

6-horse-power only, the number of men may safely be increased to 160, and will then contrast poorly with the 700 men and boys employed in Southland.

The most striking feature in the Otago timber-trade is the concentration of production about Catlin's River, although sawmills are widely scattered. There are four mills at Catlin's River; at the date of the returns two of these were not in working order, but, as one of them has since resumed operations, the annual output of the three mills may be estimated at 5,784,000 superficial feet: the remainder of the Otago District, with nine mills, producing 1,882,000 superficial feet only. These outlying mills can only supply local demands; the output of the largest is estimated at 450,000 superficial feet, and the output of one mill is returned at only 60,000 superficial feet. The annual average for each of the nine mills is 209,000ft.

One of the mills at Catlin's River is the property of the Iron and Woodware Company of Dunedin, and is probably the finest sawmill in the Otago Provincial District. It was not pleasant to see so fine a property standing idle. Another good mill belonging to this company was situated on the Upper Owahe River, and was also idle at the date of my visit, owing to the impossibility of procuring logs with sufficient rapidity to keep the mill going more than four days in the week at most. From the mill to the present bush-workings is a distance of fully five miles; horses can only bring two loads per day, and under other unfavourable conditions it is not possible that the mill can be worked at a profit. I have therefore heard with pleasure that the mill has been taken down and re-erected on a more favourable site. The manager informed me that the mill was capable of converting 50,000 superficial feet per week. When in full working order the output of the Catlin's River mills would be greatly in excess of the produce of the entire district at the present moment.

Until within the last five years the timber-trade at Catlin's River was in a prosperous condition, and in all probability gave employment to nearly two hundred men and boys, including the sailors engaged in conveying the timber coastwise, fully a dozen small craft being engaged in the trade at one time. It is not too much to say that, were it not for the large proportion of furniture-wood in the forest, every mill would be closed at the present moment, except possibly one working on half-time to supply local demands. This has been brought about by several causes: the great extension of the trade in Southland, where red-pine is usually less scattered, and can consequently be manufactured at lower rates; the great advantage of extended railway-communication, coupled with low rates of freight enjoyed by the Southland sawmillers; the uncertainty of coastal communication, which at present forms the only mode of transport for timber from Catlin's River.

At the present time I fear timber could not be manufactured at Catlin's River so cheaply as in Southland, so that a profit must be looked for from the larger proportion of totara and matai, and especially of woods suitable for furniture.

On the completion of the railway from Balclutha to Catlin's River the timber-industry will be placed in a favourable position for supplying Dunedin and places farther north, although production may be slightly more expensive than in Southland, as the difference in freight will be slightly in favour of the Catlin's River mills, and competition will be conducted on equal terms. I anticipate a very large expansion of the Catlin's River trade as soon as the district is placed in direct communication with the railway-system of the South Island, and this in its turn will lead to a partial revival of the coastal trade. A mill was formerly in operation at Waikawa, but has been abandoned for some years. I am informed that another mill is in course of erection at that port by a Southland sawmiller.

Tooth-leaved beech and silver-beech, with such stray pines as may be found in the bush, are converted for common use in certain localities, as at McBride's bush, at the head of Lake Wakatipu, where a small sawmill is worked by water-power, and, I believe, managed on co-operative principles to a certain extent. The available timber in the vicinity of the mill is worked out, so that logs have to be hauled some distance by oxen, then placed in a tramway to be taken to the head of the lake and floated to the mill. When converted the timber is boated or floated to Queenstown, where it sells for about 12s. or rarely 14s. per 100 superficial feet, having to compete with red- and white-pine from the Southland mills. A similar instance occurs on the Matukituki River on Lake Wanaka, the converted timber being floated to various places on the banks of the Clutha. It is stated that a large amount of timber found a market in this way formerly, but the quantity must be very small at the present time. It is almost superfluous to remark that Otago had no export trade worth mention. The value of timber shipped for foreign ports during the year ending the 31st December, 1884, being only £429.

Sawmill licenses in Otago are granted for sections of one or two hundred acres, at the rate of £1 1s. per acre, payable in three annual instalments. Licenses are granted to split or cut firewood, fencing, &c., on sections 200ft. square, on payment of £2 10s. per annum. The total receipts from both sources amount to rather more than £500 per annum.

CANTERBURY.

THE proportion of forest-land in the Provincial District of Canterbury is less than in any other part of the colony, large portions of the district being absolutely divested of trees, except where small plantations have been made by settlers. The district has an area of 8,693,000 acres, of which 374,350 acres are considered to be more or less clothed with forest; but, as the chief forest-areas are situated in mountainous country, the quantity of timber available for the purposes of the saw-miller is extremely small.