

SESSION II.  
1921.  
NEW ZEALAND.

# KAURI-GUM INDUSTRY

(REPORT ON THE) FOR THE YEAR ENDED 31st MARCH, 1921.

*Presented to both Houses of the General Assembly pursuant to Section 5 of the Kauri-gum Industry Amendment Act, 1914.*

## REPORT.

SIR,—

Auckland, 3rd August, 1921.

Since my last annual report a Royal Commission has been set up to take evidence and formulate recommendations in regard to the industry. The order of reference drawn up for the inquiry was very wide, and all matters of interest were thoroughly threshed out, and evidence taken from every section of the community interested either in kauri-gum itself or in the lands from which it is produced. It will therefore not be necessary for me on this occasion to deal with the industry generally, the report of the Royal Commission, of which I was Chairman, covering all matters of importance affecting the industry.

### A SLUMP IN KAURI-GUM.

As stated in the report for last year, record prices were being paid for kauri-gum, and the industry was in a very flourishing condition. Towards the latter end of 1920, however, the demand eased off, until at the close of the year orders had almost ceased. Since then the slump has continued, especially in regard to low grades of gum. Apart from the reaction owing to the unduly high prices of kauri-gum ruling towards the end of 1920, the slump was caused by the general trade depression in America and Europe. Beyond buying enough of the gum produced to prevent prices falling below a reasonable level, it seems difficult to suggest any remedy at this end to improve matters in regard to these periodical slumps.

### PURCHASES AND SALES.

During the year kauri-gum to the value of £33,065 4s. 10d. was purchased by the Department, whilst the sales amounted to £38,326 17s. 10d. The latter figures represented the business done for the first nine months of the financial year, no shipments of gum having been made since the middle of December, 1920.

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

### THE ORIGIN OF THE DEPARTMENT.

The Department now having been in existence for over seven years, and having passed through some of the most troublesome periods the trade has ever known, it may be of interest to briefly refer to its origin, and to the way in which the policy originally laid down has been carried out, as well as to indicate generally the advantage the Department has been to the industry as a whole.

Upon the outbreak of war the bottom fell out of the industry. The Auckland merchants refused to buy gum. The brokers and wholesalers refused to finance the country storekeepers. There were no subsidiary industries on the gumfields. The old people and Maoris, as well as those with large families, could not leave the gum districts. The position was that a large section of the 5,000-odd people in the north of Auckland Province depending wholly or partially on the industry were faced with starvation. State aid appeared to be the only solution. A Royal Commission which had been set up earlier in the year to report on the kauri-gum reserves had recommended that a Government Department be set up to take charge of the Crown gum lands and the kauri-gum industry generally, such a Department to be supported by imposing an export duty of £1 a ton on kauri-gum. The diggers and storekeepers on the gumfields appealed for State assistance, regarding this as the only way out. The position was indeed serious, and if the industry could not be pulled together the State was faced with having to provide for a very large section of the gum-diggers and their families, or else give them financial assistance to travel to other parts of the country where work was obtainable and they would not be a burden on the State.

Not only was the Government of the day under an obligation to do what it could for these people, but there was also the fact to be considered that more than half the kauri-gum-bearing areas were Crown lands. The State was therefore more or less a partner in the industry, and the recovery of the gum, and the further uses to which the land should be put, were matters that the State was vitally interested in.

The result was that the State stepped into the industry, and advanced cash against gum taken over on consignment, the balance being payable when sales were made, and opened up "face-digging" works in three districts, where men were employed on wages recovering gum on Crown lands.

As the industry righted itself the "face-digging" works were closed, and the receiving of the gum on consignment was discontinued and a system of straight-out purchases was introduced.

The next stage was that the Department carried on business as an ordinary trading concern, the only difference being that the chief consideration was for the industry itself and the community at large, and not the building up of a profit. At the same time it was expected that the Department, although not attempting to extract the last "pound of flesh," would pay its way, wipe out the debit balance, and work up a reserve fund against lean years that might come in the future. It was decided to buy all the year round, irrespective of whether sales were being made or not. As was clearly stated at the time, there was no intention of creating a State monopoly. These ends have been achieved, and a successful business has been built up and a Department established which has been of considerable benefit to the industry generally.

The history of the gum trade is one of ups and downs, periods of prosperity and depression alternating with a fair degree of regularity. During depressions very little buying was done by the merchant, and the producer had a bad time. The experience of this Department goes to show that steady buying at reasonable prices all the year round is good business not only for the producer, but also for the buyer of the gum.

