C.—3.

FOREST POLICY.

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Two factors have developed during the period under review which, although with only minor effect on the long-term forest policy of the Dominion, have considerable influence upon the national forest activities of the immediate future.

Exotic Forest Establishment.—The exotic forest establishment programme initiated in 1925 was prompted solely as a protective measure against a future shortage of New-Zealand-grown timber for local use, and the interim concentration of staff and funds on this project has been dictated by the urgent necessity for establishing a capital resource adequate to the requirements of the Dominion. The necessity for revising the initial programme to provide a greater degree of safety against widespread failure of individual species by establishing a wider range of species than originally contemplated has been referred to in previous annual reports. While the position has been improved year by year, the proportion of Pinus radiata stands is still excessive and requires correction by further plantings of other species.

Under the pressure of urgency both the initial and the revised programmes were carried out with the broad national objective as the dominant consideration. The formation of extensive planting units was the keynote of the national forestry effort for over ten years, but with the work approaching completion it has been possible to give special consideration to the interrelated questions of regional planning and multiple land use, the objective of which is to secure an appropriate balance between agriculture, forest, watershed, and other uses in individual localities so that the natural resources of

the Dominion may be developed to yield their maximum economic and social values.

Forest Community Planning.—The local land-use problem is only one phase of the land-settlement question and one which hitherto has been given little systematic study. The major agricultural land units tend to group themselves into two broad classes—the lowland, in which high soil fertility indicates intensive farming as the basic solution of its settlement problem; and the upland, in which topography and low soil fertility point to the continued development of extensive as opposed to intensive farming. Overlapping both, of course, is a huge area of relatively low fertility, for the development of which there appears to be no alternative but controlled tenant farming by the State. Major forest land units fall likewise into two broad classes—first, the lowland submarginal agricultural lands which may be regarded as the forest or timber-cropping lands of the Dominion; and, second, the upland or protection forest lands comprising that portion of the high country which, without forest cover, would erode rapidly with subsequent damage to the agricultural lowlands. Interspersed, however, amongst these more or less clearly demarcated major agricultural and forest areas are numerous land units, some relatively large and some small, in which the various classes of agricultural and forestry land are so inextricably combined as to constitute a problem all their own.

inextricably combined as to constitute a problem all their own.

Peculiar as these conditions may be, it is believed that a number of local units exist where the problem of multiple land unit is capable of immediate solution. The inherent advantage of many such units is that, either wholly or to an overwhelming extent, the land remains in public ownership, leaving the way open for intelligent land-use planning. By segregating the various classes of land, by combining the advantages of controlled individual enterprise and tenant farming, by the State growing of specialized agricultural crops requiring a high degree of technical supervision, and by the establishment of State exotic forests a promising solution to the use of these local land units is available, and an initial demonstration area has been selected at Pongakawa, in the Bay of Plenty District. The area is to be known as the "Rotochu State Forest," and within the enclosing boundaries there will be carried on dairy-farming, grazing, tobacco-culture, the growing of exotic forests, and the milling and replenishment of indigenous forests. The area devoted to culture of tobacco and exotic forests will be bounded to the north by a district of intensive dairy-farming and to the south by a district of indigenous sawmilling. The primarily significant point is the attempt to weld tobacco-culture, with its slack winter season, into a single unit with exotic afforestation, with a busy winter season. The neighbouring farming and sawmilling communities must incidentally profit by this novel community which will occupy the "No Man's Land" that normally separates them. The benefits to all concerned are very real—to the Dominion in the creation of a stabilized community, to the settlers in the provision of good roads and adequate institutional services hitherto lacking because of prohibitive costs, to forestry and nearby agricultural labourers in year-round employment by the dovetailing of farming and forestry work, and to the State Forest Service not only in permanenc

Forest-community planning has therefore become a definite administrative objective, and a programme covering five years' work is now in course of preparation with a view to making this project a major activity second only to the development of forest management in the kauri forests of North Auckland, the rimu pole-type forests of South Westland, and the beech forests of the Dominion.

Utilization.—In thus tending to increase the Dominion's exotic forest capital resources an appraisal of the utilization aspect is fundamental to sound policy planning. With due provision previously made against substantial forest failures which might reduce seriously the supply of locally grown timber, the new programme would appear at first sight not merely to increase unnecessarily the factor of safety, but to create a surplus of raw material which might unduly depress the market. The danger is more apparent than real. Any marked surplus which is likely to eventuate will result from the large private plantings of Pinus radiata already made and will occur long before the proposed plantings of slower-growing species are likely to yield any utilizable material. With establishment concentrated upon slower-growing species than Pinus radiata, the basic result will be to create a more uniform supply of timber over the next century, thus assisting the supply position whether for domestic or export consumption, and therefore assisting in actual effect to achieve one of the fundamental objectives of forest management. To the Dominion also a surplus of disposable raw material over and above its own requirements is a substantial trading asset, and to the Government in particular, with its low cost establishment and maintenance charges, a potential source of considerable profit.