

£65,000 per annum. Higher sums have been stated, ranging to £80,000 or even £85,000, but these are not supported by evidence. The total output may be estimated at 24,000,000 superficial feet of inch thickness per annum; of this, nearly 21,000,000ft. pass over some portion of the Southland railways. Excepting less than 500,000ft. shipped from Stewart Island, coastwise, the remainder, say 300,000ft., passes into consumption direct from the various mills.

Including dressed stuff, flooring-boards, mouldings, &c., with the higher-priced timbers—totara and matai—6s. per 100 superficial feet would be a rather low average; but this would give an aggregate of £72,000 as the annual value of the converted timber. To this must be added the value of piles, chopped firewood, split fencing stuff, and shingles, which at present I have been unable to ascertain.

The first sawmill in Southland was erected about 1860 by Mr. John Murdoch, who now owns six mills in various parts of the district. In 1862 the sum of £175 was received in payment for license-fees, but a period of depression set in, so that the total amount received during the six years ending 1870 was only £38. The amount paid during 1873 was £118, but the effect of the public works policy was felt during the next two years, and new mills were erected in all directions. The amount paid for license-fees rose in 1875 to £1,355; in 1880 to £1,538; and for the year ending the 31st December, 1884, to £2,052; but, from causes which will be stated in their proper place, this sum does not nearly represent the fees due, even under the extremely favourable conditions imposed by the Crown.

Six of the Southland mills are working entirely on timber obtained from private forests. The others are working under the Southland Timber Regulations of the 27th July, 1882, but occasionally purchase logs from settlers, and in a few instances have secured the right to cut timber in private forests. Under the official regulations land is leased to sawmillers in blocks of 200 acres on payment of a royalty of 3d. per 100 superficial feet on all timber converted. The cost of the survey is borne by the licensee, and arrangements are made by which an additional area not exceeding 600 acres may be reserved for his exclusive use, but he is not allowed to commence cutting upon a second section of 200 acres until the first is worked out: he is required to produce a certificate from the Ranger, showing that all convertible timber has been fairly cut out, and that no trees under 12in. diameter have been wilfully injured: he is not allowed to convert timber for other than local sawmill purposes. Totara or miro piles, firewood, fencing stuff, &c., can only be cut under a special license. On the other hand, he pays no royalty on the timber required for the construction of his tramways, &c., and is at no expense for fuel for his furnaces.

The royalty is charged on converted timber only, so that the sawmiller is at no loss on account of faulty logs or waste, and is not called upon to pay royalty on any standing timber that may be destroyed by fires on sections held under the regulations. Payment of royalty is (or should be) made monthly in all cases; each sawmiller is provided with a "production-book," in which he is instructed to enter the quantity of timber converted each day, and to forward a copy for each month to the Inspector of Forests before the seventh day of the following month, the penalty for omitting to comply with this regulation or for making a false return being forfeiture of the license and a fine not exceeding £50; but, except in the case of an absconder, I am not aware of any instance in which this penalty has been inflicted. About three or four years ago motives of economy led to the dismissal of the Inspector or Ranger, as it was considered that the returns made by sawmillers were sufficiently exact to be relied upon for showing the amount of royalty due in each case. Unhappily, considerable abuses have crept in through the adoption of this course, and, as previously intimated, the amounts paid for royalty have in some cases been considerably below the amounts actually due. In others, the totara and matai have been taken out of the sections, leaving large quantities of red- and white-pine standing, but altogether insufficient to pay another sawmiller for taking up the abandoned ground.

When on a private visit to the district in 1882 I examined a large forest-section, which had been treated in this way a few miles from Winton, the best paying timbers having been removed, the common rimu and kahikatea left standing. Another instance was made public during my official visit to Southland, and illustrates this form of abuse in a striking manner. Particulars may be found in a report of a meeting of the Southland Waste Lands Board, published in the *Southland Times* of the 30th January. A sawmiller applied for an extension of his area, which was objected to by the Ranger, on the ground that he had only paid royalty on 141,194 superficial feet, while the quantity on the section was estimated at 1,400,000ft. It was stated that the discrepancy was partly due to the quantity of timber left standing; but it is evident that such a ridiculous return—less than 4s. per acre—would never have been made had an efficient system of supervision been in force. Many cases occurred in which timber for fencing, firewood, and special purposes was openly taken from Crown lands without leave or license; the unlawful removal being aggravated by the wanton destruction with which it was sometimes accompanied. Offences of this kind can only be prevented by efficient supervision.

The Waste Lands Board now appears to be fully aware of the importance of protecting the rights of the public in this matter, and has recently ordered a sawmiller whose returns had been proved incorrect to make good his deficiency, which, with the costs of the inquiry, amounted to £143. Other cases are, I believe, in course of investigation. It must not be supposed that the abuses I have unwillingly described are characteristic of the entire body of sawmillers in Southland; on the contrary, they must be regarded as the acts of individuals, and possibly enough may in some instances have arisen from carelessness induced by the absence of supervision. Having had much intercourse with individuals connected with all departments of the trade, I am well assured that it comprises men as high spirited and honourable as can be found engaged in any other business.

The sawmills are efficiently managed and usually well equipped, so that no fault can be found with the way in which the timber is manufactured. Frame-saws, however, are but rarely used; their general introduction would enable the converters to turn out superior stuff for cabinet-work, and would greatly reduce the amount of waste.