

2. FINANCE.

Receipts.

Gross receipts exceed those of last year by £8,469, the increase being due to logging activities in the Rotorua Region and increased demand, mainly in the Southland Region. Appended is a summary of the main items:—

Item.	1938-39.	1937-38.	1936-37.	1935-36.
Indigenous forests receipts—	£	£	£	£
Timber sales	103,394	96,741	91,980	74,828
Timber royalties and trespass	9,300	8,151	6,257	5,006
Leases, grazing	1,445	1,493	1,692	1,757
Sawmill-sites, industrial, &c.	1,616	638	705	957
Miscellaneous	6,673	4,934	4,252	2,844
National Endowment Account allocation ..	20,085	24,756	21,807	15,712
Nurseries and plantations—				
Trees and seeds	11,224	8,555	7,097	5,874
Firewood and poles				
Miscellaneous				
Totals	153,737	145,268	133,790	106,978

Payments.

The net expenditure of £422,073 shows an increase of £124,214 over the previous year. This is chiefly attributable to the expansion of the Service in preparation for milling operations both on indigenous forests and on plantations which, although ultimately to be revenue-producing, are as yet incomplete.

A table showing the expenditure for the last four years, under main headings, is appended.

Item.	1938-39.	1937-38.	1936-37.	1935-36.
Fixed charges and staff salaries—	£	£	£	£
Interest and expenses of raising loans ..	278	263	801	525
Staff salaries	63,422	57,185	51,616	41,374
Allocation of revenue—				
National Endowment Account	18,712	16,458	10,934	7,117
Local-body payments, &c.	12,556	16,329	16,739	9,243
Management, establishment, and development—				
Indigenous forests	47,765	22,205	17,863	14,763
Fire-fighting equipment and prevention ..	955	887	415	415
Educational: Reference library, &c. ..	534	341	194	260
Research and experimental equipment, &c.	1,318	988	567	836
Afforestation: Nurseries and plantations..	214,721	177,141	139,761	60,642
Land-purchase	8,901	1,110	..	70
Miscellaneous	134	79	84	500
Sawmill and creosote plant, &c. ..	52,777	4,873
Totals	422,073	297,859	238,974	135,745

3. RECREATION.

Improved road access, together with motor transport, have generally developed camping and widened the field of the recreational use of State forests. Every year increasing numbers of persons enjoy the privileges and facilities afforded by the Service to visit and camp in suitable State forest areas.

The protection of State forests from damage by fire and vandalism with this greater recreational use necessitated constant attention and vigilance by local forest officers.