

in existence for years past, and has been the means of turning nearly all the shipments made by speculators into heavy losses. I have seen the catalogues sent by London merchants to their agents here after sales in London, and on the catalogues, opposite a sale of, say, 100 cases, would appear the remark made by this buyer, 'Thrown away to ———; we shared.' Again, 'Our value, 56s.; we bought by arrangement at 40s.: how long can this man last.' And there are many such remarks on the catalogues."

The report of the High Commissioner in London is looked upon as useless by the majority of the storekeepers and diggers, as they do not understand on what basis of quality the classification is arranged.

A leading gentleman in the trade, in the course of a conversation with me, made the following remark, which is very suggestive: "As to the High Commissioner's reports on the sales of kauri-gum, I consider they are quite unintelligible to any one but the particular shipper who knows *what grades were offered, and whose grades they were*; but to the average storekeeper they are of absolutely no use: whereas if a brand or grade of gum were shipped under a Government standard grade, every one, storekeeper and digger alike, would know what value his gum of a similar quality would be worth."

In the event of the Government not seeing its way to establish standard grades, and as there exists a strong feeling amongst exporters and sorters that all unsorted gum sent out of the country should pay an export duty, I would recommend that a duty of, say, up to £10 a ton on all unsorted gum over £40 per ton in value should be imposed. In this connection I may say that there is a great falling-off in employment for sorters in Auckland. The reason given for this is that the diggers and storekeepers are now scraping the gum on their own account, as they find that by so doing they can command a better price on the market.

THE DRAINING OF WAIPAPA KAURI SWAMP.

When I was in the Awanui district, Mr. Russell, chairman of the Lake Draining Company, which consists of some twenty-five diggers, interviewed me with reference to his company's right to work a lake. The facts of the case are as follows:—

This company drained the Waipapakauri Lake on their own account, without making any arrangement with the Government for the privilege of digging the gum after the lake was drained. Their position now is, that, after expending a considerable sum of money—they say, about £600—owing to their not having any legal rights to the land, any digger with a license can enter and dig for gum. The company fears that Austrians and Maoris will overrun their field, and the chairman considers that it is a great hardship, after all their expenditure, that any licensed digger can come along and enjoy the result of the company's labours. At the same time they would be only too glad to welcome any diggers, provided that such diggers paid an approximate sum based on the original expenditure incurred in draining the lake.

The lake extended over an area of some 90 acres, and before draining covered the soil to a depth of about 4 ft.

The following is a statement of the work done, which was handed to me by the chairman:—

Particulars of Tunnels and Ditch Work draining Lake.

Twenty-five men, 96 days, tunnel and two cuttings.

Ditch into swamp, 21 days.

Sawn timber, 2,500 ft. of heart of totara, for fluming through tunnel.

Split timber: Legs, 260—7 x 8; caps, 260—6 x 6; spreaders, 260—6 x 6; toms, 260—4 x 4; stays, 260—5 x 3; wedges, 5,000, more or less; slabs, 2,000—7 x 3; caps and braces for fluming, about 1,000 ft.

Wages, expert miner, £25.

Freight on sawn timber, £1 5s.

Sundries, tools, &c., £7.

Explosives, £11.

Carting, horse-feed, &c., £10.

Of course, before starting, the company should have made suitable arrangements with the Government; but, as they omitted to do this, they now say they are prepared to make a statutory declaration before a Magistrate that if allowed the exclusive right to dig for gum on this 90 acres they will undertake to leave the land thoroughly drained, and the drains all open, and the surface of the ground as consistently level as the nature of their employment will allow.

While I think that the company should be granted the exclusive right to this swamp on account of the large sum of money which they have expended on it, I still consider that they should be required to pay a royalty on the gum produced, as private owners charge heavy royalties for the right to dig on private swamps. I therefore recommend that such exclusive right be granted to the company, and that a suitable royalty be imposed.

COST OF NECESSARIES OF LIFE AT THE GUMFIELDS.

During my travels I looked into the question of the cost of groceries and other necessities of life on the fields, and found that as a general rule the ruling rates, considering cost of transit, &c., were very fair. In the Waihopo district, however, very strong objections were taken to the somewhat high prices which are charged by storekeepers, and the following statement of prices, with vouchers attached, was handed to me by the joint secretaries of the Auckland Gum-diggers' Union. The freight from Auckland to Waihopo and Waiharera is, I understand, from 10s. to £1 per ton.