out. It is, of course, only reasonable that all forests should be controlled by the Forestry Department, which exists solely for the purpose of managing forests efficiently, and will have the trained staff necessary for that purpose. It will certainly be one of the duties of the Forestry staff to make sure that the forests are so managed that there will be ample supplies of timber both now and in the future for mining as for other purposes.

Financial.

Revenue received from Royalties, Sales of Timber, &c., from Indigenous Forests.

District.	State Forest.	Crown Land.	Land for Settlement.	National Endowment.
	£	£	£	£
Auckland	619	2,608	7	3,371
Hawke's Bay	..	107	..	..
Taranaki	53	438	..	1,126
Wellington	306	2,353	11	547
Nelson	46	377	..	799
Marlborough	1,403	304	81	..
Westland	..	177	..	7,370
Canterbury	536	..	..	..
Otago	130	259	..	..
Southland	1,844	1,492	..	11
Totals	4,937	8,115	99	13,224

From the statement above it will be seen that the largest amount of revenue from indigenous forests is received from national-endowment lands. The Auckland District returns the largest forest revenue, and Hawke's Bay the least.

The total amount received as revenue from indigenous forests is £26,375, but of this only £4,937 is paid into the State Forests Account. Most of the forest revenue received from the Westland District goes to goldfields revenue, and this Department has no record of it.

Receipts and Expenditure.

The amount appropriated last year for expenditure upon State forestry operations was £69,257, and the expenditure amounted to £41,344, being a decrease of £508 upon the expenditure of the previous year.

This year's expenditure differs little from that of last year; in connection with Balmoral Plantation there is an increase of £1,776, and in connection with the war bonus an increase of £1,728. As £3,294 was expended last year in the purchase of part of the Balmoral Estate, a net decrease as above is shown.

It will be understood that as the area under plantations increases, additional expenditure is also required for the purpose of supervision, fire-protection, maintenance, &c. The present charges are incurred almost entirely in respect to planting operations.

Under section 32 of the Finance Act, 1918, authority was provided for raising £200,000 for forestry purposes. During the year £26,900 was raised and placed to the credit of the State Forests Account. In addition to this, £10,000 was contributed from the Consolidated Fund. The revenue from State forests amounted to only £5,294 2s. 8d., being only about half that received for each of the years 1916–17 and 1917–18. The revenue from the plantations and nurseries amounted to £2,235 7s.

It is anticipated that this year milling operations will be started in one or other of the kauri forests, that areas will be acquired for forestry, and that considerable increases in staff will be required; it will be necessary, therefore, that increased financial provision should be made to meet these new undertakings.

State Forests Account.—Receipts and Payments.

Dr.	£	s.	d.
To Cash in hand, 1st April, 1918 ..	1,174	16	10
Loan Account—Debentures issued ..	26,900	0	0
Consolidated Fund—Contributions towards forest-tree growing and planting	10,000	0	0
Revenue from State forests—Rents, royalties, fees, &c.	5,294	2	8
Revenue from nurseries and plantations—			
Trees 608 12 10			
Seeds 84 19 5			
Firewood 408 15 0			
Poles 67 19 0			
Grain 536 12 10			
Sheep 88 14 6			
Wool 194 7 4			
Grazing 231 19 2			
Rent of cottages .. 13 6 11			
	2,235	7	0
	£45,604	6	6

Cr.	£	s.	d.	£	s.	d.
By Nurseries and plantations—						
Salaries	5,163	15	5			
Buildings, planting, material, &c. ..	29,785	16	10			
Travelling-expenses ..	698	7	0			
Books, stationery, postages, &c. ..	204	9	7			
War bonus ..	3,309	4	7			
				39,161	13	5
State forests—						
Management expenses	1,434	7	11			
Timber Control Committee	274	18	7			
Bridges, &c. ..	372	10	2			
Report by D. E. Hutchins	100	0	0			
				2,181	16	8
Interest on debentures				1,861	10	11
Cash in hand, 31st March, 1919 ..				2,399	5	6
				£45,604	6	6