate it within three years.

Competent field men employed by me have this summer located and mapped the remaining areas of aeroplane spruce. The

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Timber Controller's organization has been used to negotiate sales of the standing timber to manufacturers, to expedite development, to avoid distrubances in costs and prices, to make plans for much increased production in 1941 and 1942. I was assistant director of the Imperial Munitions Board in charge of aeroplane spruce production in the Great War and have watched this situation carefully.

(2) BOX SHOOKS: The British Timber Controller's buyers met with difficulty in securing large enough supplies of box shooks. I appointed a special assistant to negotiate sufficient increased production to meet British requirements which were thus satisfied.

(3) PITPROPS: With the sudden failure of European supplies the immediate development of Canadian supply became essential, otherwise British coal mines could not continue. The requirements are large, the trade is new, the representatives sent from Great Britain to arrange supplies were inexperienced. I have assisted them with advice as to prices, localities for supply, methods of contracting. I am keeping in regular touch with the British representatives and their progress.

(4) AIRCRAFT BIRCH LOGS: The British aeroplane output depends on continuous supply of birch logs for aircraft plywood. This previously came from the Baltic. I have assisted the

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British buyer with advice respecting prices, buying conditions and policy. It has been the British opinion that suitable aircraft birch plywood could not be made in Canada. I have worked against this opinion and have encouraged production of the finished article in Canada, which saves heavy freight costs on logs, reduces risk of destruction of factories and personnel by bombing, and builds up Canadian technique. There are now several Canadian factories making the finished article. There will soon be capacity in Canada to make the total British requirements. The British Government has been buying aircraft plywood in the United States. Canadian factories can give the required deliveries in equal quantities at lower prices. It will be necessary to press this situation.

(5) LUMBER: The British Timber Controller secures the advice of the Timber Controller for Canada as to market conditions, price levels, and other factors affecting British timber purchases in Canada.

(B) ACTIVITIES ON CANADIAN PROBLEMS:

The following general principles have been developed:

(1) To secure the Canadian Government's timber requirements at lower cost wherever possible and without increasing

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the general Canadian price level.

Steps to accomplish this were:

(a) Rewrite specifications so that goods were not purchased above the grade necessary. This was done for the large building programme of the Joint Air Training Scheme, the Militia Training Centre, and other building projects at government cost, and also for many wooden articles for the Defense Departments, some of the specifications for which are said to date from the Crimean war. There have been immediate demonstrable money savings in all instances, some of which have been as much as 50%.

(b) Have all deliveries to government building projects inspected at irregular intervals during course of construction, by competent lumber inspectors, to protect the government against improper deliveries as to quantity and quality. This practice has produced valuable results. An inspection file exists on each important building project.

(c) Some building specifications were on an unnecessarily heavy and elaborate scale. Such were reduced to save lumber and cost.

(d) The necessary dry lumber for the entire government building programme (over 150 million feet) was pur-

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chased before the building programme was announced.

The principles adopted were:

(i) The price level fixed was that in effect June 1940 before the government came heavily into the market. The situation was discussed with representative lumber manufacturers throughout Canada, nearly all of whom agreed that the government should not be penalized for creating a new market.

(ii) Except in emergencies lumber should be purchased only from the manufacturers and owners of large stocks and at wholesale prices. All such persons should enjoy equal opportunities.

(iii) Transportation costs should be avoided by using up all stocks available at competitive prices in the region of the building projects before bringing lumber in from more distant points.

(iv) All lumber should be dry so as to produce serviceable weatherproof permanent buildings.

I estimate that this policy saved at least $2,000,000 and made possible the completion of the building projects within the time limits specified, which otherwise would have been delayed at least one to two months.

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As an example of the value of planning -

(i) The lumber is the most complicated item to secure for a building. Nevertheless generally speaking the lumber has been delivered completely before the hardware or the plumbing or other interior equipment and finish.

(ii) The Canadian government has finished its building programme with no rise in lumber prices. The United States government has only announced a defence building programme within the past few weeks; lumber prices in the United States have already risen $5.00 to $10.00 per thousand feet (about 25% to 40%) and practically no lumber has yet been purchased.

(2) Increase the Canadian supply of U.S. dollars.

Steps to accomplish this were:

(a) Reduce the use of lumber for Canadian domestic purposes that could be sold in the United States. When specifications were rewritten this objective was foremost. More remains to be done in this direction. We can maintain all our Canadian works economically and to serviceable standards and still use very little lumber of exportable sizes or qualities.

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As instances:

(i) Many military articles, tables, seats, boxes, are made of costly qualities of pine readily saleable in the United States.

(ii) the motor manufacturing companies were shipping trucks to England encased in 1,500 feet each of Alberta and Manitoba spruce readily saleable in the United States. About 85,000 trucks are to be exported. A new type of crate was developed which saved $1,135,000 in cost of crates and released 37½ million feet of spruce saleable in the United States for about $1,125,000 American funds.

