

## SECTION III—FOREST ECONOMICS

B. *Economics and Policy of Afforestation*

57. "Problems of afforestation presented technical, social and economic aspects of which the relative importance varied from country to country. Technical aspects such as protection of the soil and the conservation of water-supplies are well recognized and no discussion was raised on these points."
58. "Regarding the economic aspects of the afforestation problem, the Congress noted the tendency to carry out afforestation by means of planting soft wood and fast growing broad-leaved species in order to satisfy the demand for soft wood sawn timber and wood pulp. With regard to the social aspects, the Congress stressed the role of afforestation in keeping the population on the land, stabilizing employment and raising living standards."

*The future stability of the timber industry in New Zealand is dependent not only upon a healthy domestic trade, but on the maintenance and expansion of export, particularly in exotic softwoods to Australia, on an economic basis. All avenues of reducing internal costs, transport, shipping, and handling will need to be explored, to keep the industry on a sound economic basis, and provide an outlet for the increasing volume of timber which will become available.*

59. "In conclusion the Congress urged the institution of long term programmes in this field and emphasized the importance which Government subsidies and publicity might have in the carrying out of such programmes."

C. *Relation of Forestry to Agriculture in Rural Economy*

60. "The discussions which took place in the Congress subsequent to the presentation of the reports demonstrated the close relationship which exists between agriculture and forestry, which might in certain cases go almost as far as to completely merge the two activities, as in certain regions, where the farmers were nearly all forest owners."
61. "This close relationship is indispensable to the maximum utilization of land areas, since it permits a harmonious balance between forestry, pasturage and agricultural production. From the social point of view, moreover, this close co-operation would be evidenced in the stability of labour: land workers would be able to find remunerative employment alternately in agricultural and forestry work including afforestation."

*Whilst the relationship between farming and forestry in New Zealand is not as intimate as in Europe, the need for planning based on the allocation of each type of land for the purpose for which it is best suited is recognized in New Zealand and is provided for in the Soil Conservation and Rivers Control Act of 1941.*

*One aspect which is commended for more general recognition is the desirability of afforesting at least some land otherwise suitable for agriculture in order to provide timber economically for each major land district.*

D. *Measures Designed to Ensure Sustained Yields*

"The Congress also noted the importance of good fiscal practice in the interests of good silviculture and considered that a reasonable allowance should be made by Governments on account of investments necessary for forest improvement until progressive yield is achieved."