

carriage, now have their price in the quotations. The greater part of the large quantity of gum produced by the Austrians this summer is the dark gum formerly despised. This appears to show that the rivalry of Manilla and other foreign gums is weaker now than in 1893.

26. It is desirable that certain disabilities now felt by colonial gum-merchants and buyers should, if possible, be removed. There is always a certain loss in weight in course of transit, partly caused by the friable nature of the commodity and its escape as dust from the packages, and partly by the gum becoming lighter as it dries and parts with its moisture to the atmosphere. These are legitimate shortages, for which allowance is properly made; but complaint is heard of excessive "sampling" in the London trade—*i.e.*, the removal of the best pieces in considerable quantities from the consignments. This appears to be considered in the Old Country to have become a vested interest on the part of certain agents or brokers. Another cause of complaint is the destruction of marks or brands. It is stated that there is a practice on the part of dealers before auction to destroy all brands or marks on the consigned cases except private marks known to the auctioneer. Sellers of carefully picked and sorted gum object to this, as it lowers the sale-price by their goods being put into lots with inferior articles. The reason offered for the practice is that the London brokers do not care to allow varnish-manufacturers to become acquainted with the names of New Zealand sellers of choice gums, lest they should deal directly with such sellers without the intervention of the middleman. One witness declared that his gum was mixed with stuff of an inferior quality and then put into the cases again. We therefore suggest that, not only for the collection of export duty (otherwise alluded to), but also for the protection of the colonial merchant, there should be officers appointed to grade gum for the London and American markets, precisely as butter is graded for export. The present diversity of sorting affected by each merchant could remain as a private commercial understanding, but would be considered merely as a subdivision of the Government grades. In order to avoid excessive inspection, and the examination of every case of gum, a sworn declaration should be made at the Customhouse as to the quality of each consignment, the grading expert being at liberty to open a case here and there promiscuously as a test, and forfeit the consignment in the event of false declaration. If it were made illegal to remove such Government grade-marks from the cases before the sale by auction it would be greatly to the benefit of the colonial gum-merchant, and prevent any tampering with consignments, and thus bring about a feeling of security between the seller and buyer such as has followed the grading of butter and other products.

27. The gum sometimes imported from New Caledonia to Auckland appears to be of little commercial value, but there is a danger that it may be used in adulterating stocks of kauri-gum. We therefore recommend that an almost prohibitive import duty be placed upon this article in New Zealand, as it appears to subserve no useful purpose at present.

28. Your Commissioners have devoted much thought to the question of how to prevent the sudden and excessive fluctuations of the kauri-gum market, as these have brought much trouble and even ruin on many dealers in the colony, and are causing uncertainty in every branch of the business and to every person engaged therein. The only remedy appears to us to be that of insuring that the production, or rather export, never exceeds the market requirements; but this cannot be satisfactorily accomplished excepting by making the industry a Government monopoly, and by placing it under the control of the administrators of the colony. We by no means offer this as a recommendation, but only present it as a conclusion arrived at—namely, that the excessive fluctuations in the gum-markets can only be obviated by some such drastic measure.

29. Your Commissioners reiterate the opinion expressed by the former Commission of 1893, as to the advisability of placing an export duty on kauri-gum; but with this difference: that we advocate a graded duty. We consider that a duty that would fall lightly on the more valuable qualities of gum would act prohibitively on the export of the poorer sorts now in large demand, and forming the bulk of the present year's output. Such graded duty should take the form of an impost of £3 per ton on the middle quality, rising to £5, or higher, for the more valuable kinds of gum (some of which is worth £200 per ton), and falling to £2 or less on the lowest grade. A simple system of grading into four or five qualities will be sufficient for this purpose, keeping a fixed ratio of value above and below the middle zero-point of £3.

Indirect arguments for the imposition of this duty are to be found in almost every sentence of this report. The spoliation of the Crown lands, the abstraction of the property