

A small temporary nursery was formed as a depot for "heeling in" trees, so that the work can proceed without interruption whilst roads are unfit for carting.

In regard to the condition of the trees, totara seem fairly well established, but so far their growth is somewhat slow, except in the most favoured places. At the same time, it may be said that many of the trees were planted as first-year seedlings, and they have survived rather trying conditions. Experience shows that it is necessary to line out the trees one year in the nursery before transferring them to the plantation.

The cost of maintaining the trees is from 10s. to 14s. per thousand, as the fern grows very fast all the year round.

The various Eucalypti have grown well, with the exception of *E. corymbosa* and *E. corymocalyx*, which are repeatedly cut down by frost. *E. crebra* and *E. siderophlia* do not succeed particularly well. The growth of the remaining species named is very satisfactory, and they now average 2 ft. in height, while specimens of *E. rostrata* and *E. redunca* have attained a height of 9 ft. in two years. *E. resinifera* (the red mahogany) excels all others, although subjected to similar conditions, being firm, sturdy, and very hardy in its growth; it bears all the treatment of wrenching, mossaing, and transplanting well, and appears quite at home in the Puhipuhi soil and climate. It is also known as the "Botany Bay gum." The timber is very durable, and is used extensively in ship-building and wood-paving.

There still remains a quantity of useful kauri timber lying about the reserve which might be profitably utilised. This timber is fast becoming scarce, and is consequently of more value, and it is believed that at the present rate at which it is sold it would pay to convert these previously discarded logs by means of a portable sawmill.

Owing to the low-lying land along the Kaimamaku River being periodically flooded, it has not been planted, and as a matter of precaution the plantation-fence was erected well above the high-water mark. The area thus excluded is considerable, and is overrun at present by the settlers' stock. It is therefore desirable that this be leased for grazing, as the fences are liable to be damaged by cattle, and under a lease tenure the lessee would be required to subscribe towards the upkeep of the fences.

As no record of rainfall and temperature was taken until September last, this information is of little value this season.

Forward preparations are now in progress to receive this season's output of trees from Ruatangata Nursery on a recently resumed area of 250 acres.

Average number of men employed daily during the year, nine.

Details of values and expenditure are appended.

CHAS. HOOPER, Assistant Forester.
L. J. ADAMS, Nurseryman in Charge.

STATEMENT OF EXPENDITURE TO THE 31ST MARCH, 1906.

<i>Eweburn Nursery.</i>				£	s.	d.
Amount at the 31st March, 1905	...	...	...	7,030	13	11
Tree-growing	...	...	...	312	9	3
General maintenance	...	...	...	197	7	8
Nursery-formation	...	...	...	34	16	6
Horse-shoeing and general repairs	...	...	...	85	16	2
Horse-feed	...	...	...	24	4	3
Tree-seeds	...	...	...	38	16	0
Tools, implements, &c.	...	...	...	2	4	3
Fuel and freight	...	...	...	8	1	8
Buildings—stable and sizing-shed (new)	...	...	...	173	4	1
Supervision	...	...	...	18	5	0
				£7,925	18	9
<i>Tapanui Nursery.</i>				£	s.	d.
Amount at the 31st March, 1905	...	...	...	10,350	15	10
Tree-growing	...	...	...	681	4	5
General maintenance	...	...	...	351	1	6
Horse-shoeing and general repairs	...	...	...	27	6	5
Horse-feed purchased and grown	...	...	...	93	12	11
Manures	...	...	...	7	6	8
Tree-seed	...	...	...	78	10	2
Tools, implements	...	...	...	51	9	9
Buildings—sizing-shed and part Nurseryman's cottage	...	...	...	186	12	0
Miscellaneous works	...	...	...	1	2	8
Supervision	...	...	...	38	11	0
				£11,867	13	4