

The long period of prosperity enjoyed by the Dominion caused the demand for sawn timber to exceed the supply. To cope with this exceptional demand new mills were erected, and many of the existing plants enlarged, with the result that in ten years the sawn output more than doubled. Then, for the reasons stated above, the high-pressure demand ceased, and sawmillers were faced with a glutted market.

The following table shows approximately the increase of the sawmilling industry in New Zealand :—

Year.	Number of Mills.	Hands employed.	Quantity of Timber sawn per Annum.	Cutting-capacity per Annum.
			Sup. ft.	Sup ft.
1895 ..	299	4,055	191,053,466]	..
1900 ..	334	6,085	261,583,518	..
1905 ..	414	6,912	413,289,742	704,930,600
1907 ..	411	7,139	432,031,611	718,940,000

Greater Use of New Zealand Timber.

With the view of assisting to relieve the present depression in the timber industry, it is suggested that the Government should endeavour to make a more extensive use of New Zealand timber in its public works and other operations wherever suitable; and, as the evidence of Railway officials has shown that, during the last twelve months forming the past financial year, no less than 198,244 out of 292,549 sleepers used by the Railway Department were of Australian timber, it is felt that puriri and others of our native timbers can be used to a much greater extent than at present for this purpose alone. When it is borne in mind that in the year 1898–99 no less than 327,938 out of 331,301 sleepers were of New Zealand wood, it cannot be denied that the replacement of New Zealand by Australian timber has been extremely great, and apparently more than is justifiable. Details are given in Appendix E.

Conservation of our Native Forests.

More consideration requires to be given to the preservation of forest in rough country, and on mountain-sides, particularly within the watersheds of rivers liable to periodical floods, as, unless the surface soil is sufficiently protected by vegetation, considerable damage and destruction to valuable land along river-banks and lower-lying country is naturally caused. Due consideration should also be paid to the conservation of rainfall and the maintenance of climatic conditions.

Judging from the reserves that have already been made in some districts by the Department of Lands for such purposes, it would seem that this matter has been kept in view; but, if increased attention is given to it in the future, more satisfactory results would follow. It is therefore recommended that, in future alienation of Crown lands, provision be made for a reservation of forest on the high lands, and heads of watersheds, &c.

Many farmers do not seem to be aware of the importance of conserving suitable belts of forest on their holdings, or, indeed, to know how best to preserve native trees. Advice might be disseminated on this subject, and public attention called to the beneficial results that attend the maintenance of a certain proportion of agricultural and pastoral lands in forest, whilst particulars of the most suitable kinds of trees to grow in place of the indigenous bush that formerly clothed so large a portion of the Dominion might accompany such advice.

With regard to the prevalence of bush-fires, and annual destruction caused to our forests by preventable causes, we would urge that the provisions of No. 9 of the new Forest Regulations, which impose a penalty on persons who light fires within Crown or State forests, or who permit fires lit outside the boundaries of such forests to spread within, be widely advertised and make known, and that Government officers be instructed to do all in their power to prevent such