

But the sore lack of roads and bridges greatly hinders, and in many localities positively prevents, a more extensive farming expansion of the district. And I would here repeat a paragraph from my last report—viz., “If legislative action follows the recommendations of the Conference of Commissioners and Land Board members lately held in Wellington concerning various proposals for the betterment of settlement conditions in Westland—viz., to reduce upset values, to extend lease terms, to grant permanent titles in lieu of temporary tenures, to issue more liberal pastoral leases, and to reintroduce the homestead system—then undoubtedly the settlement of our remote, and, at present, waste country would be greatly encouraged, and it is believed would be very successful.”

ARREARS OF RENT.

These amount to £348 6s. 6d., owing by 119 tenants. Of these, forty-nine are lease-in-perpetuity holders of quarter-acre allotments in the Township of Runanga. A fair amount of these arrears is since to hand. There are no arrears on the land-for-settlements estates at Poerua and Kokatahi, or on the Kokatahi Village Settlement lands.

FORFEITURES AND SURRENDERS.

There were only 8 forfeitures during the year. One occupation-with-right-of-purchase lease was forfeited owing to the death of the lessee and interest in license being valueless, and 6 quarter-acre lease-in-perpetuity leases in the Township of Runanga were similarly dealt with owing to the refusal of applicants to execute their leases. One small pastoral license was also forfeited, owing to death of licensee and non-payment of rent. Of the 10 surrenders which were accepted, 1 small occupation-with-right-of-purchase leasehold was required for road purposes; 3 lease-in-perpetuity sections, in Township of Runanga, were too wet at present to build upon; 2 pastoral runs were found to require very expensive access; and 4 temporary grazing and miscellaneous leases, to enable the lessees to take up the areas on more secure tenures.

RESERVES.

The appended list exhibits the lands reserved for public purposes during the year:—

Purpose.	Number	A.	R.	P.
Recreation	1	8	1	10
Public-school sites	5	26	0	0
Timber-preservation	4	14,119	1	13
Scenic	13	2,438	0	10
Gravel.. .. .	102	69	1	29
Protection of railway	1	55	0	0
Roadmen's-camp sites	1	33	0	34
Dairy-factory sites	2	10	0	0
Acclimatisation	1	100	0	0
Travelling stock	4	664	1	9
Ferry	1	15	0	0
Cemetery	1	5	0	0
	136	17,493	2	25
Taken under Act for road	1	0	1	23
Totals	137	17,494	0	8

The timber-preservation and scenic reserves, mentioned above, are merely those areas which have been set apart within the various settlement blocks subdivided for public selection. The great schedule of scenic reserves throughout Westland (amounting to 722,321 acres) will be duly set forth in next annual report. The travelling stock reserves are necessary as resting-places for cattle and sheep when on journey to and from market from the outlying far-away districts.

FORESTS.

The sawmilling industry is still progressing, and there has been an increase in the number of mills, with a corresponding greater output. Royalty has been paid on 32,638,266 ft. during the past year, and the indications are that a very much larger quantity will be cut next season, as additional mills are in course of erection alongside of the Hokitika-Ross Railway-line, which is fast approaching completion and will provide access to one of the largest blocks of milling-timber in the district. Some nine hundred hands are employed in connection with the various branches of the timber trade, either about the mills, mines, or in cutting railway-sleepers, firewood, and other lumber. These wage-earners and families are considerable consumers of farm-produce, and thus good local markets are available for adjacent settlers.

FLAX-MILLING.

This industry is steadily increasing, and every flax-covered area has been diligently inspected with a view to the establishment of mills. In some cases considerable capital has been expended in attempts to set up mills; but after determined experiments these ventures were abandoned, chiefly owing to difficulty of land access or the impossibility of sea-carriage. Two mills closed down during the season, partly owing to these difficulties, one in the Kopara district and one at Arawata, but are expected to resume operations. Two new mills have been built at Teremakau and Paringa, making a total number of twelve now at work throughout the district. Somewhat costly arrangements have been made to