

a year, about 90 per cent. of that sum is paid out here. Our firm alone pays from £300 to £400 per month for grading, sorting, &c., and other labour. The gum industry provides a lot of labour here. Had it not been for the gum there would have been a great deal bigger cry from the unemployed during the depression. I believe that, roughly speaking, the trade in gum consists of from 15 to 20 per cent. of other gums, and the rest in kauri-gum. This refers to trade generally.

The following is the evidence given by Mr. Leonard H. Bachelder before the Gum Commission in 1893: "I am a merchant, residing in Auckland. I represent Arnold, Cheeney, and Co. We have large dealings in kauri-gum. It is our principal business. We export about 1,500 tons in the year, almost exclusively to New York. We get a good deal sent to us direct from the country, and we buy a good deal from the brokers. We have storekeepers who send all their gum to us, though they are not bound to do so. The gum comes to us unsorted, and it is sorted and graded by us. We make a good many different grades; we have one standard of grading. The prices paid here range from 8s. or 10s. up to £10 per hundredweight, but the extreme prices are rare. We make fifteen or twenty grades. We pay £2 5s. to £2 15s. for good ordinary, which constitutes the bulk of the business. There is generally gum-dust in the consignments we get. We mix the lots together before we send it. The gum-dust that is taken from the selected lots on the field is sent down separately. If we find more than there ought to be in the parcels of ordinary we make a difference in price. I think the demand for kauri-gum is increasing. I think the gum is deteriorating, by getting smaller and poorer. The prices being high, it now pays the diggers to dig a smaller kind than they would dig when the price was lower. I know of no reason to think we are within measurable distance of the exhaustion of the gumfields. I should think they are good for another thirty years, and I do not believe they will be exhausted then. I think kauri-gum has formidable competitors; there is Manila and Zanzibar. Kauri has very much superseded Zanzibar (Animé), on account of its price. The production of rubber has very much displaced the production of Zanzibar gum. I have been in Zanzibar eight years, and have seen that the case has been so. Manila is the chief competitor of kauri. I suppose it to be a dangerous competitor, but I have no practical knowledge of Manila. I should think an export duty on kauri would be paid by the digger, or, if not, it would stimulate the use of Manila and other gums. The demand for kauri has increased of late years. I think the demand for varnishes has increased. I should think an increase of £5 on kauri would cause a greater consumption of other gums. I think a natural fluctuation of price in the case of kauri would probably be attended by similar fluctuations in other gums. An advance in the price of gums in the foreign markets would increase the price here. I do not think that would, speaking generally, increase the production here; but I think a fall might decrease it, if it were sufficient to make it no longer profitable to dig. I doubt if a fall of even £10 to £15 would have much effect in decreasing the production. I have not seen any material fall in the quantity or price of kauri produced during the two years I have been in Auckland, but rather an advance."

*Henry Edmonds*: I have listened to the evidence which I gave in 1893 before the last Gum Commission, and I still adhere to it. When gum arrives in London I might explain that the buyers there refuse to buy until the distinguishing marks are obliterated. This obliteration of marks is done to prevent the manufacturers obtaining a knowledge as to particular firms supplying gum, when they would make at once their own dealing direct with such firm, and allow the broker to be put in the cold. They do not mix kauri with foreign gums. Different qualities of gum shipped here are mixed together, but Manila gum is not mixed with kauri-gum, as it would be readily detected. I have it stated that the imports into America are some 2,000 to 3,000 tons a year. It is very difficult to get at the price of gum in America, as they do most of their business under cover. On the 13th January, 1898, there were 2,333 packages of kauri-gum as against 2,399 packages of other gums. Manila gum can only compete with our inferior gums. One reason why the kauri-gum exports are so much larger than others is that the facilities in the British colonies for digging gum to put in the market are much better than in the Spanish colonies. I consider if there was supervision over the London market it would be better for the producer of gum and the gum merchant. I think, if an export duty was put on to-morrow, the buyers would meet and consider a reduction in the price of gum.

The following is the evidence given by Mr. Henry Edmonds before the Gum Commission in 1893: "I am a gum merchant in Auckland. I deal solely in kauri-gum. I buy and export to London and New York, chiefly to the former. I also sell gum locally on commission. I have been twenty years in the business. The gum is getting smaller; the cleaning seems to be going out, except for the higher-class gums. A rise in prices does not cause better cleaning on the ground; on the contrary, the merchants would accept an inferior sample. Prices have been very much higher the last two years. I think if we had not had such a wet season a good deal more gum would have been obtained, and many more men employed. This would have led to a fall in price. I believe fully 1,000 more tons would have come into the market in 1892 if the weather had been more favourable. I think kauri-gum has a formidable competition in Manila. The lowering of the freights has caused a good deal more kauri-gum to be put on the markets. I do not know that the Manila from Dutch ports has had the same advantage. About 1856, £15 was given for a gum which was better than what is now fetching £95. I am speaking of London prices. I can furnish statistics of quantities exported and prices in Auckland from 1856, also of the various varnish-gums sold at the monthly auctions in London during 1892. I think an export duty would be a very hard thing for the trade; it would diminish shipments. The trade has to submit to a discount of 2½ per cent., and to reweighing and sampling, which means a loss, and to the obliterating of marks. The brokers insist on the names being obliterated; they do not wish the varnish-makers to know from what particular merchant the gum comes. They will not bid until the name is obliterated. I infer from these facts that it will be impossible to impose an export duty on the London purchaser. The larger quantities of gum afloat now, which are larger than usual, point to a fall in the market about July.