

The rapidly closing gap between revenue and expenditure augurs well for the future of the departmental accounts.

94. *Subventions to Local Bodies, &c.*—Attention has been drawn in previous years to the subventions of State-forest revenue to local bodies and to the Consolidated Fund. The extent of this tax on forest finance will be seen from the figures for the past three years quoted below:—

Year.	Consolidated Fund (under Section 39 of Forests Act, 1921–22).	Local Authorities (under Section 17 of Finance Act, 1924).	Local Authorities (under Sections 6–7 of Forests Amendment Act, 1926–27).	Total.
	£	£	£	£
1940–41 ..	16,151	15,593	7,075	39,819
1941–42 ..	20,443	17,080	8,261	45,784
1942–43 ..	16,721	14,767	7,065	38,553
Totals ..	86,443	75,833	36,504	198,780

95. *Recreation in State Forests.*—With so many young men serving in the armed forces and the limited transport available, visitors to the State forests for recreational purposes were very few when compared with past years, and some one-time popular camping-grounds were entirely unoccupied during the holiday season. On the other hand, certain indigenous forests in both Islands were used by the Army authorities during manœuvres for the advanced training of troops in bushcraft and modern methods of warfare.

96. *Mining Privileges.*—Applications for mining privileges were fewer than for several years; in all, only 72 (174) were dealt with. Consent was given to 2 applications to prospect for oil in State forests pursuant to the Petroleum Act, 1937.

97. *Grazing Licenses.*—The number of licenses and leases—201—was virtually the same as last year (202); 9 licenses were terminated and 8 granted.

98. *Rehabilitation.*—Good progress has been made with the acquisition of land for new afforestation projects, and, although negotiations are still proceeding, it can be stated that the areas already secured or approved by Government for purchase comprise units in North Auckland, Hawke's Bay, and Wairarapa in the North Island, and Nelson, Westland, and Otago in the South. The policy has been continued of selecting areas in timberless districts and conveniently located with respect to centres of population and road or rail transport. The total area already acquired for post-war afforestation amounts to approximately 15,000 acres, whilst those approved but still to be purchased amount to 32,000 acres. In addition, the total estimated acreage available for the same purpose in the exotic State forests is 77,300. The search is continuing for still further areas, and proposals for assisting local bodies in the establishment of communal forests are now well advanced and will be submitted at an early date for consideration by the Government—i.e., where areas prove of uneconomic size for creation as State exotic forests, it is proposed to recommend that they may, by subsidy and suitable safeguards, be established as communal forests by local bodies.

Other rehabilitation projects include silvicultural operations, thinning, pruning, &c., in existing forest, cultural work in the kauri and beech forests to assist regeneration, and the planting of extensive areas adjoining the exotic forests at Kaingaroa and Rotoehu (Rotorua Conservancy) and Tairua (Auckland Conservancy).

As an expansion in timber-production will be required in order to meet post-war and rehabilitation demands, extensive reconnaissance of suitable forest areas has also been undertaken.

100. *Timber Control Notices.*—The following notices were issued pursuant to the Supply Control Emergency Regulations 1939 and the Timber Emergency Regulations 1939:—

- (a) Notice No. 44 (*Gazette*, 1942, page 1121) required every sawmiller to deliver to the Timber Controller not later than 30th April, 1942, a return giving particulars of wire ropes discarded, disposed of, or acquired after the 15th December, 1941, while every sawmiller is required to furnish within seven days particulars of all wire ropes discarded, disposed of, or acquired by him:
- (b) Notice No. 45, dated 21st April, 1942 (not published), was given to an individual sawmilling company directing the reopening of a sawmill:
- (c) Notice No. 46, dated 23rd April, 1942, was not published, but was given to certain sawmillers tributary to the North Island Main Trunk Railway requiring a return of workmen necessary for maximum production:
- (d) Notices Nos. 47 and 48, dated 9th June, 1942, were not published, but directed the owners of two adjoining blocks of forest to sell to a sawmiller:
- (e) A notice published in *Gazette*, 1942, page 1975, revoked Notice No. 34 (*Gazette*, 1942, page 371), which required Building A and Dressing A matai to be supplied for the manufacture of cheese-crate battens: