

may be more gradual. I sincerely trust that those engaged in the milling industry will realize the position, and that it may be found that there is ample room left in New Zealand for the profitable conduct of that industry without the aid of the foreign market. Apart from the actual shortage of supply for the wants of New Zealand which must result if timber is exported in the future as in the past, the high prices that can be obtained for our New Zealand woods in some markets outside our borders have so inflated the cost of those timbers in New Zealand as to increase beyond reason the price of timber in New Zealand for all purposes.

I desire, therefore, your assistance in the foundation of a policy which shall as far as possible conserve for the use of the people of New Zealand, both in the present and the future, such public lands now covered with timber as are not required for land-settlement purposes, and for the plantation of areas of open land which, though not required for land-settlement purposes, are suited for planting and afforestation. And I first remind you that the expression "State forest" includes only Crown lands which have already been proclaimed to be State forests under the State Forests Act. Such lands constitute only a small part of the area required. I am not able to give the exact acreage of the lands already proclaimed as State forests, because the plans of the State forest lands, the preparation of which began at the end of last year, are not yet fully completed. But approximately the area is 1,654,214 acres, of which only about 1,464,000 acres of this area are actually under forest. Part, however, consists of forest on high mountain-ranges, and therefore not commercially available for timber purposes; and other parts have been proclaimed to be State forests for the purpose of providing revenue for that branch of the Lands Department, and consist of lands really suitable for, and required for, land-settlement after the milling-timber has been cut and removed. The land which has been proclaimed to be State forest is, however, so far safe for the present and the future in that it cannot be taken out of the control of the State Forest Department without the concurrence of Parliament.

The serious and urgent problem for the Government arises with respect to the Crown lands covered with forest which have not yet been proclaimed to be State forests. The demand for land for settlement, more urgent now than ever by reason of the requirements for provision of land for our returned soldiers, prohibits the possibility of conserving all such forest lands for forest purposes, and we have therefore to accept as a maxim that where the land under forest is good and required for land-settlement purposes the timber must go and the land be cleared. Whether in such cases the timber is burned or milled concerns the Lands Department and not the Department of Forests, for if the land is not to be used as forest land the existence or non-existence of forest upon it is a matter of no moment to the Commissioner of State Forests. But in all cases where the land under the forest is not of the quality which I have just described questions at once arise between the two Departments. In many such cases, and in all cases where the land is not of at least average quality, I am quite satisfied that the best policy for New Zealand is to retain the land as forest, proclaim it State forest, and deal with it scientifically for the provision of timber, not merely for the present but until the distant future. It is, I believe, demonstrable that forest land so held and used provides a constant employment for a greater number of people per area than any other industry; but it would unduly tax your patience were I on this occasion to attempt that demonstration. I can only urge upon you that this is the matter for your closest consideration, as it is that which creates my strongest anxiety—the question, namely, with regard to all these Crown lands covered with forest, where the line shall be drawn dividing the land to be opened for settlement from the land to be proclaimed as State forest. That question can only be decided fairly and properly by the Commissioner of Forests recognizing on the one hand the urgent demand for settlement, and the Minister of Lands and the Commissioners of Crown Lands on the other hand recognizing that the future requirements of New Zealand demand the retention of large forest areas under State control. The misfortune from my point of view is that, with some notable exceptions, the valuable timber-trees of New Zealand stand on good soil rather than on poor soil.

It has been suggested over and over again that the line of demarcation between land to be held as forest and land to be used for settlement should be forthwith approximately determined by rough survey, and that throughout the forest lands of the Dominion the line of demarcation should be shown by beacons.