The kauri-gum trade has always been a difficult one in which to gain a footing. The New Zealand Loan and Mercantile Agency Company (Limited) advised its clients to sell kauri-gum in New Zealand as a result of its experiences in the London market. Other firms have sent gum to London and eventually had to have it brought back to Auckland, where it has been sold at better prices locally than could be obtained on the London market. In view of these facts, the task of the Department in gaining a footing in the trade and disposing of its stocks was not an easy one, and the fact that it had to commence operations during the worst possible period in the whole history of the trade did not improve matters.

However, a wide range of samples was laid down, and sets were sent to America and Europe, and stocks worked up, and the best arrangements under the circumstances were made.

Once things were getting in good shape it was decided, owing to the variations in gum from different fields, to work chiefly in defined districts, so that our samples could be lived up to and shipments of consistent uniformity sent forward. Gum was, however, freely purchased from other districts when advisable, and it is intended, as the business grows, to ensure that buying operations cover the whole of the gum-producing districts.

In those districts where our buying was concentrated gum has been bought freely from one end of the year to the other. The prices have been fair, and a good living-wage could be earned by the average digger. Although for lengthy periods there has been no opposition, no one was "squeezed" because he had to sell. Weights were taken in the presence of the digger on "clock" scales, which were regularly tested by the Inspector of Weights and Measures.

During eighteen months in 1918-19 the Department bought all the gum dug at the well-known Mangawai field without any competition whatever. Again during the present slump the position has been repeated. Since nearly the end of 1920 to date there have been no other buyers operating in this important centre, although during the middle of 1920 outside buyers were freely operating.

At Waihopo, Houhora, and in the far north the position has been just the same. For almost eighteen months during 1918-19 all the gum dug was purchased by this Department. Purchases were made monthly as the gum was dug. Several holders of large lines offered to sell to the Department at below ruling rates. These offers were refused, and holders who were well able to do without financial assistance were left to wait for the market. Again during the present slump the Department has been the only buyer on these fields, besides operating fairly extensively in several other districts. As our records will show, diggers have been paid prices that afforded a good living. The average digger selling to us can make better wages than the gum-workers in town who receive wages fixed by the Arbitration Court, including the current cost-of-living bonus. For the digger to be able to sell his gum at a fixed and reasonable price month in and month out is something hitherto unknown in the industry, even in good times, to say nothing of periods of great depression.

The accompanying diagrams illustrate how the policy laid down in the first place is being carried out, and the useful part the State Department takes in this important industry.

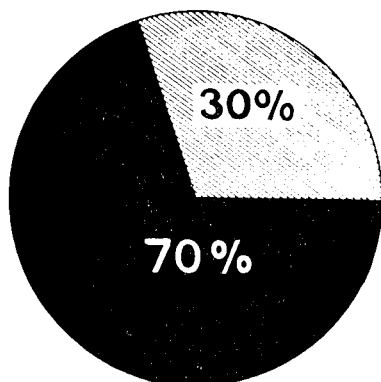


FIG. 1.

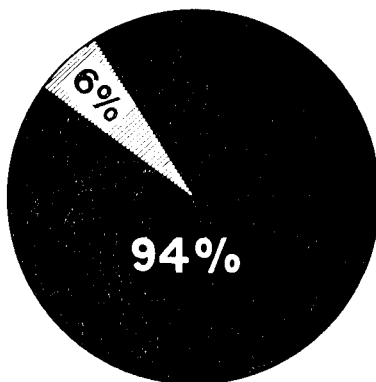


FIG. 2.

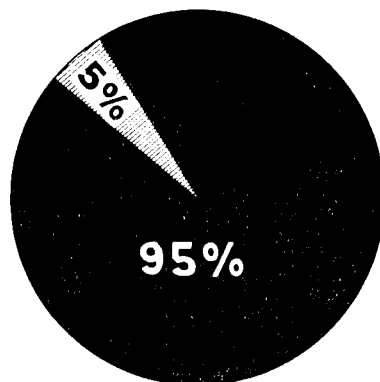


FIG. 3.

Diagrams Nos. 1 and 2 represent the period from the 1st December, 1920, to the 31st May, 1921, and the corresponding months the previous year. During this six-monthly period more than one of the large exporters have gone off the market and practically closed down operations. The others have bought as little as possible, and then only—as naturally might be expected—to suit their own convenience.

In Fig. 1 the dark portion represents the amount of money spent on purchases of gum during the six months ending 31st May, 1921; the light hatched portion represents the purchases for the same period twelve months ago.

In Fig. 2 the dark portion represents the amount obtained from shipments made abroad for the period ending 31st May, 1920, the light hatched portion representing the proceeds from shipments for the same six months this year.

