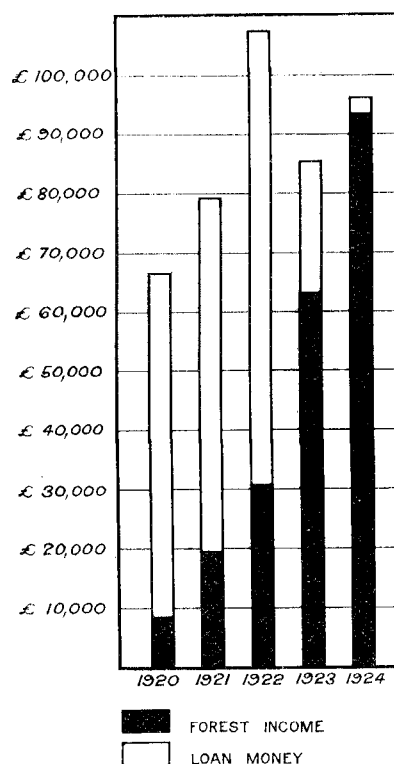


DIAGRAM SHOWING THE APPORTIONMENT OF EACH £1 OF THE SERVICE EXPENDITURE FOR THE FISCAL YEAR ENDED THE 31ST MARCH, 1924.



FOREST SERVICE EXPENDITURES ARE FINANCED FROM CURRENT FOREST INCOME AND FROM DEBENTURE LOAN-MONEYS.

### 3. MANAGEMENT.

#### TIMBER.

The Main Trunk King-country as the principal timber-producing region has reached its zenith; and although the development of the great Tongariro blocks will ensure the maintenance of the dominant producing position of this region for a decade, nevertheless the territory must soon give way to Westland with its unbroken virgin resources of pine and beech. The exhaustion of the white-pine resources of the Main Trunk forests is driving millers far afield, whilst steadily increasing logging and manufacturing costs are inducing more efficient operations and machinery. During the year in this region sixteen mills were cut out, and twelve new mills were built or were in course of construction.

With the impending decline of the King-country as a producer of sawn-timber goods the Mamaku-Rotorua region has become a not unimportant producing centre. New milling-facilities, to the extent of 75,000 superficial feet per diem, were built or building during the year; and the total number of mills now operating in the region is twenty-two, with a production capacity of 52,000,000 superficial feet per annum. The relatively rapid increase in milling in this region has resulted in quite a scramble to secure timber stumpage, with the result that royalty values have appreciated sharply during the year. The Rotorua region can never become, however, a permanent source of timber-supply owing to the rather restricted area of standing timber and to the need for conserving the immature growing forest capital on the State forests therein.

The Westland Province has come prominently forward during the year as the second most important milling region in New Zealand. Its output of nearly 65,000,000 superficial feet constitutes a record (the nearest approach to this output occurring in 1913, when the cut was 62,000,000 superficial feet). Westland will soon assume the lead as the largest timber-producing centre, serving all markets of the Dominion. The opening of the Otira Tunnel, of course, is responsible in a large measure for the greatly improved position in Westland. Since its opening and to the close of the year 17,682,000 superficial feet were railed through to Canterbury. Within three years Westland will probably be producing 100,000,000 superficial feet of sawn-wood goods per annum.

The general widespread demand for sawn timber throughout the Dominion was reflected during the year in greatly increased business in State Forest Service timber-sales of ripe mature merchantable timber from State forests; and more timber was cut from the State forests during the reporting period than ever before in their history. The State Forest Service timber business for the year as compared with that of previous years is as follows:—

Fiscal Year.		Number of Sales.	Value of Timber sold.	Quantity of Timber sold.	Receipts from Timber sold.	Quantity cut from State Forests during the Year.
			£	Sup. Ft.	£	Sup. Ft.
1923-24	.. ..	61	266,388	212,085,000	68,295	52,297,000
1922-23	.. ..	52	95,357	78,830,000	47,462	..
1921-22	.. ..	40	38,208	35,669,000	24,320	..
1920-21	.. ..	5	17,055	6,987,000	16,815	..