

KAURI-GUM.

Gum-diggers in the North Auckland district have been experiencing great difficulty in selling their output of kauri-gum on account of the weakness of the overseas market, New Zealand merchants being naturally diffident about operating on account of the unsatisfactory conditions obtaining.

A conference was therefore arranged between merchants, diggers, and the Division in Auckland, and as a result an agreement was reached as to the price at which merchants would purchase kauri-gum. The action of the merchants in this connection was appreciated, and the confidence thus established brought about more stable conditions. At the same time an assurance was given by the Division that if merchants could not continue to purchase in view of the uncertain overseas position, then the Government itself would be prepared to handle kauri-gum on behalf of the diggers.

Very little trouble has been experienced in finding suitable markets through the merchant houses, but where this difficulty has arisen the Division has made the necessary arrangements.

TRADING BRANCH, THORNDON QUAY.

Trading activities in primary produce carried on by the Trading Branch at Thorndon Quay in conjunction with a depot at Palmerston North have been successfully operated during the year in competition with other distributors of similar lines, and a satisfactory monthly trading surplus has been maintained. Sales turnover in all lines has been kept up, particularly with eggs, honey, cheese, and milk-powder.

The continued confidence of egg-suppliers is evidenced by the increasing volume of consignments forwarded to the Branch for disposal, and egg sales have showed a corresponding increase which can be viewed with extreme satisfaction. From a point of view of market stabilization, the very fact of the large volume handled by the Branch has been a big factor in steadying the local egg-market from the result of daily price fluctuations, thus assisting the retailer to purchase at the most satisfactory times and at the same time ensure to the producer the full value of the seasonal market.

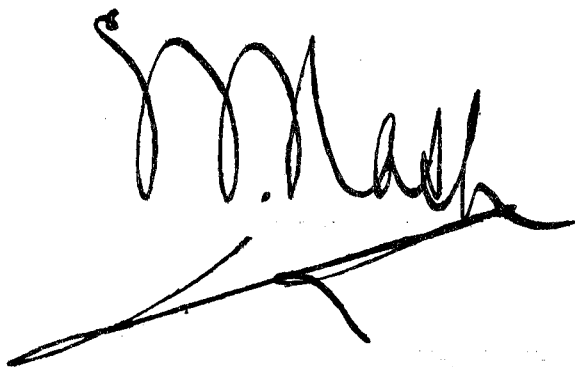
In order that the Division might more effectively supervise butter distribution in Wellington City, the accounting for all butter delivered to distributors in the Wellington City area on behalf of factories was entrusted to the Branch from the 1st May, 1937.

Early in 1938 the installation of modern butter-patting machines and air-conditioning plant enabled the retailer and the consumer to be assured of a continuous supply of fresh butter patted under the most hygienic conditions, as well as providing to the dairy factories supplying this market full continuity of supply during their period of short production, when their own make is insufficient to meet the local market they have established.

This is necessitated by the fact that many of the dairy companies supplying the city markets in New Zealand find that during the middle-winter period, when their production is at its lowest, they are unable to provide sufficient butter to meet the demand for their brand. In the past this shortage has been made up by purchasing from various factories in their vicinity sufficient butter to meet their requirements. The Division is now enabled to procure butter of the best quality available at this time of the year in order to meet these market deficiencies. This is necessary to avoid the disorganization which would take place on the local market if consumers were unable to obtain best qualities of butter required for a few months in each year, and the method adopted is the one calculated to cause the least disturbance in the trade.

Through its operations the Branch continues to render an efficient service to dairy factories, wholesale distributors, retailers, poultry-producers, and consumers.

In concluding this, the first complete report of the Internal Marketing Division, I desire to express the thanks and appreciation of the Government and myself to the Director, Mr. F. Picot, and his officers, who have carried out a difficult work to the credit of themselves and the Government, and have brought benefits and advantages to consumers and producers that will be experienced for many years and will be the foundation for extensions when occasion demands, to the benefit of producers and consumers, through regulation that will eliminate many wasteful experiences of the past.

A large, stylized handwritten signature in black ink, appearing to read 'M. Nash', with a long horizontal flourish extending to the left.

Minister of Marketing.