

9. The decision of the Grader as to the quality, condition, or the grade of any kauri-gum shall be conclusive, and no action or other proceeding shall lie against the Grader, or against any other officer of the Crown, or against the Crown, in respect of any erroneous decision by the Grader as to such quality, condition, or grade.

10. Application for grading shall be made by the owner to the Grader, giving written particulars in or to the effect of the form numbered 1 set out in the schedule hereto, and such application shall be made not later than three days, if possible, before the grading is required to be done.

11. (a.) No kauri-gum shall be graded unless it is submitted to the Grader cased or bagged, as the case may be, and ready for shipment.

(b.) For the purpose of examination and grading the Grader may take samples of the contents of any or every package submitted to him for grading, or he may require the owner to cause any or every such package to be opened and samples of the contents thereof to be produced for his examination (and such grading shall be determined by the Grader upon opening at least 10 per centum of such packages, or such further number as he may deem necessary).

(c.) All such samples taken or produced for examination shall be retained by the Grader on behalf of the Crown for a period of six months from the date of the Grader's certificate, and at the expiration of that period shall be returned by him to the owner.

12. Immediately on receipt by the owner of the bill of lading of any kauri-gum in respect of which a Grader's certificate is issued hereunder a duplicate of such bill of lading, marked "Not negotiable" and signed by the shipowner, shall be forwarded by the owner to the Grader.

13. No person shall empty or partially empty or otherwise interfere with any package of kauri-gum in respect of which a Grader's certificate has been issued, for the purpose of placing therein or substituting any other kauri-gum or other material.

14. No person shall counterfeit, alter, or obliterate, wholly or partially, or cause to be counterfeited, altered, or obliterated, any particulars set forth in any stamp or certificate affixed or issued by the Grader hereunder.

15. All information gained by the Grader in the discharge of his duties with respect to the methods of owners in grading their stocks of kauri-gum shall be deemed to be confidential, and he shall be required to make a declaration to the effect that he will not disclose to any person any such information.

16. Any person committing a breach of these regulations is liable to a penalty not exceeding £100.

On several occasions of late this Department has been approached by large producers with the idea that shipments abroad should be sampled by the Department, and a certificate given as to gum content to show that shipments are being made up to an agreed-on standard. This will, of course, enable the large producer to get into closer touch with the actual user, and it is possible that such action would force something in the nature of a standard grading in the case of low gradings upon all exporters.

Since the Government grading is for the meantime shelved, there appear only two solutions of the difficulty in regard to chips and dust. Either the Auckland exporters will have to agree amongst themselves not to buy consignments containing less than some fixed percentage of gum, or else the users and dealers abroad will have to demand a guaranteed gum content before making a purchase.

In actual practice it would be found very difficult for the exporters to refuse to buy the lowest gradings when it suited them to do so. Chips and dust are blended rather than graded. If an exporter considers his stock to be better than his sample, it is only natural that he should purchase a lower grading at a lower price to average down his stock. If chips and dust are ever exported on a guaranteed gum content, there will surely be times when the lowest gradings will sell as well as they do to-day. The exporter will have to be sure he is not shipping below the test, and he will make sure that he does not ship unduly above it, as very often happens at the present time.

The remedy, therefore, appears to rest with the user. It is really he who is complaining the most. There is no reason why he cannot get chips and dust gradings as high as 90 per cent. real gum. It is only a question whether he can afford to use such a line at the price it would cost him. The Maclaurin salt-vacuum process can turn out chips and dust from the lowest gradings that could be guaranteed over 95 per cent. real gum. Some of the washing plants can turn out common chips and dust with from 80 per cent. real gum. The prices offered for such lines, compared with the prices for lower grades, apparently have not made them a payable proposition. The extra cleaning required not only means a higher labour-cost, but quite an appreciable percentage of the gum is broken up and passes with the earth through the screens. At bedrock, chips are sold more on appearances and not strictly on gum content; otherwise the very highest gradings of chips would be readily saleable for mixing purposes.

There is no doubt but that the Auckland exporter has very good reasons for fighting shy of selling on a gum-content basis. He usually draws against the shipment as soon as it is on board ship; but practically all the evidence, in the case of a claim, is at the other end. An experience this Department had furnishes a good example of what some of the exporters allege they have to stand up to. A line of chips and dust was shipped to London against a sample held by the High Commissioner in London. After delivery the buyer forwarded certificates to show that the gum content of the sample was 25 per cent. higher than that of the delivery. A claim for a considerable amount was lodged. Later, both the original sample and a sample taken from the delivery were tested by an independent analyst, and found to agree to within 1 per cent. Needless to say, very little more was heard of the claim. The gum in this case was sold by one middleman to another, the actual user apparently not figuring in the transaction at all. It is apparently business of this kind with dealers that causes the trouble. If the dealer or user wishes to buy in terms of gum content it will be little use unless he arranges definitely beforehand the test to be applied. In the case quoted above there is no doubt but that the difference of 25 per cent. in gum content was correct; but it is equally apparent that the sample was submitted to one test and the delivery to another.

While the manufacturer has in his employ skilled chemists who could probably make any known test with great accuracy, the gum-exporter at Auckland is not so fortunately situated, and he could not afford to employ a chemist to make a series of continual tests for him. There is, however, available to any one interested the Maclaurin salt-vacuum process. A small testing plant is not costly, and tests can be made at almost no expense and in a comparatively short time. Furthermore, the average layman, with a little experience, can make tests quite sufficient for ordinary commercial