

In Auckland the State has instituted a system that seems to give it full protection, for if any loss takes place in conversion of standing timber into sawn timber the miller purchasing the standing timber has to bear such loss.

I respectfully submit that, so far as the West Coast forests are concerned, it is expedient in the interests of all to institute different methods of disposing of the timber owned by the Crown. I think if your Commission adopted some such suggestions as the following, and these were acted upon, it would bring about an infinitely better method of dealing with the indigenous forests without unduly disturbing existing trade conditions:—

(1.) That all forest areas now in the hands of the Crown suitable for milling should be reserves for that purpose, except such areas as may be deemed advisable to retain for scenic, climatic, mining, or other purposes.

(2.) That, in respect to the West Coast forests, existing millers should have the opportunity of taking up such areas as they are now entitled to under the present Act.

(3.) That in future all timber should be sold by tender on the Government estimated quantities. The assessment to be arrived at in the same manner as is now in force in the Auckland Province.

(4.) That where mills are in such a position as to be the most advantageously situated for the working of any standing timber offered for sale the owners of such mills should have preference where tendering was equal or nearly so.

(5.) That suitable terms should be given millers for the payment of timber purchased.

(6.) That systematized instructions for ascertaining the estimate of quantities of timber offered for sale be given every Ranger whose duties are to deal with the assessment of standing timber, so as to produce uniformity in dealing with all Crown timber.

(7.) That the control of the whole of the standing timber in the hands of the Crown be placed under the Lands Department.

2. *Conservation.*—The idea of retaining our forests for distant future use is economically unsound. An ordinarily matured bush has no power to provide any material increase by way of growth, inasmuch as the natural growth is barely sufficient to compensate the natural decay. This must be so, otherwise the older the forests were the greater amount of timber they would contain, when it is well known that the old forests are represented by scattered "old man" trees which yield but small quantities of timber per acre. Nature having brought the forests to the highest point of utility, it is the duty of the community to utilize. Another reason why conversion and not conservation should be adopted is that a timber-tree as usually found in our native bushes yields no current revenue. For reasons already stated, the natural growth does not count, and, apart from this, our native trees are so slow in growth that as profitable timber-producers they are failures. If an area of sapling rimu of twenty years' growth were conserved for timber purposes, and the present value were £1 per acre, and in two hundred and thirty years, which would make the age of the tree two hundred and fifty years (which time is a reasonable one for a rimu to mature), it would have to be worth about £250 per hundred feet royalty, and this allows nothing for rates, taxes, supervision, and fire risks during this long period.

The fact that royalties on the West Coast are the same now as they were fifteen years ago alone proves that forest areas are not profitable for the Government to hold. If the 6d. per hundred the Government collected fifteen years ago has produced 5 per cent. compound interest in the meantime it would now be worth a little over 1s., or, in other words, they were receiving twice the royalty fifteen years ago that they are now. To meet this on a business basis it would seem that a fair assessment of the present value should be made, and this value should be loaded with 5 per cent. compound interest up to the time of disposal. It is only by some measure like this that the State can hold its extensive national asset on commercial and business lines.

It will be seen that the earning value of native bush is nil when considered from a sawmilling point of view, its only use being to provide raw material for conversion. The only time when the profit can be accrued is when the tree is converted into the commercial commodity of sawn timber, and this can be only done once, whether it is now or in a hundred years hence. Areas of land that are under native bush and are fertile and fit for good grass-growing are losing their time in sustaining a crop which is repayable only once, and whose value (which has taken a century or two to accumulate, under present conditions is only equal to about £2 10s. per acre for the timber grown upon it, unless an earning-power is given it by increasing the royalty equivalently to the cost of holding it. I do not for one moment advocate the wholesale destruction of these forest lands, because standing timber has a further national value beyond that of royalties levied, from the fact that its conversion maintains a vast industry of great economic value.

It would seem conversion without waste and reproduction with economy should be the keynote of New Zealand forestry.

Restriction on the Export of White-pine.

The restriction of the export of white-pine in order to retain it for our own use, and because it is a timber specially suited for butter-boxes, seems unreasonable when it is borne in mind that Australia and New Zealand contribute but a small amount of butter to the world's markets compared with those countries that do not use white-pine for a package. And, again, not half the quantity of white-pine exported goes into butter-boxes; the greater portion being used either for shelving, lining, flooring, or rough cases for fruit, rabbits, &c. To me it seems a good thing that we have an outside market for a timber which, with the exception of butter-boxes and cases, is considered a useless timber by New Zealand users. Further, I am inclined to think that sap rimu would do for butter-boxes as