

traction, drag-line excavators, and steam-navvy, together with petrol locos. and rock-drilling plant, were purchased by the Chief Drainage Engineer during his visit to America. The acquisition of these plants will considerably expedite operations.

KAURI-GUM INDUSTRY.

Early in the year the manufacturers found themselves with orders but no stocks of raw materials. The result was that orders for kauri-gum poured in and prices rose with the demand. In October and November the highest prices ever paid for kauri-gum were freely offered. Then came the trade depression abroad, and the demand at once ceased. At the beginning of 1921 prices had receded in some cases to the extent of 50 per cent., and there were few buyers even under those conditions.

Owing to the general depression the large buyers and exporters have been virtually out of the market, and it has remained for the Government to purchase heavily throughout the various gum-digging centres so as to help the industry. As a result purchases for the year exceed £33,000, an amount far in advance of previous figures. Sales of gum, a fair proportion of which went to London, amounted to £39,205.

Everything possible should be done to put this industry on a more stable footing. The question is one that received very careful consideration by the Royal Commission set up to inquire into the industry, and much good is likely to result from the investigation then made.

STATE FOREST SERVICE.

During last year the preliminary organization of the State Forest Service was undertaken, as outlined in the Director's report to the Commissioner of State Forests and which has been presented to Parliament. This important work has involved the subdivision of the country into conservation regions, the appointment of the necessary preliminary skeleton staff, and the securing of office accommodation and equipment.

Under the authority of the State Forests Amendment Act, 1919, 1,518,756 acres of national-endowment lands have during the year been proclaimed provisional State forests, and under section 34 of the War Legislation and Statute Law Amendment Act, 1918, 269,252 acres of Crown land have been similarly proclaimed. With areas previously proclaimed the total area of provisional State forests is now 5,134,651 acres.

These provisional State forests will be carefully examined by Forestry officers, and areas found to be more suitable for settlement will, after disposal of the timber, be withdrawn from reservation and made available for settlement. Proposals to ensure the future efficient management of permanent State forests are now being prepared by the Director of Forestry.

At the plantations the total area planted with exotic timber-trees during the year was 1,381 acres. This area is the smallest planted for some years, and this is accounted for by the fact that the plantations had not received proper attention during the war. Work was therefore largely devoted to replanting and consolidating the area previously planted.

The net expenditure for the year was £79,551, an increase of £12,732 on the previous year's figures. The increase is due mainly to the increased rate of wages, the purchase of technical instruments, materials, office fittings, and the building operations at the plantations. Much of this expenditure will, however, be non-recurring. The revenue was £19,697, an increase of £11,183, and was derived mostly from royalties. The borrowing-powers under the Finance Acts of 1916 and 1918 were increased under section 16 of the Finance Act, 1920, by £250,000, the total authority now being £500,000. The unexpended balance of the total authority at the end of the financial year was £300,000, which at the present rate of expenditure will be sufficient for three years, but this does not allow for the purchase of timber-bearing lands. To allow the carrying-out of predesigned plans for systematic forest management over a number of years it is advisable that suitable financial provision should be made.