

The quantity of indigenous timber sold from State forests aggregated 75,529,000 board feet (104,018,000), of which the details of individual species in board feet are as follows: rimu and miro, 53,043,000 (85,356,000); kahikatea, 7,074,000 (3,396,000); matai, 4,189,000 (2,819,000); totara, 2,967,000 (1,138,000); tawa, 1,925,000 (2,050,000); beech, 5,608,000 (7,874,000); and others, 723,000 (1,385,000). The total value was £104,239 (£141,467).

Indigenous timber produced from State forests by holders of licenses and permits totalled 100,443,000 board feet (107,735,000), including that from validated Wardens' areas. Minor forest produce removed under permit comprised the following: poles, 2,258 (2,161); strainers, 13,992 (16,826); posts and stakes, 313,618 (306,632); stays, 6,491 (6,302); sleepers, 2,406 (21,429); house and pole blocks, 1,295 (8,591); mining timber, pieces, 34,972 (50,644); battens, 501,600 (373,105); and firewood, cords, 352 (791).

The quantities of exotic forest produce cut under permit were as follows: battens, 2,100 (2,000); mining timber, pieces, 42,600 (45,000); and firewood, cords, 259 (226).

63. *State Forest Log Sales.*—Logging operations conducted by the Forest Service in indigenous State forests in the Auckland and Rotorua Conservancies resulted in the production of 1,588,000 cubic feet (1,501,521) of logs valued at £66,193 (£57,008). Included in this quantity are 27,900 cubic feet cut from trees felled as a fire-prevention measure at Oruanui. Minor forest produce extracted at the same time comprised the following: posts, 8,312 (268); strainers, 173 (194); battens, 60,000 (18,000); stays, 29 (11); and firewood, cords, 40 (131).

In exotic State forests, logging operations produced a total of 2,503,000 cubic feet (2,273,319), mainly for the Waipa Sawmill. From a private forest 23,500 cubic feet, representing timber purchased some years ago and not now required, were also removed and sold. The following minor produce from exotic State forests was also extracted: poles, 620 (1,132); posts, 2,933 (23,523); rails, 2,883 (1,180); mining timber, pieces, 117,656 (126,000); round timber for creosoting, cubic feet, 7,815 (187,600); and firewood, cords, 6,340 (7,869).

64. *Indigenous Timber Disposal.*—Although additional field staff was secured during the year, great difficulty was experienced in keeping cruising work ahead of sawmillers' requirements. It is not generally appreciated that for various reasons the Forest Service requires a much larger forest ranger staff than was necessary before the war. Many officers are unable to devote the same time as formerly to the measuring of timber owing to the additional timber-control duties now required of them. On account, too, of the cutting-out of bush supplies accessible to many long-established sawmills and of the urgency for setting up additional new units, it has been necessary to open up new State forests and Maori-owned forests, which has involved more field work than if only the further cruising of old areas was required. This position is accentuated by the growing dependence of the sawmilling industry on State and Maori forests and the declining importance of private areas. The immediate objective is to keep two years ahead of sawmillers' requirements.

During the year 119 sawmills, equivalent to 27 per cent. of the total registered sawmills or 38 per cent. of the registered sawmills principally engaged in cutting indigenous timbers, secured their supplies from State forests. The quantity of sawn indigenous timber produced from State forests amounted to 100,444,000 board feet and represented 27 per cent. of the reported total annual cut of all timbers and 41 per cent. of the indigenous timbers.

An economic survey carried out during the year by the North Island sawmilling industry clearly established the fact that at ruling price levels a substantial portion of the industry was in an unhealthy trading position. The Government accordingly approved of a general increase in the level of North Island indigenous timber prices which it is hoped will not only arrest the decline in production in many mills, but will encourage additional capital for the expansion of production by new mills operating on forest areas not previously within economic reach. It is nevertheless clear that,