series and plantations where the climatic conditions afford reasonable prospect of success. During a recent inspection in January of the Waiotapu and Whakarewarewa Plantations, in the North Island, I was struck with the luxuriant growth of nearly all classes of trees (the various species of which are set forth in the Chief Forester's report), as the past season has been a particularly favourable one. The same may be equally well said of the plantations of Tapanui, Conical Hills, and Dusky Hill, in Otago, which were very recently visited by yourself, the preceding twelve months having been exceptionally favourable for the growth of all kinds of plants and trees; and the fact that in both the Conical Hills and Dusky Hill Plantations the trees have now grown beyond the stage when their roots are affected by the severe frosts, enables much greater progress to be made in their growth than heretofore. Vigorous operations are also in progress at Hanmer Plains, in the Canterbury District, but it has been found that, as regards the Starborough Nursery and Dumgree Plantation, in Marlborough, and the Kurow Nursery in Otago, climatic conditions will necessitate their early closing. The severe drought at Dumgree points to the absolute futility of even filling in the gaps in this plantation, and it has been reluctantly decided to discontinue further planting in that district. After a fair trial the results point to the necessity of concentrating the operations of this branch of the Department of Lands in those districts where fairly This brings me to a subject slightly touched upon in successful results may be anticipated. last year's report-viz., the fact that whilst the expenditure must necessarily increase to keep pace with the national requirements, the revenue which up to now has been limited by the provisions of "The New Zealand State Forests Act, 1885," and its amendments, must for the future be augmented by considerable additions from the Consolidated Fund. A very careful estimate of the revenue likely to be derived from all State forest sources during the coming year is appended for general information, and a glance will show that a little over £18,000 is all that can reasonably be expected, whilst at the present moderate rate of expenditure at least £24,000 is required for operations within the year, leaving some £6,000 which must be provided for out of the Consolidated Fund. It must be borne in mind that in the past the kauri forests in the Auckland District have furnished the chief source of revenue for State forest purposes, but this is rapidly drawing to a close.

WAIPOUA STATE FOREST.

A valuable report on this forest reserve, situated north of Auckland, has been prepared by Dr. L. Cockayne, and is published as a separate parliamentary paper. It is of interest both to the layman and the scientist, and it is noticeable as being the first detailed account ever published of a kauri forest. The remarkable fact that the kauri, and more than one hundred other plants, do not grow southward of latitude 38° is dealt with, and an ingenious theory propounded in explanation. More important still are the details regarding the life-history of a kauri forest, since they have an important bearing on general plant geography, and are also of economic importance in connection with forestry. The biology of the forest and its plants is also treated of, and will be of great value to students, teachers of botany, and for nature study. Finally, there is a list of the flowering plants and ferns, with their Maori, English, and Latin names, and a brief description of each. The forest contains about 80,000,000 superficial feet of timber, worth about £50,000, but more than half the area contains no kauri whatever. Owing to urgent representations made to the Government as to the necessity of retaining one large area of primeval kauri forest, it is now being considered whether the Waipoua Forest, of 22,000 acres, would not form the most suitable locality for such a reservation, and if it is so decided the forest will no longer be an asset for the purposes of the State Forests Account.

ESTIMATE OF REVENUE PAYABLE INTO STATE FORESTS ACCOUNT, 1908-9.

ESTIMATE OF 102.							8.	
Auckland District		• • •		• • •		15,160	9	_
Hawke's Bay District		•••	• • • •	•••	• •	80	0	0
Taranaki District		•••	•••	•••	• • •	_	10	0
Wellington District	• • •	• • •	•••	•••	• • •	200	0	0
Marlborough District		•••	•••	•••	•••	940	0	0
Nelson District	•••	•••		•••		Nil		
Westland District			•••	•••		,,		
Canterbury District	• • •	•••	•••	•••	• • •	370	0	0
Otago District	2		•••			120	0	0
Southland District	•••	•••	•••	•••		1,250	0	0
Total			•••			£18,123	19	11