

and I should prefer leaving it an open question, and deciding each case on its merits as we proceed. I do not think there is much fear of our reserving more than is absolutely necessary for climatic considerations and the supply of the future. Should there be any inclination to do so on the part of the departmental officers, the Waste Lands Boards, Crown Lands Department, and ultimately the House itself, would doubtless exercise a salutary check, and prevent our locking up, so to speak, too large a proportion of the colonial lands. Sir Julius Vogel's original Forest Bill of 1874, which did not meet with the approval of the House, proposed a maximum of 3 per cent. of the total area of the colony, but I am of opinion that in the case of some districts at least this would be found inadequate, whereas in others we could not obtain it in suitable localities or blocks, owing to the extensive alienations already made.

The proportion of forest to total extent throughout the German Empire is 25 per cent., of which about one-half, or 12½ per cent., is under State management. In India, where the constitution of reserved forests has only recently been commenced, and is in progress, the proportion at present varies from 2·7 per cent. in the Central Provinces to 18·7 per cent. in Coorg.

The task of selecting these reserves will be a very long and laborious one, but it is of the greatest importance even when, as in the case of the more densely wooded districts, we merely demarcated and surveyed them, and then let them alone till required without attempting any measures of improvement for the present. The procedure for their reservation would be somewhat as follows:—

The local forest officer would select in the first instance, and have the blocks roughly marked out, submitting his proposals to the Conservator, who, after visiting the localities, and consulting the Waste Lands Board and other local bodies, would decide whether to recommend the reservation or not. On the reservation of any block being approved by the Commissioner, it would be accurately surveyed and mapped, proclaimed as a Reserved Forest in the *New Zealand Gazette*, and, if deemed necessary, a Crown grant issued transferring it entirely to the State Forest Department.

In case of difference of opinion between the Forest Department and Waste Lands Board as to the advisability of constituting any reserve, the Minister for Crown Lands and Forests would of course decide. I see no difficulty in initiating this system and laying down a few simple rules for its working.

5. By far the more difficult problem presents itself as to the course to be adopted with regard to the large area of waste lands covered with forest pending the selection of the reserves, and how we are to insure the disposal of the balance or unreserved forests to the best advantage, and with the best financial results, not from a forest point of view only, but in the interests of the colony at large. I feel great difficulty and diffidence in approaching this point, for, whilst I cannot shut my eyes to the waste of natural resources now going on with little or no direct or indirect benefit to the colony, and cannot but feel that for the State to dispose of land at £2 per acre, the forest on which alone is worth £30 per acre, is surely not good political economy, I shall probably on the other hand lay myself open to the charge of advocating measures calculated to check the spread of legitimate settlement, the opening up of large tracts for depasturing or agricultural purposes, &c., when I propose that some check be at once placed on the disposal of forest lands throughout the colony, and that it should no longer be considered advisable to get rid of them without a substantial return.

I cannot, however, do otherwise than protest against the principle under which bush land has been alienated—I might almost say given away—at any sacrifice, and against the policy which I am aware has many advocates even now, which maintains that every acre of forest land taken up even without any payment to the State, and the entire loss of the timber on it by fire, is a national gain. I am far from wishing to check unduly the timber industry, the legitimate opening out of the country, and settlement of the people on the land, and I look forward to a time when probably nine-tenths of what is now forest will be cleared and brought under cultivation; but I submit that there is no hurry or necessity for pushing this forward, that there is plenty of room in New Zealand at present for all its inhabitants without sacrificing land covered with valuable timber for a few shillings per acre, and the prospect of indirect revenue in the future.

I would adopt generally the system now in force in Southland, by which all forest land is reserved from sale, unless specially surveyed and notified for selection and purchase. It is not, of course, proposed in Southland to lock up the forest lands for ever; but they find that the best plan of dealing with them is to lease by block to saw-millers for a term of years, on payment of a royalty or tithe, the idea being that, when the saw-miller has taken out all he can utilize, the splitter and firewood-chopper be allowed to follow, and then the land be exposed for sale.* I say this is the system or theory, though, doubtless, it is not acted upon strictly in practice, new blocks being given before the old ones are sufficiently cleared; but the result, even with the very inadequate machinery at command for checking license-holders, &c., appears to be that Southland collects a considerable forest revenue (£1,200 a year); and I have not heard any complaints as to undue restrictions, or interference with settlement. I would intrust the entire charge and control of *all* the forests to the special department, which should manage them to the best advantage, lease blocks to saw-mills, regulate felling on license, and generally protect the forests from damage or waste; but, apart from the selection of the State reserves, I would vest the right of final disposal of the forest area, not so reserved, in the Waste Lands Board, instructing the Commissioner of Waste Lands and forest officers that they were expected to co-operate and settle periodically what forest is to be thrown open for sale, as well as the local rates and royalties to be levied, &c. In short, any proposal to dispose of forest waste land should be referred to the forest officer before the land be declared open for sale, and the Waste Lands Board be guided, so far as they think right, by his opinion. This need cause no unnecessary delay, as the reference would be made and settled *before* the land was declared open for sale; and I would allow no land to be taken possession of and cleared, as has been done in some districts, until it was declared open and surveyed.

6. To carry out this system, however, it will be necessary that a portion of the sale proceeds of all forest land be credited to the Forest Department. This is only fair, and any other course would naturally lead to the forest officers raising objections to all alienations, as affecting most injuriously the forest revenue both directly and indirectly.

* Mr. Curtis, the late Superintendent, of Nelson, informs me that he suggested an exactly similar system, which was approved of by the Provincial Council, but thrown out by the General Assembly, in 1874.