

great difficulty. The necessary provisions could be made by regulations. Each local body would be entitled to the revenue derived from its district, less administration charges.

We suggest that before such moneys are handed over to the local bodies, proposals setting out the scheme for expenditure of the same should be approved by the Commissioner of Crown Lands, that the procedure adopted in regard to the expenditure of "thirds" and "fourths" under the Land Act be followed as closely as possible, and that consideration should be given to the claims of hospital and charitable aid for a proper contribution of the money so derived.

(12.) *Whether it is advisable, in the event of the Commission recommending the imposition of such royalty or taxation, to apply part of the revenue so raised to research work in connection with the kauri-gum industry.*

While we regard it as of the utmost importance that the recommendations made under clause 9 of the order of reference should be given effect to with as little delay as possible, we are strongly of opinion that financial provision for such research work should be made from the Consolidated Fund, and not from the revenue derived directly from the industry.

SAND-DRIFT.

Although a question outside our order of reference, we feel called upon to draw attention to the serious encroachment of the sand-drift in the far North. It is a matter of urgent necessity that measures should be taken to stop the drift, which if left unchecked, threatens to cover large areas of valuable swamp land.

Although the drift is general throughout the far northern peninsula, extending from Kaitaia to Parengarenga, it is most serious in the stretch of country lying between Waipapakauri and Houhora. A few miles south of Houhora the valuable Motutangi Swamp, above referred to, is seriously threatened by the sand-drift.

We strongly urge that the good work which is now being done in sand-dune reclamation on the Kaipara and Waipu coasts by the Lands Department should be extended, and plantations started this season near the Motutangi Swamp, and to the south of it.

SUMMARY.

The principal recommendations in the previous parts of our report may be here summarized as follows:—

(1.) That it is advisable that there should be a standard grading of kauri-gum for export, and that a Government grader of kauri-gum be appointed.

(2.) That at present there should be no interference with the particular grades put up by merchants for export.

(3.) That it is not at present desirable to compel an exporter to have his gum graded or classified by the Government grader.

(4.) That it should be made unlawful to export kauri-gum having mixed with it any other gum, or any material not naturally associated with kauri-gum in the soil.

(5.) That as soon as it is deemed practicable a regulation should be made fixing the limits of dirt and foreign matter in gum which may be exported without a special permit.

(6.) That the State should not monopolize the export of kauri-gum, but should exercise the measure of control over such export recommended in this report.

(7.) That the methods of recovering kauri-gum from the gum-bearing soils should be improved—

(a.) By lessening the cost of digging and handling the swamp material before treatment:

(b.) By the introduction of small washing plants capable of being operated by two or three men, instead of the primitive tub methods at present in use:

(c.) By the introduction of more efficient methods of separating the gum from the large amount of dirt and foreign matter usually associated with it:

(d.) By the general use of the MacLaurin or other equally efficient process for the separation of the dirt and foreign matter from the gum.