

SOUTHLAND.

During 1906-7, seven sawmill areas were taken up in State forests, area 1,266 acres, producing 4,196,300 superficial feet, and furnishing an assessed royalty amounting to £952 13s. 6d. There were also six mill areas taken up on Crown forests, area 904 acres, producing 3,413,800 superficial feet, returning a royalty of £837 6s. 6d. The total assessed royalty of the year's transactions does not necessarily represent the amount of revenue received during the year, as will be seen further on, owing to one-half the royalty on an area being paid in cash, the balance or other half by an approved promissory note payable in six months, which may, and often does, fall due the following year.

The royalty received from sawmill areas in State forests during the year was £1,174 0s. 6d., to which has to be added a sum of £255 16s. 6d., royalty accruing from timber licenses, fines, penalties, and timber sold, thus making a total amount from this source of £1,429 17s.

The amount received in royalty from mills in Crown forests amounted to £516 9s. 6d., to which has also to be added £495 15s. 5d. royalty from licenses, fines, penalties, and timber disposed of by sale, thus making a total of £1,012 4s. 11d. These two totals added together make the amount received from all sources £2,442 1s. 11d., which is only £4 5s. 5d. less than the revenue received last year.

During the year fifty timber licenses were issued to settlers, splitters, and others engaged in bush work, authorising the right to cut fencing material, telegraph-poles, railway-sleepers, mining-props, draining-slabs, and firewood, &c., bringing in a revenue of £98 18s. 4d.; besides, fifty-nine permits were issued to settlers under section 234 of "The Land Act, 1892," and section 58 of the State Forest Regulations, enabling settlers to obtain timber exclusively for home use free of charge.

Ranger Collins reports that there were fifty sawmills working most of the year full time, producing 38,087,000 superficial feet. Nine of these were operating in ordinary Crown forests, producing 6,157,000 superficial feet; eighteen operating in State forests, producing 14,330,000 superficial feet; fifteen in private forests, producing 9,950,000 superficial feet; six operating in private and State forests, producing 6,750,000 superficial feet; one operating in private and Crown forests, producing 400,000 superficial feet; and one operating in private and Native forests, producing 500,000 superficial feet.

Of the total production about 12,167,000 superficial feet are used locally, 25,875,000 superficial feet are sent northwards as far as Christchurch, and a very small quantity is exported.

Of the timbers cut 60 per cent. represents rimu, 22 per cent. kahikatea, 3 per cent. matai, 10 per cent. miro, 2 per cent. totara, and 3 per cent. tawai. The mills manufacture 30 per cent., and supply factories in Invercargill, Gore, Dunedin, Oamaru, Waimate, Timaru, and Temuka, with an additional 15 per cent. clean timber for the same purpose.

The total production differs little from that of last year. The local consumption decreased by about 1,000,000 superficial feet, whilst outside consumption increased by about the same quantity, probably caused through the greater demand in the Christchurch market owing to the Exhibition. At any rate, the demand for timber kept fairly regular, and the mills have all been quite busy, and are so at the present time, having employed some 831 persons during the year, with a pay-sheet representing £89,879.

The area worked out or surrendered during the year was 1,383 acres. This does not mean that this area was cut out during the year, because three years are allowed by regulations to cut the first 200 acres and four years for each of the remaining 200 in the 600-acre attached reserve, thus allowing the miller fifteen years to cut out 800 acres, the maximum area allowed by regulations, unless under exceptional circumstances.

In certain exceptional cases it is found necessary, or rather expedient, to allow a little departure from the regulations—for instance, when long and expensive tramways have to be constructed and other heavy initial expenditure incurred before a mill can start; but of course a limit must be placed on concessions, although the licensees may at times think differently.

The schedules give detailed information in connection with the fifty sawmills working in this district, such as locality, whether cutting in State, Crown, private, or Native forests, horse-power, cutting-capacity, output, and wages, &c., and should be found very useful to the trade and general public.

The marketable sawmilling timber yet remaining in this district is approximately 222,795,000 superficial feet for future use, in area 101,415 acres, which means a future revenue on the basis of the present royalties of something like £58,385, and a colonial asset amounting in round numbers to £1,448,167 10s., reckoned at 13s. per 100 superficial feet, which may be considered a fair value.

It must be understood that these areas of milling bush and quantities of timber can only be approximately arrived at, it being more probable than otherwise that both areas and quantities are under rather than over estimated, and do not include any timber within the boundaries of the National Park.

The recent bush fires unfortunately caused the destruction of five sawmills—three in Seaward Bush, one in Oteramika, Shag Bush, and the other in Hokonui Bush. This severe loss to the owners may cause a shrinkage in next year's output, unless it is made up by the very active operations of the Waikawa mills, now three in number, by and from which a considerable milling industry has revived within the last two years.