

1917.
NEW ZEALAND.

KAURI-GUM INDUSTRY.

REPORT FOR YEAR ENDED 31ST MARCH, 1917; TOGETHER WITH STATEMENT OF ACCOUNTS.

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

REPORT BY THE KAURI-GUM SUPERINTENDENT TO THE MINISTER OF LANDS.

SIR,—

Auckland, 1st June, 1917.

I have the honour to submit a report on the work of this Department for the past year. As the Department is comparatively a new one I will again briefly refer to the special circumstances which brought it into existence and led to the Government entering into the kauri-gum business. In March, 1914, a Royal Commission was appointed for the purpose of inspecting and classifying the kauri-gum reserves in the Auckland District. The Commission reported in June of the same year and, *inter alia*, recommended that the State should break in and develop the gum lands, and that a Department should be set up to take charge of the gum lands and the kauri-gum industry generally. Shortly after the Commission's report was presented came the war, which brought about a great slump in the industry. In order to deal with the situation thus created and carry out the Commission's recommendations the Kauri-gum Industry Amendment Act of 1914 was passed. This enabled the Minister to make advances up to 50 per cent. of the value of the gum on the basis of the values ruling on the 1st July of that year, and also contained provisions for the working and general improvement of the gum lands.

In 1915 a further amending Act was passed enabling the Minister to make direct purchases of kauri-gum, and making provision for setting apart areas of Crown land within a kauri-gum district for the purpose of promoting the systematic recovery of kauri-gum and other valuable products contained therein.

Up to the end of the financial year payments amounting to £7,718 16s. 4d. had been made to gum-diggers, under the authority of section 2 of the Act, as advances and final payments.

In order to meet the requirements of the diggers who had received advances of the 50 per cent. on the value of their gum before referred to, a further advance of 20 per cent. was made as a final payment free of all charges. Most of the diggers have been settled with on this basis. There remained at the end of the year a liability under this heading estimated at £275.

The Act of 1915 authorized the Minister to make outright purchases of gum, and since January, 1915, all purchases have been so made. Up to the end of the year the value of gum purchased outright was £4,129 17s. 9d., and the sales amounted to £10,889 1s. 10d.

Full particulars of expenditure under other headings are given in the statement of accounts on another page.

NEW ORGANIZATION.

Towards the end of March, 1916, it was decided by Cabinet that the business arising out of the Kauri-gum Industry Acts, 1914 and 1915, should be carried out by the Kauri-gum Superintendent in conjunction with the Imperial Supply Branch. In order to facilitate the working of the new arrangement a conference of the officers concerned was held, and subsequently a memorandum was drawn up setting out the respective duties and functions of each Department. The new organization came into force on the 1st April of last year.

IMPORTANCE AND VALUE OF THE INDUSTRY TO THE STATE.

There is no doubt that the entry of the Government into the kauri-gum business has had a beneficial effect on the industry, and this fact is generally recognized and appreciated by the producers—the gum-diggers and the small farmers. “The pity of it” is that this Department was not set up twenty-five years ago. Here we have had a valuable national asset which has been in a large measure wasted, and the lands which have produced the vast sum of eighteen million pounds left in a wilderness condition.