

reason for them to settle here as there would be for Europeans from more northern countries. I have only met two of these Austrians, but I have heard they are exceedingly hard-working men. I should say they undoubtedly are a desirable class of settlers. I am not aware of any reason why they should not settle, except that they have a very good climate in their own country. I understand they come from the Mediterranean coast—Dalmatians. I have absolutely no information as to any of them coming on contract. From all I have heard, I think they come of their own free-will. I do not know whether they bring their wives and families. The effect of an export duty on kauri-gum would depend very much on the amount of it. A £5 duty would be ruinous, I should imagine—ruinous to the digger. He would have to pay, undoubtedly. I have no information of the cost of the kauri-gum, say, on a gallon of varnish. In saying what I said—that the gum-digger would have to pay—I looked at the fact that the price of kauri-gum is affected by the price of other gums that pay no export duty. You cannot get £5 a ton more for kauri-gum in London simply because you ask £5 a ton more for it here. Occasionally the increase in the production of gum has resulted in a reduction of the price. Twenty years ago the prices were lower. The quantity has doubled, but I do not think the price has doubled. Kauri-gum is certainly more widely used. Forty or fifty years ago it was unknown, and it is not an easy thing to introduce a new material, especially in such a conservative trade as the varnish trade. I should say it had been fully introduced twenty years ago. The production was then perhaps about 3,000 tons a year. The prices used to fluctuate more violently twenty years ago than they do now. I think the average price of gum then was from £30 to £40 a ton. Now the production is 8,000 tons it is £40 to £50. I consider Manila gum has a constant effect upon the price of kauri-gum. As to its not having prevented an advance in the production of kauri-gum, the trade of the world has been growing all these twenty years. If there had been no Manila there would have been a larger demand for kauri-gum. In reference to kauri-gum more readily assimilating with oil, I can only repeat it is simply a question of cost. As to any exhaustion of the gumfields, twenty years ago people talked about that as an immediate thing, and they talk of it in the same way to-day. I understand it is more difficult for the gum-digger to get the same quantity of gum now than it was many years ago in the same time. Some people undoubtedly think we are within measurable distance of the exhaustion of the fields. No doubt the time will come when it will not be worth the digger's while to look for gum, but when that time is coming I cannot say. As I have said, twenty years ago people said the fields were exhausted, yet the production to-day is greater than it was. As to the depth at which gum can be got, that would depend a great deal on the nature of the soil. On open land, where the land is pretty level, the gum is not at a great depth. But in swamps, and where there has been landslips, it is often found at very considerable depths. A kind of gum got from trees does not rank so high as a gum got from the soil. It is not so hard. The colour is often better, and it fetches a very good price. My impression is that if there were a duty of £5 the digger would get £5 less for his gum. If a small duty, say, of £1 a ton, were imposed it would be very difficult to say who would pay it; in fact, it would not matter. But in the first instance, at all events, with a duty of £5 a ton, I think the digger would have to pay it. Such a duty would realise about £800. I have travelled over the roads in the North some years ago. There are some good roads there, but not many most of them are merely tracks. I do not suppose the gum-diggers pay any road rates, but Mr. Mueller would know better than I. I do not know where the money comes from to make the roads. The diggers pay a very heavy share of Customs duties in spirits and tobacco. I consider that through the gumfields we have never had to ask the Government to institute relief-works. I am not prepared to say the gum-diggers should be further taxed for the maintenance of roads. This part of the colony derives a very substantial benefit from the existence of these fields, and to tax the digger seems to me to be like taxing the poorest, or one of the poorest, sections of the population. The presence of the digger is a help to the settler, by making a market for and consuming the produce of the settler. If there were a small export duty it should be used for the roads; it should be strictly confined to the one use. My idea of a reasonably small duty would be £1 a ton. Certainly it should not exceed £2 a ton. I do not think a small duty would do much damage, but certainly a higher tax would be injurious to the gum-digger. As to a license-fee, it has been tried, I believe, in certain cases. On certain Government lands the diggers are obliged to take out a license and submit to inspection. We (my firm) obtain our gum over the whole district—from Kaipara, Bay of Islands, Whangarei, and so on, and then down the west coast."

*William Robert Walker*: I am a gum-buyer, commission agent, and sharebroker. At one time I was in the commission business entirely. Now I am in partnership with Mr. Ruddock, and we carry on both businesses. I have been a gum-buyer since a boy. About three years ago I visited England, and I saw how the gum trade was carried on there. The brokers put up the gum to auction once a month, and the auction is attended by representatives of the dealers in England and representatives of the dealers on the Continent. I know nothing of any combination of buyers. Our experience in shipping gum was very unfortunate. We went out of the business with a loss of £4,000, and I think that has been the experience of almost anybody who has sent gum to London. As to the reason, I can only say that the nearer the market is to the source of supply, as a rule, the price is relatively higher. There is a relatively higher market in the country than in Auckland, higher in Auckland than in London, and in the ultimate market in London the competition is least keen of all. That is a very curious thing. Another branch of the trade is to purchase gum here on commission for dealers in London, and that is by far the most healthy branch, and it is tending that way now. People have lost so much money by sending it to London on their own account. At present we are largely employed to buy gum for people in London. When in London I found that the chief competitor with kauri is the Manila gum. It is cheaper than kauri, and the resulting varnish is as good as the lower qualities of kauri, but not so good as the higher qualities. I have no statistics as to the quantity of it coming into London. From my observation I should