

The above represents a total charge for salaries and allowances of £5,935, or say £6,000 per annum, to which must be added £1,000 for actual travelling expenses.

9. I must explain that I have entered the salary of the Conservator at £1,000 per annum, as I do not think the colony will get one for less; it is the lowest rate of pay in that grade in the Indian Forest Department. The assistants' salaries I have retained at the figures now laid down in the Act, though I should prefer to give one £450 and the other £350. I have entered no fixed horse allowance for these officers, as the range of their inspection will be so wide that it would be impossible to get over them by maintaining one or two horses, which must therefore be purchased or hired as required. In the case of the Forest Rangers it is different: their ranges will be comparatively small, and it is very important that they should, as a rule, travel slowly through them on horseback, and therefore maintain a horse permanently, for which I have entered a fixed allowance of £25 per annum all round. Beyond this sum and the usual travelling allowance fixed by the Civil Service Regulations, I should deprecate any special travelling expenditure by the Rangers, *e.g.*, coach, railway, or boat fares, and only pass them under special circumstances. I would ask that the Governor be authorized to enter into agreements with the small staff specified, so as to give it a sense of permanency. The number of Rangers, and probably of Assistant Conservators, will doubtless be found inadequate ere long, and have to be increased: at present we shall but make a beginning, and as the revenue increases, as I believe it will, we can increase our establishments as required. Besides the permanent staff, it will be necessary to employ foresters, forest guards, gardeners, &c., as required, to assist the Rangers in controlling the felling, preventing damage to the forests, and formation of nurseries and plantations; but all this will be undertaken gradually and as we feel our way.

10. All I would ask the House to do would be to continue the grant of £10,000 a year for five years, as well as the annual revenue derived from the forests during that time, or as much of it as may be found necessary year by year for planting operations. From these allotments we shall meet all charges, including pay of the establishments just mentioned; and, at the end of five years, the department would, I should say, be in a position to do without the £10,000 a year, and have an annual excess of revenue over expenditure, depending merely on the amount of planting done on the one hand, and the rates of royalty, &c., it is deemed advisable to levy on the other.

Were I asked for an estimate for the next financial year, provided the department were organized and at work, I should say,—

Expenditure, pay, and allowances of the permanent staff, as per statement	£6,000
Travelling expenses of ditto	1,000
Pay of temporary establishments	2,500
Purchase of seeds, tools, &c.	500
Total	£10,000

The amount entered for planting (purchase of seeds, &c.) may appear low, but it is merely preliminary and for the formation of small nurseries; whilst the plantation reserves in Canterbury, where, I think, we should commence planting operations, are being leased for two or three years on conditions of fencing, breaking up, &c., free of cost to the State.

11. It is of course difficult, if not impossible, to estimate the revenue until we introduce the system even tentatively. In Southland it averages about £1,200 a year, and for the whole of the Otago Provincial District it is nearly double that amount, although it is admitted on all hands that the timber regulations are not complied with or enforced for want of supervision. In Auckland, Westland, and Canterbury a small revenue has been collected by the Provincial Governments of late years, but none apparently in the other provinces. The average for the past five years throughout the colony appears to have been £2,600 in round numbers. I think I may safely calculate on double that amount, or £5,000, during the first year of the existence of a State Forest Department; and of course, in the event of our being credited with a fair proportion of the sale proceeds of forest Crown lands, this sum would be largely exceeded. These are small figures, but everything must have a beginning. It may be thought that I have given too much consideration to this financial aspect, and apparently too little to conservancy and planting. Let me, however, not be misunderstood on this point. Conservancy for climatic considerations, the improvement of production, and permanency of supply of timber, &c., is the paramount aim and object of the forester; but financial results and economy of working must always exercise great influence on this question as on all others, and it is very important to consider them at the outset and endeavour to arrive at some conclusions, however vague they may be from the absence of the necessary data, as to the financial prospects of a department such as I have recommended to be established.

12. Forest conservancy in India was commenced some twenty years ago on a very limited scale, and with, generally speaking, a less clear understanding of its aim and object than I trust the Government of this colony now have. The issuing of permits or licenses to remove so many trees or cart-loads of timber, under certain restrictions and regulations, may be said to have been the first step which was taken, in Southern India at all events. In 1874 the Indian forest revenue was upwards of £700,000—nearly double what it was ten years before. The forest property taken charge of by the Indian Forest Department was in a much more dilapidated condition than that of New Zealand, and burdened by the rights and privileges of upwards of two hundred millions of native inhabitants. If conservancy there has been self-supporting and already yields a considerable surplus revenue to the State, there can be little doubt but that it can be made so here, where we have millions of acres of virgin forest unencumbered with any communal or individual rights.

13. I trust that the Government, after perusal of this report, will agree with me that, taking it for granted that "Forest Conservancy," in its broadest sense, is advisable and necessary in the interests of the colony at large, financial considerations need not prevent nor delay its introduction, and the formation of a State Forest Department in New Zealand.

J. CAMPBELL-WALKER, Captain,
Conservator of State Forests, N.Z.

Government Buildings,
Wellington, 16th March, 1877.