

Of the three last, the license to steam saw-mills will, I am inclined to think, prove least destructive to the timber, for the following reasons:—

*Hand Sawyers.*—The hand sawyer, or splitter, having no occasion to erect an expensive plant, having no vested interest in any particular locality, and desiring only to satisfy his temporary requirements at as little trouble or delay to himself as possible, cuts down trees indiscriminately. If, when felled, he finds them difficult to split, he fells others, until suited; the rejected timber lying to rot or furnish fuel for the first fire started in its vicinity.

*Steam Saw-mills.*—The steam saw-miller, on the other hand, starts with an expensive plant, and as every foot of tramway he lays down into his “claim” costs money, besides the expense consequent on extra haulage, he clears the timber fairly as he proceeds. To him, a bush fire means the destruction of his tramway, and probably of his machinery; at least, the loss of that timber to utilize which he has invested capital. If, therefore, it is of importance to the public interest to prevent the destruction of the timber by fire, it is of much greater importance to the individual saw-miller, and he consequently will use every endeavour to compass his own safety, and experience here has proved this to be the rule.

*Timber Supply.*—So far as the district of Southland proper is concerned, I have no fear that the supply of native timber will be exhausted before it can be replenished by artificial cultivation. From the appended report of the Inspector of Forests, it appears there are eight hundred thousand (800,000) acres of available timber, which at a moderate computation will require four hundred years to exhaust. The twenty (20) saw-mills presently licensed—a number I see no reason should not be doubled in two years—will employ at least three hundred (300) men, whose combined wages will amount to about thirty-six thousand pounds (£36,000) per annum, while the proceeds from the sale of the timber would realize some fifty thousand pounds (£50,000) a year for distribution in the community, a matter of no inconsiderable importance.

*Present Policy.*—As regards the present, I would respectfully recommend that a liberal policy should be pursued, to encourage and foster to the uttermost the fullest development of an industry which is rapidly assuming importance. To put stringent and unnecessary restrictions on its growth will simply result in enabling the Australian and Tasmanian timber merchants to undersell New Zealand in its own market, and thus drain from the Colony capital which could be more profitably invested in the employment of labour. The margin is not wide, and the imposition of harassing prohibitions, or too high a rental on steam saw-millers, will easily overstep it. This accomplished, the native forests will undoubtedly be undisturbed from remunerative employment, but their destruction from the operation of natural decay will continue speedily and effectively. I would allow the timber to be cleared off, and the reserves planted with men. The various timber reserves in Southland are so placed by nature, that once cleared they would form admirable centres for a labouring population. Cleared, they should be surveyed into ten or twenty acre sections and sold, not to speculators, but on a system of deferred payments, or special settlement, to labouring men, who, from these centres would supply the demands of employers, and when not employed could find useful occupation in cultivating their holdings. This want of centres from which to draft labour at certain seasons is felt already, and will become more pressing as cultivation progresses. In my reports to the Provincial Government of dates 16th April, 1872, and 1st May, 1873, I recommend special settlements in Seaward Bush and the Long Wood. Such settlement could profitably be entertained in every bush reserve in the district so soon as it is denuded of useful timber.

*Future Policy.*—As regards the future, I would recommend that tracts of land, from two to ten thousand acres, be reserved in the most sparsely timbered localities, for planting forest trees. There is no reason why, in sixty to one hundred years, forests superior to those indigenous to the country should not be obtained. From experience I know that many of the pines, such as *Pinus pinea*, *pinaster*, *strobus*, *insignis*, *macrocarpa* (*Coulterii*), *Wellingtonia gigantea*, &c., together with the family *Cupressus*, grow rapidly and luxuriantly. In planting these new forests, advantage could be taken of the discoveries of science to supply the requirements of specific industries. To wit, it has been found in Europe that wood pulp can be manufactured into paper, and that poplar, particularly the Black Italian, was best fitted for the purpose, and consequently a large demand has arisen for it. Doubtless scientific inquiry will enable these new plantations to satisfy the demands of industries beyond those of mere building, and prove a fruitful source of wealth to the community. As to the question of shelter. If the outside belts are planted thickly with the hardiest varieties, there need be no fear on this score. The climate of this district has, since 1857 (my own range of experience), undergone a remarkably advantageous change, and from what I can gather from the oldest settlers—the whalers—it was much more boisterous previously. If therefore the native forests could attain their present dimensions under climatic circumstances more unfavourable than at present, there can be little doubt but that artificial cultivation will prove successful. I am perfectly certain that a *Pinus pinaster* will thrive in too exposed a situation for a young red pine plant, of the same age, to have a chance of living in.

*Management.*—The planting and management of these new forests should, I would suggest, be entrusted to a Central Board of Commissioners and Local Boards throughout the Colony, according to requirement; the Central Board, to be appointed by His Excellency the Governor, to consist of men whose qualification should be rather scientific cultivation combined with a practical knowledge of the art of forestry, than merely social position or political influence. It would be the business of this Board to determine, by personal knowledge and investigation, the