

"When the Committee commenced to function the export of hides from New Zealand was confined to the United Kingdom and to Canada, but when, during the second half of June, 1940, the overseas markets declined suddenly below standard domestic prices, the Hon. the Minister of Marketing was requested to allow the export of hides to the United States of America and Australia. The Minister immediately agreed to this request, and the widening of export markets which resulted was of great value to the New Zealand producers. From the last week of November, 1940, export prices began to rise steadily, and about the middle of March a good demand developed from Canada, United States of America, and Australia, and to-day there is a steady market.

"*Alterations to Regulations.*—When export prices fell below standard domestic prices it was found that some freezing companies and exporters were not having their hides so freely claimed by tanners as were others, and in consequence were placed at a disadvantage. To meet this situation an extension of the powers in the regulations was necessary to enable the Committee to equalize standard domestic prices and export prices not only when export prices are above standard domestic prices, but also when export prices are below standard domestic prices.

"The Hides Committee on 27th September, 1940, appointed a sub-committee to arrange for the drafting of the amendment to the regulations giving the extension of powers referred to, and correcting certain anomalies which were found to exist in regard to tendering for hides and sales at auction. Finally a complete recasting and consolidation of the regulations was prepared and was approved by the Hides Committee. These new regulations were sanctioned by the Minister and were gazetted on the 24th December, 1940.

"In the meantime an upward movement in the market had again brought export prices somewhat above standard domestic prices, and it was not necessary to pay an export bonus for equalization purposes.

"*Statistics.*—The following table shows the number of hides claimed by tanners and the number freed for export under the regulations:—

—	Ox.	Cow.	Bulls.	Yearlings.	Calf-skins.
Tanners claims ..	119,723	181,958	2,801	41,035	29,406
Hides freed for export	128,060	335,910	34,953	38,371	73,617
Totals ..	247,783	517,868	37,754	79,406	103,023

"Grand Totals—

"Tanners 374,923 hides and calf-skins.

"Exporters 610,911 hides and calf-skins.

985,834

"*Financial Report.*—The following summary shows the position of the Equalization Fund as at 31st March, 1941:—

	£	s.	d.	£	s.	d.
"Levy received from H.M. Customs	17,136	4	6			
"Less 2 per cent. collection charges	342	14	4			
	16,793	10	2			
"Less claims paid to tanners, freezing companies, and exporters	15,533	5	0			
"Balance	1,260	5	2			
"Expenses to 31st March, 1941—	£	s.	d.			
"Salaries	951	0	10			
"Telegrams, stamps, and petty expenses	26	18	9			
"Travelling-expenses	31	11	3			
"Sundries (rent, telephone, cleaning, &c.)	96	16	6			
	1,106	7	4			
"Cash in bank, 31st March, 1941				153	17	10
"To this must be added estimated levy due on hides which have not been shipped or for which payment has not yet been received from H.M. Customs as at 31st March	5,200	0	0			
"From this amount must be deducted claims which are finalized and awaiting payment	2,337	0	0			
"Plus estimated claims not yet completed	1,500	0	0			
	3,837	0	0			
"Leaving estimated balance to be collected	1,363	0	0			
"and leaving an estimated surplus in hand of	£1,516	17	10			