

The urgent necessity for afforestation in its economic aspect will be appreciated when it is pointed out that the assumed annual output of the colony's sawmills (372,000,000 superficial feet) probably represents the depletion of 37,000 acres of forest lands. This does not take into account the vast areas which are cleared and destroyed by axe and fire.

NURSERIES AND PLANTATIONS.

The Chief Forester has furnished his report for the year 1904-5, and it will be found reproduced *in extenso* in Appendix VI.

The report, which is, as usual, complete and well arranged, is replete with information as to the operations carried out under the Chief Forester's able direction, and also contains valuable suggestions worthy of earnest consideration and attention. It will be observed that there is an increase in rainfall for the year recorded at most of the meteorological stations attached to the nurseries, and that there was an abnormally dry autumn, but that on the whole the work of the Forestry Branch was highly satisfactory.

The number of trees raised during the twelve months was about 6,900,000, the total number raised since the year 1896 being 25,189,000. During the same period 1,679½ acres were planted with 2,697,000 trees, the total area planted to date being 4,058½ acres, with 8,349,000 trees. The number of trees in the nurseries on the 31st March last was 12,579,000.

The expenditure for the year was £14,414. The expenditure on the nurseries and plantations from the year 1896 to date is £70,300, and the Chief Forester estimates the present value of the nurseries, buildings, plantations, &c., at £111,800.

Interesting particulars are given regarding the work undertaken by the staff, the cost of the various operations, and in connection with the satisfactory employment of 83 prisoners; and the proposed work for the current year is also given in detail.

Mr. Matthews does not approve of the proposal which was made to tap kauri-trees for gum, and he is satisfied, from the result of his observations and investigations, that the reproduction of kauri on cut-out areas is feasible and would be of great advantage to the colony, and urges that trials be at once made under proper conditions. I have much pleasure in recommending that Mr. Matthews be given a free hand in this matter.

A noteworthy event of the year was the editing and publication by the Chief Forester of a work on tree-culture, embracing twenty chapters and 126 pages, beautifully illustrated, and issued in the most creditable manner by the Government Printer.

CHEVIOT SETTLEMENT.

The administration of this estate during the year under review included the reletting of village areas, the sale of 8 lots in the Mackenzie Township, the issue of a few occupation licenses, and an exchange of lands on the western boundary. The Commissioner's report and the tables afford full particulars regarding the settlement. The holdings have been satisfactorily occupied and improved; 7,385 acres were cropped; the stock on the leaseholds consisted of 77,874 sheep, 1,239 cattle, and 861 horses. The population, exclusive of the townships and freehold, numbers 758 persons, and the settlers have expended £95,811 on improvements. Though the past season was not altogether favourable, the holdings have provided abundant grass, &c., the settlers have prospered and improved their position, and the settlement as a whole continues to flourish.

LAND FOR SETTLEMENTS.

The following properties acquired under the provisions of "The Land for Settlements Consolidation Act, 1900," were handed over to the Lands and Survey Department by the Chairman of the Board of Land Purchase Commissioners in order that the estates should be surveyed and prepared for application and settlement:—

Name of Estate and Land District.	Area.
Matamata, Auckland	42,739 acres.
Lindsay, Hawke's Bay	13,470 "
Flaxbourne, Marlborough	45,368 "
Greenfield, Otago	22,043 "
Edendale, Southland	19,784 "
Total	143,404 acres.

After the usual elaborate and detailed topographical and subdivisional surveys, classification, and valuation, the Edendale Settlement, comprising 122 sections and 19,495 acres, was offered on the 15th April, 1904; and the Matamata Settlement, containing 302 allotments and a gross area of 42,481 acres, was opened for selection on the 2nd June, 1904; and, with the exception of 4,007 acres, the whole of the subdivisions were satisfactorily disposed of.