

purposes may be withdrawn by Proclamation on the recommendation of the Minister of Lands, whilst in the case of the former the reservation cannot be uplifted save pursuant to a resolution in that behalf to be passed by both Houses of Parliament.

The bulk of the provisional State forests were set apart under the Act of 1918. These lands are now subject to the Forests Act, 1921–22, in addition to State forests and forest reserves set apart under the earlier enactments. For the purposes of this inquiry it is necessary to include the lands proclaimed under section 34 of the War Legislation and Statute Law Amendment Act, 1918, as well as the areas proclaimed under the Forests Act, 1921–22.

The table appended and numbered (1) shows the whole of the State forest lands classified in two divisions, viz.: (a) Lands proclaimed under the Acts of 1918 and 1921–22 (area, 5,432,211 acres), and (b) lands set apart under the earlier enactments (area, 1,732,562 acres); total area, 7,164,773 acres. The attached maps indicate the approximate position of these lands.

REVIEW OF LEGISLATION GOVERNING PAYMENT OF TIMBER AND FLAX ROYALTIES TO LOCAL BODIES.

It is now necessary for me to turn to the legislative provisions under which payments are made to local authorities of a portion of the royalties received by the Crown from timber and flax.

The statute governing the payment of what are commonly known as “halves” will be found in section 319 of the Land Act, 1908, which provides that—

“One-half of the revenue received by the Receiver of Land Revenue in respect of royalty under any license for cutting timber or flax, and payable into the Consolidated Fund, shall be payable to the local authority within whose district the timber or flax is obtained and the revenue was derived, and shall be applied by such local authority exclusively in constructing, repairing, and maintaining roads:

“Provided that any revenue received under the provisions of this section from any district where no local authority exists shall be placed in a separate account, and shall be applied for the purposes aforesaid under the direction of the Minister or of such person as he may appoint.”

The rights under section 319 were held to apply to national-endowment lands by section 262 of the Land Act, 1908, now superseded by section 17 of the Land Laws Amendment Act, 1912.

In the case of lands included within the special districts proclaimed or set apart under the Hauraki Plains Act, 1908, the Rangitaiki Land Drainage Act, 1910, and the Swamp Drainage Act, 1915, “halves” are not payable to local bodies, but are dealt with in the manner prescribed by those Acts under which special accounts are constituted.

Reference is now made to section 147 of the Mining Act, 1908, which provides for the setting-apart in mining districts of “Warden’s Timber Areas” and “Land Board’s Timber Areas.” Section 148 of that Act which deals with the application of rents, fees and royalties from those areas is as follows:—

“All rents, royalties, and fees received in respect of timber-cutting rights shall be deemed to be goldfields revenue in the case of rights granted within the Warden’s timber areas, and territorial revenue in the case of rights granted within the Land Board’s timber areas:

“Provided nevertheless as follows:—

“(a.) In the case of timber-cutting rights granted in respect of land which, pursuant to the contract between her late Majesty and the New Zealand Midland Railway Company (Limited), was set apart as reserves for mining purposes, the rents, royalties, and fees shall be deemed to be goldfields revenue, notwithstanding that the land may be within the Land Board’s timber areas.

“(b.) In every case where, under any provision of this Act or any other Act, any Harbour Board or person is entitled to the rents, royalties, and fees received for mining privileges in respect of any land, such Board or person shall also be entitled to the rents, royalties, and fees received for timber-cutting rights granted in respect of such land; and the same shall, in the prescribed manner, be paid over to such Board or person accordingly, and shall not be deemed to be territorial revenue.”