

The area withdrawn for land-settlement totalled 18,651 acres, of which 5,529 acres were located in Auckland, 5,007 acres in Southland, 2,669 acres in Westland, 2,426 acres in Nelson, and the remainder distributed over Rotorua, Wellington, and Canterbury Regions. The areas proclaimed comprise mainly lands taken over for afforestation, and in this respect Rotorua Region contributed 54,794 acres, and Nelson and Southland 8,496 and 6,748 acres respectively.

## 2. LEGISLATION.

By section 5 of the Finance Act, 1930 (No. 2), the Minister of Finance is empowered to borrow such further amount, not exceeding £1,000,000, as he thinks fit for the purposes of the Forests Act, 1921-22.

## 3. FINANCE.

As the financial accounts of the Service on a commercial basis are published by the Treasury in parliamentary paper B.-1, Part IV, this section of the report has been confined to a review of the year's operations in the form of a Receipts and Payments Account, as under:—

### *Receipts.*

The forest receipts for the past financial year from all sources were £84,715, a decrease of £20,922 on the figures for the previous year. Details, together with comparisons with the previous two years, are appended.

TABLE 1.

Item.	1930-31.	1929-30.	1928-29.
	£	£	£
Indigenous-forest receipts—Timber-sales .. ..	56,391	60,711	49,009
Timber royalties and trespass .. ..	3,538	6,790	7,955
Leases—Grazing .. ..	2,093	2,115	2,332
Sawmill-sites, industrial, &c. .. ..	1,636	2,850	1,339
Miscellaneous .. ..	3,723	9,685	8,804
National Endowment Account allocation .. ..	9,866	12,156	8,249
Nurseries and plantations—			
Trees and seeds .. ..	5,271	8,082	9,549
Firewood and poles .. ..	298	1,117	1,014
Miscellaneous .. ..	1,899	2,131	1,863
Totals .. ..	84,715	105,637	90,114

The main reasons for the decrease in revenue are—

- (1) The depressed state of the sawmilling industry, which has resulted in the complete cessation of operations by a number of millers and the working of part time only by others.
- (2) The gradual tapering-off in the sale of trees and tree-seeds to the public. (Sales of the former have now ceased altogether.)
- (3) The fact that the Service's share of opossum revenue for the year has not yet been allocated. (A sum of £4,953 was received from this source during the previous year.)

### *Payments.*

The net expenditure from the State Forests Account for the past financial year was £393,065, a detailed analysis of which is set out herein, also comparisons with the years 1928-29 and 1929-30.

TABLE 2.

Item.	1930-31.	1929-30.	1928-29.
	£	£	£
Fixed charges and staff salaries—			
Interest and loan expenses .. ..	82,809	59,884	44,189
Allocation of revenue—			
National Endowment Account .. ..	9,495	6,971	7,469
Local-body payments .. ..	10,346	11,522	7,284
Staff salaries .. ..	49,526	47,817	44,548
Management, establishment, and development—			
Indigenous forests .. ..	32,331	28,520	22,033
Fire-fighting equipment and prevention .. ..	1,454	1,295	2,254
Educational—Reference library, &c. .. ..	742	525	898
Research and experimental equipment, &c. .. ..	4,867	6,387	6,950
Afforestation—Nurseries and plantations .. ..	194,556	248,404	159,128
Sand-dune reclamation .. ..	480	1,689	1,263
Land-purchase .. ..	6,361	12,958	23,211
Miscellaneous .. ..	98	1,446	5,943
Totals .. ..	393,065	427,418	325,170