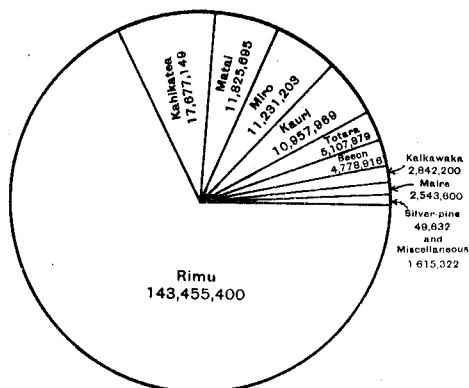


The "live and let live" timber-selling policy of the Service is proving more and more popular with the sawmillers and forest operators throughout the Dominion, for the fair system of selling all offerings by public tender ensures an open field and no favours to all-comers. Many small sales were made to co-operative parties, to hand loggers, and returned-soldier parties under such conditions as would ensure their profitable operations. Every encouragement is given to the smaller millers, for to them must the Service look for assistance in carrying out the policy of sustained timber-crop production. In offering blocks for sale the selections are made, as far as possible, from those lands that are chiefly valuable for settlement and agriculture, so that every available acre may be secured for primary production as soon as possible.



STATISTICS OF THE SERVICE TIMBER-SALES, 1923-24. QUANTITIES SHOWN IN SUPERFICIAL FEET.

The favourable timber-markets of the past year, coupled with a sudden realization that our forest resources in certain regions are fast disappearing, have sent stumpage-prices sharply upward (from which position it is doubtful whether they will ever recede). Indeed, there is no natural resource, in New Zealand or out of it, that is appreciating so steadily as virgin timber, and it must continue to do so until the substitution-point or the forest-production-cost point has been reached. Over a period of a generation in this Dominion stumpage has increased in value at the average rate of from 6 per cent. to 8 per cent. per annum, and will, no doubt, continue to do so for some time to come.

The State is now actively benefiting in the unearned increment of timber-values by virtue of the sales policy of the Service. More adequate funds are now available for reinvestment in the national timber farms, but the greatly increased timber business of the Service is taxing the personnel of the Department to the utmost, and the building-up of a sufficient corps of qualified and experienced sales officers along systematic lines is essential.

FOREST IMPROVEMENTS.

During the year one guard's headquarters, one seed-extraction house, and two patrol huts were erected, and one guard's station rebuilt. Sixteen miles of forest telephone-line were erected. Thirty-seven miles of new tracks were built and forty miles repaired. Lack of funds has prevented more activities in the creation of essential forest improvements.

GRAZING.

Definite investigations in range classification were continued during the year. A comprehensive survey of the grazing resources of the forest reserves in Canterbury-Otago region was undertaken to adjust the revenue from grazing leases and to estimate the value of grazing from which no revenue is being received. Observations made during the survey confirm previous statements that an organized system of grazing with controlled numbers of stock is applicable to forest reserves in very few cases. The reserves with few exceptions are situated within the boundaries of pastoral runs, and, except in a few cases, the configuration of the country prohibits their separation from the runs by fencing. Consequently stock from the runs have free access to the reserves, and it is very difficult to restrict their numbers. Generally speaking, the grazing on the forest reserves is small both in area and carrying-capacity. The study of the economy of the grazing of domestic cattle in State forests is being further investigated with a view to determining the degree of permanent grazing to be allowed.

LAND-CLASSIFICATION.

In conjunction with the Forest Surveyor a reconnaissance of 17,874 acres of forest lands at Ngawaro in the Rotorua region was made. The land was considered unsuitable for settlement and was reported on accordingly. State forests to the extent of 408,289 acres in the Canterbury-Otago region have been under review during the year. These areas, practically without exception, are mountainous and poor in quality, and although the less rugged portions may be economically converted to grazing-lands—as tussock and native grasses naturally replace the forest—the protectional value of the forest areas precludes any question of converting them to pastoral uses. In fact, the aggregated area of forest in the region is inadequate for protectional purposes and should be greatly augmented rather than decreased.