

REPORT.

INTRODUCTION.

BRIEF mention is made hereunder of one or two of the main activities of the Service: the subjects are treated in greater detail in subsequent portions of the report.

Afforestation.—Although the total area established in new plantations is considerably smaller than that for the past few years, it exceeded 40,000 acres, which in view of the difficult economic condition of the country generally must be regarded as fairly satisfactory. The total area of State plantations is now approximately 348,000 acres.

Utilization.—The economic utilization of plantation-thinnings was further investigated, and their manufacture into boxes and crates appears attractive. Sample trees of the typical types and grades offering were recently milled and yielded a highly satisfactory product. Growing appreciation of the value of dry kilns by the sawmilling industry was reflected in the establishment of two new units since last report, one of which, it is interesting to note, was installed for drying box timber. Another for the same purpose was in the course of construction at the close of the year. Timber-trade extension efforts inaugurated during the year for Southland silver-beech were so promising that it was agreed to despatch representatives of the sawmilling industry and Forest Service to Great Britain to continue negotiations there, and two delegates proceeded overseas shortly before this report went to press.

Milling Industry.—It was not expected that the year just closed would show much (if any) improvement in the condition of the domestic market demand for indigenous timber, and unfortunately such has proved to be the case.

As stated in a later portion of this report, the timber-production for the period mentioned will not, it is believed, exceed 140,000,000 ft. b.m., which is 50 per cent. less than the figures for two years ago. It is considered, however, that the figures mentioned must represent rock-bottom, and that a gradual, if slow, recovery can now be confidently looked for.

One pleasing feature of the local market was the increased domestic demand for exotic locally-grown timber for use in the various box-making industries. In this connection it is somewhat significant that, whereas for the past year sawmills operating in native bush were, on the average, cutting only up to 40 per cent. of their normal output, mills working in exotic plantations were reported to be cutting beyond 60 per cent. of their normal capacity.

National-endowment Areas.—It will be seen from a perusal of Table No. 1 that 162,815 acres of our permanent forest areas are national endowment, which means that one-half of the revenue received therefrom shall, after the deduction of reasonable administration expenses, be transferred from time to time, as the Minister may direct, from the State Forests Account to the National Endowment Account (*vide* section 39 of the Forests Act, 1921–22).

This is quite a reasonable provision where forested areas are concerned, but unfortunately a large proportion of these comprises open land already established or about to be established in plantations—land, too, in many cases for which the Service paid considerable sums in compensation. It would be very unfair, therefore, that when these plantations come to maturity one-half of the value of the timber crop should be diverted from the Forests Account, as that account had to bear the whole cost of establishment.

As some of the older plantations will be exploited within the next few years, it is important that early action should be taken to remove the anomaly referred to, even although it should mean the enacting of special legislation.

CHAPTER I.—THE STATE FORESTS.

1. AREAS OF STATE FORESTS AS AT 31ST MARCH, 1932.

TABLE 1.

Region.	State Forests.		Provisional State Forests.		Totals.	Percentage of Total Area in Region under Reservation.
	Ordinary.	National Endowment.	Ordinary.	National Endowment.		
	Acres.	Acres.	Acres.	Acres.	Acres.	
Auckland ..	159,400	23,161	261,644	72,443	516,648	6·01
Rotorua ..	313,440	111,197	156,631	209,098	790,366	15·72
Wellington ..	799,359	..	161,662	72,189	1,033,210	6·90
Nelson ..	148,508	24,786	1,338,496	723,104	2,234,894	31·78
Westland ..	2,309	..	1,093,247	595,562	1,691,118	43·78
Canterbury ..	332,623	3,671	336,294	3·38
Southland ..	277,579	..	880,980	67,034	1,225,593	7·22
Totals ..	2,033,218	162,815	3,892,660	1,739,430	7,828,123	11·79

The total area under control at the 1st April, 1931, was 7,763,152 acres, and at the close of the year it had risen to 7,828,123 acres, a net increase of 66,957 acres. The gross increase was actually 89,490 acres (of which an area of 72,657 acres was acquired for afforestation purposes), but this was