Sir,— Department of Lands and Survey, Wellington, 2nd June, 1913.

During the past year over ten million trees were successfully raised in the four State nurseries, a little more than half being in the North Island nursery at Rotorua, whilst the remainder were grown in the three South Island nurseries. Over five million trees were sent out to the State plantations in the same period, and at the 31st March last there were estimated to be nineteen million tree-plants remaining in the nurseries available for planting out during the current and successive seasons. Since the formation of the nurseries in 1896 over sixty million trees have been sent to the plantations and three million trees to outside places, the total cost of the seven nurseries (three of which have now been closed) to date being £117,743, of which, however, £25,323 is represented by permanent works.

In the nine plantations in which operations are at present being carried on an area of 1,604 acres was planted during the year, making a total of 20,634 acres planted since 1896. The cost per acre planted during the year ranged from £3 to £6 15s. 8d. per acre, which is a reduction on former figures. The total expenditure, inclusive of the estimated value of prison labour, since 1896 amounts to £170,347, of which £26,517 was on permanent works such as formation, buildings, roads, and fencing.

In the North Island as well as in the South Island abnormal weather-conditions were experienced, as will be seen by a perusal of the detailed report of the Superintending Nurseryman. The employment of prison labour on planting operations has continued to be a success, the gross value of work performed by those employed during the year being estimated at £2,130, or, deducting cost of buildings and supervision, at £1,370, but averaging about £70 per man per annum since the establishment of the system, as work to the value of over £32,000 is estimated to have been performed since 1900.

The ravages of larvæ and beetles on the young larch still continue, but, owing to the precautions taken in the nursery, are much diminished, and it is hoped they may eventually be suppressed. The danger from fires is increasingly realized on the large plantations now established in the Waiotapu and Whakarewarewa district, but every care has been taken to avert the threatened danger, and the officer in charge is now organizing his forces to combat any unexpected outbreak, and has made several valuable suggestions to this end. It is, however, regretted that a spreading fire severely damaged the Puhipuhi Eucalyptus plantation.

In the South Island an unusually wet season was experienced, consequently no serious fire took place in any plantation.

In Central Otago the raising of seedlings was an unprecedented success. Prison labour to the value of £1,127 was expended during the year on planting operations, the work done by each prisoner averaging £74. At the Dusky Hill plantation a certain amount of damage was done by the incursion of red deer. The departmental arboretum, containing a collection of the world's timbers and tree-seeds, is steadily being increased, and has already proved very useful.

I personally visited most of the nurseries and plantations during the year, and satisfied myself that the operations were being conducted in an efficient and economical manner. The staff under the immediate direction of Messrs. R. G. Robinson (Superintending Nurseryman for South Island) and H. A. Goudie (Superintending Nurseryman for the North Island) has worked well and zealously, and has shown every desire to advance the interests of the State in its afforestation operations.

The Royal Commission set up during the year to investigate and report upon forestry matters visited and inspected several of the nurseries and plantations during February and March. Its report is being laid before Parliament as a separate paper, and its recommendations will no doubt largely affect the future working of the Forestry Branch of the Lands and Survey Department.

The reports of the Superintending Nurserymen are attached, together with detailed reports from the officers in charge of the individual nurseries and plantations, whilst the usual summaries of operations in the nurseries and plantations follow my remarks.

I have, &c.,

JOHN STRAUCHON,

Under-Secretary for Lands.

The Hon. W. F. Massey, Commissioner of State Forests.