

years— and that they will support permanent industrial installations and communities—is indicative of both their importance and the scope they offer for industrial planning on a permanent basis.

EXPORT MARKETS

(1) Timber and other forest products will figure prominently in the export trade of the near future. Geographically and otherwise the logical market is Australia, which has always been a large importer of softwoods and pulp products; and forest products promise to be the only important item which can be used effectively to redress the adverse balance in the trans-Tasman trade. The decision of the Government to proceed with the establishment of a sawmill of large capacity integrated with a pulp and paper mill (and of various forestry companies to produce both pulp and sawn timber for export) will provide an excellent opportunity for New Zealand not only to improve its overseas trade position, but also to make an important contribution towards Commonwealth security in the South Pacific.

(2) In the case of sawn timber, it is of the utmost importance that New Zealand should pay the strictest attention to the question of developing a very much superior standard of merchandising to that which has characterized its export trade in the past. The principle suppliers in the international timber market, especially those in Baltic countries, have established a reputation for well-graded, accurately-sawn, square-docked, branded, and packaged timber of really good quality; and if New Zealand is to develop and retain overseas timber markets it must be prepared to adopt comparable standards of merchandising. At the time of going to press, an official delegation is visiting Scandinavian countries on the occasion of the World Forestry Congress at Helsinki; and this question of production and preparation of sawn timber for export is regarded as so important that arrangements have been made for the members to study the methods employed by some of the leading timber exporters of Finland, Norway, and Sweden. The delegation is composed of a member of the Forest Service, and one representative from both the Sawmillers' Federation and Timber Workers' Union; and the experience of this delegation should be extremely valuable in developing very much better standards of export in New Zealand.

INDIGENOUS SILVICULTURE

(1) Recent ecological investigations, particularly the classification of extensive forest areas undertaken by the national forest survey, suggest that much of our indigenous forest is in an unstable condition. Present distribution and composition appear to reflect a warmer and more humid period in the past than do present climatic conditions. In particular, the bulk of the podocarp forest displays symptoms of over-maturity and stagnation with the virtual absence of young growth. With the harvesting of these over-mature stands, conditions are such as to inhibit re-establishment of the same type of forest, the second crop usually consisting of hardwoods of little value. The podocarp forests seem vigorous only on certain lowland sites, most of which have a high farming value debarring them from permanent forestry. Only on Stewart Island and where it occurs in mixture with red and silver beech does rimu show any appreciable regeneration capacity in unmanaged stands. This instability inherent in most podocarp forests, coupled with the intractability of most species to normal silvicultural measures, prohibits any reliance being placed on them for a large permanent yield of softwoods. Although present indications are that they will be capable of management only on a few limited sites, sustained research may ultimately extend these sites on a significant scale; elsewhere the residual hardwoods may yield a worth-while crop, or where these consist of inferior species the introduction of shade-bearing exotics may be necessary.

(2) The beech forests present fewer difficulties, having much more favourable silvicultural characteristics than any of the podocarps. The major problem is again to