

## SESSION II.

1921.

## NEW ZEALAND.

## KAURI-GUM INDUSTRY

(REPORT ON THE) FOR THE YEAR ENDED 31st MARCH, 1921.

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

## REPORT.

SIR,—

Auckland, 3rd August, 1921.

Since my last annual report a Royal Commission has been set up to take evidence and formulate recommendations in regard to the industry. The order of reference drawn up for the inquiry was very wide, and all matters of interest were thoroughly threshed out, and evidence taken from every section of the community interested either in kauri-gum itself or in the lands from which it is produced. It will therefore not be necessary for me on this occasion to deal with the industry generally, the report of the Royal Commission, of which I was Chairman, covering all matters of importance affecting the industry.

## A SLUMP IN KAURI-GUM.

As stated in the report for last year, record prices were being paid for kauri-gum, and the industry was in a very flourishing condition. Towards the latter end of 1920, however, the demand eased off, until at the close of the year orders had almost ceased. Since then the slump has continued, especially in regard to low grades of gum. Apart from the reaction owing to the unduly high prices of kauri-gum ruling towards the end of 1920, the slump was caused by the general trade depression in America and Europe. Beyond buying enough of the gum produced to prevent prices falling below a reasonable level, it seems difficult to suggest any remedy at this end to improve matters in regard to these periodical slumps.

## PURCHASES AND SALES.

During the year kauri-gum to the value of £33,065 4s. 10d. was purchased by the Department, whilst the sales amounted to £38,326 17s. 10d. The latter figures represented the business done for the first nine months of the financial year, no shipments of gum having been made since the middle of December, 1920.

Full details of the expenditure under the various headings are given in another part of the report.

## THE ORIGIN OF THE DEPARTMENT.

The Department now having been in existence for over seven years, and having passed through some of the most troublesome periods the trade has ever known, it may be of interest to briefly refer to its origin, and to the way in which the policy originally laid down has been carried out, as well as to indicate generally the advantage the Department has been to the industry as a whole.

Upon the outbreak of war the bottom fell out of the industry. The Auckland merchants refused to buy gum. The brokers and wholesalers refused to finance the country storekeepers. There were no subsidiary industries on the gumfields. The old people and Maoris, as well as those with large families, could not leave the gum districts. The position was that a large section of the 5,000-odd people in the north of Auckland Province depending wholly or partially on the industry were faced with starvation. State aid appeared to be the only solution. A Royal Commission which had been set up earlier in the year to report on the kauri-gum reserves had recommended that a Government Department be set up to take charge of the Crown gum lands and the kauri-gum industry generally, such a Department to be supported by imposing an export duty of £1 a ton on kauri-gum. The diggers and storekeepers on the gumfields appealed for State assistance, regarding this as the only way out. The position was indeed serious, and if the industry could not be pulled together the State was faced with having to provide for a very large section of the gum-diggers and their families, or else give them financial assistance to travel to other parts of the country where work was obtainable and they would not be a burden on the State.

Not only was the Government of the day under an obligation to do what it could for these people, but there was also the fact to be considered that more than half the kauri-gum-bearing areas were Crown lands. The State was therefore more or less a partner in the industry, and the recovery of the gum, and the further uses to which the land should be put, were matters that the State was vitally interested in.