

Explanatory Notes on Expenditure for Fiscal Year ended 31st March, 1922.

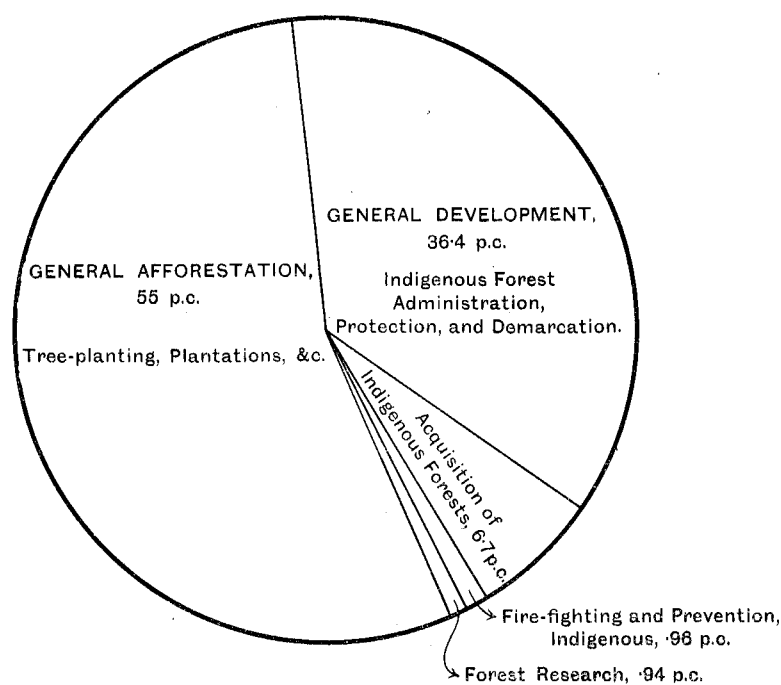
Item of Salaries.—The increase over the previous year is due to the creation of the Forest Service organization, and the engagement of a staff to administer, protect, and manage the 7,200,000 acres of national forest estate.

Items B, C, D, E.—These items truly represent the expenditures in the development of the Dominion's forest policy and the building-up of the national forestry business. They have paid for the Dominion timber stock-taking, forest-fire protection, forest surveys, demarcation, silvical research, and all the other factors bearing on an adequate system of timber-production. The total distributed managerial charge over the forest estate was 1.2d. per acre—surely not an excessive charge on a State asset valued conservatively at £35,000,000!

Item F.—3,408.5 acres of trees were planted, and 41,868.25 acres of growing forest protected, as against 1,381.5 acres planted and 38,459.75 acres protected during the previous year, at a decreased cost of £2,532.

Item G.—This item represents the purchase of a highly valuable timber tract necessary to the consolidation of State forest interests.

Item H.—This item principally represents unemployed relief grants to certain municipalities for tree-planting purposes.



GRAPHIC EXPOSÉ, STATE FOREST SERVICE EXPENDITURE FOR THE FISCAL YEAR ENDED 31ST MARCH, 1922.

3. MANAGEMENT.

TIMBER.

The rapid exhaustion of standing-timber resources in certain well-known producing regions is being emphatically brought to the notice of the consuming public by scarcity of supplies and high prices during times of stress, and by floods, erosion, and the extension of barren wastes. Investigations made by this Service during the year indicate that within five years at least thirty sawmills in the King-country will have permanently closed, and that within fifteen years this Main Trunk-Ohakune district will have ceased to provide more than local timber-supplies. The centre of timber-production is moving to Westland, and the closed year is noteworthy for a marked increased potential milling-capacity in that district. It now totals 100,000,000 superficial feet per annum. Westland in conjunction with Southland will shortly be able to provide for the general national needs.

During the year a greatly increased interest has been taken in the Service timber-sales by the sawmillers and manufacturers. It is recognized that the attractive features of permanency, security of tenure and operation, and serial payments offered by the Forest Service timber-sales are substantial inducements to millers seeking continuity of operation and supplies.

The Service timber-sales for the past year totalled 33,000,000 sup. ft. on 2,900 acres, and were sold *en bloc* for £30,694 to *bona fide* sawmillers for exploitation within three to five years. The average sale price per 100 sup. ft. for silver-pine was 4s.; rimu, 1s. 10d.; white-pine, 2s.; totara, 4s.; matai and miro, 3s.; Southland beech, 1s.; miscellaneous species, 1s. These sales were made at satisfactory prices considering the diminishing demand for sawn timber and the reduced production in the sawmills of the Dominion. The areas realized on were timber lands of high agricultural value, and immediately the merchantable forest values have been removed settlement will be possible. The sales policy of the Service in making all sales competitive and on a basis of the total standing timber