REPORT.

To His Excellency the Governor.

MAY IT PLEASE YOUR EXCELLENCY,-

In obedience to the instructions contained in Your Excellency's Commission dated the 27th day of December, 1897, directing us to report on the kauri-gum industry generally, the condition, &c., of those engaged thereat, the influx of labourers, and to advise as to the best and most effectual means to conserve the interests of the colony, and the well-being of those engaged in the gum industry, we have now the honour to inform your Excellency that we have completed our investigations, and beg to report as follows :---

1. We have visited most of the principal gumfields of the Auckland District for the purpose of taking evidence, and have also examined some of the principal gum-merchants of Auckland City, and many others connected with or interested in the gum trade. In all we have held forty meetings, at thirty-one different places, and have examined 193 witnesses (see Appendix), besides conversing with a large number of gum-diggers, settlers, and other persons on various subjects connected with the industry, who happened to attend the sittings of the Commission and listened to the evidence then taken, or whom we met on our travels through the district.

2. The gumfields north of Auckland City comprise 724,000 acres; those south and east of Auckland 90,000 acres; total, 814,000 acres: and this area consists of 435,000 acres of Crown lands, 166,000 acres of Native lands not yet adjudicated upon by the Native Land Court, and 213,000 acres of private lands held by Natives or Europeans. This total area of 814,000 acres comprises the land known up to the present to be gum-bearing, but may be greatly augmented by new discoveries, for lands in many parts of the district are being worked which some years ago were thought to be non-gum-bearing. There is also this peculiar feature about the gumfields of the north : that in many places two, three, and sometimes four layers of gum have been found, betokening the existence of two or three kauri forests, which on disappearing, or, as is probable, on being destroyed by fire in ages past, left in succession their quota or layer of gum in the ground. On this account it has frequently happened that fields which years ago have been pronounced worked out have been taken up again and profitably reworked, and this same process is going on at present.

3. In many respects the conditions which obtain with the gumfields of the Auckland District resemble to a remarkable extent those which obtained on the alluvial goldfields of the South Island : the richest deposits or layers in both Otago and Westland were discovered and worked first, and these were found near the surface. Subsequently the lower layers were discovered and worked, and thereafter ground was and is still profitably worked by combination of labour and improved means, which, owing to the small quantity of gold it contained, was declared worthless by experts a few years previously. Exactly so was it with the kaurigum-the largest pieces, technically called "bold gum," were found on the surface, or barely embedded in the soil. Next, the gum-digger had to search for it 10 in. or 12 in. deep with the spear; then a second and third layer of gum was discovered on fields that were thought to be exhausted, and the large gum-spear, 8 ft. to 12 ft. long, was used to discover, and a hook to bring to the surface, the gum in the swamps, which a few years ago were not known to contain gum. At present the smallest pieces of gum are greedily sought after which could not have found a purchaser in years past, and fields are worked which before had been considered worthless. The cry for the past twenty years has been that the product was nearly exhausted; but at the present day the output is nearly as much as ever, and the price of the gum is higher than ever before.

4. These remarks naturally lead up to the likelihood of permanency of the gum industry, but, as we propose to deal with this question in connection with some other phases of the subject, we shall content ourselves now with simply expressing our profound regret that an industry which up to the end of 1897 has yielded product for export to the value of £8,162,945, has not been made to contribute anything to the revenue of the country, although the procuring of that product involved the destruction of the little soil on the land from whence it was dug, and a large expenditure annually for reconstruction and maintenance of roads from the gumfields to the towns and shipping-ports. We have evidence to show