

a cottage for the nurseryman. It is intended to plant the two hundred acres first ploughed with red- and cider-gums (*Eucalyptus rostrata* E. Gunnii). Subsequently English oak and ash will be largely planted, with sundry quick-growing pines. These reserves are situated in such a position that it will be possible to irrigate portions of them during the summer at a small expense.

It would be difficult to overrate the value of plantations in this district if looked at simply from a climatal point of view: the continuous droughts of summer and the excessive frosts of winter would be mitigated, and great facilities afforded for the extension of agriculture. From a commercial point of view the advantages are equally great. The cost of firewood and fencing-stuff is so high that even the first thinning of the plantations would find a ready market, while an important item of freight would be prepared for the railways of the future.

ESTIMATED REVENUE FOR THE CURRENT YEAR.

It is estimated that the forest revenue for the year ending the 31st March, 1888, will amount to £4,800. Should trade exhibit any marked improvement a larger sum may be anticipated. The depression in the kauri trade during the past year has been of an extreme character, and at present no revenue is obtainable from the kauri in the hands of the Government.

FIRES.

The Rangers in the employment of the department have discharged their duties efficiently during the past year. It is matter for special congratulation that not a single acre of kauri forest under the control of the Chief Conservator has been destroyed by fire, although, unhappily, a large extent of forest in private hands has been swept away. The only loss of importance has occurred in Hawke's Bay, where a small section of totara has suffered severely, owing to fire having spread from adjacent sections which were being cleared by settlers. No other loss of timber by fire is known to have occurred in State forests.

PROSECUTIONS.

It has been found necessary to take proceedings against four persons guilty of illegal cutting during the past year. Convictions were obtained in three cases, and fines varying from £3 to £8 inflicted, while most of the timber cut was seized and sold. In the fourth case a conviction was not obtained owing to the absconding of the culprit, who is known as an old offender, so that his having left the district must be considered satisfactory. A portion of the timber felled by him was seized before he was able to remove it.

VALUATIONS.

The valuation of standing timber, based upon actual measurement, is a new feature in dealing with New Zealand timber-trees, as it throws a fair portion of the waste in manufacturing on the shoulders of the converter. Hitherto, however wastefully a bush may have been worked, or however carelessly a saw-mill may have been managed, all the loss has fallen upon the forests. Under the new arrangement the forest will be more thoroughly cut out, and in many instances greater care will be taken to prevent waste in conversion.

A table is appended showing the value of areas taken up by sawmillers in the Southland District during the last quarter of the year. Unfortunately, the Southland forests have been excessively wasted by illegal cutting in past years, so that it is not easy to find large areas of virgin forest near any of the settled districts. The eyes have been picked out. In many instances portions of the areas stated here had been cut by the sawmiller under the old regulations, the old boundaries having been adopted in order to save the expense of survey fees. From these causes it is not possible to form an exact opinion on the average value per acre from present data, and several years must elapse before the first of these disturbing causes ceases to operate.

The following is a return of saw-mill areas exceeding 60 acres for which licenses were granted during the quarter ending the 31st March, 1887, in the State forests, Southland District:—

No. of Application.	Name of Sawmiller.	Locality.	Area.			Amount of Valuation.		
			A.	R.	P.	£	s.	d.
121	McCallum and Co. ...	Seaward Bush ...	200	0	0	51	3	3
122	Findlay and Co. ...	" ...	200	0	0	358	8	0
123	A. Tapper ...	" ...	122	0	0	178	18	6
124	W. Guthrie and Co. ...	Winton Forest ...	100	0	0	163	10	0
125	John Murdoch ...	" ...	190	0	0	118	0	0
126	McCallum and Co. ...	Seaward Bush ...	200	0	0	80	17	6
127	John Murdoch ...	" ...	200	0	0	495	12	5
128	Morton Mains Company ...	Oteramika Bush ...	200	0	0	218	5	0
129	Dunedin Iron- and Wood-ware Company...	Seaward Bush ...	200	0	0	124	17	3
131	H. A. Massey and Co. ...	Mabel Bush ...	200	0	0	181	6	3
132	J. H. Dawson and Sons ...	Seaward Bush ...	200	0	0	114	17	2
133	Boyd and Edwards ...	Spar Bush ...	200	0	0	124	16	3
134	W. Egerton ...	Winton Forest ...	200	0	0	84	19	0
136	John Murdoch ...	Stewart Island ...	66	3	16	78	15	0
137	Small and Co. ...	Waimatuka ...	104	3	6	33	8	4
139	John Murdoch ...	Seaward Bush ...	198	3	27	323	12	6
143	McCallum and Co. ...	" ...	97	2	0	206	10	6
144	Colonial Bank of New Zealand ...	" ...	200	0	0	237	5	3