The sale of trees has caused much extra clerical work. The acknowledgment of remittances, the adjustment of freight charges and correspondence incidental thereto, besides answers to correspondents seeking advice, have all contributed towards enormously increasing the office-work.

REVENUE.							
The receipts for the year were as follow	/s :				£	s.	d.
Sale of firewood (393½ cords)					559	0	9
Sale of mine-props (6,045)					144	7	0
Sales of rails, &c.					1	12	6
Sales of trees (172,115)					251	9	4
Sale of tree-seeds $(27\frac{1}{2} \text{ lb.})$					22	3	9
Miscellaneous, grazing fees, &c.			• • • •		68	5	10
					£1,046	19	2

ACCOMMODATION FOR LABOURERS ON PLANTATIONS.

The remoteness of the most of the plantation areas from any settlement has in the past been the chief factor in causing the adoption of a policy which provided for the employment chiefly of single men. Married men were not deliberately excluded from employment, but the want of cottages and educational facilities for children made the plantation work unattractive to them. In the earlier years while the planting was being done this could not very well be avoided, partly because prison labour was largely employed, but also on account of the work being every year in a different place, and gradually getting farther away from the startingpoint. Amongst the many advantages which a country derives from its forests is the healthy and continuous employment provided for a by-no-means small proportion of its population, besides the finding of remunerative employment for its surplus rural labour during the winter months. In this connection it may be stated that European authorities estimate that 1,000 acres of forest will employ continuously from ten to sixteen men, representing a population of from fifty to eighty persons, not taking into account those engaged upon the carriage of timber and other manufacturing industries incidental to the timber trade. The scarcity of labour during the year, to which reference has already been made, was rendered more acute owing to the want of facilities for employing married men. It is, of course, admitted that conditions are abnormal, and that the available labour in the country should be used in the essential industries but the result of these conditions nevertheless indicates that a change of policy regarding the labour for the plantations is desirable. It is very necessary that an adequate supply of labour should be assured, more especially as the plantations have now reached the thinning stage and continuous employment can be found for about forty men. As soon as circumstances permit a number of workmen's cottages should be built. This would form the nucleus of what would eventually become a small township, with a school and other incidental necessities. It seems probable that among the many problems which will need to be solved after the war will be the finding of suitable employment for men who are partially disabled, or for whom an open-air occupation is essential. Forestry work is pre-emintly suitable for such men, who if need be could be permanently employed in one of the healthiest of occupations, thus enabling them to make a home for themselves and their families.

Proposals for 1917-18.

Owing to the uncertainty of getting an adequate supply of labour the proposals for the ensuing year may have to be modified to some extent. Following is a broad outline of the work proposed:—

Rotorua Nursery.—Seeds sufficient to produce 2,500,000 trees have been ordered from France and America for sowing next spring. Should circumstances warrant any increase being made this number can be augmented by raising a crop of the quick-growing Monterey pine and Eucalunts.

It should be here noted that the crops to be raised next spring will not be ready for transferring to the plantation until the winter of the year 1919. Of the stock of trees at present in the nursery some 3,250,000 are fit for permanent planting during the coming season. The sale of trees to farmers is expected to account for about 250,000 of these, thus leaving about 3,000,000 which will require to be planted on the State plantations in the North Island.

Whakarewarewa Plantations—About 50,000 trees will be planted here, a small number of which are needed to complete a block of Pinus radiata which was not finished last year. The balance will be needed to replace deaths in last season's planting.

Waiotapu Plantation.—An area of about 1,000 acres is now under preparation for planting: 1,250,000 will be needed for this.

Kaingaroa Plains Plantation.—The preparations made are for planting 1,750,000 trees. A new area of about 1,200 acres will be planted, and the remainder of the trees used to replace blanks in last season's planting.

GENERAL.

Considerable changes in the staff have occurred during the year. Assistant Foresters R. MacRae, P. M. Page, and J. J. Rogerson volunteered for service in the Expeditionary Force. Two other vacancies were caused by resignations. These changes have necessarily thrown a great deal of extra work on the remaining officers, to whom the appreciation of the Department is due for the willing and zealous manner with which they have shouldered their added responsibilities.

Attached hereto are reports on the several stations under my charge.

H. A. GOUDIE, Superintending Nurseryman, North Island.