The position is very clear. With virtually no sales this year the purchases have been twice as heavy as in the same period last year, when sales were being freely made at good prices.

The question might now be raised as to who got all this money. This is very easily answered. On Fig. 3 the light hatched portion represents cash paid out to brokers, gum-merchants, dealers, storekeepers, gum-washing companies, syndicates, &c., for the purchase of gum. The dark portion represents the amount paid by way of direct purchases from gum-diggers, in each case for the period 1st December, 1920, to 31st May, 1921—the first six months of the present slump.

#### SOME INDIRECT RESULTS OF THE DEPARTMENT'S OPERATIONS.

It has been said that the operations of the Department in one district do not benefit the diggers in another district; but this is very far from being correct. To a great extent the district where the best prices are being paid sets the standard of prices all round. Quotations freely pass round from one district to another, and a digger will know that his gum is worth so-much more or so-much less than that from another district, and will expect payment accordingly. To avoid undue competition buyers will also operate as far as possible in different districts, and the fact that gum is supposed to be going cheap in one district will at once bring other buyers along.

Probably the most important fact in connection with the Department's buying is that holdings of gum are never unloaded so as to unduly interfere with production, or the sale of gum being dug at any particular time. So far as the prices on the fields are concerned, this is a very important factor. Just how it works out is instanced by an offer made and turned down in 1920. A local firm of exporters wanted to purchase 50 tons or more of a grading we held in large quantities. They offered £80 per ton for it. At the time this class of gum was selling at about £65 per ton in Auckland. It would have been a very simple matter to have sold the line and then replaced a portion of it at less than £70 per ton. As it was, the merchant was forced into the open market. Before purchasing the quantity he wanted he found himself in competition with another buyer who also wanted this grading. The result was that the price rose to as high as £135 per ton. It is not suggested that in this case the very high price paid was, on the whole, a good thing for the industry, but those diggers who were fortunate enough to dispose of holdings at this rate would have their own opinion on the matter. This extreme instance, however, illustrates the position generally. The same thing is going on all the year round, but on a much smaller scale. One strong competitor in the industry makes all the difference.

Numerous similar offers to purchase part of our stocks made by local exporters have been refused. The idea seems to have been to limit competition and take advantage of the fact that most diggers will give the Government the preference when prices are equal. Such business as has been done with local exporters has been mostly in the way of buying from them gum graded for export which we could place and which they were willing to sell. Our sales to local exporters have been confined pretty well to a few odd lots for which they were being pressed and which were very scarce.

#### THE INFLUENCE OF THE STATE DEPARTMENT ON THE NEW YORK MARKET.

During the first three months of the present year China wood-oil and most grades of resins "on spot" in New York slumped to below the replacement value in the primary markets. *Kauri-gum was the only exception.* Whilst not selling to any great degree, it was not being given away. As an indication of prices I cannot do better than take China wood-oil, which is the most important product in the varnish trade. This sold as high as 22 cents a pound on the New York market about the middle of 1920. In February and March of this year it was going begging at less than 9 cents a pound, at a time when the replacing value in the primary market in China was in excess of 10 cents a pound.

These facts are very significant, and clearly indicate that the New York holders of kauri-gum were well aware that the Government Department was holding the industry together at this end and that its stocks would not be sacrificed. When it was found necessary to cut prices to force sales there was not the inducement to realize on kauri-gum as on other resins where the position in the primary market was in doubt. The position of kauri-gum on the New York market at the present time is the best possible illustration of the value of this Department to the industry as a whole.

#### THE RESULT OF THE YEAR'S TRANSACTIONS.

It will be seen from the accounts published in another part of the report that, after making provision for interest on debentures, the net profit for the year ended the 31st March, 1921, amounts to £6,552 11s. 6d., this being an increase of £1,953 12s. 6d. on the net profits made last year. The losses incurred in the early stages of the business, when the circumstances demanded prompt action, irrespective of whether on good business lines or not, have now been reduced to a little over £4,000. At this date the slump in kauri-gum still continues, but with the resumption of overseas orders, now expected at any time, a very considerable amount of business should be done during the rest of the

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.

