C.—12a.

This matter was brought under the notice of the establish permanent homes. North Auckland Land Board by the Secretary of the Commission, and we understand that the requirements of the diggers in this respect will shortly be satisfied.

When in the Wairoa district our attention was drawn to the Te Kuri Block, lying on the western side of the Wairoa River. Much of this land was formerly a kauri-gum reserve, and it was urged that large areas could be brought into profitable use here if made available for settlers. It was stated that there are good swamps which could be cheaply reclaimed leading into Waimamaku Bay, Tangatiki Bay, Punahaere Bay, and Kelly's Bay; also that at the frontage of most of these bays a short stop-bank and flood-gate would enable large areas of mangrove swamps and flats behind them to be drained easily and made available for settlement in conjunction with the hill country adjoining; and that there is no gum in these swamps except on the edges where slips have occurred in past years. Certain areas of the gum lands are better adapted for afforestation than for farming purposes, and there are many areas situated near tidal waters where plantations of rapidlygrowing trees would in the course of twenty or thirty years show a good return for the expenditure.

(7.) All aspects of the question with regard to the issue of licenses under the Kauri-gum Industry Act, 1908.

The licenses which may be issued under the Kauri-gum Industry Act, 1908, are as follow:-

(1.) Gum-digger's license: This may be either "special" license or "ordinary" license.

The special license is issued only to British subjects by birth or naturalization in New Zealand, and entitles the holder to dig for gum on all lands in the special district to which the license applies, on the kauri-gum reserves of such district, and on unoccupied Crown lands not included in the forest reservations.

The ordinary license is issued to diggers who are not British It entitles the holder to dig for gum in the kauri-gum district for which it is issued, and on unoccupied Crown lands not included in the forest reservations, but does not entitle the holder to dig on the kauri-gum reserves.

(2.) Gum-buyer's license: The gum-buyer's license gives the holder the right to buy gum in a kauri-gum district on his own account. A special condition of the license requires the holder to keep a book giving full particulars of all gum purchased.

(3.) Gum-broker's license: The gum-broker's license empowers the holder

to buy or sell gum on commission.

The license fees are as follow: Gumdigger's license—Special, 5s.; ordinary, £5:

gum-buyer's license, £1; gum-broker's license, £5.

The kauri-gum license fees are collected by the Police Department, under the direction of the Commissioner of Crown Lands. For the work of collection a commission of 10 per cent. is allowed. All the money collected, after a deduction for administration expenses, is handed over to the local body in whose district the licenses are issued. Other methods of collecting these license fees have been tried, but have not been very successful. Formerly, the local bodies collected the license revenue, but the results were not satisfactory. We suggest that it might be desirable to make other provision than that obtaining at the present time for the collection of these license fees, as it is a general opinion in some districts that a great many men are digging gum without any licenses, and, furthermore, that there is not a proper control exercised over the gum-buyers travelling through the various districts.

The Act above mentioned provides that every license issued, whether a gum-digger's or a gum-buyer's, shall operate over only one kauri-gum district. The following counties are constituted kauri-gum districts: Mangonui, Whangaroa, Hokianga, Bay of Islands, Hobson, Whangarei, Otamatea, Rodney, Waitemata, Coromandel, Thames, Ohinemuri, Katikati; and also a portion of Auckland City, as defined in New Zealand Gazette No. 82, page 1766, of the 27th September, 1900.

The owner or occupier of Native or other land within any kauri-gum district, and also his wife and family, may dig for kauri-gum on such land without being the holder of a license, but all other persons employed or authorized by him to dig on such land are required to take out separate gum-diggers' licenses. With the exceptions noted above it is illegal for any person who is not the holder of a license to sell gum.