Session II.

1918.

NEW ZEALAND.

KAURI-GUM INDUSTRY.

REPORT FOR THE YEAR ENDED 31sr MARCH, 1918.

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

REPORT.

SIR,-

In submitting the fourth annual report on the work of this Department I shall again

briefly refer to the special circumstances which gave rise to the creation of this Department.

One of the recommendations of the Royal Commission which reported on the gum lands in July, 1914, was "That a Department be set up to take charge of the gum lands and of the industry generally, such Department to be supported by imposing an export duty of £1 a ton on kauri-gum." (C.-12, 1914, p. 21.)

As a first step towards giving effect to this proposal the present Kauri-gum Superintendent was appointed to take charge of the gum lands and matters relating to the kauri-gum industry. Then the war came, and with it a serious slump in the industry. The gum-diggers and storekeepers on the gumfields at once appealed to the Government for assistance, and in response to this appeal the Kauri-gum Industry Amendment Act, 1914, was passed, authorizing the Minister to purchase kauri-gum, and to make an advance of 50 per cent. of the values ruling before the war. As a means of affording further relief the Act provided for the working of the gum lands for the recovery of gum and the improvement of the lands. Soon after the passing of the Act the Kauri-gum Department was established and commenced operations. With the promise of Government assistance and the passing of legislation the prospects of the industry and the man on the gumfields at once brightened, and much distress was saved. How valuable the assistance given by the Government to the industry has proved is clearly shown as the report proceeds.

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, 1916. The arrangement has proved most

REPLY TO PAMPHLET ISSUED BY THE GUM MERCHANTS AND BROKERS OF AUCKLAND.

Much opposition to this Department has been displayed by the kauri-gum merchants and brokers in Auckland almost from its inception, but especially so during the past year. Indeed, it might be said that an active propaganda has been kept going. The reason for this is not far to seek. Up to four years ago, when the Department was set up, resulting in the Government becoming buyers and sellers of kauri-gum, the gum-merchants in Auckland had what might be truly described as a sung monopoly. They had no real competitor, and the interests of the four thousand on fire thousand an fire thousand thousand or five thousand producers of gum and of the storekeepers on the gumfields were absolutely in their hands.