

The last item would be on waste areas falling within the forest-demarcation boundary, perhaps covered with Gorse, Blackberry, or scrub which might eventually, when cleaned with *Insignis* planting, go into Kauri, Cedar, or other valuable timber forest. *Insignis*-pine, on account of its high yield of second-rate timber, is best placed in suburban forests. Owing to the neglected condition of forestry in New Zealand there are large areas of such Crown land which, if near a demarcated forest, would naturally be put into it so as to be turned to account.

Revenue Other Than Timber.

In addition to the timber, there will be some considerable revenue from what is usually termed "minor forest produce." Here resin-tapping is nearly certain to figure largely. Firewood, too, and fungus will also bring in some revenue. Fungus-gathering was helpful to the settlers when butter was only worth a few pence a pound. It is still regularly collected in the northern forests, being sold at 3d. to 6d. per pound for export to China. I hope, too, that an industry killed by poor forestry and now extinct in New Zealand—charcoal-burning—may be revived under the protecting care of better forestry, together with the teaching of better cookery at the technical schools. Few things would help more to improve a somewhat inferior diet than the substitution of French cookery with charcoal from New Zealand forests in place of cookery with gas or imported American oil.

Employment.

Sir David is of opinion that the Kauri, on account of its valuable timber and gum, can support an organisation as complete as any good forest in Europe, where the average works out at one full-time employee per 105 acres. An elaborate balance sheet of a Kauri forest is reproduced by the author, who considers that during the first period (the working of the virgin forest) the timber in such a forest as Waipoua would produce £18 17s. 10d. per acre, and the kauri gum may be worth 10s. an acre more.

In the second or transition period, there would be a revenue from fellings and thinnings, which would provide a net return of £1 4s. 2d. per acre.

The third period is reached in 80 to 120 years, when the forest is fully stocked. "The forest is also well on its way to that gradation of ages which is essential to regular production coupled with economical milling. Foresters will gradually complete the age-classes as they regulate the fellings. For this third period it becomes possible to frame with more exactitude the figures of revenue and expenditure, using figures from forests in a similar condition in other countries. The preceding figures, depending more or less on the present quality of the forest, are variable. The following figures, with the forest better stocked and approaching regularization, are definite and variable only within certain close limits:—

Revenue—

	£	s.	d.
Timber yielded by the 100 c. ft. q.g.			
Kauri aerim referred to above at 2s. per c. ft. (16s. 8d. per 100 ft. sup)	10	0	0
40 c. ft. q.g., more or less, of other timbers, at 8d. per c. ft. (5s. 6d. per 100 sup. ft.)	1	6	8
Kauri "gum" from a fully stocked Kauri forest, with light tapping from all the trees, and heavy tapping from those being felled: as a rough general estimate, say £1 11s. per acre per year, including fungus, firewood, and all minor forest produce	1	11	0
	£12	17	8

Expenditure—

	£	s.	d.
Labour at full European rates for a full forest: Permanent yearly average at the rate of one man per 75 acres—man at £150 yearly, with house, ground, etc. Labour includes all forest work up to putting the logs by the roadside, road-making, timber-felling, natural-regeneration aid work, and interplanting where necessary	2	0	0
Supervision: One man per 2,000 acres, materials, and direction as above, per acre per year	0	1	8
	£2	1	8

Therefore average net revenue per acre for the third or final period is £12 17s. 8d., less £2 1s. 8d., equal to £10 16s.

"At 4 per cent. £10 16s. capitalises to £270. This is an important figure in considering land-values, since on a 4-per-cent. basis, or twenty-five years' purchase, land under normal Kauri forest will have a capital value of £270. Just as the stocking and age-classes of any existing Kauri forest approaches the normal Kauri forest will its present value (capitalised at 4 per cent.) approach £270 per acre. Thus it is only land in the very best districts of New Zealand that has a higher value than well-stocked Kauri-forest land. This brings one round to European conditions, where patches of forest land and agricultural land stand side by side, and it wants little change in relative prices to say which is the most profitable.

High Net Revenue.

"£10 16s. per acre per year is a high net revenue from even the most productive forest. It will be criticised. The various figures on which it is founded have already been discussed. The Kauri "gum" and "other timbers" are uncertain, but do not bulk for much in the estimate; the former is probably underestimated. Of the £12 17s. 8d. only £1 11s. is the estimated yield from Kauri "gum," firewood, and all minor forest produce. No one yet knows what systematic resin-tapping will produce. If resin-tapping should be abandoned altogether for