

3. MANAGEMENT.
TIMBER.

The exhaustion of supplies of standing timber in the King-country goes on apace, for during the year twenty-six sawmills were either permanently closed or transferred elsewhere. This trend has naturally directed the attention of operators to the State forests in the region, even though these areas are located principally in the mountainous backbone range. The Service naturally welcomes this interest of sawmillers and prospective operators, "for the resources of the forests are for use, and only those restrictions are applied that will ensure the permanence of these resources." The ripe standing timber is sold at a fair price, and anybody may buy for continuous operation but not for speculation. The policy of the Service is to make the forests of the most use to the greatest number of people, but especially to the man of small means, co-operative working-parties, and to established local industries. It will be seen on examination of the statistics that the sales of ripe timber made during the period show clearly that the smaller operators have been catered for. During the year fifty-two timber-sales totalling 78,830,000 superficial feet were sold for £95,357. The average sale consisted of 1,500,000 sup. ft., valued at £1,834. The smallest sale was 10,600 ft., and the largest 13,191,700 ft. The term of license ranged from three months to six years.

The most successful sales of the year were those of two blocks which were offered for sale by public tender. The first, an area of approximately 240 acres, containing an appraised quantity of 2,341,400 ft., was sold for £6,555, an average of 4s. 7d. per hundred for all species, 75 per cent. of which were rimu and kahikatea; and the second, an area of approximately 272 acres, containing an appraised quantity of 2,876,400 ft., was sold for £5,931, an average of 4s. 1½d. per hundred for all species, 80 per cent. of which were rimu and kahikatea.

Considerable pressure has been brought to bear on the Service to make larger sales for greatly extended periods in the interest of big groups and speculators, but these representations have been resisted, as the Crown is entitled to a fair return and to the market value for its properties; and it is not in the public interest that any bolstering up of timber monopolists be encouraged. The universal adoption by the Service of the sale of ripe timber by public offering through competitive bidding and sealed bids has met with general approbation, for this system is fair and just to all; not only does it ensure square dealing, but it guarantees equitable treatment to all comers. It cannot be said that competitive selling has raised the ultimate prices of sawn forest produce to the consumer, for during the year downward price revisions have been recorded throughout the Dominion.

The following statement, which exposes the timber stumpage prices paid under competition during the past three years requires no further comment:—

Average stumpage price realized per 100 sup. ft. by the State Forest Service for all species except kauri, 1921–23: 1920–21, 2s. 1d.; 1921–22, 2s. 2d.; 1922–23, 2s. 5d.

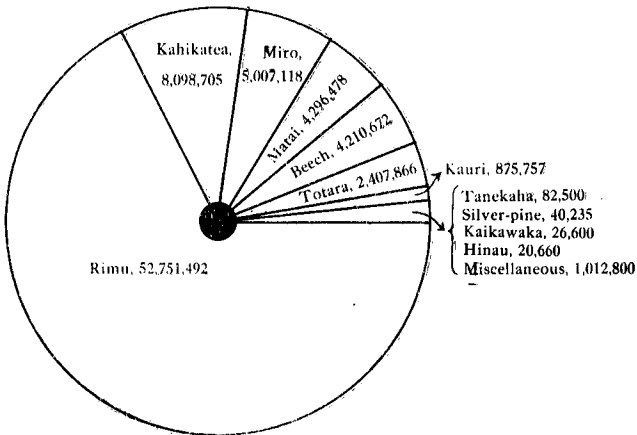
It is interesting to note that competitive timber-selling is, with one exception, now in general use by other Government agencies. For the information of operators, the system of Service timber-sales is briefly as follows: The applicant may make inquiry of the nearest Forest officer as to the location of suitable areas, or he may indicate the general position of the block of timber which he wishes to acquire. If it is desirable to make a sale there, it is examined, a deposit to cover examination charges is made, the area demarcated, and the timber estimated and valued by competent officers. An upset price is then fixed, after all the factors of accessibility, quantity, quality, capital required, cost of exploitation, milling and marketing have been assessed, and allowance is made for a fair operating profit, interest, risk, and depreciation. The block is then advertised and sealed bids invited. (Very small sales may be made without advertisement.) The successful tenderer, after the license has been granted, may commence operations at once.

The Director of Forestry at Wellington, or the Conservators of Forests at Auckland, Rotorua, Palmerston North, Nelson, Hokitika, Christchurch, and Invercargill, will be glad to furnish full information regarding desirable timber areas and the conditions of sale.

Value of Timber-sales, and Quantity sold, for Last Three Years.

| | | | | | Value. | | | Quantity. |
|---------|----|----|----|----|--------|--------|------|------------|
| | | | | | £ | s. | d. | Sup. Ft. |
| 1920–21 | .. | .. | .. | .. | .. | 17,055 | 15 0 | 6,987,569 |
| 1921–22 | .. | .. | .. | .. | .. | 38,208 | 14 5 | 35,669,888 |
| 1922–23 | .. | .. | .. | .. | .. | 95,357 | 5 11 | 78,830,823 |

The increase in the total value of State Forest Service timber-sales from fiscal year 1921–22 to 1923–23 is 150 per cent., and the increase in quantity sold is 123 per cent.



STATE FOREST SERVICE TIMBER-SALES STATISTICS, 1922–23: QUANTITY IN SUPERFICIAL FEET OF EACH SPECIES SOLD IN STATE FORESTS DURING THE YEAR.