

at the Flax-mill store, I would point out that two of them (Flavell and Griffen), in their evidence before the Commission, complained about the high prices of the stores and the consequent high cost of living. The cash received for their gum is given for each man separately. The cost of their living is lumped with two others, and their average earnings show that Flavell earned £4 1s. per week and Griffen £4 14s. 10d. We buy in Auckland, and the cost of the goods to us in Auckland is charged to the out-stores with 10 per cent. added, and this is the way in which we fix our stores, and then the out-stores must fix their prices by making allowance for the rent and expenses connected with the lease. The 10 per cent. is to cover the freight from Auckland, and handling goods and delivering here, leaving us a small margin. It is only on wholesale handling that this pays. Goods could not be sold in Dargaville for that price, and so leave a margin to the seller, as the cost of rent of store, assistants' wages, taxes, insurance have to be considered. All our out-stores are branches of our firm, and work on wages. There is no sub-contracting and commission allowed. Mr. Trounson has the grazing rights over our gum-field leases, and it suits us better to let him supply the diggers with meat. There is no payment made by Trounson to our firm for the right of supplying meat to our gum-leases. We pack the gum for the diggers to our stores, and charge them for it according to distance. I hand in return marked B; it gives the prices we charge for provisions at the four out-stores; also the average price paid for gum off our lease-lands for twelve months at the out-stores; also the number of men employed at gum-digging on our lease-lands at the present time. They comprise 168 Austrians, seventy-five British, and forty-two Maoris: total, 285. Also the output of gum from all sources, which amounted to only 552 tons for 1897, as against 1,138 tons in 1893, when the former Gum Commission made inquiries into the industry. The average output for the last fourteen years has been 712 tons per annum. I also give a list showing the rents we pay for our leases: at present we pay £600; at the time of the last Gum Commission we paid £1,000. Our lease extends for ten years. The rental for the first year was fixed at £1,200, with a reduction of £100 for each subsequent year. The rentals for the other leases are the same as those mentioned in our statement of 1893. I also furnish the Commission with a return marked C, giving the cost of goods supplied to the stores for the two years ending the 31st December, 1897. In one of the stores men employed at kauri-timber work and settlers receive their supplies, and we cannot, therefore, without great trouble, give the statement as it applies to gum-diggers only. In regard to the drain at Long Gully and the other drain through Flax-mill Swamp, our arrangement with the gum-diggers is that they are to drain these swamps, and in return receive the sole right to the digging and the removing of the gum to the expiry of our lease in 1901. The drain at Long Gully, being dug by Austrians, a mile and a half long, consists of cross-drains: area of swamp, 1 mile long by 300 yards wide; depth of drain, 8 ft.; width at top, about 10 ft.; at bottom, about 6 ft.; number of men in party, twenty-two. The drain at Flax-mill Swamp is about a mile and a half long: area of swamp, same as Long Gully; drain, 5 ft. by 4 ft. by 2 ft., running smaller at top of the swamp. These swamps are given over to those who are draining them for the term of our lease, subject to the usual conditions, we to protect them from encroachment by other diggers not being of the party. The number of men in this party is twenty.

Extracts from the evidence given by Richard Mitchelson, of Dargaville, before the Gum Commission in 1893: "I am a settler and storekeeper at Dargaville. I am one of the firm of Mitchelson Brothers. I am sole manager of the gum business. We hold several blocks of land: Kaihu Nos. 1, 3, and 4, about 40,000 acres, of Mr. Nimmo; Kaihu No. 1A, about 2,400 acres, held of Mr. James Trounson; Kaihu No. 2, 9,800 acres, of the Natives; Opanake, 7,130 acres, of the Natives. The rent is now: Nimmo, £1,000; Trounson, £40; Kaihu No. 2, £125; Opanake, £125: total, £1,290. I have five stores on the gum-lands. We estimate the total number of diggers on our ground to be 619—namely, 267 Austrians, 225 British and other nationalities, 127 Maoris. The last item is only approximate, including men, women, and children. The Maoris work, on an average, about four months in the year. The others are all, so far as I know, gum-diggers only, at present. At times there may be settlers among them. I can supply the Commission with a note of the total gum obtained on our ground during the last six months. No rent, royalty, or license-fee is directly charged for digging on our land. We fix the price of the gum at as much below the outside price as it is necessary to cover our rent. Our price may range from about 1s. to 5s. a hundredweight below the outside price. The diggers are compelled to deal at our stores. I do not think that in consequence of this they bring the gum in a less cleansed condition than others. The Austrians clean the gum as well as others, and I think they get out a little more. They are paid according to the quality and cleaning. They are not specially told how much is taken off the outside price. We are guided by the advices wired to us of our sales which take place every week. Very few complaints of our system are made to us. If a man does not like it he goes. I think the wages average as good on our ground as outside. I have in three or four instances given men notice to quit under the agreement. I have done so when a man persists in getting stores elsewhere. The quality of our gum is mostly ordinary and below. The whole cost of sending our gum to town, excluding the getting it in from the ground, would be £1 13s. (the cost of bringing it from the ground to the station is £2 per ton). The cost of transit is higher here than on the East Coast, where there is only one shipment by reason of the steamer and railway-fare. Our prices for provisions are: Potatoes, 8s. to 12s. per hundredweight, according to season; flour, 15s. to 17s. per hundredweight (in 50 lb. bags); tea, 2s., 2s. 6d., and 3s. per pound; sugar, 4½d. to 5d.; coffee, 2s.; cheese, 8d. to 10d; meat, 15s. a dozen tins, or 1s. 4d. a tin; jam, 7d. to 10d. a tin; Nestle's preserved milk, 9d. to 10d. and 1s.; tobacco, 6s. per pound; matches, 2s. a dozen; bread, 4 lb. loaf, 10d.; rice, 4d. and 5d. per pound. All these articles are of the best qualities, and the variations in price are on account of the positions of the different stores. The goods are delivered at the wharves, and the gum fetched, as a rule. We employ no diggers on wages. I do not think I have heard the term "truck system" applied to our system until quite recently, except in Mr. Dargaville's paper. Our accounts are quashed when the gum