

With instances like these before us we are forced to the conclusion that the suitability of these pumice lands for farming purposes is beyond question. The pumice itself seems to contain most of the elements of fertility, and those lacking can be supplied by the use of suitable artificial manures.

The land that is ploughable seems to be well adapted for cultivation, and the land that cannot be ploughed is admirably adapted for forest-tree planting. Thousands of acres have been planted already, and the trees are doing well and promise a good return on the timber reaching maturity. Further information on this head is supplied under the heading of "Planted State Forests."

The one common need of all this country is suitable manures, and manures cannot be obtained at a sufficiently low cost without a railway. The company's tramway helps the farmers a good deal already, and will be of considerable further assistance when extended to Oruanui, but the needs of the district will not be fully met until the Government railway is extended to Taupo.

#### BUSH AVAILABLE FOR MILLING.

The milling-bush in the vicinity of Oruanui and which will be served by the company's tramway consists of 338,000,000 superficial feet, log measurement, which when converted into sawn timber will produce 225,000,000 superficial feet, of a net value at current prices on Government trucks at Putaruru of £2,500,000. The timber consists of totara, matai, and rimu (totara predominating), and the yield per acre (log measurement) varies from 20,000 to 60,000 superficial feet. There is in addition, on the north bank of the Waikato River, and which can only be served by the company's tramway from Ongaroto Siding, a large area of milling-bush, principally rimu, which will yield on a safe estimate 30,000,000 superficial feet of sawn timber, of a net value at current prices on Government trucks at Putaruru of £330,000. In addition to this there will be considerable traffic in the haulage of posts and firewood.

Although the company has been cutting timber from its bushes for the last fifteen years, at the rate of about 7,000,000 superficial feet per annum, it is estimated that there is still about 140,000,000 yet to cut (log measurement). If, therefore, no timber other than its own is sent over the tramway it will have (allowing one-third for waste) full work for its line, on its present method and scale of working, for at least thirteen years.

In addition to the company's own timber there is in the area served by the tramway, and practically interlocked with the company's timber (*i.e.*, cannot conveniently be worked except in conjunction with the company's timber, which surrounds a part of it on three sides) an area of Crown bush estimated to contain about 14,000,000 superficial feet (log measurement) of timber; and there are other bushes owned either by Government, private persons, or Natives, containing approximately 184,000,000 feet. Again allowing one-third for waste, there would still remain 132,000,000 ft. of timber that will probably have to be marketed by means of the company's tramway. This at the present rate of output would keep the tramway going for another nineteen years, or a total period of thirty-two years; or the output might be doubled, and two trains run each way per diem, instead of only one as at present, and there would still be ample traffic for the line for, say, sixteen years.

As regards the Crown bush interlocked with the company's bush, there would be at least three alternative methods open for working it: (1) to arrange with the company to cut and mill the timber and to deliver it on railway-sidings at Putaruru at a rate to be agreed upon; (2) to sell to the company on a royalty-on-output basis, or at a price to be agreed upon; (3) to establish a Government mill to cut the timber and forward it by the company's tramway at tariff rates plus 1s., or otherwise dispose of it.

#### PLANTED STATE FORESTS.

There is in the Thermal Springs District an area of 25,000 acres of planted State forests, and during the next five to seven years it is proposed to add another 10,000 acres. Some of these plantations are over twenty years old (they were commenced in 1898), and as the timbers planted reach maturity in