

Mr. R. Helden, secretary of the Waihopo Branch of the same union, also supplied the following prices of gums dug in Waihopo, together with samples of the various gums referred to :—

	Per Cwt. s.
Best black gum .. .. .	100
Good black gum .. .. .	86
Ordinary black gum .. .. .	36
Nuts .. .. .	16
Mixed chips .. .. .	10
Chalk gum .. .. .	10

4. *The Number of Firms in Auckland and Elsewhere in New Zealand handling Gum.*—It is difficult to say what the precise number is, but I should say fifty.

5. *The Quantities of Kauri-gum sent to England, the United States, and other Countries.*—The largest export to Europe was in 1899, when the quantity totalled 5,347 tons. Last year the export was only 2,925 tons. This year, up to time of exporting, has shown a decrease of about 290 tons as compared with last year. Following are the figures for last five years :—

	Tons.
1903 .. .. .	4,118
1904 .. .. .	3,542
1905 .. .. .	4,377
1906 .. .. .	3,988
1907 .. .. .	2,925

Last year 5,372 tons was exported to the United States of America. This year shows a remarkable falling-off: decrease, 2,500 tons, which represents the enormous decrease of 50 per cent. The exports for the last five years are as follows :—

	Tons.
1903 .. .. .	5,257
1904 .. .. .	5,127
1905 .. .. .	5,743
1906 .. .. .	4,711
1907 .. .. .	5,372

A considerable quantity is exported to Germany, other countries in order of magnitude being Canada, France, Austria, and Holland. Small quantities are also exported to the Commonwealth and the Fiji Islands.

6. *Total Quantity of Gum exported per Annum.*—About 9,000 tons. Of this, 8,250 tons, approximately, is exported to Europe and the United States of America.

7. *Approximate Value of Gum exported from New Zealand per Annum.*—Reckoning the value of gum at from £55 to £60 per ton, a fair estimate would be about £475,000 per annum.

3. *Who are the Immediate Buyers of Gum from the Diggers.*—Generally the storekeepers in the vicinity of the gumfields. Diggers say they must sell in this market, as they get lower prices in Auckland than on the fields. The suggestion is that there is a ring or understanding between merchants and storekeepers to force diggers to sell to the latter.

9. *By what Channel is Gum exported.*—Usually to London direct, and thence to New York, Germany, or Austria; occasionally to the two latter countries *via* Sydney.

*Export Duty on Unsorted Gums.*—In the event of Government not seeing its way to establish standard grades, exporters and sorters think all unsorted grades should pay export duty, and I recommend the imposition of a duty of, say, up to £10 per ton on all unsorted gum over £40 per ton in value.

*Information asked for by Storekeepers and Diggers on the Commercial Aspect of the Gum Industry.*—Certain questions were put as to the actual consumers of kauri-gum in Great Britain, the United States, and Canada, and also as to the uses to which the gum is put in these countries. I was not in a position to answer these questions, as, to do so, one should have travelled through these countries to gather the necessary information on the spot. On pointing out to the diggers that the obtaining of this information would involve a large outlay on the Department's part in connection with the salary and travelling-expenses of such a representative, the diggers stated they were quite agreeable to pay an export duty of £1 per ton on all gum exported; and, as the yearly export exceeded some 8,000 tons, the revenue therefrom should not only provide for the expenses of such a representative, but should be more than ample to pay for a grading staff.

*Cost of Necessaries of Life at the Fields.*—Considering cost of transit, &c., the cost of groceries, &c., may be regarded as fair.

*Grading, and Appointment of Gum-graders.*—I consider that the most important point in connection with the industry is the want of uniform grading. The lack of such a system is responsible for the multiplicity and the fluctuation of prices, the dissatisfaction and uncertainty among British and American buyers, and also the weakening of the average price of samples of New Zealand gum. The adoption of a system of compulsory grading of all gum before it leaves the Dominion would be the remedy for most of the evils at present attaching to the industry. The Auckland merchants have strong objections to grading, but, nevertheless, a standard system would place the industry on a sound business footing, bringing it up to the level of other graded products such as flax, butter, &c. I emphasize most strongly that compulsory grading is absolutely vital to the industry: the Government should standardise the industry by standardising the gum.

The storekeepers, diggers, and sorters are all in favour of Government grading under conditions somewhat similar to those under which butter is graded. I recommend that the Government employ a grader in Auckland to inspect the gum before shipment, and also that a grader be stationed in London, whose duty it would be to see that nothing but pure kauri-gum was sold at the auctions as kauri-gum. There should be a grader in New York also.