

What did these gentlemen really expect? Did they expect that the Government would take up a new and complicated business, afford relief to the five thousand gum-diggers whom they (the merchants) had abandoned, establish an export business in gum—do all these things with the Great War on and the business of the world disorganized—and at the end of two years and a half declare a dividend? If so, then the Kauri-gum Superintendent should feel flattered; and he now appeals to the gentlemen in the trade not to shed any more tears about the taxpayer and his money. The Government Kauri-gum Department will pay its way before long, just as the Public Trust Department and the Government Insurance Department are paying their way.

Only a few more short references to the pamphlet and I have done with it. On page 8 we read, "It may appear to the Government Department a very handsome thing to have paid the diggers 20 per cent. additional (or 70 per cent. in all) free of all charges, but had the diggers sold their gum outright two years before that, or more (as they could have done), there would have been no 'charges' incurred and no 'charges' to pay." Again, on page 9, "After waiting two years or longer the diggers who had handed their gum over to the Government received as a final payment a sum not exceeding 70 per cent. of the declared value of their gum. Many of them declare that the amount received was not equal to 70 per cent. of the value, and some still decline to accept the Government's offer."

As I have before pointed out, the Government advance was 50 per cent. on the basis of prices current on the 1st July, 1914. I have also shown on the low-grade gums—the gums produced in the greatest abundance—that the Government advances were on a very liberal scale: that we were advancing 14s., 24s., and 21s. per hundredweight on the field, equivalent to 17s., 27s., and 24s. on grades of gum which the brokers were at the time quoting, with few sales, at 18s., 35s., and 23s., less a commission of 2½ per cent. and other charges, on a straight-out purchase. Clearly, then, the estimate of values current on the 1st July, 1914, by this Department was not, at all events, an underestimate.

Now, in a document dated the 8th November, 1915, and signed by representatives of the trade, it was stated, *inter alia*, "Furthermore, we notice the Superintendent has accepted the market rates ruling on 1st July, 1914, as the basis for his estimate. Our own experience prompts us to regard the prices at that date as unstable and unduly inflated." And later on in the same document they said, "but as values in this case [as at 1st July, 1914] also have to be discounted at least 25 per cent. . . ." So that by the merchants' own showing the diggers first received an advance of 50 per cent. on a basis of value 25 per cent. above normal prices, and subsequently another 20 per cent. payment free of all deductions on the same basis. Therefore altogether they were paid seventy-seventy-fifths or 93½ per cent. of the value of the gum as assessed by the merchants, and this payment was free of any deduction whatever. In view of these facts could anything be more disingenuous than the extracts from pages 8 and 9 of the pamphlet quoted above?

Page 3 of the pamphlet is almost wholly given up to a lament from the trade on the "lack of general knowledge" of the kauri-gum industry. "Probably not a single member of the House," says the pamphlet, "is at all familiar with the working of the industry in its various phases." Was it then this lack of knowledge, this dense ignorance of members of Parliament and the public generally, which prompted the gum merchants and brokers to bring forth this pamphlet? And are we to regard it as an attempt by the trade to lift the veil, to shed a new light on the dark places of the kauri-gum trade, and to educate the public as to the importance and value of the industry? If it were such an attempt, then I feel impelled to say it was a poor attempt indeed. But if it was not such an attempt—and it surely was not—what then is the conclusion of the whole matter? Simply this: that the tears of the gum-merchant for the taxpayer and his money are after all only crocodile's tears; that the pamphlet itself, which they call a "statement," is really a tissue of misstatements, "a thing of shreds and patches," and in truth nothing but the veriest camouflage.

Then, it may be asked, what is it the gum merchants and brokers really want? Here is the answer in their own words:—

"We, representing the kauri-gum exporters and brokers of the Dominion, wish to respectfully draw the attention of the Minister to the following:—

- "(1.) The Government created the Kauri-gum Department in 1914 for the purpose of giving relief to the diggers owing to the war having destroyed the gum-export trade and consequently the diggers' market.
- "(2.) The Department took over the diggers' gum upon terms, and made personal advances and started relief works.
- "(3.) Having an accumulation of gum on hand, the Department, when war conditions eased, opened a market for same in America.
- "(4.) The Department, from being started, as the Prime Minister stated in Parliament in September, 1914, "to tide the gum industry and the people dependent on it over the difficulty that had arisen," has now developed into gum purchasing and export merchants, and threatens to destroy the businesses of old-established firms.

"We therefore desire to ask you, as the objects of the Kauri-gum Department have been fulfilled, that the Department's operations be reduced until they cease to exist at the termination of the war."

At last we have the true story of the Kauri-gum Department told by the merchants and brokers. All disguise is thrown off, and we are told that the Kauri-gum Department threatens