

1950
NEW ZEALAND

KAURI-GUM INDUSTRY

(REPORT ON THE) FOR THE YEAR ENDED 31st MARCH, 1950

*Presented to Both Houses of the General Assembly Pursuant to Section 5 of the
Kauri-gum Industry Amendment Act, 1914*

Department of Lands and Survey,

SIR, —

Wellington, 4th July, 1950.

I have the honour to submit herewith the annual report under the Kauri-gum Industry Amendment Act, 1914, for the year ended 31st March, 1950.

I have, &c.,

D. M. GREIG,

Director-General of Lands.

The Hon. the Minister of Lands.

REPORT

The unstable conditions ruling at the close of the 1948-49 kauri-gum digging-season resulted in a loss of confidence in the early part of the 1949-50 season among the reduced number of diggers who were operating, and, consequently, production of kauri-gum for the year ended 31st March, 1950, was lower than usual. The close of the year reflects a better tone and a more hopeful outlook in the industry. A combination of circumstances affecting the price factor overseas, coupled with a greatly increased demand for the small quantities of gum offering, have brought about a sharp increase in the prices being offered as compared with previous years.

The bulk of the production by modern methods is in kauri-gum chips which are used in first-grade linoleums, the higher grades of gum being used in the manufacture of varnish and paint. Present-day prices show an increase for good clean kauri-gum chips of up to £25 per ton on rates ruling at the close of the 1948-49 season. The demand at present is so strong that gum-buyers are willing to negotiate in advance for good-quality gum for the 1950-51 season. This position contrasts sharply with the slow sales and quantities of gum unsold at the close of the 1948-49 and the early part of the 1949-50 season. The following is a summary of prices ruling at the end of the year for various grades of gum, and it is on these prices that buyers have been prepared to place contracts for future delivery :-

Grade.	Price per Hundredweight.	
	Shgs.	Shgs.
Chips	..	Up to 85
Nubs	..	75 to 90
Chalk	..	85 to 100
B. 3	..	90 to 105
B. 2	..	110 to 120
Steel	..	130 to 150

Although the present prices appear to indicate that there is every chance of kauri-gum holding a good market for years, the history of the industry is a succession of booms and depressions and it is therefore difficult to judge what the future holds for kauri-gum. It does appear that good-quality gum will always be in reasonable demand provided an assured supply can be guaranteed. If, however, the manufacturers of linoleum, who at present are showing a preference for kauri-gum, are unable to obtain regular supplies of gum, they may be forced to turn to synthetics.

The soils of Northland still contain large quantities of kauri-gum chips the extraction of which is profitable at present market rates. Exporters and gum-buyers are anxious to see the number of diggers increased to satisfy the present demand for gum, and while many diggers have in recent years established themselves in other industries, notably farming, it is probable that if the present buoyant state of the market is maintained, an increase in the number of diggers can be expected.

During the year ended 31st December, 1949, 1,047 tons of gum valued at £(N.Z.)102,877 were exported as compared with 1,089 tons valued at £(N.Z.)109,802 during the previous year.

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