

The sample forwarded to Dr. Maclaurin was a fair average sample of the peat taken from a swamp near Waipapakauri, and was made up of equal parts taken from the surface to the bottom of a hole 10 ft. in depth. It will be seen that Dr. Maclaurin gives it as his opinion that distillation of the extracted peat would not be commercially profitable, but that the extraction of kauri-gum alone should yield a fair profit. From my own knowledge and experience I think it may probably be found, as a result of further investigation, that the main value of the kauri-peat deposits lies in the kauri-gum which may be recovered from the swamps and extracted from the peat and the timber contained therein by scientific processes.

Serious Damage to Gum Lands by Fires.

In the report of the Royal Commission before referred to special attention was directed to the serious damage being caused to the gum lands by the indiscriminate lighting of fires by diggers and others. This pernicious practice still continues, and during the past summer extensive fires have been raging throughout the gumfields, and have done irreparable damage to large areas of valuable gum lands. It is difficult to estimate the damage by fires during the past season, but it is well within the mark to say that the amount of the damage and the value of kauri-gum destroyed would run into thousands of pounds. These fires are often started by the diggers themselves to burn off the scrub and rubbish so that the gum may be the more easily recovered. The seriousness and extent of the damage makes it imperative that immediate action should be taken to deal effectively with this matter.

FINAL REMARKS AND RECOMMENDATIONS.

Up to the end of the year the value of the gum on hand, including purchases and the gum resulting from the face-digging operations, amounted to over £8,000, and since then this amount has been very considerably increased. Having regard to this fact, and to the general development of our operations, it is now essential that steps should be taken at an early date to get into direct communication with the consumers of the world, with a view to opening up markets for the gum. As you are aware, this matter has already received much consideration, and it is hoped before long arrangements will be made to give practical effect to the proposal. It was pointed out in an earlier part of this report that the kauri-gum trade was not a New Zealand business in the ordinary sense at all, but a business depending almost entirely upon foreign influence for its progress and management, and this notwithstanding the fact that in respect to this commodity—kauri-gum—New Zealand possesses an absolute and unique monopoly.

Another important fact which I now wish to emphasize is that in this monopoly the State is far and away the largest shareholder. The truth of this statement becomes apparent when it is pointed out that more than half of the productive gum lands of New Zealand is still owned by the Crown. I think, therefore, that the time has arrived when it becomes incumbent on the State to take such action as will result in the adoption of better methods in connection with the production, export, and sale of kauri-gum, so as to ensure to those engaged in the industry the highest reward for their labours, and to the State an adequate return for the wealth derived from its gum lands.

I have, &c.,

R. P. GREVILLE,
Kauri-gum Superintendent.

James Mackenzie, Esq., I.S.O.,
Under-Secretary for Lands, Wellington.

APPENDIX.

COPIES OF FORMS USED IN CONNECTION WITH THE PURCHASE SYSTEM.

LANDS AND SURVEY DEPARTMENT.

Kauri-gum Office, Warwick Chambers, 6th April, 1915.

FROM this date all gum purchased by the Minister of Lands is to be graded as follows:—

White Gums.

1. White range, rescraped.
2. White range, three-quarter scraped.
3. White range, nuts.

White Swamp Gums.

1. Hard swamp (over 1 in. sieve).
2. Medium (over 1 in. sieve).
3. Swamp-nuts (over $\frac{1}{4}$ in. sieve).

Black Gums.

1. Steel, three-quarter scraped.
2. Ordinary black (over 1 in. sieve).
3. Nuts (over $\frac{1}{4}$ in. sieve).

Bush Gums.

1. Pale.
2. Medium.
3. Nuts.

Chips.

1. Ordinary white (over $\frac{1}{16}$ in. sieve).
2. Diggers' chips (white) (over $\frac{1}{16}$ in. sieve).
3. Ordinary black scrapings (over $\frac{1}{16}$ in. sieve).
4. Diggers' chips (black) (over $\frac{1}{16}$ in. sieve).
5. Swamp-chips (over $\frac{1}{16}$ in. sieve).

All gums must be well washed and thoroughly dried.

R. P. GREVILLE,
Kauri-gum Superintendent.