

parallel in the annals of New Zealand's economic history, and a comprehensive report setting out the facts of the position is now in course of preparation and rapidly approaching completion. Basic studies into the utilization of exotic softwoods for the production of various classes of pulpwood paper products continue to be made.

The suggestion has been advanced that to improve the dimensional stability of locally manufactured structural insulating-board it should be used as the core for a composite board, each side being faced, first with a bitumen-impregnated paper as a vapour barrier and then with an outer asbestos-cement layer. Such a board would have a high degree of dimensional stability and be suitable for use either as an interior lining or as an exterior sheathing or panelling.

91. *Charcoal-production*.—With adequate supplies of the cheaper Waikato "char" made available to users of gas-producers, charcoal-burning by the Forest Service has now ceased at all centres. The plant at Rotorua produced 54 tons before being closed down in September last. Total sales were 57 tons, while residual stocks were 62 tons.

CHAPTER XI. MISCELLANEOUS

92. *Legislation*.—No amendments to the Forests Act, 1921–22, were enacted during the year. Section 5 of the Reserves and other Lands Disposal Act, 1943, cancels the reservation as an endowment for primary education over an area in North Auckland district containing 567 acres, being Section 4, Block XV, Russell Survey District, and sets the land apart as a permanent State forest.

A notice issued in pursuance of the Forest (Fire-prevention) Regulation 1940, as amended in 1943 by Amendment No. 1, prohibits, except with a permit given by the Conservator or other forest officer, the use of portions of the Rotorua–Waikaremoana and the Dargaville–Opononi Roads by vehicles principally operated by means of a gas-producer unit during the period from the 1st day of August in any year to the 30th day of April in the following year (inclusive), the purpose being to afford special protection to the vast Kaingaroa State Forest and the famous Waipoua Kauri Forest.

93. *Finance*.—Under Appendix VI is published a summary showing the receipts and payments from the State Forest Account for the year ended 31st March, 1944, together with comparative figures for the previous three years; for the complete departmental accounts reference should be made to parliamentary paper B. 1 [Pt. IV].

The gross expenditure under vote has increased from £516,119 for 1942–43 to £557,258 for the year under review, and this is largely attributable to the need for replacing motor transport that had been kept on the roads since before the war, and to the purchase of additional heavy trucks, tractors, and of roadmaking equipment to carry out the extended commitments for the production of logs and sawn timber. General management charges, salaries, and expenses have shown a gross increase of approximately £16,000, which, however, includes salaries and expenses involved in the departmental expansion of log-timber production for war purposes, but which are offset by increased revenue.

Revenue again increased this year by £45,000 compared with the previous year. It will be noted that revenue from sales of standing timber has decreased approximately £20,000, but this is offset by increased log sales from managed forests, wherein the increase is nearly £43,000. Total sales from utilization projects have increased by £23,000.

During the 1942–43 year the expenditure on timber-control activities amounted to £11,349, exclusive of any share of the general overhead of the Department, and the corresponding cost for 1943–44 will be substantially higher, probably in the vicinity of £14,000. As the gap between expenditure and revenue in the State Forests Account is financed by loan moneys, it would appear that the expenditure on timber-control work, which has the effect of increasing the amount of loan moneys required, should properly be transferred to War Expenses Account.

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 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.
	£	£	£	£
1941–42 ..	20,443	17,080	8,261	45,784
1942–43 ..	16,721	14,767	7,065	38,553
1943–44 ..	17,455	12,928	7,596	37,979
Totals ..	54,619	44,775	22,922	122,316

As in the case of timber-control expenditure, these payments result in an increase in the amount of loan moneys required to meet the excess of expenditure over receipts in the State Forests Account.