STEWART ISLAND.

Stewart Island belongs to the Southland District, being separated from the mainland by Foveaux Strait, about twenty miles across; and from the extent of its forests and the durable quality of its timber demands special notice here. It has an area of about 640 square miles; the northern and southern portion being more or less covered with timber. A band stretching from the head of Paterson's Inlet to the Ruggedy Mountains, and Mason's Bay on the west coast, consists of swamps, or is clothed with manuka of no value. Ironwood is abundant, straight, and often of large dimensions: it not only fringes the coast-line, but in many places ascends to 2,000ft. Red-pine is plentiful in many places, in others somewhat scattered; kamai is common everywhere; miro is not uncommon; but matai or black-pine is decidedly rare, and white-pine appears to be unknown on the island. Manoao, one of the most durable timbers in the colony, is said to occur in some quantity on the western side of the island, the trunk being occasionally 3ft. in diameter; yellow-silver-pine is not uncommon. Inaka (Dracophyllum longifolium), the grass-tree of the settlers, is plentiful, and attains a larger size than in any other part of the colony; its timber is valued for inlaying and fine cabinet-work.

Two sawmills are working in Paterson's Inlet and Half-Moon Bay; but according to the returns their output is small, amounting last year to less than 11,000 superficial feet each per week. The highest amount of royalty paid in any one year was £198 in 1880. For the current year the amount received is at the rate of £14 per month. Practically, the proprietors of these mills enjoy an unlimited license to cut timber wherever they please. Owing to their insular position, and the cost of the surveys necessary to define the boundaries, their areas have never been defined, and I have no knowledge of the extent of their cutting, or the way in which their sections have been worked. The total sum received for royalty from the 1st January, 1880, to 31st August, 1885, amounts to £825.

I was unable to visit Stewart Island during my official inspection: my knowledge of its forest-resources is derived entirely from private botanical explorations during January and February, 1882, and January, 1884. It is very desirable that the extent of forest at Port Adventure, Port Pegasus, and other places in the south as well as the north-west should be ascertained with as little delay as possible.

OTAGO.

The Provincial District of Otago has an area of 13,759,000 acres. It is estimated that over 3,000,000 acres are more or less clothed with forest, but from this area great deductions must be made on account of the inaccessible position of a large portion, and the inferior quality of all mountain-forest when considered with regard to conversion.

More than four-fifths of the entire forest-area lie on the western side of the district, and may be roughly described as bounded by the sea from the mouth of the Hollyford River to the mouth of the Waiau, and on the eastern side by the Mararoa to its junction with the Waiau, and by the Waiau to the sea.

The district on the western banks of these rivers comprises the most difficult and inaccessible portion of the colony. At present I have been unable to visit the Sounds of the south-west corner officially, but a flying visit in January, 1884, led me to conclude that the quantity of really good timber in positions fairly easy of access would not be large, except at Martin's Bay. Time, however, did not allow of my travelling inland, so that I had no opportunity of forming a definite idea of the nature of the forest in the upper part of the Hollyford Valley. So far as the data collected warrants me in forming an estimate, I do not think the area of really good forest will exceed 1,250,000 acres; in all probability it will fall below 1,000,000 acres.

DISTRIBUTION OF FORESTS IN OTAGO.

WEST OF THE WAIAU AND MARAROA.

The great preponderance of forest-land in the western portion of the district has been stated above; and, although but little can be said at present respecting the nature of the forest on the seaward side, it may be advisable to indicate the position of the chief sections on the inland, preparatory to a more detailed description of selected forests.

At the northern extremity of Lake Wakatipu a large extent of forest-land extends up the valleys of the Dart and Routeburn nearly to Lake Harris; the western flank of Mount Earnslaw and the slopes of Mount Alfred being clothed with tooth-leaved beech and other kinds. Forest of a similar character occurs in the Greenstone Valley, and extends to the Hollyford. In a southerly direction the Dunton Forest, between the Te Anau and Mavora Lakes, is one of the most valuable forest-areas in the district. The Waiau Forest extends from the Waiau westward to Preservation Inlet, and in some respects may be looked upon as a western extension of Longwood Forest (Southland). Nothing can be stated at present as to the character of the forests on the western side of Te Anau and Manipouri Lakes.

EAST OF THE WAIAU.

In the north small forest-areas occur in the valley of the Matukituki, on Lake Wanaka, and the Dingle and Timaru on Lake Hawea, but are little more than of local value. The Wakaia Bush