The position is disclosed by the following particulars of gum received into Auckland during the first six months of 1921 and for the corresponding six months of the previous year:—

Month.							1920. Tons.	1921. Tons.
January	..	..	..	..	..	..	445	289
February	..	..	..	..	..	..	563	301
March	..	..	..	..	..	..	587	359
April	..	..	..	..	..	..	612	191
May	..	..	..	..	..	..	532	331
June	..	..	..	..	..	..	370	358
							3,109	1,829

Future prospects in regard to chips and dust depend chiefly on how far the gum-washing companies and syndicates can handle that end of the industry. So far the output of chips equal to or superior to that produced by the individual digger has not amounted to much, but increasing experience is altering matters materially, and the chips coming from the Wairoa district are being turned out with much less dirt and foreign matter than in the earlier stages of the companies' operations. That chips are obtainable in very large quantities is obvious, and it is only a question of better methods of production and cleaning to increase the output to meet any reasonable demand.

#### GOVERNMENT TRADING DEPARTMENTS.

One of the chief points levelled against State and municipal trading Departments is that they pay no income-tax, and that in many cases such a deduction from the net earnings would show some of these concerns to be carried on at a loss. This, however, is not putting the matter fairly. It first of all leaves out the fact that such Departments are not usually carried on for profit only, but there is invariably some other reason from a public-utility point of view for their existence. But take it from purely the financial point of view. At the time this Department, for instance, was inaugurated gum was a drug on the market. Any private firm commencing would have had to subscribe sufficient capital to run the business. In the early stages, when profits were out of the question, the shareholders would have been simply without a dividend. There would have been no income-tax to pay. In the case of this Department, debentures had to be raised at the outset, and interest commenced at once. To the 31st March, 1921, an amount of over £10,000 has been payable on account of interest on debentures. As regards a State Department, there is also the fact that all moneys are invariably paid into the credit of the Public Account, and no interest is payable on a credit balance.

If a fair comparison is to be made between State trading Departments and private traders, the question of interest payable on moneys borrowed to carry out the venture should be taken into consideration along with the fact that no income-tax is payable. In the case of this Department such interest charges have been much more than income-tax payments would have amounted to had it been a private company carrying on with its own capital, and the position at date would have been much more favourable than it is.

#### CROPPING FLAX ON GUM LANDS.

One of the chief drawbacks to the gum-digging is that there are no subsidiary industries to which the digger can turn in times of depression, and that the diggers, taken as a whole, will not turn their attention to the land from a farming point of view. In fact, a good deal of the bad reputation attaching to gum lands is a result of the general expression of opinion by the diggers that the land is valueless from an agricultural point of view. This applies especially to the kauri peat swamps.

In the report for 1918 the suitability of the northern gum lands for growing flax (*Phormium tenax*) was discussed, and it was stated that an area of some 50 acres had been planted at the Big Flat, Waiharara. The plants were selected from ground in the vicinity where flax was growing in profusion and where the thinning-out would do good. They were put in 6 ft. between rows, and a 12 ft. space between every twelfth row. The plantation has proved successful, and it is proposed to increase the area either this season or next.

Flax may be grown either from seed or plants transplanted. If grown from seed seven years must elapse before cutting, and then the cutting must be light the first year. Flax transplanted can be cut in four years, and thereafter every three or four years.

It is generally thought that the best results are obtained by planting matured roots rather than small and young ones. The roots should be dug, and then divided like rhubarb-roots, and planted fairly deep so that no air can get in. The leaves should then be cut off about 6 in. or 8 in. from the roots, so that they are not so likely to be blown over, the cutting being done by two cuts, one on each side and sloping upwards.

In Volume XXII, No. 2, of the *New Zealand Journal of Agriculture*, published on the 21st February, 1921, appears an article on flax-planting by Mr. Alfred Seifert, the well-known flax-miller of Palmerston North. Mr. Seifert quotes figures to show that the yield from 100 acres of land planted in flax, based on the highest price during the last ten years, would have amounted to £3,600, while the amount obtained if sold at the average price during that period would have been £1,800. The returns from 100 acres of similar land used for dairying would have been £1,925 taking the highest prices for butterfat and by-products, and £1,050 taking the average prices obtainable during the ten years. The labour involved in cutting and delivering the flax would be just about equal to the labour of dairying.

Mr. Seifert sounds a very optimistic note in regard to the cultivation of flax, and considers that a family could make a living from a 25-acre plot, 20 acres in flax and the balance for grazing cows and keeping a garden. In this case the grower would, of course, cut and deliver the flax in addition to growing it.

R. P. GREVILLE,  
Kauri-gum Superintendent.

The Hon. D. H. Guthrie, Minister of Lands, Wellington.

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 1921.

