

By section 34 of the War Legislation and Statute Law Amendment Act, 1918, statutory authority was granted for—(1) Sawmilling and the purchase or hire of sawmills by the Government; (2) the State to purchase private lands for forestry purposes; (3) the setting-apart of Crown lands as provisional State forests; (4) taking lands for forestry purposes under the Public Works Act; (5) limiting or prohibiting the export of timber from New Zealand; and (6) prohibiting the sale of or the granting of licenses to cut or sell standing timber on public or private lands except subject to conditions to be prescribed.

An area of about 1,800,000 acres has since been proclaimed State forests under that authority. Additional areas will be proclaimed as soon as the necessary maps are completed. It must be understood that the setting-aside of provisional State forests is not a final reservation. As soon as the necessary arrangements can be made the reserves will be inspected, and such lands as are found to be more suitable for settlement than for retention under forest will be made available for settlement. The total area of State forests and provisional State forests is now about 3,273,000 acres, but of this area a large proportion does not bear timber of milling-value, and a proportion is treeless mountain land. Taking a mean between the proportion of the forest areas of France and Germany, this Dominion should have an area of 13,300,000 acres under forest to satisfy present and future demands.

As the dairy, fruit, and other industries which use a large quantity of white-pine were finding it impossible to obtain adequate supplies, measures were taken through the Board of Trade to limit the export of this timber to 40 per cent. of the total production. This has met with strong opposition from localities where a large export trade has been worked up, but, on the other hand, the users of white-pine in New Zealand have made strong representations that its export should be entirely stopped.

Regulations have also been gazetted limiting the quantities of other timbers which may be exported from New Zealand during the present year, and sawmillers have been notified that the quantities exportable will be further reduced year by year.

In the plantations a total new area of 2,800 acres was afforested, about one-third of the area having been planted by discharged soldiers. Arrangements are being made to employ a larger number of soldiers, but difficulty is experienced in providing both accommodation and trained supervisors.

The Commissioner of State Forests has publicly announced that the forests of New Zealand must be henceforth utilized for the people of New Zealand, and that consequently the export of all classes of timber must be limited at present and cease wholly in the near future; and further that on land not suited for settlement only timber ripe for milling must be cut, and the growing timber conserved on all lands continuing as State forests. Against the policy so declared there has been considerable protest from certain districts where it is contended that the export trade already established should continue and be allowed to increase in volume.

Applications have been invited by advertisement in England for qualified persons to fill the positions of Director and Assistant Director of New Zealand Forestry. Special education, training, and experience in forestry have been required as essential qualifications for any applicant.

Under section 32 of the Finance Act (No. 2) of last year authority was provided for raising £200,000 for forestry purposes over and above the £50,000 authorized under section 50 of the Finance Act, 1916.

STATE ADVANCES OFFICE.

A perusal of the annual report and balance-sheet for this Department, which has been duly laid before Parliament, shows the result of the year's working to be eminently satisfactory. This essential and ever-growing Department was never in a better position to assist and help deserving settlers and workers, and its usefulness in the future will, I feel sure, be more than ever appreciated by those who seek to obtain cheap money from the State.

During the year the Department has, through accumulations of capital, been able to increase the limits of advances and to advance considerable sums of money to settlers, workers, and local authorities. The amount that can be borrowed by a local authority in any year has been increased from £5,000 to £10,000. To those in search of a home the sum of £1,000 can be lent by the Settlers Branch.