

embracing a complete forest-insect survey, the development of control, and the adoption of a practical quarantine system in order to prevent the entry of further insect pests.

So that the services of a full-time entomologist may be devoted to this important field of economic entomology, the State Forest Service is financially co-operating with the Department of Agriculture, and by this means the campaign against destructive forest insects will be materially strengthened.

Forest-protection.

Damage by Forest Vermin.—Reports of damage by deer to forests and farming-areas continue to be received. The only remedy appears to be in the complete removal of protection from these pests over a period of years, and the payment of a bounty on the deer killed during this period. During the year 2,946 deer-tails were collected by Forest officers for the payment of the bounty.

Experiments connected with the poisoning of wild pigs were undertaken in conjunction with the Department of Agriculture, but negative results were obtained. Further experiments will be undertaken, and it is hoped that an efficient and economical means will yet be evolved for the purpose of coping with this menace. A total of 27,848 wild-pig snouts were collected for the payment of the bounty of 1s. per snout, compared with 19,253 for the preceding period, an increase of 8,595.

The Forest Industry of New Zealand.

During the past two years the production of sawn timber in New Zealand has been in excess of that required to meet the normal demand. The years 1920-24 constituted a peak period for the sawmilling industry and its allied building trade, which annually absorbs from 40 to 45 per cent. of the total sawn timber consumed in the Dominion. Importations of building-timbers have so increased that a major consumptive displacement of our domestic woods occurred during the year, and as a result large stocks of timber are held by most sawmills.

The Auckland Province is the main sufferer in this respect. Though itself importing more timber than any of the other main centres, its production has increased considerably, with the result that many merchants still have two-year-old stocks on hand. Prices of timber have consequently fallen considerably, this being brought about by discounts off the list price. Owing to over-production, reduced buying-power, and slackened demand, the sawmilling industry appealed to the Government for an increased duty on imported timbers. The result has been an inquiry into the position of the industry by the Tariff Commission, and its findings will be awaited with interest.

In addition, the millers have decided, after a conference with the interested Government Departments, on certain improvements in their operations which will increase the use value of their product and allow it to compete on a more favourable basis with imported timbers for building purposes. These improvements include, *inter alia*,—(1) A revision of the present grading rules in operation throughout the Dominion, so as to form one universal grading system; (2) improved seasoning practices, involving longer seasoning periods and more efficiently constructed stacks; (3) improved manufacture of the product, involving docked ends, evenly-sawn boards, &c.

Under the universal grading system it is anticipated that a more balanced sale of the product of the log will result, thus finding a use for all classes. (Though it is not generally realized by consumers, our native building-timbers have a greater all-round use value than any other timbers in the world.) It has been admitted that our manufacturing processes and technique have lagged behind those of other countries, but now these are being brought into line by the wider use of modern machinery and processes.

Exports of Forest-produce.

Exports of sawn timber during 1926 were the lowest experienced by the trade during the past twenty-six years. The white-pine trade was the main sufferer, and inquiries made on the Australian market, which absorbs most of the timber exported, indicate that considerable stocks have accumulated during the past two years. This is due, in the main, to abnormally low exports of dairy-produce from Australia, and to increased competition by North American and Baltic shelving and box timbers. Indeed, the trade is so overstocked that the white-pine export market is likely to remain dull for the current year.

Rimu, also, though to a less extent, experienced the competition of North American and Baltic timbers, especially for flooring and lining purposes.

Beech was the only timber which experienced an increased trade abroad during the year. Improved grading and seasoning has resulted in a firm market for this valuable hardwood in Australia. Importers, however, in most cases demand clean-grade timber only, and it is evident that further revision of the grading-system, a detailed study of the market requirements, and a more economical shipping-system would assist materially in securing a more balanced utilization of the products of the log, thus removing crippling stocks of other than clean timber and resulting in a decreased price of the clean grades.

The export regulations, more particularly in respect to rimu and the lower grades of kauri, were eased early in the year in response to repeated requests from many parts of the Dominion, and with a sincere desire to assist operators in securing overseas markets for such grades of timber as were represented to be unsaleable in New Zealand. It can scarcely be said, however, that the desired result was obtained, as, although the exports of rimu and beech showed a slight increase over the preceding year's figures, kauri and white-pine decreased very considerably, the former by more than 50 per cent. This falling-off, no doubt, was due to a set of abnormal circumstances, which are referred to in more detail in another part of this report.