H.—3.

The loss of private property has thus been enormous, and the deficiency in the land-tax revenue from the same cause—namely, the indiscriminate clearing of forests—may also be computed at millions of money.*

To the collateral advantages just alluded to may be ascribed the difference in character and productive powers of forests, as State or freehold property respectively.

For climatic purposes the total area of the Crown forest-lands in New Zealand, taken at 5,000,000 acres, would not be more than sufficient as compared with the area of the whole colony, for the probability is that the private forests, at present adding to the climatic advantages of the public woodlands, will gradually disappear, unless the owners could be persuaded to sacrifice their own pecuniary interest to the public welfare. In France and in Germany the primitive woodland areas, though much reduced, still represent in both countries a surface equal to about 24 per cent. of the total area of the country, but notwithstanding this the people there are complaining of climatic disturbances as the result of the clearing of the woodlands.

I. AREA OF THE TIMBER LANDS IN THE COLONY.

The total area of forest on Crown lands in this colony was estimated by the Commissioners of Crown Lands, 1879, at 10,158,870 acres; from which area, however, large reductions should be allowed for past dilapidations, inaccessible country, &c. It will be also a matter for further consideration to ascertain the extent and condition of the remaining valuable forests which have already, or soon will become, accessible by roads, &c.

The gross revenue afforded by the disposal of produce from all these forests does not exceed £3,000 a year.

The total area of freehold forests in the colony is about equal to the above. depression bears on the value of private forests as well as on the timber trade, arising, no doubt, from the fact that the supply available from both public and private forests is in excess of the present requirements of the population; but the principal cause of such depression may be ascribed to the practice of disposing of the public timber-lands and likewise of their produce at almost nominal prices: so that, looking at the case simply from a financial point of view, it may be questionable if the interests of the State would not be further promoted by altogether discontinuing the disposal of the public forests, rather than by maintaining a gratuitous system so manifestly in opposition to interests of such magnitude, and of such importance to the colony at large, as unquestionably are those which relate to private forests, for in such case the increasing value of the freehold timber-lands would render the property amenable to State taxation with some degree of effect. The expression of this idea, however, has no other meaning than to show how obsolete and incompatible with the real interests of the colony the present management of the public forests ought to be considered; when otherwise it might be expected that the existing disproportion between the supply and the demand, as well as the antagonistic circumstances just pointed out, would disappear, and that forest produce would become a source of legitimate profit to all interested parties in the colony, should the administration of the public forests be once established on the right principles, and should also the exportation of New Zealand timbers to Europe be initiated and carried out in the right direction.

II. FOREST LEGISLATION IN NEW ZEALAND.

The conservation of the Crown timber-lands in this colony was first enacted by "The New Zealand Forests Act, 1874." The Act is intituled "An Act to provide for the Establish-lishment of State Forests, and for the Application of the Revenue derivable therefrom." The preamble recites that "it is expedient to make provision for preserving the soil and climate by tree-planting, for providing timber for future industrial purposes, for subjecting some portions of the native forests to skilled management and proper control, and for these purposes to constitute State forests." In section 6 of the Act, it is defined that "The State forests shall consist of such lands as the General Assembly shall hereafter from time to time determine."

Since the passing of the Act, its provisions under section 2, relative to a special fund to be paid by the Colonial Treasurer to the credit of an account to be called "the State Forests Account," have been rescinded by Act of the Legislature. Also, the power of determining the lands which shall constitute State forests, pertaining to the General Assembly under section 6 of the Act, has been absolutely vested in the Governor under Part V., section 91, of "The Land Act, 1877," which enacts that "It shall be lawful for the Governor, from time to time, as he shall think fit, or on the recommendation of the Board of any land district, to