

thus limited, but in my view no undue interference with the Native right has been effected. The power of Wardens in mining districts to grant licenses to destroy timber growing in many cases upon land which would be worthless for any other purpose has been curtailed to the necessary power to grant cutting-rights for mining purposes pure and simple. Against this there has been already violent protest; and I anticipate much further attack. So far as the protest is one voiced by the sawmillers it must be made plain that the policy is one that has been deliberately entered upon by the Government and will not be altered. So far as the protest comes from local authorities which have derived revenue from royalties upon all State timber, the question whether provision shall be made for that loss of revenue out of the Consolidated Fund has not yet been considered by Cabinet, and I am not in a position to indicate what will be the policy of the Government on that subject. But it would be absurd to contend that the forests of New Zealand are to be destroyed in order to provide revenue for local authorities. With regard to the operations which will continue to produce royalties from the milling of State timber (a matter separate and distinct from the reduction of such operations by the recent regulations), I have not proposed any amendment of the law which grants a proportion of those royalties to local authorities, and have not in view the proposal of any such amendment during the coming session. But sooner or later the whole revenue from State timber must come to the Dominion Treasury to the credit of the State Forestry Account. Hitherto the cost of State forestry has been almost entirely provided out of loan-money. Loan-moneys will still be required for some years for the acquisition of land and for planting operations. But ultimately the cost of administration should be provided out of the revenue derived from the forestry operations, and subvention to local authorities must come from the Consolidated Fund—that is to say, from taxation, and not from the profit derived by the State from milling-timber which is the property of the State.

I turn now from the consideration of the meaning and effect of the new powers by Parliament last session to a brief consideration of the present position and of the mode in which it is intended in future to exercise those powers and the powers originally granted by the State Forests Act. We have available under section 32 of the Finance Act of last year power to raise money for afforestation purposes to the extent of £200,000, and you will be glad to learn that none of that money has yet been raised and very little spent in anticipation of borrowing. It has been practically impossible during the war to obtain the services of a trained, educated Director of Forestry, and even now I believe there will be considerable difficulty in finding the man we really want. We have in New Zealand a number of men fitted to fill offices in the Department of Forestry, but experience of modern methods, and education in the scientific branch of forestry, are essential qualifications for the office of Director, and we shall probably have to seek applications for that appointment outside New Zealand. The Public Service Commissioner has consented to recommend the exception from the Public Service Act of the office of Director in order that selection may be made, as in the case of professors at the University.

We have to bear in mind that there are two very distinct matters to come under our administration. The first is the conservation of existing forest areas, and the second is the plantation of poor land now bare of forest; and I propose briefly to indicate what is proposed with regard to each of those distinct matters separately. First as to conservation of forest areas. In most of our forests any specific area comprises trees now fit for milling, and growing trees some of which will in a brief course of time be fit for milling and some of which will grow gradually into profit many years hence. The trees fit for milling may be milled for the present use of the people of New Zealand, and if confined to that use the milling need not proceed at any excessive rate. But the milling of the ripe trees must be so conducted as that no unnecessary injury is done to the growing trees. And further planting operations of a minor kind must be carried on as the area is cleared of milling-timber so as to provide by the young new-planted trees for the distant future of forest operations in that area. The nearly fit trees and the smaller trees which are already there and growing will provide for the coming years and for the less distant future. No sawmilling license should henceforth be granted for the cutting of timber upon land which is to be preserved as forest except upon those conditions. If the sawmillers will accept those conditions they will find themselves provided with a long tenure for their operations within every area of their license.