year. The Department is holding good quantities of dry, well-graded stocks, and I look forward to clearing off the old losses during the present year and showing a profit on the whole of the operations since the inception of the Department.

Kauri-gum Exports.

For the year ended the 31st March, 1921 the export was 6,131, tons, to the value of £524,701, this being the best year since the war both as regards tonnage and value. A very large proportion of the output was low-grade gums, but the exceptionally good prices received resulted in the average price per ton constituting a record.

During the previous four years the average output was 4,140 tons, of the value of £267,009, an average per ton of £64. This year the average per ton was £85.

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

Particulars of Kauri-gum exported from New Zealand from 1910 to 31st March, 1921, inclusive.

Country to which exported.	1910.		1911.		1912.		1913.		1914.		1915.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	4,149	263,375	3,514	209,216	3,894	232,566	3,995	308,456	4,531	316,200	3,312	222,856
United Kingdom	3,253	151,319	2,378	130,767	2,468	114,640	3,390	187,547	3,335	148,370	1,172	48,585
Germany ..	913	28,016	1,142	34,062	1,053	32,964	833	27,880	373	21,193	..	..
Canada ..	66	7,687	9	1,061	40	3,370	62	4,618	70	2,114	56	4,550
Australia ..	66	4,465	75	2,559	39	2,487	80	3,933	19	1,720	9	594
Belgium ..	29	1,899	78	3,990	123	5,088	126	5,120	34	1,519	..	..
France ..	19	1,656	75	5,774	37	3,037	45	3,995	42	3,599	5	430
Austria-Hungary	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	21	2,118
Netherlands ..	6	133	55	1,206	42	974	60	2,495	8	664	..	..
Sweden ..	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 ..	8,693	465,044	7,587	395,707	7,908	401,305	8,780	549,106	8,473	497,444	4,575	279,133

Country to which exported.	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.		1st April, 1920, to 31st March, 1921.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	974	60,010	3,158	218,214	2,316	164,516	1,371	81,914	2,037	157,251	3,224	345,992
United Kingdom	336	13,548	1,484	68,378	363	13,982	346	19,977	1,650	90,422	2,544	149,422
Germany ..	..	..	..	..	..	..	..	..	..	..	..	..
Canada ..	118	8,972	133	7,718	1,929	124,271	572	45,588	1,016	61,005	314	24,481
Australia ..	5	314	29	1,982	18	1,577	49	4,820	23	1,936	49	4,802
Belgium ..	..	..	..	..	..	..	..	..	..	..	..	..
France ..	..	..	..	..	..	..	..	..	..	..	..	..
Austria-Hungary	..	..	..	..	..	..	..	..	..	..	..	..
Russia ..	..	..	50	3,440	..	..	..	..	..	..	..	..
Netherlands ..	..	..	..	..	..	..	..	..	..	..	..	..
Sweden ..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	..	..	..	..	..	..	..	..	..	..	..	..
Japan.. ..	..	..	..	..	10	506	..	..	..	..	..	4
Hong Kong ..	..	..	8	539	..	..	..	..	..	..	..	..
Argentina ..	..	..	..	..	..	..	..	..	..	..	..	..
Totals ..	1,433	82,844	4,862	300,271	4,636	304,852	2,338	152,299	4,726	310,614	6,131	524,701

The Departmental Cash Account.

Hitherto all amounts lying to the credit of the Department in the Public Account have carried no interest, although interest was still payable on the debentures raised to provide the cash. During the year a surplus of £18,000 was invested in 5-per-cent. inscribed stock, and a total of £400 0s. 1d. was payable on account of interest earned by this investment.

Towards the latter end of 1920 the slump in gum set in, and, as stated in another part of the report, most of the dealers and merchants pretty well ceased buying. The result was that the stock had to be realized on before the close of the year, to provide funds to make the necessary purchases of gum.

Decreased Production of Gum in 1921.

A great fall in the production of gum has taken place since the end of 1920. The exceptionally heavy rains experienced during January filled many swamps hitherto worked in the autumn and winter, and thus prevented the usual deep digging until next season. The lessened demand, with prices on a much lower scale, also played its part, but probably the principal cause is that hundreds of Dalmatian gum-diggers have left for their own country. Those leaving included many of the best workers. So far as all-gums larger than chip size are concerned, the output for the next year or two is sure to be smaller than during the last few pre-war years.