

1922.
NEW ZEALAND.

KAURI-GUM INDUSTRY

(REPORT ON THE) FOR THE YEAR ENDED 31st MARCH, 1922.

Presented to both Houses of the General Assembly pursuant to Section 5 of the Kauri-gum Industry Amendment Act, 1914.

SIR,—

Department of Lands and Survey, Wellington, 28th July, 1922.

I have the honour to submit herewith the annual report under the Kauri-gum Industry Amendment Act, 1914, for the year ended 31st March, 1922.

I have, &c.,

J. B. THOMPSON, Under-Secretary.

The Hon. D. H. Guthrie, Minister of Lands.

REPORT OF THE KAURI-GUM SUPERINTENDENT.

THE INFLUENCE OF THE STATE DEPARTMENT ON THE LOCAL MARKET.

THERE never was any real doubt as to the necessity for State aid for the kauri-gum industry during the Great War. As time has gone on the real usefulness of the Government Kauri-gum Department has become more manifest. The past twelve months have particularly shown that the work of the Department is as necessary as ever, both in regard to the interests of the producer on the gumfields and for the welfare of the industry generally. This is especially so owing to the absence of any standard grading for kauri-gum, so that the producers have but a vague idea what the grades are really worth at any particular time. It has always been held by this Department that it is not the amount of gum purchased by us that signifies, but the fact that the Government is actually buying kauri-gum, and that there is actual competition. During the time of the "boom" exporters in many cases paid far higher prices than the Department, and our clients were urged to sell to these buyers when the big prices were obtainable. It is in times of depression that the purchasing operations by the State Department are of special value to the digger. The prices payable by other buyers are invariably set by the Department's prices, and it only remains for an odd digger or two in a district to consign his gum to the Department to cause a fair price to be offered by local buyers. A good example of this occurred last month. A small consignment was received by us from an out-of-the-way locality which no Government buyer had visited, and where practically no previous business had been done by the Department. The gum was priced, and an order on the Post Office sent by return mail. Immediately after came a letter from a storekeeper in that district, which read, "Please let me know what price for gum you gave to anybody for all kinds, nuts and dust. Let me know by return mail." The reply sent was that we paid "ruling prices at date of delivery." The idea was that the inquirer wished to adjust his prices so that, whilst still under our prices, he would not be sufficiently so to encourage the diggers to go to the trouble of sending the gum to Auckland and have to wait for the money. Here it was not a question of what the storekeeper could afford to give for the gum, but merely a question of meeting the competition.

During dull times like the present it is quite a common happening for Dalmatian buyers and dealers, and also for country storekeepers, to come to this office and make inquiries as to what prices are being paid for different grades of gum. Sometimes a few sample gradings are brought, with the assurance that the inquirer has so-much of it for sale. These people are, of course, only trying to find out what prices they themselves must offer so as to do business in the locality in which their operations are carried out. Like the storekeeper referred to, they must pay at least the equivalent of the Department's prices, and sometimes before leaving the office they are frank enough to say so.