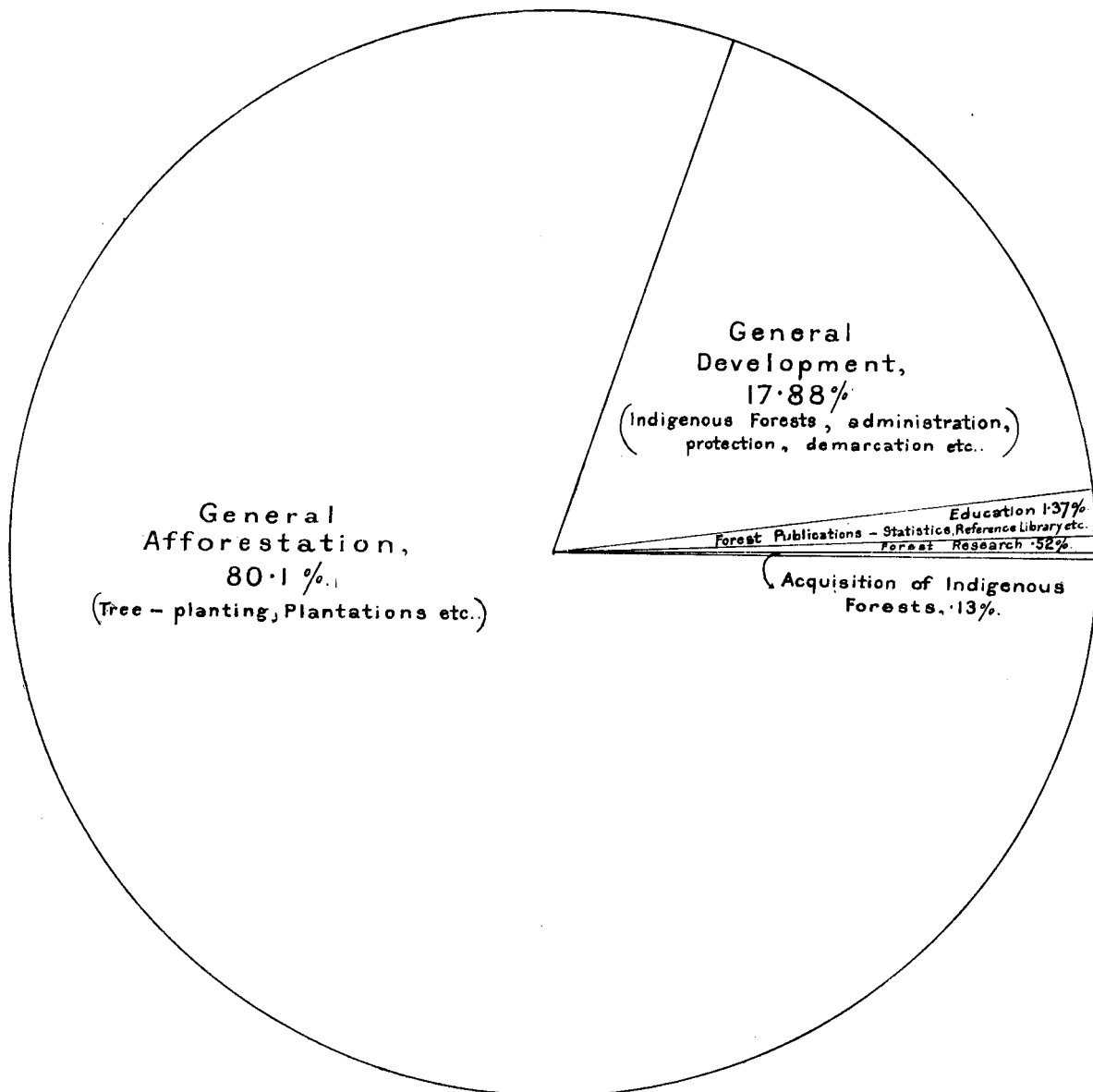


—due to survey, demarcation, and reconnaissance of indigenous forests. It will be seen from the following graph that afforestation absorbs about 80 per cent. of the total outgo. This percentage may be expected to steadily decrease as direct afforestation is supplanted by the regrowth in indigenous forest regions.



GRAPHIC EXPOSÉ STATE FOREST SERVICE EXPENDITURES FOR FISCAL YEAR ENDING 31ST MARCH, 1921.

3. MANAGEMENT.

Timber.

The centre of forest exploitation in the North Island is moving centripetally to the heart of the Island. From a national timber-supply standpoint the North Auckland, Taranaki, Hawke's Bay, and southern Wellington regions are now negligible, and the ever-increasing wood needs of the Taranaki, Wairarapa, Hawke's Bay, and other districts will be largely supplied during the next generation from the massif bounded on the west by the Main Trunk Railway, on the north by the Waikato and the thermal-springs country, the east by Lake Taupo, the Urewera country, and the Ahimanawa Range, whilst Taihape will mark the most southern point of this supply area. From this great timber-reservoir, which embraces over 3,000 square miles, head out four of the most important rivers of the North Island—namely, the Waikato, Wanganui, Wangachu, and Rangitikei. It is vital for the dual need of timber-supply and water-conservation that proper safeguards be herein established against forest-devastation. This, the last great source of timber, should be subjected to a scheme of forest-management whereby it becomes a permanent wood-producing region, and the essential water resources are conserved and stabilized. At the present time the principal forested lands are under the control of interests other than those whose objective is conservation and rational use.

In the South Island there are two forest regions of national importance, and it is to these centres that forest-exploiters are now being attracted. The first and by far the most important is that of the West Coast, where during the past year at least a dozen new mills have been brought into operation.