

the reservation of all forest upon the mountains and higher table-lands, to insure the maintenance of rivers and streams, the gradual distribution of rainfall, the protection of the surface of the country from degradation, and the prevention of the destruction of lands in the valleys or their deterioration by the deposit of detritus, whilst maintaining the climatic equilibrium, protecting the native flora and fauna, and doing all that is possible to preserve the beautiful scenery for which the colony is famed. On a smaller scale scenic effect is being attended to by the reservation of forest lands in gorges and on river-banks and the higher portions of the colony, so as to preserve all places of natural beauty which serve to make New Zealand attractive, especially from a tourist point of view.

The additional area reserved during the financial year amounted to 195,587 acres, making a total area set aside of 2,552,067 acres. The revenue derived from the State forests during the year was £17,188, and the expenditure £10,334. The latter was chiefly devoted to the maintenance and extension of nurseries for the growth of trees for planting out upon selected areas.

Additional information has been obtained as to the area of the remaining forests suitable for milling purposes, and a rough estimate has been made of the quantity of kauri and other timbers in the Auckland, Poverty Bay, and Westland districts, which, though more satisfactory than previous estimates, points to the conclusion that in a comparatively few years' time the great natural resources of the colony as represented in its wealth of forest will fall lamentably short of requirements. In consequence the Government have in contemplation a large expansion of tree-planting operations; and it is fortunate that we possess a large area of land in the central districts of the North Island which, though not well adapted for agricultural and pastoral purposes, is believed, as the result of trial plantations, to be well suited to the growth of vast forests of specially selected and valuable trees. The rapid growth which fortunately attends operations of this character in New Zealand indicates that, if the work is taken up with energy and carried out under the best expert advice, the colony would, in a comparatively short time, be in a position to maintain its timber-supplies for home and export purposes, and thus sustain the many industries dependent thereon.

THE HEALTH DEPARTMENT.

Although we have not been successful in preventing the occurrence of plague in the colony, yet I am glad to say the Health authorities have in each instance been able to so circumscribe the sphere of action of these cases that nothing in the nature of an epidemic has taken place. A system—upon which we are to be congratulated—has been arranged whereby the interference with trade consequent upon the usual quarantine regulations has been avoided, and a greater measure of safety against the introduction of infectious disease has been effected.

The provision of hospitals for the reception of infectious diseases generally has at last been put upon a sound footing, the various local authorities having joined hands at the instigation of the Department.

The unprotected state of our children against small-pox is a matter for the very greatest regret. Provision has been made for the supplying of pure calf-lymph free of charge to all; and it is to be hoped that all parents will see their way to take full advantage of the assured purity of the lymph and the increased facility offered to have their children vaccinated. The constant intercommunication with countries infected with small-pox is an element of great danger.

A systematic examination of the various foodstuffs is now being made, and already several prosecutions have taken place.

We have been negotiating for the purchase of land and buildings for use as sanatoria for the scientific treatment of that greatest scourge of modern times, consumption. I am happy to say that negotiations have been brought to a close by the purchase for £4,000 of a property near Cambridge consisting of 1,000 acres of land, together with a residence containing twenty rooms. We may congratulate ourselves upon this purchase, which will be found most suitable in