

FORFEITURES AND SURRENDERS.

On account of failure to comply with the conditions of their leases, the holdings of thirty-four lessees in the Runanga Township and also one holding in the Runanga Village Settlement were forfeited. One pastoral license and eight miscellaneous leases were forfeited for non-payment of rent, while the holdings of three other miscellaneous lessees were forfeited, as the land was required for settlement. The surrenders include one lease in perpetuity, the holder of which was unable to comply with conditions; twelve miscellaneous leases and temporary grazing-leases, which were surrendered by the lessees and taken up by them on permanent tenures; and one pastoral license, the holder of which was deceased.

FORESTS.

The timber industry has increased for the year by 6,423,773 ft., the total output for the year being 51,357,586 ft. Fifty-two mills are working, against forty-seven last year, an increase of five mills. Up-to-date machinery is being used to the greatest advantage so as to minimise the cost of production as much as possible.

The greater part of the milling is still in the northern part of the district, but as the means of access by the extension of the railway southwards improves, much of the southern forests will be utilised. Inquiries keep coming in for extra timber areas. Over a thousand hands find employment directly in connection with sawmilling; and, with the sleeper-cutters, firewood-splitters, and others engaged in obtaining timber for mining purposes, another 250 hands are employed. Everything points to a profitable year, as prices are good. Being mostly an export trade, with a return of ready money, the whole district reaps a benefit. The sleepers cut number 85,000. 1,800 telegraph-poles, all of silver-pine, also 250 extra-large heart-of-rimu poles for electric power have been cut.

WOOD-PULPING.

The provisions of section 72 of "The Land Laws Amendment Act, 1907," have opened the way for a new industry in this district, where there are large areas of mountainous country covered with small timber which is useless for sawmilling or other industrial purposes. Two areas, aggregating 50,000 acres, situated on both banks of the Teremakau River, have been set apart for the purpose, and a company is to be floated to install a plant to work the area, and I hope to see the industry started at an early date. Should this venture prove successful, it is probable that other mills will be started, as there are large areas available in different parts of the district carrying timber suitable for the manufacture of wood-pulp.

FLAX-MILLING.

During the year steps have been taken by the flax-millers at Wataroa, Paroa, Poerua, and Barrytown to procure permanent titles to areas of land for the purpose of growing flax. Considerable sums have been expended in draining, but the unfortunate slump in the flax-market has had the effect of stopping operations. We trust, however, that the stoppage will only be temporary, as enterprise of this nature is deserving of reward. Royalty has been paid on 5,117 tons of green flax cut from Crown lands, but unless the value of hemp increases it is improbable that as much will be cut during the coming year, as the cost of getting the flax to market is heavy.

CROWN LANDS FOR DISPOSAL DURING THE YEAR.

The Crown lands at present available and to be thrown open during the year are set out in table below:—

	Town and Suburban Lands.	Rural Lands.		Pastoral Runs.
		Surveyed.	Unsurveyed.	
<i>Lands now open for Selection.</i>				
	Acres. 34	Acres. 1,225	Acres. ...	Acres. 68,000
<i>Lands to be thrown open for Selection.</i>				
	98	41,499	38,320	679,800
Total lands available during the year ...	132	42,724	38,320	747,800

The town and suburban lands comprise sections in the Townships of Runanga, Ahaura, Rohutu, and Roa, and in the Village of Waitaha.

The areas of rural land include land withdrawn from selection to be reoffered under "The Land Laws Amendment Act, 1907," and also areas of bush-clad land at present in course of survey in all parts of the district. The whole of the rural land, being situated within the mining district, will be offered on renewable lease only.