

up the potholes in ground than the land was worth. The education reserves were under his jurisdiction. It was a deplorable state of affairs to allow the potholing. There should be much more control over the lessee. He had practically no control over the education reserves at Aratapu. They were under a twenty-one-years lease with a perpetual right of renewal. One report had been made on an education reserve held by a man who simply fenced it in and let it out for gum-digging. No improvements were done on the land at all.

*To Mr. Stafford.*] When making his report he consulted the settlers who were adjoining the reserves: sometimes there were no gum-diggers to consult. He had never seen a digger on the Wellsford reserves. The majority of the settlers did a little bit in their spare time. He had inspected the land on the right-hand side and went right up behind the Austrian's place, and right through the swamp. He saw no potholes. It was about eight months since he had reported on this field, and some of the holes might have been made since then. When he was there there was an old lady living in a whare near the station, and Mr. Woodcock. These were the only residents on that reserve.

FRANCIS WILLIAM FELTRIM FAGAN, Company Manager and Land Agent, of Auckland.

*To Mr. Greville.*] He had had a lot of experience in the development of poor lands. He was the originator of the Parenga development scheme. The greater bulk of the land at Parenga was gum-bearing. The area which the company held was about 46,000 acres. They were going to proceed with systematic development if they could get the men to help them. He considered that right from the start the gum-diggers wasted their energies. He certainly was firm in the opinion that there was a proper way of dealing with gum land—certain areas, of course—he could not say that of all the land. In regard to the potholes, he would not allow the diggers to leave them if he could make them do otherwise, but that seemed impossible. In the course of time the holes filled in themselves to a certain extent. They would not now allow the diggers on their land unless they undertook to fill up the holes they made. The way the company went about the matter was this: they took Mr. Boucher, of the Government Orchard Department, up to the land, and he chose the ground. In his report he advised them to take up part which they had thought quite unsuitable, and ignored the part they would have chosen. This land was cut up into sections of from 22 acres to 76 acres. The section costs a man £200. £10 would be accepted as a deposit, and he must undertake to put another 10 per cent. or 15 per cent. of improvements on to the land during the year. He had to plant not less than 3 to 5 acres annually, so that the whole thing would go forward simultaneously. It would be five years, approximately, before the trees would begin to bear, and seven years before they yielded any profit. In the meantime the man could make his living by gum-digging. Mr. Boucher recommended three varieties of apples as being better than any others—American Horn, Delicious, and Dougherty. Apples were the only variety of fruit which they thought it advisable to go in for. They had commenced operations, inasmuch as they had put about £400 into the surveying of the land. They had seen the County Council in regard to the roads, which were to be constructed later on by the men who took up the sections. They had had over three hundred inquiries in regard to these sections up to the present, but would not be able to satisfy the demand at the present time. No start had been made to break in the poor land, as they had only had the place for six or seven months. Witness considered that it was most certainly a payable proposition to bring the gum lands into proper use. He considered the climate in the North of Auckland to be an important factor.

*To Mr. Stafford.*] It was on the shallow ground that witness had started the seven men working on wages. The ground was about 18 in. deep. He was willing to put a big gang of men on now, but he could not get the men. 10s. a day would be the wages. He had not tried to get any of the unemployed from the south. A lot of the men expected to pick up gold, as it were. He could get a hundred men off the wharf there, but not one of them knew how to use a spade. The place is not so inaccessible as some people are inclined to think. He did not want to plough if men could be got to do the digging. Otherwise machinery would be put on the land.

*To Mr. Greville.*] He certainly thought that the opening-up of gum land would be a good proposition for the State. He wished that he had the backing that the Government could have given him. He did not think that the most had been made of the industry. It had been very neglected. But there was still a lot of good that could be done—they would not have done what they had if they did not think so. There was unquestionably no doubt, in his opinion, that this industry had not been appreciated. The scheme for extracting the oil and gum by means of retort work was a good suggestion. He thought that there was a big future before the industry if the retort method was used.

*To Mr. Stafford.*] By "retort work" he really meant the extracting of gum from the wood. Everything could be put through, and all the value possible obtained. He quite agreed that there was great waste going on in the kauri-gum fields and in the bushes: practically thousands of pounds worth of oil and gum being destroyed every year.

HARRY MAY SKEET, Chief Surveyor, Commissioner of Crown Lands, and Conservator of State Forests in the Land District of Auckland.

*To Mr. Greville.*] He had been stationed in the Auckland District since 1911 and knew the district pretty well. The bringing of gum lands into proper use was a very difficult matter to deal with, and as far as he could judge it would require a fairly large expenditure both of labour and capital to make them profitable. He thought that the land could not be brought in for settlement purposes in the ordinary way by burning off and grazing. Experience went to show that fallowing was a necessity in dealing with these lands. Much capital would have to be expended to