

RECEIPTS AND EXPENDITURE.

In the past the expenditure on State afforestation has been provided out of the rents and royalties received from State forest reserves, supplemented during the last few years by an annual contribution from the Consolidated Fund.

As it was estimated last year that the receipts from State-forest reserves would amount only to a small sum (£10,404 being the actual amount received), and, seeing that the forestry operations have mainly a future commercial value, it was considered that the Consolidated Fund should not be called upon to provide the whole of the difference between the estimated expenditure (£32,643) and the estimated receipts. Provision was therefore made in the Finance Act (section 50) enabling the Minister of Finance to borrow £50,000 for forestry purposes, and during the year £10,000 was raised and placed to the credit of the State Forest Account. Before this provision was made the sum of £4,250 was obtained out of the Consolidated Fund to meet expenditure which had been incurred previous to the passing of the Finance Act. A sum of £2,478 was also received from sales of thinnings, &c., from plantations, sales of wool, &c.

Under the heading of expenditure a sum of £27,156 was paid in salaries, wages, supplies, &c., and £654 in management expenses of State forests.

A statement showing receipts and expenditure during the year is appended.

STATE FORESTS ACCOUNT.							
<i>Receipts.</i>				<i>Expenditure.</i>			
	£	s.	d.		£	s.	d.
Balance brought forward at commencement of year	3,208	15	0	Salaries, wages, and supplies, &c., charged to nurseries and plantations ..	27,044	9	4
Rents, royalties, and fees from State forest reserves	10,404	12	9	Sundry expenses—Traveling-expenses, postages, &c. ..	111	6	7
Proceeds from nurseries and plantations—							
Thinnings	830	1	3		27,155	15	11
Trees and seeds sold to farmers	523	17	6	Management expenses of State forests ..	653	14	9
Sales of sheep, wool, &c. ..	1,054	14	4	New Zealand Loans Act, 1908 (printing debentures)	0	7	0
Miscellaneous grazing-fees	68	5	10	Balance at 31st March, 1917	2,530	9	0
	2,476	18	11				
Transfer from Land and Survey vote ..	4,250	0	0				
Debentures issued under section 50, Finance Act, 1916	10,000	0	0				
	£30,340	6	8		£30,340	6	8

SHORTAGE OF LABOUR.

At both the North Island and South Island stations several officers and permanent hands enlisted in the Expeditionary Forces, and as it was impossible to get from outside sufficient experienced men to make up the losses, the whole permanent staff was hard pressed in carrying out the various works that have been done. The fact that the area planted was not less than that of the previous year was due to some extent to the fact that the planting-distance has in some cases been increased, with the result that the trees available stocked a larger area of land.

EMPLOYMENT OF DISCHARGED SOLDIERS.

Though endeavours were made to employ discharged soldiers on the plantations, it was found that comparatively few cared to take up this work. The total number employed during the year in both Islands was only twenty-four. At the present time only one is employed, all the others having left voluntarily. Those soldiers who were employed received the same pay as the ordinary hands.

In spite of the apparent unwillingness to take up forestry on the part of the men who have so far returned, it is expected that at the end of the war there will be large numbers of able-bodied discharged soldiers who will prefer this occupation to the less healthy employment that might be got in towns.

LAND FOR FUTURE PLANTING.

As the land reserved at Hanmer for planting was filled up, and as there was no available land nearby, Reserves 3421 and 4004, of a total area of 1,047 acres, were set apart for tree-planting. Later on a freehold area of 6,589 acres of poor stony terrace at Balmoral, adjoining these reserves, was purchased. There will now be in this locality a compact block of 7,636 acres available for future planting. The land, though too poor for profitable farming, grows pine-trees well, and as it is alongside of the railway it is very advantageously situated for the future disposal of the timber that will be grown.

As the land reserved for planting in the neighbourhood of Tapanui, in Otago, was nearly filled up, three small runs and a section of Crown land of a total area of 5,169 acres in Greenvale Survey District (all poor, hilly country) were set apart for tree-planting. The area not immediately required for planting will be let for grazing.

EXPERIMENTAL PLANTING.

The experimental planting that has been done at Galloway, in Central Otago, has not been successful, and it may be now concluded that commercial forests cannot be established on the poor lands that are available in this low-rainfall district.

Small plantations made at Tekapo and Omarama were not very successful, but this is probably due to the abnormally dry weather experienced, and further trials will therefore be made in these places.