

The next table shows the quantities of kauri-gum imported into and delivered from London during the given years, and also the quantities on hand at the end of each period :—

	1907.	1908.	1909.	1910.	1911.	1912.
Imported to London (tons) ...	1,823	1,022	583	564	699	1,290
Delivered from London (tons) ...	2,550	1,052	766	570	652	1,436
Stocks in London on 31st December (tons) ...	628	558	365	337	381	157

From these figures it will be seen that stocks are very much lower than they have been for many years, and therefore it is unlikely that any depression of values on this account will be experienced during the present year.

The trade generally in 1912 was good, and on the whole prices advanced. At the end of the year three-quarters-scraped and half-scraped sorts particularly were dearer. Supplies again showed some falling-off.

It is rumoured in many parts of the Dominion that a ring exists in London for the purpose of depressing values of kauri-gum, but no evidence in support of the belief is obtainable.

OFFICE.

Every occasion should be seized for keeping our country's interests in the forefront. There is no doubt but that we are on the dawn of great possibilities. First, there is the cutting of the Panama Canal, which is now nearing completion, and which must inevitably make for enormous trade developments. Of almost equal importance is the matter of the proposed readjustment of the United States tariff, which is of especial interest to New Zealand, seeing that amongst other important alterations wool and meat are placed on the free list, and the duty on cheese is reduced from 3d. to 1d. per pound; and these alterations occur at a time when America is in many ways changing the character of her foreign trade. She has now reached a state of internal development which is changing the nature of her exports. She is becoming a food-importing country and ceasing to occupy the position she formerly held as a great meat and produce exporter. On the Continent of Europe opportunities at times present themselves which should not be allowed to pass, and of which our rivals are not slow to avail themselves. The people of New Zealand may rely on this office being ever ready to do its part. It must be assuring to our people to know that the general outlook for all their products is good, and that all that is necessary is to keep up the quality of the article and see that the channels of distribution are attended to.

New Premises.

It is also quite evident to me that, owing to the great and continual expansion of the Department and the necessities of the Dominion, more commodious, convenient, and central offices must be obtained in the near future. At present the Department is very cramped for space, besides being somewhat scattered in the building, and the question of new premises is still undecided. I am aware that you have this matter under your serious consideration, and that the Government realizes the importance to New Zealand of the matter.

GENERAL.

I hope to be in a better position during the present year to study and formulate further proposals and initiate alterations which will tend to increase the value of the work performed by the High Commissioner's Department. In this connection it may be incidentally remarked that by adopting, where practicable, commercial methods the Department can be made more self-supporting. Mercantile houses here charge from 1½ to 5 per cent. for indenting. It might be reasonable to make a charge on the lowest scale for work done by us for the various Government Departments. These indents last year amounted approximately to £500,000, excluding shipping, inspection, &c., so that at the proposed rate of 1½ per cent. this Department would have received credit last year of £6,250 by the following Departments :—

Department.	Amount. £	Commission. £
Working Railways ...	260,833	3,260
Public Works ...	46,291	579
Post and Telegraph... ..	21,522	269
Defence (say) ...	54,127	677
Printing and Stationery ...	22,356	279
Stamps ...	1,677	21
Marine ...	3,745	47
Mines ...	1,030	13
Lands ...	3,921	49
Internal Affairs ...	1,207	15
Education ...	1,238	15
Tourist and Health Resorts ...	712	9
Junior Cadets ...	401	5
Agriculture, Industries, and Commerce ...	140	2
Customs ...	137	2
Justice ...	45	1
Mental Hospitals ...	17	1
Treasury (silver and bronze coin) ...	80,045	1,000
	£499,444	£6,244