Utilization.—No other feature of forestry work is so susceptible to exaggeration as the intensely practical problem of utilizing the growth of the indigenous and exotic forests. One writer estimates that the Dominion will have an exportable surplus of 500,000,000 ft. board measure of exotic timber within ten years. Another estimates that the insignis-pine forests alone will yield annually 1,200,000,000 ft. board measure of sawn timber. All these are fantastic calculations which do not take into account the already-failed areas of this species and the not unlikely failures of still other species, against which the Government has endeavoured to protect the general success of its own operations by the use of a wide diversity of species, most of them much slower-growing than the insignis pine. If, eventually, the whole of the planted areas of the Dominion produce an average mean annual growth of 100 cubic feet of wood per acre, the country will have achieved a result which has not been duplicated with exotics elsewhere in the world.

As indicated in previous reports, it is not anticipated that any difficulty will attend the utilization of such exotic softwoods as may be successfully grown. Even in the face of a poor utilization technique the demand exceeds the supply, and must continue to do so for many years. Actually, as the suitability of the exotic timbers for house-framing, sarking, sheathing, and sub-flooring, &c., becomes appreciated the markets will expand rapidly and absorb large quantities of wood at present obtained solely from the indigenous forests.

CHAPTER I.—MANAGEMENT.

1. Areas under Control.

If the total area under forest control as shown in the following table be compared with last year's figures, it will be seen that the net increase for the year is 6,711 acres, as against 40,136 acres for the previous twelve months. It should be explained, however, that actually the total area withdrawn exceeded the total of the new areas proclaimed by 1,533 acres (vide Tables 2 and 3), and that the apparent increase is due to the correction of errors in areas which were only discovered when a detailed examination was made of new plans of certain provisional State forests prior to their proclamation as permanent State forests. The comparison will also reveal the pleasing fact that the total area under permanent forest reservation was increased during the year by nearly 850,000 acres, and that a somewhat similar decrease occurred in the area of State forests provisionally reserved. In other words, the Service, in pursuance of the policy enunciated in the report published two years ago, has continued its examination of the remaining provisional State forest areas, with the result mentioned. About 4,000,000 acres still remain to be dealt with in this way, but it is possible, of course, in the final analysis that a fair proportion of this area may be classed as settlement land and be handed over to the Lands Department for that purpose.

Table 1 illustrates the areas under forest reservation in each forest conservation region.

 $\begin{tabular}{ll} TABLE 1. \\ Areas of State Forests as at 31st March, 1935. \\ \end{tabular}$

Forest Conservation Region.		Permanent State Forests.		Provisional State Forests.			Percentage of Total Area
		Ordinary.	National Endow- ment.	Ordinary.	National Endowment.	Totals.	of Region under Reservation.
		Acres.	Acres.	Acres.	Acres.	Acres.	1
Auckland		229,889	71,654	189,662	24,187	515,392	6.00
Rotorua		334,236	235,930	135,921	84,365	790,452	15.73
Wellington		951,072	63,318	36,857	10,222	1,061,469	$7 \cdot 09$
Nelson		305,562	121,615	1,183,348	631,993	2,242,518	$32 \cdot 01$
Westland		600,808	135,465	537,756	458,481	1,732,510	$44 \cdot 84$
Canterbury		332,770	3,647			336,417	$3 \cdot 38$
Southland		430,716	55,774	709,297	13,740	1,209,527	$7 \cdot 12$
Totals		3,185,053	687,403	2,792,841	1,222,988	7,888,285	11.88

Table 2 shows the areas withdrawn from reservation and the reason therefor. It will be seen that the total of 56,786 acres comprises only 5,112 acres of permanent forest, of which 4,798 acres were released for settlement. The unusually large area of 4,327 acres made available for settlement in Southland Region comprises, in all, forty-five sections of open land scattered over central and northern Otago. With a few exceptions the sections are, in the main, narrow strips of country adjoining good farming-land, and were set aside as forest or plantation reserves at various times over the last fifty years, presumably with the intention of providing shelter-belts, wind-breaks, firewood, &c., for farmers. The areas are small and, in many instances, isolated, and to afforest them by the Forest Service was quite impracticable and uneconomic.