

and business sites, and that a very appreciable improvement in the town would result. No further lands in the township should be disposed of under the Mining Act, but all unallotted sections should be dealt with under the provisions of the Land Act relating to town lands.

With respect to the several matters into which we were instructed to inquire we have the honour to report as follows :—

- (1.) *Whether the past administration of timber areas under the provisions of the Mining Act and the regulations thereunder has been in the best interests of the State.*

With regard to timber within Land Board timber areas and Warden's timber areas which have been dealt with by the Warden under the regulations under the Mining Act, we are of opinion that the State has not in all cases received an adequate return, as royalty has been paid only on the quantity off the saw, and the rate of royalty on some classes of timber as fixed by these regulations is too low. Timber on land outside these areas has been dealt with under the regulations under the Land Act, but excessive time for removal has in some instances been allowed, with the result that settlement has been retarded.

- (2.) *Whether the existing dual control of the same by the Mining Warden and the Land Board should be abolished, and whether the Land Board of the district should alone deal with all applications for the sale of timber.*

We are of opinion that a divided control of the timber is desirable only to the extent that the Warden should administer that set apart for mining purposes, all timber not so set apart being dealt with by the Commissioner of Crown Lands. The special regulations under the Mining Act for the disposal of timber should, however, be revoked, and all timber dealt with under the regulations under the Land Act.

- (3.) *Whether it is desirable to continue the existing classification of timber areas as (a) Warden's timber areas, and (b) Land Board's timber areas.*

The existing classification of timber areas should, we consider, be abolished, and in lieu thereof suitable areas set apart to provide the timber required for mining purposes.

- (4.) *Whether the existing tenures under which land in the Hauraki Mining District and Te Aroha Township can be occupied are satisfactory and in the best interests of settlement.*

The tenures at present provided for the occupation of land for settlement purposes are not such as to promote settlement to the fullest possible extent. The land to a large extent is somewhat rough and light in quality, and a very considerable outlay will be required to bring it into a reasonably productive state. In order to induce persons to expend the necessary capital the best possible tenure, free as far as possible from restrictions, should be offered. As regards a large proportion of the district the restrictions now imposed might be removed without detriment to mining interests.

The tenure available for lands in the Te Aroha Township—that is, licenses under the Mining Act—are extremely unsatisfactory; and as the probability of payable gold being found in the locality is at least very remote, it is not considered advisable that any further lands should be dealt with under this tenure. Our recommendations for amendment of the statutes will permit of the freehold being acquired of land at present held, and for the disposal of the unallotted sections under the ordinary provisions of the Land Act.

- (5.) *To what extent, if any, it is desirable to amend the said tenures, having due regard to mining and other interests.*

We recommend the following amendment of tenures :—

- (a.) That the fee-simple acquired of land at present held under pastoral license shall be subject to restrictions as to mining only in cases