

I anticipate being able to dispose of all the remaining dead and green timber in the Puhupuhi State Forest during the ensuing twelve months.

*Kauri-gum Reserves under "The Kauri-gum Industry Act, 1898."*—Last year I reported the area reserved as 41,257 acres. Since then additional reservations to the extent of 164,102 acres have been gazetted at the request of various local bodies. A schedule of these reserves is appended.

*Expenditure of "Thirds" and "Fourth" by Local Bodies.*—Sixty-six local bodies have furnished schedules for approval by the Land Board, the sum so approved for expenditure on roads giving access to the sections being £3,579 16s. 7d.

*"The Native Townships Act, 1895."*—No transactions have taken place during the year, but a site for a township on the shores of Lake Rotoiti, in the thermal springs district, has been selected and surveyed, and will shortly be available for lease.

*Other Towns.*—Goldfield townships have been surveyed at Waikino, &c., and the Government has acquired the interest of the lessees in the Paeroa Township, which is now entirely in the hands of the Crown, and, by special Proclamation, excluded from the goldfields area.

*Lands available for Future Settlement and Disposal.*—The land open for immediate selection in the Land Guide is 212,972 acres of surveyed, and 411,806 acres of unsurveyed land. In addition to this, in the Mongonui County, the Crown possesses 50,000 acres of fairly good forest and open land, tolerably easy of access.

In the Bay of Islands County there is about 38,000 acres of available Crown land, both forest and open, but the Natives still own some 152,000 acres, chiefly forest land, except about Kaikohe, where it is open and rich volcanic land, most of it broken—but fit for settlement.

In the Hokianga County there is some 150,000 acres of available Crown land of good quality, nearly all covered with forest, and fit for immediate settlement. The Natives still own some 104,650 acres, almost all good land, and fit for settlement.

In the Whangarei County there is about 32,400 acres of available Crown lands, mostly broken and forest-clad. The Natives still retain some 28,850 acres of land, part of it very rich.

In the Otamatea County the Crown retains only about 8,150 acres, a good deal of this being alluvial swamp, and well worth draining. The Natives still own 20,000 acres, but not much of it is fit for settlement.

In the Rodney and the Waitemata Counties about 10,100 acres of Crown land is left, most of it fit only for pastoral or fruit-growing purposes. The Natives still own about 14,000 acres in these two counties, some of it very good land.

In the Manukau County the Crown owns some 6,400 acres of broken forest land, fit for pastoral purposes. The Natives still own about 15,000 acres, a portion of which is fairly good.

In the Waikato and Raglan Counties the Crown lands amount to about 88,000 acres, all fairly good land, mostly forest, and easy of access. In the Raglan County the Natives still own the freehold of 150,000 acres, all of it good settlement land.

In the Coromandel, Thames, and Ohinemuri Counties there is about 337,000 acres of available Crown land. In the last two counties a good deal of the land is swampy, and requires draining. The Natives still own 97,200 acres, much of which is very good.

In Tauranga, Whakatane, and Rotorua Counties the Crown owns 450,000 acres, nearly all forest-clad, and generally broken; but in the last-named county the Natives retain a very large area, the greater part of which is too broken, or too much covered with pumice or volcanic ash, to be fit for settlement.

In the Kawhia and West Taupo Counties the Crown acquired from the Natives large areas of very good land, all fit for settlement and easy of access. About 300,000 acres is really first-class land, and about 1,000,000 acres is fairly good land, all being suitable for pastoral purposes, and accessible from the main trunk railway-line and Kawhia Harbour. Some 80,000 acres of good pastoral country has been subdivided into suitable sections, and some 50,000 acres was opened for settlement in April, and the greater portion selected and allotted by ballot, the Right Hon. the Premier being present at the ballot. 35,000 acres is now being scheduled for opening early in July, and 100,000 acres is being subdivided ready for opening early next year. The roading of this heavily forested country, being a work of great magnitude and involving great care in exploration, must precede actual settlement. There is a great future before this portion of the Auckland Land District.

*Kauri Timber Industry.*—The following is the position of this industry: The approximate quantity of kauri timber on Crown land is 757,526,000 superficial feet. The approximate quantity on Native lands and lands purchased or leased from Natives is 550,000,000 superficial feet. The approximate quantity sold by the Crown but not yet operated upon by mill-owners is 59,000,000 superficial feet. The quantity held by each company at present (purchased from the Crown) is as follows:—

Kauri Timber Company	...	...	...	42,000,000 superficial feet.
Mitchelson and Co.	...	...	...	24,870,000 "
Leyland and O'Brien	...	...	...	13,100,000 "
Maunder and Bradley	...	...	...	11,000,000 "

The export for the last three years amounts to 126,000,000 superficial feet.

The output of kauri timber of all kinds from various mills for three years amounts to, say, 210,000,000 superficial feet.

*Clerical Branch.*—The correspondence has been very heavy, as 44,493 letters and 2,255 telegrams have been received and despatched, whilst the parcels received and sent number 12,821.