

and of a minute from his Ministers, on the subject of the supplies of meat, produce, and horses required by the army and navy.

The subject is of importance, and has received full and prolonged consideration; nor need Mr. Brodrick add that it has been approached with every desire to give effect to the legitimate wishes of the Australian Ministers. But, at the same time, the Ministers will understand that, with the great expenditure which the Home Government has to meet, especially at the present moment, economy in so far as it can be combined with efficiency must be his first consideration. In final resort the British taxpayer's claims must be paramount.

Looking at the matter from this double point of view—*i.e.*, the desire to foster trade with the colony, and the necessity for safeguarding the interests of the Mother-country—I am to make the following observations on the minute enclosed in your letter. For purposes of explanation it may be desirable to take the paragraphs of the minute seriatim:—

*Paragraphs 1 and 2.*—The first paragraph needs no comment. With regard to the second, in which Mr. Barton emphasizes a request that, when contracts are to be entered into, "timely notice" may "be given to enable tenders to be called in Australia and New Zealand," Mr. Brodrick does not know whether any particular contract is alluded to. In the case of the recent large South African contract for meat timely notice was given, and similar notice will also be given when frozen meat is required at other important stations, such as Malta and Gibraltar, whenever fresh tenders are invited. As regards canned meats the colonial firms have agents in Great Britain and tender through them, nor after the fullest consideration does the Secretary of State see his way to making other arrangements.

*Paragraph 3.*—An advantage has recently been given to the colonies by authorising the issue of frozen mutton twice a week, instead of once, to troops at Home stations.

*Paragraphs 4, 5, and 6.*—Mr. Brodrick greatly regrets that there should be any feeling in the Commonwealth that Australian merchants have not received adequate consideration in connection with contracts for supplies in South Africa. He cannot but think that any such feeling is founded on a misconception as to the amount of the supplies actually obtained from Australian sources. With regard to this, Mr. Brodrick can, if it be so desired, give a list of the total orders given by the War Office to the colonies; but in view of the exigencies of active service it would be quite impossible to call upon the supply officers in South Africa, whose energies are taxed to the utmost, to furnish lists of local purchases, distinguishing Australian from other goods. It is very doubtful whether the data on which lists of the kind would be based, and without which no reliable result could be attained, have in all cases been recorded.

*Paragraphs 7 and 10.*—Mr. Brodrick regrets that he cannot accept the contention that if tenders were invited in Australia great savings would result. Experience has rather shown that where it is announced that the Imperial Government intends to purchase in the colony the traders harden their prices. With regard to the contract for the supply of meat to the troops in the early part of the war, it has to be borne in mind that the Australian firms did not, so far as can be ascertained, possess the organization or other facilities indispensable for dealing efficiently, and at short notice, with the quantities required to be delivered to troops disseminated over vast districts in a hostile country. Immediate action, and action on a very large scale, was imperative.

*Paragraphs 8 and 10.*—Mr. Brodrick has no knowledge of the communication believed to have been addressed to Lord Kitchener as to the relative cost of supplies to the army of the United States in the Philippine Islands and to the army in South Africa. It may, however, be remarked that the conditions both of supply and distribution differ widely, and no fair comparison can be made.

*Paragraphs 9 and 10.*—Mr. Brodrick would always be glad to consider any proposals of the kind. But it is to be observed that the offer at the price quoted—6½d. per pound of frozen meat, *ex* storehouse—would not be advantageous. Under the contract now expiring 7d. per pound was paid for frozen meat distributed throughout South Africa, and under the new contract the price per pound, again so distributed, will be under 5½d.

*Paragraph 11.*—It is greatly regretted that there should be any feeling that the offer of horses was not fully considered. Such was not the case; the matter was considered, but the responsible officer did not recommend the purchase of the horses here in question. Apart from this, upwards of 22,500 horses have been obtained from Australia to the end of January last.

*Paragraphs 12, 13, and 14.*—The *c.i.f.* shipments—*i.e.*, shipments at a cost covering the cost of horses, insurance, and freight—were not abandoned without trial. Shipments on these conditions were recommended at one time by Colonel Hunt, but the complaints from South Africa were so numerous that they had to be abandoned in favour of the *f.o.b.*—*i.e.*, free on board—shipments. The suggestion in paragraph 13 as to the employment of "regular traders" rather than "occasional tramp steamers" will be referred to the Transport Department of the Admiralty, which manages such matters for the War Office.

*Paragraphs 15 and 16.*—These mainly affect the Admiralty. It may be noted, however, that very considerable portions of the supplies required by the army in South Africa have been obtained from Australia.

In conclusion, I am to repeat that Mr. Secretary Brodrick has every desire to encourage Australian produce so far as he can do so legitimately, and with due regard to the interests of the British taxpayer, and that he will always be ready to give full, and indeed sympathetic, consideration to any suggestion that may be made with a view to increasing the volume of army supplies to be obtained from Australian sources.

He will be glad, whenever an occasion arises, of consulting the Ministers as to the best way of carrying these wishes into effect.

I am, &c.,

E. W. D. WARD.