(b) Import no lumber for purposes that can acceptably and economically be served by using Canadian lumber. Instances have been:

(i) Arranged with Ford Motor Company to use Canadian wood block factory flooring instead of American wood blocks (one floor saved $27,500.00 American dollars).

(ii) Arranged with Chemical Construction Company on a government munitions building to use Canadian instead of American lumber for a cooling tower with consequent saving of American dollars and introducing of new technique in Canadian lumber industry.

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(iii) Arranged with Canadian factories making aeroplanes to use Canadian aircraft plywood instead of American. Saving of American funds is unknown but worth effecting.

(c) Use wood instead of steel: There is a steel shortage. All steel has an American dollar content. There is as yet no shortage of wood. There is no American dollar content in wood. There is not so likely to be a labour shortage in wood industries as in steel industries.

As instances -

(i) Wooden trusses have been furnished for aeroplane hangars in the defense programme, which, if placed end to end, would equal one building 112 feet wide and 14.4 miles long. This has been accomplished by utilizing special engineering knowledge, and securing the coordinated productive capacity of the British Columbia sawmills continuously over a period of months.

(ii) The London Motor Vehicle Storage Buildings as first planned would require several thousand tons of steel. After an effort these were changed to wood, with no delay in construction, at a saving of over $90,000 in cost and a saving of about $130,000 American dollars content in

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(C) OTHER RESPONSIBILITIES the steel proposed.

(1) The same principles have been followed in other buildings for government account. Nevertheless, it seems in the Canadian interest that much more of this work should be done.

(3) Assure the satisfactory supply of any wood required in the Canadian munition programme. Except for buildings, the requirements up to the present time have been limited.

(a) AEROPLANE SPRUCE The Canadian supply greatly exceeds the Canadian demand. It has been necessary to assist in reducing manufacturing costs, agreeing on prices, making specifications uniform reducing inspection costs.

(b) PLYWOOD FOR AIRCRAFT AND MOTOR TORPEDO BOATS Although hard maple and birch, the raw material, abounded in Canada, it had been considered that Canadian plant and technicians could not produce the necessary high qualities and supplies were consequently imported from the United States. An examination of existing plant in Canada and discussion with the proper persons engaged in related industries resulted in ample supply becoming available in Canada cheaper than if imported.

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(C) OTHER RESPONSIBILITIES

(1) Control of production or export.

Production has been continually expanding in order to meet Canadian and British requirements. It has not been necessary to exercise control aside from the following exceptions:

(a) the export of Douglas fir saw logs from British Columbia to points outside the British Empire has been temporarily halted in order to prevent delay in filling war oders.

(b) For a few weeks in September sawmills in Western Canada were asked to give priority on lumber shipments to Canadian government building projects.

(2) Control of price.

No action has yet been deemed necessary.

(D) Lumber is produced and used throughout Canada. It is one of the important commodities for which there is now a ready market in Great Britain and the United States forpractically all surpluses.

Three months experience as Timber Controller shows clearly that there is still more to be done in using technical experience to reduce the cost of government purchases of wood products and to improve the American dollar situation.

(E) ORGANIZATION

The principles were adopted

(1) That serving the government interest in the office of

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Timber Controller required technical knowledge and could best be done by men now actively engaged in various branches of the timber trade.

(2) That a more highly qualified type of man could be borrowed quickly for volunteer service from the leading firms than could be hired.

A volunteer staff of over twenty was therefore secured from firms engaged in the lumber trade from the Atlantic to the Pacific. They know all the individuals and all the local peculiarities of the trade throughout Canada. There are no paid employees in the timber control excepting inspectors, clerical staff and two temporary district representatives.

OTTAWA, CANADA,
October 2, 1940.

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DEPARTMENT OF MUNITIONS AND SUPPLY

TIMBER

Following his appointment, the Timber Controller took immediate action to harness the lumber trade in Canada to meet specific demands of war. Some of the steps taken are as follows:

Representatives of the lumber trade from all provinces were called to Ottawa; a committee of twenty-five leading lumbermen was appointed as a National Lumber Advisory Committee. The lumber trade was told to prepare for a larger production during the next twelve months.

Officials of the United Kingdom were consulted as to immediate and future needs. Definite plans were made to co-operate to the greatest extent with British requirements.

Steps were taken to see that specifications of wooden goods for military use, such as tent floors, tables, seats, poles, boxes, doors, and truck bodies, were so drawn as to conform to Canadian lumber sizes and grades.

Steps were taken to speed up facilities for manufacturing aircraft ply-wood in Canada.

The co-operation of lumber mills was sought to prevent the export of stocks of dry lumber which would be needed in Canada.

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