

are used in the manufacture of certain grades of ordinary varnishes. Others are unfit for use in the manufacture of oil-varnishes.

“The Damar gums are unsuitable for oil-varnishes, being only employed in the manufacture of spirit varnishes, and do not come at all into competition with kauri-gum.

“Kauri-gum commands a supremacy in the market. There is, however, a shadow to this pleasant picture, for the excessive production, stimulated by the ever-increasing demand, is, without doubt, rapidly exhausting the known sources of the supply. If it were not akin to heresy in these days to make such a proposition, one would be inclined to suggest that the New Zealand colonists should place an export-tax on the gum. No other gum could take its place, from a peculiarity which it possesses (entirely its own) of assimilating with oil more rapidly, and at an easier temperature than any other gum. The Manila gums, it is true, enter largely into competition with kauri; but, as we have already stated, they are treacherous in use, and mostly contain strong acids and other objectionable substances, thereby upsetting all theory and practice, and resulting often in injury to the manufactured article, and consequent regret to those who use them.

“Kauri-gum is extensively employed by the leading manufacturers in every country where varnish is made. This universal favour we by no means attribute to the superior results to be obtained by its use, but rather to the fact that it is easier to manipulate—that is, it unites with linseed oil quicker, and at a lower temperature, than any other gum. It is probable that the essential oil it contains acts in the fusing process as a solvent, hence, less heat being necessary, carbonisation is minimised, and a relatively paler varnish is the product.”

This opinion of the high reputation and clear supremacy of kauri-gum for varnish purposes is confirmed both by the statistical return referred to at page 4, and by the bulk of the evidence which we have taken. The latter goes to show that, so long as kauri-gum can be supplied in the open market, the samples of it which are of good ordinary quality have little to fear, either from the scant supplies of the costly Zanzibar (gum animé), or from the various sorts of copal, Manila, New Caledonian, &c., which, even when so similar in appearance to kauri as to be distinguishable only by the smell, are worth only one-half or one-third of the value of the latter. We have had the evidence of two professional varnish-makers, who both assert the very decided superiority of kauri, either in respect of its qualities of melting at a lower temperature, or in other ways adapting itself to the purposes of the manufacturer, as well as in the excellence of the varnish produced from it. But it may be different with regard to the inferior qualities of kauri. We have had evidence to show that there may be reason to apprehend a successful competition with these grades on the part of Manila or other gums. In support of this opinion some facts have been alleged. One witness, who has been already quoted, and who is in direct communication with the varnish trade in America, says that in that country “Manila is now competing and running the lower grades of kauri out of the market;” but we have had no corroboration of this statement from any other source. Another witness, who may be deemed an authority on the continental markets of Europe, says that in those markets Manila is, so far as the lower classes of varnish are concerned, a formidable rival to kauri, which, however, has never found its way in any large quantities to the German market. The same witness states that further competition is threatened by a new gum from Madagascar, and he has been advised that a sample of that gum, of a quality corresponding to No. 1 rescraped kauri, has realised a price exceeding the latter by 10s. a hundredweight—that is to say, £8 10s. as against £8 for the kauri. But this high price would seem to place the gum referred to more in the position of Zanzibar than of a formidable rival to kauri.

These facts and statements will require consideration in connection with the proposal lately much discussed and ventilated—to impose an export duty on kauri-gum, in which connection we shall have occasion to refer to them again.

From the consideration of the trade, as it concerns the shipper and the foreign consumer, we come to that of the industry as concerning the gumdigger himself, as well as the storekeeper and the settler—the classes with whom he comes more immediately into contact. Appended to this report will be found a statement of the total number of diggers, so far as we have been able to ascertain it; and, if our information is correct, it will appear that a somewhat excessive estimate of this item has been made in many quarters.

These men dig gum either upon Crown lands, or Native lands, or lands belonging to private owners. For the privilege of digging upon Crown lands the regulation license fee is 5s., and in the case of State forests 10s.; but the former fee has practically fallen into disuse, the proceeds not being adequate to the cost and difficulty of collecting it under the present system. In connection with this subject we observe that the Surveyor-General, in his annual report (page 6), speaks of the present system of gum licenses as unsatisfactory, and he awaits some recommendations from us on this subject, which will be again referred to. It may, however, be here mentioned that the total license-fees collected for the year ending the 31st March, 1893, was only £83 10s. Upon much private land belonging to absentee owners digging goes on without let or hindrance, and with a total disregard of the rights of property; but, upon most of the lands in the hands of owners other than the Crown, digging is only allowed upon certain conditions, on payment of a certain sum, or upon compliance with both these alternatives. These payments and conditions vary upon different leases held by different owners. In some cases there is a money payment for license to dig, and the digger is not bound by any condition as to where he shall take his gum for sale; in others he is required to sell his gum to the owner of the land; and sometimes he has to sign an agreement by which he acknowledges himself to be only a bailee of the gum that he has dug, which is equivalent to an admission that the act of selling it elsewhere would amount to larceny. A copy of the various agreements which are thus made will be found in the Appendix to the evidence; and a synopsis of the principal stipulations will be appended to this report.

It is, of course, manifest that the digger who works on private land subject to these conditions is not in the same position of freedom as the man who gets his gum on Crown land. The latter can take the product wherever he thinks he will get the best price for it; the former is practically