

Of late years great dissatisfaction has been expressed by both British and American buyers as to the large percentage of foreign matter in the lower gradings known as "chips" and "dust." During a period when gum is in poor demand the diggers generally send in their gum well cleaned up, and each grade good of its kind. Those who do not, find it difficult to make a sale, and then only at comparatively low prices. The result is that many diggers leave the gumfields for other callings, and others hold their gum for a more favourable market. Some diggers, especially men of the Dalmatian race, have held gum for years, and it has invariably paid them to do so, so long as the market is quiet and the exporter can pick and choose. Even where he cannot buy at the price he would like he can at least obtain the grading he wants and keep his shipments well up to sample. The moment a good demand sets in there is a great difference. The digger considers it is then his turn. The lower prices have reduced the output, and the number of diggers has also lessened. Usually, when gum is wanted by exporters it is wanted badly, and orders have to be filled within a time-limit. There is no chance then to pick and choose: it is simply a question of buying what is offering. The exporter has very little command over the quality, for the time being, of the gum coming forward. Diggers who have been holding gum will deliberately mix in poorer lots. Many diggers, and not a few storekeepers and dealers, openly boast that during boom-times they shovel earth into their holdings of chips and dust, and sell just as freely, although at a reduced price compared with other lots. With the increase in "rubbling" methods, this way of doing business is more likely than not to increase. So long as one or two exporters will purchase low gradings, other exporters have to meet competition by handling similar lines.

As matters stand at present, a premium is really placed on poor gradings of chips and dust. The difference in price does not pay the digger who sends in clean chips during busy times. It is quite a simple matter to distinguish a good grading from a poor one, but in very many cases few, if any, gum-buyers could undertake to name the actual gum content of poor grades to within 10 per cent. This is especially so in the case of dusty samples. The fact that a buyer is as likely as not to be under as over the percentage is a great help. In taking over a quantity of chips from several sellers a buyer may average very close to the actual gum content, and undoubtedly often does so. The position was clearly shown in the evidence of the exporters, dealers, and brokers, given before the Royal Commission in 1921. It was extremely difficult to get any witness to speak of the gum content of the lower gradings he handled. The lack of ability to offer any details of tests applied to keep the lower gradings up to any particular standard was indeed remarkable. The general statements made covered a very wide range, and the evidence of some of the exporters in regard to gum contents of chips and dust flatly contradicted that of other exporters on what should have been matters of fact.

The position really is that "rule-of-thumb" methods mostly prevail. If no complaints come forward from abroad, then it is thought good business to leave well alone. With the exception of one or two witnesses who professed to know nothing whatever about low gradings of chips and dust, the exporters freely admitted that gradings containing a very large percentage of foreign matter had been exported. Some of the exporters took up the position that it was the business of the buyer abroad to know what he wanted and to see that he got it. If he wanted 100 per cent. of earth, they were quite willing to ship it, provided that payment was forthcoming. Others took up the stand that the shipping of low grades of gum was damaging the industry as a whole, and would eventually lead to kauri-gum being superseded by other resins in the linoleum industry.

On the question of a standard grading the exporters mostly took one side and the dealers and producers the other side. The exporters considered standard grading an impossibility, and disposed of it on that ground alone. The other parties, while admitting that their experience did not entitle them to say whether standard grading could be carried out, urged that it could at least be given a trial, especially in view of the manifest advantages accruing to the producer should such a grading become general.

The advisability of standard grading was most carefully considered by the Royal Commission, of which I was Chairman. The Royal Commission, which was appointed in 1921, and was constituted as follows—R. P. Greville, R. Coates, F. L. Gribben, E. J. Niccol, J. Nicholson, F. P. Worley, and M. H. Wynyard—was widely representative of the industry. One of the members was an Auckland exporter, another member was a practical digger representing the producers, whilst a third member was interested in one of the large gum-washing companies then operating, and had first-hand knowledge of the industry from the viewpoint of the large producer. Professor Worley, Professor of Chemistry at the Auckland University College, was also a member of the Commission, and his valued assistance in regard to the technical side of the grading question cannot be too highly referred to. It can therefore be understood that the matter was argued from every point of view by men well entitled to speak with authority on the question.

It was considered by the Commission that a Government grading should be inaugurated, and a recommendation to that effect was made, with the proviso that it was not desirable at present to compel an exporter to have his gum graded or classified by the Government grader. It was also recommended that a regulation should be made fixing the limits of dirt and foreign matter which could be exported in gum without a special permit.

These recommendations of the Commission were given further consideration by the Government, and a schedule drawn up embodying what appeared to be a grading such as the Commission had in mind. This schedule was, of course, not intended as final, but only as a basis for discussion. Copies were supplied to the exporters for consideration, and a meeting called at a later date to deal