

sufficient timber for twenty years' operation. The Forest Service contends that the proper action meantime is for this mill to be transferred to the privately controlled block already referred to.

Another serious aspect is exemplified by the operations within this same group over recent years. Prior to the war one of its units purchased two mills both with a limited life on State forests, and over the last two years still another two mills with even shorter lives. In the first case the Government took the precaution of agreeing to the transfer of the State forest attached to the two mills only on condition that it did not strengthen the hands of the group interest for further State forest, but this was not possible in the second case owing to the fact that they had not been established on State forest. Nevertheless, persistent representations for security of tenure, not only for these four mills but for another four which it also owns, are now being made to the Forest Service.

With supplies of indigenous timber dwindling rapidly, it is obvious that if the Forest Service is to continue its policy of continuity of cutting, especially in opening up new major forest areas and ensuring mills of twenty years' supply of standing timber or logs wherever practicable, it will be necessary sooner or later to adopt a policy that no one group or individual shall possess more than one such area or supply, whether this be State, private, or Native owned. Only by this means can the majority of individual operators be assured of participation in the future production of the country's indigenous timber requirements. An attempt to allay the fears of small millers in this respect has been made by the determined advocacy of the industry for the adoption of small indigenous-type mills in all exotic forests, but as reviewed on page 15, paragraph 69, of this Chapter, while quite small mills are economic in the indigenous forests, only very large mills will be economic in the major exotic forests. It is therefore logical to favour, wherever practicable and economic, the installation of as many small mills with a reasonably long life in the indigenous forests and, conversely and complementally, the erection of large log-frame mills in the major exotic forests and of small log-frame mills in small exotic forests. This is the essence of Forest Service and timber-sales policy, and only by such an arrangement can both the public interest and that of the great majority of the millers be safeguarded. Such a policy, it will be observed, even provides a place for reasonable functioning of the group interests which, with their strong financial resources, are logically able to operate the very large log-frame mills which must be erected to economically convert the country's exotic-log resources.

In fairness to the group interests it is pertinent to place on record an appreciation of the fact that, particularly in the North Island, where the demand for timber has been so very acute, these interests have been outstanding in their contribution to timber-production and in their co-operation with the Office of the Timber Controller.

65. *Whakarewarewa State Forest Production.*—The clear-felling of the older compartments planted in insignis pine was continued during the year, and the thinning of both Corsican pine and European larch compartments was carried out to the maximum extent allowed by the limited labour available. Thinnings suitable for sawing are supplied to the Waipa Mill, and the balance sold for mine props or utilized for the production of creosoted fence-posts. The working plan as originally drawn up for the Whakarewarewa Forest provided for a sawlog supply of only 800,000 cubic feet per annum, but during the past two years, and as a war measure, it has been found necessary to considerably overcut the forest, and for the current year and at least the duration of the war approximately twice the prescribed quantity of logs must be cut. Obviously, as soon as possible a reduction to working-plan prescription must be undertaken.

During the period when charcoal-production for motor fuel was at its peak, the opportunity was taken of cutting out poorer eucalypt stands and replanting with pines. This policy is being continued as far as is possible, and the timber removed disposed of for firewood, mining purposes, &c. In addition, underplanting of other eucalypt areas with macrocarpa and pines has been undertaken.

Soon after the entry of Japan into the war a heavy thinning of the larch plantations was undertaken to provide material for poles, stakes, &c., as well as for air-raid shelter and protection, for which it was particularly suitable. In addition to the sizes and lengths called for, timber principally in small diameters was also incidentally produced, but could not be marketed at the time owing to shortage of man-power. With a marked falling off in demand for larch for war purposes, the opportunity was taken, as labour could be spared, of collecting this incidental production. It has found a ready market as firewood.

Clear-felled insignis-pine logs as delivered to the Waipa Mill cost 10s. 5d. per 100 board feet of mill production, as compared with 9s. 10d. for last year. Both figures include a payment to the Whakarewarewa Forest Account of a stumpage of 2s. 6d. per 100 board feet to meet growing costs. The increase is due to logging smaller trees.

66. *Waipa Milling Operations.*—In order to meet an urgent demand by the Office of the Timber Controller for increased production, a circular-saw head-rig with Pacific-type carriage was incorporated into the Waipa layout towards the middle of the year and operated for 117 days, as against the Waipa log-frame record of 269 days. Still later a third log frame was installed to increase further production during 1944-45.

The production of sawn timber by the Waipa log frames again increased, and a new peak of 8,272,000 board feet (7,696,000 board feet) was recorded. The circular rig, which worked intermittently during the latter half of the year, cut 872,000 board feet, bringing the total output in sawn timber up to 9,144,000 board feet. The logs sawn at the plant comprised insignis pine (77 per cent.) larch (7 per cent.), and other species—principally Corsican pine—(16 per cent.).