

let the sawmiller have the bush first and when he has taken all that is profitable to give it to the settler would seem to be the most economic policy, and when it is remembered that in the Catlin's Bush alone some millions of feet of the very finest timber has been felled and burned to make way for grass, such a policy is more deeply impressed on one. Moreover, most of the bush would produce much more revenue from timber royalties than could be expected from the settlers, while from the settlers' point of view the land without the heavy timber-trees is so much more easily cleared. The revenue from timber royalties would probably produce sufficient money to pay the cost of survey and roading.

The royalties received were—for timber cut from Crown lands, £443 13s. 10d.; from State forests, nil.

The present net wholesale prices charged in Dunedin for timber are—for rimu, 12s. 6d. to 19s.; miro, 12s. 6d. to 16s. 6d.; matai, 16s. 8d. to 23s.; kahikatea, 16s. 6d. to 19s.; totara, 25s. to 31s.; beech, 12s. 6d. to 21s.: all at per 100 superficial feet.

SOUTHLAND.

(H. D. M. Haszard, Commissioner of Crown Lands.)

Owing to lack of orders, the shortage of labour, and the high cost of all materials, the saw-millers in this district have experienced a very trying year. Some demand sprang up for supplying the Australian market, but the lack of shipping has interfered with this prospect.

Two large and up-to-date mills are being established at Mussel Beach, in Rowallan Survey District, which will break new ground as far as Southland is concerned, the site being twenty miles beyond the nearest settlement. I understand that the proprietors of these mills intend to use their own vessels for shipping the timber, but returns from this source will not come in till next year.

The number of mills worked during the year was forty-one, and the output was the smallest for the past thirty years—viz., between 24,000,000 and 25,000,000 superficial feet, comprising the following timbers: Rimu and miro, 19,305,000; white-pine, 2,722,000; beech, 1,980,000; black-pine and totara, 742,000.

The royalties received were—from Crown lands £1,356 14s. 3d., and from State forest £1,700 4s. 11d.

The wholesale prices of timbers in Invercargill were—for red-pine (rimu) $\frac{1}{2}$ in. and under up to 8 in. wide, 11s. 9d.; scantlings and up to 8 in. wide, 15s.; heart up to 10 in. wide, 20s. 6d.; clean ditto, 22s. 6d.; black-pine (matai), 6 in. by 1 in. T. and G., 24s. 6d.; totara, 8 in. by 3 in. and under, 23s. 6d.; clean ditto, 26s. 6d.; white-pine (kahikatea), 12 in. and over, 13s. 9d. Five per cent. discount is allowed on these prices, which are per 100 superficial feet.

The above are the milling-timbers now used, but there is no doubt that beech will come much more into use and take the place of red and white pine as those timbers become scarcer. The beech now being used was considered a useless timber twenty years ago.

Owing to the high and well-distributed rainfall there is little danger of any virgin forests being destroyed by fire in this district.

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