of the Department is extended to Mrs. Matthews, who was his constant companion, and herself supplied most beautifully developed photographs to illustrate not only her husband's annual reports, but also scenic reports for the Scenery Preservation Commission, of which the late Mr.

Matthews was a most valued member.

The operations of the past year have been carefully compiled by Mr. Goudie, the Nurserymanin-Charge at Rotorua, and are given with the usual detail. I have been able to acquaint myself personally with all the plantations, and to gain a complete insight into the working. I can say that whilst every economy possible is being practised, there is no diminution of the output of trees from the nurseries. Thanks to the care of the Justice Department, a full supply of prison labour is being kept up, and through this means the number of trees to be planted out during the ensuing season should be quite equal to last year's. As I have previously pointed out, the splendid income with which the reafforestation operations have been hitherto carried out has been almost entirely derived from the sale of kauri on the reserves proclaimed under the State Forests Act in the northern dis-This source of income is now rapidly drawing to a close, and the necessary moneys for carrying on reafforestation must in future be chiefly granted from, and be a charge upon, the Consolidated Fund. It is therefore all the more necessary that the planting-work, where possible, shall now be carried on entirely by prison labour, in which course we are assured of the cordial co-operation of the Prisons Branch of the Justice Department.

FREE DISTRIBUTION OF TREES TO SETTLERS.

The question as to whether the Government should further encourage tree-planting, by distributing suitable trees to persons willing to devote land and time to this purpose, has been very generally discussed both by the Press itself and by letters written to the newspapers. No doubt the free distribution of trees would tend to materially increase the area of plantations, but it must be borne in mind that to carry this out in any general manner would necessitate doubling the number of employees in the nurseries, and also the number of trees grown, because with the present staff only sufficient trees are grown to meet the requirements of the labour available. Also, above all, the present income, including the expected grant from the Consolidated Fund, is only barely sufficient to meet the demands at the Department's present output of trees for the annual plantings.

PRISON CAMPS.

There are three prison camps in existence—one at Hanmer; one at Waiotapu, between Rotorua and Taupo; and one just newly erected on a most suitable site on the northern shore of Lake Rotokakahi, near Rotorua, which takes the place of the old prison camp at Waipa. I personally inspected the site of this new camp at Easter, and arranged with Mr. Goudie, the Nurseryman-in-Charge, and with Mr. J. T. Reid, the Chief Warder, the details of the buildings, water-supply, &c. Using this camp as a centre, there is fully five years' planting to be done, whilst at Waiotapu the planting can be continued for ten years.

GENERAL.

In last year's report the general question of forestry was dealt with, and, as it is intended by the Right Hon. the Minister of Lands to lay before Parliament during the session an exhaustive paper on New Zealand forests generally, the subject will not be further treated upon in this report.

REPORT BY THE OFFICER IN CHARGE.

To the Under-Secretary for Lands.

I HAVE the honour to submit herewith the thirteenth annual report of the Afforestation Branch. The past year has been a most successful one at all the stations, owing chiefly to the excellent weather

conditions experienced throughout the Dominion.

Prison Labour.—The total value of work done by prisoners at the three prison camp plantations—viz., Hanmer Springs, Whakarewarewa, and Waiotapu—is £4,894 16s 5d., making an average for each of the 58.99 men employed of £82 19s. 6d. These results go to prove that the employment of prisoners at this class of work has been very successful, and might be advantageously extended. The majority of the men like the work, and take an interest in it, thus making for

At the Waipa Prison, Whakarewarewa Plantation, all the land within a radius of a mile and a quarter has been planted, and it has been necessary to select a site to which the camp can be shifted. A suitable place has been chosen at Lake Rotokakahi, and the new camp will probably be ready for occupation about the end of May. The land within easy distance of this site will provide employment for four or five years. The Inspector of Prisons and his staff deserve our best thanks for their co-operation and assistance generally in carrying on the works at the camps.

Starborough Nursery.—Owing to the repeated failures amongst trees planted in this district it was decided to close down the nursery, and also the Dumgree Plantation. During the past year the trees which remained in the nursery were transferred to the Tapanui district, whilst the tools, implements, &c., were distributed amongst the various stations as required. Most of the land was sown down in oats, which resulted in a yield of 1,250 bags of chaff and 200 bags of feed oats, and this was transferred to the North Island stations.

The expenditure at these two stations, which is shown in the summary, was incurred in the above-mentioned works.

Kurow Nursery.—The remainder of the trees and implements at this station were transferred during the year to the Tapanui district.