

more than the present value of the land, and represents a valuable asset to the community, which has a right, through the Government, to obtain the best possible price for the timber as well as to ensure its proper utilization. The Dominion has probably lost, by clearing and burning without utilization, millions of feet of valuable timber that would now be eagerly sought after for milling purposes. As the timber is cleared from Crown land by milling operations the land can be opened for settlement in a condition in which it can be more readily utilized, and the State thus obtains a double asset.

State Forests.—There have been no losses by fire in the State forests during the year, the wet season and careful supervision accounting for the absence of fires. The Waipoua State Forest contains about 120,000,000 sup. ft. of kauri, and in the Warawara State Forest the estimated amount of kauri is 60,000,000 sup. ft. Both are wet forests, situated on hilly land; and there is little danger from fire. A resident caretaker is maintained in each to prevent trespass and damage. A good deal of settlement is taking place outside the Waipoua Forest, and a demand is arising to have it placed on the market, but this valuable asset should be retained.

I am indebted to Colonel John H. Boscawen, Inspector of Forests and Kauri-gum Reserves, for much valuable information relating to these matters dealt with in the report. Since his appointment in October last he has visited all the reserves in the district, and his observations are accurate and full of interest.

H. M. SKEET,
Commissioner of Crown Lands.

NELSON.

The output of timber in northern Nelson is gradually diminishing, most of the milling-timber areas being cut out.

There are twenty-six small mills in the Takaka, Collingwood, Waimea, and Murchison Counties. Of this number six are cutting very little, and only for local orders, and others only working half-time. Three are cutting on Crown lands, one on Native lands, and twenty-two on private holdings. The estimated output is about 6,000,000 ft. per year. The principal timber cut is rimu, with a little matai and some birch. The whole output is used in the district, no export being carried on.

In the Inangahua County there are seven mills, and the output was 3,316,616 sup. ft., slightly in excess of the previous year.

In the Buller County twenty mills are at work, and the amount cut was 8,000,000 sup. ft. This continues to be a very active industry in this district, and affords a large amount of employment, and will continue to do so for many years, especially at Karamea and in the Steeples district.

The total output for the fifty-three mills in the Nelson District was 17,316,676 sup. ft.

ROBT. T. SADD,
Commissioner of Crown Lands.

MARLBOROUGH.

There are seven mills working in the district. One small one in the vicinity of Kaikoura cuts for local consumption, and the others, in the Opouri, Pelorus, and Wakamarina Valleys, export principally to Lyttelton and Australia, besides supplying the local market. The total annual output is about 12,000,000 ft., Messrs. Brownlee and Co.'s two mills at Timatanga and Blackball being responsible for 6,000,000 ft.; they employ about 120 men, and export the greater portion of their output to Lyttelton. The milling-area held by this firm will be cut out in about three years. The other large mill in the Opouri is owned by the Marlborough Timber Company, who, after considerable engineering difficulties, have constructed a tram over a saddle about 1,100 ft. high between Nydia Bay in Pelorus Sound and the head of the Opouri Valley. The output of this mill is 3,000,000 ft., which is either taken to Lyttelton or exported to Australia.

W. H. SKINNER,
Commissioner of Crown Lands.

WESTLAND.

The timber industry is one of very great importance in this district in that it provides employment for a very large number of men, while during the past year it has produced a revenue of almost £10,000 from royalty alone. The timber is a very valuable asset to the district, and should therefore be dealt with to the very best advantage. The present system of administration in accordance with the provisions of the Mining Act is unsatisfactory alike to the Crown and the sawmiller. The provision for payment by way of royalty half-yearly on the output is unfavourable to the Crown, as it results at