*Receipts and Payments Account.*

<i>Receipts.</i>	£	s.	d.	<i>Payments</i>	£	s.	d.
Cash in hand, 1st April, 1920 ..	16,322	10	6	Wages, &c., to workmen, overseers, and gum-buyers ..	2,909	10	0
Sales of kauri-gum ..	39,214	9	2	Plant, machinery, stores, &c. ..	1,549	17	7
Interest on inscribed stock ..	313	14	0	Purchases of kauri-gum ..	32,892	4	7
				Freights, &c. ..	7,077	1	5
				General and office expenses, administration, &c. ..	1,900	19	10
				Interest on loan debentures ..	2,120	0	0
				Cash in hand, Treasury, 31st March, 1921 ..	7,401	0	3
	<u>£55,850</u>	<u>13</u>	<u>8</u>		<u>£55,850</u>	<u>13</u>	<u>8</u>

*Loan Account.*

(Authority under Section 4 of the Kauri-gum Industry Amendment Act, 1914, £75,000.)

1921.	£	s.	d.	1920.	£	s.	d.
March 31. To Balance forward ..	53,000	0	0	April 1. By Debentures issued under the Kauri-gum Industry Amendment Act, 1914 ..	53,000	0	0
	<u>£53,000</u>	<u>0</u>	<u>0</u>		<u>£53,000</u>	<u>0</u>	<u>0</u>

*Trading Account.*

	£	s.	d.		£	s.	d.
To Gum on hand, 1st April, 1920 ..	20,981	3	5	By Gum on hand, 31st March, 1921 ..	34,042	8	1
Purchases of gum ..	33,065	4	10	Sales of gum ..	38,326	17	10
Wages ..	2,979	9	7	Gum sent on consignment ..	292	13	8
Freights ..	1,626	14	3				
Balance, being gross profit to Profit and Loss Account ..	14,009	7	6				
	<u>£72,661</u>	<u>19</u>	<u>7</u>		<u>£72,661</u>	<u>19</u>	<u>7</u>

*Profit and Loss Account.*

	£	s.	d.		£	s.	d.
To Freights outward ..	3,155	10	7	By Trading Account ..	14,009	7	6
General expenses ..	262	9	6	Timber Account ..	1	17	6
Cables, &c. ..	91	15	10	Profits on consignments ..	408	15	7
Consumable stores ..	53	4	10				
Sacks ..	725	4	10				
Gum-cases ..	485	16	5				
Fire insurance ..	149	6	5				
Marine insurance ..	48	3	10				
Printing and stationery ..	24	16	5				
Travelling-expenses of Superintendent and staff ..	34	10	6				
Rent ..	300	0	0				
Salaries ..	675	0	0				
Depreciation ..	141	10	0				
Balance carried down ..	8,272	11	5				
	<u>£14,420</u>	<u>0</u>	<u>7</u>		<u>£14,420</u>	<u>0</u>	<u>7</u>
To Balance on 1st April, 1921 ..	10,706	15	9	By Balance brought down ..	8,272	11	5
Interest on loan debentures ..	2,120	0	0	Interest on 5-per-cent. inscribed stock ..	400	0	1
				Balance as per balance-sheet ..	4,154	4	3
	<u>£12,826</u>	<u>15</u>	<u>9</u>		<u>£12,826</u>	<u>15</u>	<u>9</u>

*Balance-sheet.*

<i>Liabilities.</i>	£	s.	d.	<i>Assets.</i>	£	s.	d.
Loan Account debentures issued under Kauri-gum Industry Act, 1914 ..	53,000	0	0	Land at face works and elsewhere, with buildings, fences, and improvements ..	5,223	15	6
Crown Land Account ..	500	0	0	Vacuum tank, fittings and plant, and royalty Short-workings Account ..	2,200	6	10
Sundry creditors ..	2,149	12	9	Plant and store fittings ..	327	7	2
Interest on debentures ..	797	0	7	Tools, Auckland and depots ..	67	6	4
				Live and dead stock ..	62	9	3
				Furniture and office fittings ..	127	15	2
				Timber on hand ..	16	15	6
				Sacks, gum-cases, and consumable stores on hand ..	564	17	8
				Charges paid in advance ..	86	7	6
				Gum on hand ..	34,042	8	1
				Gum on consignment ..	2,171	19	10
				Cash in hand ..	7,401	0	3
				Profit and Loss Account ..	4,154	4	3
	<u>£56,446</u>	<u>13</u>	<u>4</u>		<u>£56,446</u>	<u>13</u>	<u>4</u>

R. P. GREVILLE, Kauri-gum Superintendent.

The Audit Office, having examined the balance-sheet and accompanying accounts, required by law to be audited, hereby certifies the same to be correct.—R. J. COLLINS, Controller and Auditor-General.

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