

Areas of these kauri-chip basins fit for being treated by these riddling processes are selling at high prices, and many syndicates have been formed for the purpose of exploiting them.

A question of much concern to those engaged in the industry is whether the use of machinery in the production of these smaller gums will result in an overproduction. Having regard, however, to the high prices now being paid for these gum-bearing areas of private lands, and the scarcity of labour on the gumfields, it is doubtful if any great reduction in the price of chips and small gums will result in consequence of these various projects for production on a large scale. Unless a material reduction in the price of chips takes place it is suggested that there is not likely to be any great increase in demand once the present extraordinary post-war requirements have been filled.

One thing, however, seems certain, and that is that if these machines can do anything like what is claimed for them, then the days of the "dirty" chips are numbered and must soon pass. The exporter will be able to pick and choose, and the digger or company who has been in the habit of sending in samples containing 50 per cent. or more of pure dirt, as is the case to-day, will either have to clean his gum better or go out of business. Another probable result of the increased activity in these riddling processes is that a fairly uniform grading will result, and that it will be found practicable to establish a standard grading of gum for export, a reform which has been for so long advocated.

PURCHASES AND SALES.

During the year kauri-gum to the value of £23,743 15s. 7d. was purchased by the Department, while the sales amounted to £44,496 4s. 3d. As in past years, most of the gum was sold in America, but a fair proportion of the sales were made to British buyers.

The world-wide demand for raw materials generally has been reflected in the kauri-gum market, and during the past year record prices have been obtained for all classes of gum. This has been to a great extent caused by the fact that the pound sterling, instead of being worth the par value of 4·866 dollars, fluctuated between 3 and 4 dollars in New York, while the exchange has been all against the European countries in London, enabling the London dealer to meet the American competition on possibly even terms so far as benefits accruing from exchange are concerned.

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

It will be seen that the amount standing in the Public Account to the credit of the Kauri-gum Industry Account on the 31st March last was £16,322 10s. 6d.

KAURI-GUM EXPORTS.

For the year ending 31st March, 1920, the export was 4,726 tons, of the value of £310,614. During the last five years the average yearly export has been 3,569 tons, of the value of £223,880; while for the previous five years the average annual export was 8,288 tons, of the value of £461,721.

The following table gives particulars of the exports for the last twelve years:—

Particulars of Kauri-gum exported from New Zealand from 1909 to 31st March, 1920, inclusive.

Country to which exported.	1909.		1910.		1911.		1912.		1913.		1914.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	5,127	375,126	4,149	263,375	3,514	209,216	3,894	232,566	3,995	308,456	4,531	316,200
United Kingdom	2,290	140,235	3,253	151,319	2,378	130,767	2,468	114,640	3,390	187,547	3,335	148,370
Germany ..	639	24,111	913	28,016	1,142	34,062	1,053	32,964	833	27,880	373	21,193
Canada ..	24	2,555	66	7,687	9	1,061	40	3,370	62	4,618	70	2,114
Australia ..	149	8,576	66	4,465	75	2,559	39	2,487	80	3,933	19	1,720
Belgium ..	17	1,770	29	1,899	78	3,990	123	5,088	126	5,120	34	1,519
France ..	1	85	19	1,656	75	5,774	37	3,037	45	3,995	42	3,599
Austria-Hungary	1	68	124	3,011	131	3,968	159	4,611	112	2,617	14	329
Russia ..	..	..	15	1,976	80	1,859	2	184	53	1,725	3	225
Netherlands ..	..	..	6	133	55	1,206	42	974	60	2,495	8	664
Sweden ..	2	172	30	720	35	803	35	952	15	420	20	560
Italy ..	..	..	23	779	15	417	15	410	9	300	23	855
Japan ..	..	..	..	..	..	25	1	22	..	..	1	96
Hong Kong ..	..	..	..	..	..	..	..	..	..	..	..	..
Argentina ..	..	..	..	8	..	..	..	..	..	..	..	..
Totals ..	8,250	552,698	8,693	465,044	7,587	395,707	7,908	401,305	8,780	549,106	8,473	497,444

Country to which exported.	1915.		1st January to 31st March, 1916.		1st April, 1916, to 31st March, 1917.		1st April, 1917, to 31st March, 1918.		1st April, 1918, to 31st March, 1919.		1st April, 1919, to 31st March, 1920.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	3,312	222,856	974	60,010	3,158	218,214	2,316	164,516	1,371	81,914	2,037	157,251
United Kingdom	1,172	48,585	336	13,548	1,484	68,378	363	13,982	346	19,977	1,650	90,422
Germany ..	..	..	..	..	..	..	..	..	..	..	..	..
Canada ..	56	4,550	118	8,972	133	7,718	1,929	124,271	572	45,588	1,016	61,005
Australia ..	9	594	5	314	29	1,982	18	1,577	49	4,820	23	1,936
Belgium ..	..	..	..	..	..	..	..	..	..	..	..	..
France ..	5	430	..	..	..	..	..	..	..	..	..	..
Austria-Hungary	..	..	..	..	..	..	..	..	..	..	..	..
Russia ..	21	2,118	..	..	50	3,440	..	..	..	..	..	..
Netherlands ..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden ..	..	..	..	..	..	..	..	..	..	..	..	..
Italy ..	..	..	..	..	..	..	..	..	..	..	..	..
Japan ..	..	..	..	..	..	..	10	506	..	..	..	..
Hong Kong ..	..	..	..	..	8	539	..	..	..	..	..	..
Argentina ..	..	..	..	..	..	..	..	..	..	..	..	..
Totals ..	4,575	279,133	1,433	82,844	4,862	300,271	4,636	304,852	2,338	152,299	4,726	310,614