Forest Reconnaissance of the Huirarau-Raukumara Ranges.

A general forest reconnaissance was made of this mountainous backbone during the year. The purpose was to ascertain the economic relation of the forests of this important massif to the prosperous and populous Hawke's Bay, Gisborne, and Bay of Plenty districts. The investigators report: "In this region the effects of the removal of the forest cover are so apparent that the value of the forests as protective agents is stressed, and in order to prevent further irremediable damage the remaining areas under forest cover should be maintained as permanent State forests."

The prevention of slips and landslides, silting and blocking-up of rivers and harbours, the washing-away of fertile plains, if nothing else, demand the conservation in perpetuity of these

widespread protection forests.

Your Director seriously recommends the dedication without delay of 600,000 acres of protection and commercial forest to permanent Forest control, in and through the counties of Whakatane (including 250,000 acres in the Urewera), Opotiki, Waiapu, Waikohu, and Wairoa—primarily in the interest of the depending agricultural communities, as well as in the interest of subordinate timber-supplies.

Kauri Park-a National Souvenir.

During the year negotiations were practically completed for the acquisition of 908 acres of kauri forest near Dargaville from Mr. James Trounson. The grateful appreciation of the people of New Zealand is due to this gentleman for the exceptional terms upon which he has sold this magnificent forest to the Crown. It will stand for centuries as a glorious but vestigial souvenir of what was once a great example of Nature's handiwork—the unequalled kauri forests of the North. Gone for ever is this great heritage of the people, sold and destroyed for a mess of pottage. Let this remnant stand as a reminder of how not to use our remaining forest wealth.

2. Finance. State Forests Account.--Receipts and Payments Account at 31st March, 1921.

To Cash in hand, 1st April, 1920 Loan Account—Debentures issued Revenue from State forests, provisional	£ s. d. 5,516 18 7 70,000 0 0	By Interest on debentures	£ s. d. 6,126 6 7
State forests—Rents, royalties, &c Revenue from nurseries and plantations— £ s. d.	16,815 8 5		
Trees		plantations 157 6 0 Expenses of survey 250 0 0	49,733 17 7
Sheep, wool, skins, and grazing 659 4 9 Rental of departmental		State forests— Management expenses 2,701 3 11 Forest reconnaissance 317 19 4	
houses 652 15 8 Sundries 8 17 6	2,702 16 7	Kauri-gum, expenses of collection 100 0 10 Collection of tree-seeds . 9 17 4	
Nurseries and plantations— Proceeds of sale of horses	179 0 0	Survey of Trounson's kauri forest 81 17 4	3,210 18 9
		Administration and sun- dries— Salaries and allowances 17,594 18 3 Temporary clerical assist-	
		ance 466 19 0 Travelling-expenses 2,174 13 3 Office furniture, technical	
		instruments 3,852 19 6 Typewriters, purchase and maintenance 216 14 5	
		Rent 706 12 9 Books, advertising, light, and cartage 297 17 8	
		Telephones, telegrams, and postages 469 8 7 Motor-vehicles, purchase	
		and maintenance 121 9 2 Specimens of New Zea- land timber 55 0 6	
		Cost of printing Sir D. Hutchins's report, less sales 481 12 1	
		Silvicultural and ecological investigations . 168 5 4	26,606 10 6
	•	Cash at 31st March, 1921— In Public Account 9,484 12 5 Imprests outstanding 51 17 9	$9,536\ 10-2$
	£95,214 3 7		£95,214 3 7

L. MacIntosh Ellis, Director of Forestry.

A. W. GYLES, Accountant.

The statement has been examined and agrees with the total receipts and expenditure as disclosed by the Treasury accounts.—ROBERT J. COLLINS, Controller and Auditor-General.

5th October, 1921.