

Continent of Europe it would appear that the maximum demand is not likely to be much more than 6,000 tons annually. Particulars as to the export and country to which sent are given below for the past twelve years:—

Particulars of Kauri-gum exported from New Zealand from 1912 to 31st March, 1923, inclusive.

Country to which exported.	1912.		1913.		1914.		1915.		1st January to 31st March, 1916.		1st April, 1916, to 31st March, 1917.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	3,894	232,566	3,995	308,456	4,531	316,200	3,312	222,856	974	60,010	3,158	218,214
United Kingdom	2,468	114,640	3,390	187,547	3,335	148,370	1,172	48,585	336	13,548	1,484	68,378
Germany ..	1,053	32,964	833	27,880	373	21,193	..	..	..	..	..	..
Canada ..	40	3,370	62	4,618	70	2,114	56	4,550	118	8,972	133	7,718
Australia ..	39	2,487	80	3,933	19	1,720	9	594	5	314	29	1,982
Belgium ..	123	5,088	126	5,120	34	1,519	..	..	..	..	..	..
France ..	37	3,037	45	3,995	42	3,599	5	430	..	..	..	..
Austria-Hungary	159	4,611	112	2,617	14	329	..	..	..	..	..	..
Russia ..	2	184	53	1,725	3	225	21	2,118	..	..	50	3,440
Netherlands ..	42	974	60	2,495	8	664	..	..	..	..	..	..
Sweden ..	35	952	15	420	20	560	..	..	..	..	..	..
Italy ..	15	410	9	300	23	855	..	..	..	..	..	..
Japan ..	1	22	..	..	1	96	..	..	..	..	..	..
Hong Kong ..	..	..	..	..	..	..	..	..	..	..	8	539
Totals ..	7,908	401,305	8,780	549,106	8,473	497,444	4,575	279,133	1,433	82,844	4,862	300,271

Country to which exported.	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.		1st April, 1921, to 31st March, 1922.		1st April, 1922, to 31st March, 1923.	
	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£	Tons.	£
United States of America	2,316	164,516	1,371	81,914	2,037	157,251	3,224	345,992	2,487	266,922	3,742	367,946
United Kingdom	363	13,982	346	19,977	1,650	90,422	2,544	149,422	1,297	104,094	1,960	129,082
Germany ..	..	..	..	..	..	..	..	..	58	3,574	70	3,363
Canada ..	1,929	124,271	572	45,588	1,016	61,005	314	24,481	89	9,641	109	7,462
Australia ..	18	1,577	49	4,820	23	1,936	49	4,802	37	7,073	84	6,679
Belgium ..	..	..	..	..	..	..	..	..	..	..	..	..
France ..	..	..	..	..	..	..	..	..	..	..	..	..
Austria-Hungary	..	..	..	..	..	..	..	..	..	..	..	..
Russia ..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands ..	..	..	..	..	..	..	..	..	..	..	90	4,381
Sweden ..	..	..	..	..	..	..	..	..	..	..	20	1,000
Italy ..	..	..	..	..	..	..	..	..	..	..	1	170
Japan ..	10	506	..	..	..	..	..	4	..	..	4	326
Hong Kong ..	..	..	..	..	..	..	..	..	..	..	..	..
Totals ..	4,636	304,852	2,338	152,299	4,726	310,614	6,131	524,701	3,968	391,304	6,080	520,409

THE RESULT OF THE YEAR'S TRADING.

The business transacted during the year shows a profit of £696 4s. 9d., after allowing for interest accrued on debentures for the year amounting to £3,275. The greater part of this interest is payable as a result of the Department holding over stocks purchased during the late slump for a more favourable market. As has been stated in my reports before, it has invariably been found a paying proposition to hold gum during a period of weak demand. This has been the experience of producers on the gumfields and dealers in New Zealand, and it has paid the Department to do so in the past.

During the winter months, and to some extent during the remainder of the year, the production is greatly dependent on the weather conditions. For two years we have had exceptionally dry winters, but that of 1923 at this date (10th July) promises to be a very wet one, and the production during the winter will be much under that of recent years. Most of the accumulations of gum have been worked off, and, no matter what the demand may be, the output of gum for the immediate future cannot be unduly large. Our stocks are of good gradings, ready for export, and I look forward to the future with every confidence.

During the year price-cutting is considered to have been indulged in by the Auckland exporters to a much greater extent than for a long time past. Although a good tonnage was sent away, big orders were invariably placed at times when competition was very weak. Practically throughout the year the supplies arriving at Auckland quite met the demand. Any attempt to unload our accumulated stock under those conditions would have ended by placing the producer on the gumfields in a hard position.

ADULTERATION OF KAURI-GUM.

It was stated in my report last year that the adulteration of kauri-gum with cheaper resins had long been suspected, and that one Auckland exporter had been prosecuted and fined for making a false declaration in regard to a shipment of kauri-gum adulterated with yacca-gum from Australia.