

Reports prove that the tenants satisfactorily maintain the lands in their holdings and the improvements thereon, and that there is no undue deterioration through excessive cropping or neglect. The returns show conclusively that in almost every instance the lands-for-settlements tenants have established substantial and comfortable homes, and are working their holdings with industry and intelligence, and with great profit to themselves and advantage to the State.

It is satisfactory that the policy has been attended with such undoubted success, and that it now has the approval of many who contended that attention should be given in the first instance to the settlement of the ordinary Crown lands, overlooking the fact that close settlement is of the utmost importance to the colony, and that the acquiring of estates for occupation meets the needs of a special class of persons who are deserving of the best consideration of the Government.

FORESTS AND PLANTATIONS.

The interest manifested in recent years in the conservation and utilisation of the indigenous forests has in no way abated. There can be no question that the preservation of the forests of the colony is one of the greatest importance, and that it affects the well-being and prosperity of the community and the future of the colony.

The Government has given earnest attention to this question during the past year, and has caused further investigations, inspections, and appraisements to be made of the timber in various localities.

Though it has not been possible to complete the provisional inspections alluded to, it has been ascertained that, excluding the Taupo district, the approximate quantity of milling timber now growing upon Crown lands is about 20,000,000 superficial feet, which experts consider equal to fifty-five years' supply at the present rate of consumption. It is estimated that if the milling timber upon Native and freehold lands be fully utilised our requirements will be satisfied for the next seventy years.

Closer investigations have disclosed that the quantity of kauri timber remaining for utilisation will only last about twelve years at the present annual output.

The knowledge that the timber-supplies have been so largely reduced led to the reconsideration of the question of the Timber Regulations, and steps have been taken to safeguard the whole of the remaining milling timber, and to deal with applications for the right to erect sawmills and cut out the same only after full inquiry, so as to insure that there shall be as little waste as possible.

Every encouragement should be given to private owners of forest containing milling timber to preserve the same, so that all the resources of the colony in this respect shall be used for the common good, and be available and be used as far as possible on broad and comprehensive lines, so as to maintain the timber-supplies of New Zealand until planting operations now in progress and contemplated, result in additions being made to the indigenous-timber supplies, and in time to wholly replace the latter, as it would be disastrous if the colony was dependent upon America, Europe, or Australia for the bulk of our future requirements in timber.

Planting cannot be done without a considerable outlay; the Government have consequently enlarged the operations by employing additional prison labour, with a view to keeping down expenses and affording healthful and profitable work for the best class of prisoners, thus conducing to their moral and physical improvement.

We shall, however, have to incur much greater expense in providing for the future requirements of the colony, but I am sure that all will agree that nothing is more necessary or urgent, and we must give due attention to this important matter.

As showing what has already been done, I may quote the following figures:—

During the past twelve months 6,644,000 trees have been grown in the nurseries of the Lands and Survey Department, making a total to date of