

1917.
NEW ZEALAND.

DEPARTMENT OF IMPERIAL GOVERNMENT SUPPLIES.

REVIEW OF OPERATIONS COVERING THE PERIOD FROM 3RD MARCH, 1915, TO 31ST MARCH, 1917,
INCLUDING AN APPENDIX SHOWING RESULTS TO 30TH JUNE, 1917.

Laid on the Table of the House of Representatives by Leave.

SIR,—

Wellington, 30th June, 1917.

I have the honour to submit a review of the operations of the Department of Imperial Government Supplies covering the period from the 3rd March, 1915, to the 31st March, 1917.

The Department commenced operations on the 3rd March, 1915, and was constituted for the purpose of taking charge of the business details connected with the "requisition" received from the Imperial Government to purchase the entire output of the frozen beef, mutton, and lamb available for export from New Zealand for such purposes as the Imperial Government might determine.

Subsequently, as other necessities arose in and beyond the Dominion requiring a similar organization to that under which the export of frozen meat had been conducted, the scope of the Department was enlarged and now includes the business arising out of the purchase and export on Imperial Government account of cheese and scheelite, also the business connected with the purchase and export of wool (greasy, slipe, and scoured), sheep-skins, hides, and calf-skins subsequent to valuation, and has quite recently undertaken in co-operation with the New Zealand Board of Trade all the financial arrangements connected with the purchase and disposal of wheat from Australia.

The Department has also set up the office machinery necessary for the collection from owners of factories producing butter and cheese the amounts required to be paid under the "butter-fat levy" set out by Order in Council dated the 13th October, 1916, and has disbursed to factories from time to time such amounts as they have become entitled to under the scheme; and, in addition, has purchased butter and cheese for the Dominion Government for the use of camps and transports, and undertaken a general oversight over the internal arrangements connected with the export and marketing of kauri-gum in the interests of the Dominion Government.

It has also arranged the payment for supplies of condensed milk for the Imperial Government, and has purchased and shipped frozen meat for the British Red Cross Society.

FROZEN MEAT.

The requisition of the frozen meat on behalf of the Imperial Government took effect as from the 3rd March, 1915, and it was for "all frozen beef, mutton, and lamb now in store or produced at freezing-works available for export." The scheme by which the requisition became effective was the outcome of conferences convened by the Prime Minister (Right Hon. W. F. Massey) and

attended by representatives of freezing companies, shipping companies, the Board of Agriculture, buyers, and others. A schedule of prices, a system of grading, and a general "working arrangement" were agreed upon and subscribed to by the interested parties. The schedule of prices then agreed to was adhered to until the 20th October, 1916, when the rates were revised. The two sets of rates hereafter follow for purposes of comparison :—

Description.	Prices operating from 20th October, 1916.	Prices operating from 3rd March, 1915, to 19th October, 1916.
	Per lb. d.	Per lb. d.
Wethers, first quality, 72 lb. and under	5 ³ / ₈	4 ¹ / ₂
„ „ over 72 lb. and up to 85 lb.	5 ¹ / ₈	4 ¹ / ₄
„ „ „ 85 lb. and up to 98 lb. (subject to special approval by Inspector)	4 ⁷ / ₈	4
„ second quality	5 ¹ / ₈	4 ¹ / ₄
Ewes, first quality, 72 lb. and under	4 ⁷ / ₈	4
„ „ over 72 lb. and up to 85 lb.	4 ⁵ / ₈	3 ³ / ₄
„ second quality	4 ⁵ / ₈	3 ³ / ₄
Lamb, specially prime and Canterbury quality, 42 lb. and under ..	6 ¹ / ₂	5 ³ / ₈
„ first quality, 42 lb. and under	6 ³ / ₈	5 ¹ / ₂
„ „ over 42 lb.	6 ¹ / ₈	5 ¹ / ₄
„ second quality	6 ¹ / ₈	5 ¹ / ₄
Beef, prime ox	5	4 ³ / ₄
„ second and heifer	4 ³ / ₄	4 ¹ / ₂
„ boning in quarters	4 ¹ / ₄	4
„ cow, prime	4 ³ / ₄	4 ¹ / ₂
„ „ second	4 ¹ / ₄	4
„ boneless	5 ¹ / ₄	5
Mutton, legs	6 ³ / ₈	5 ¹ / ₂
„ shoulders	5 ³ / ₈	4 ¹ / ₂
„ loins	5 ³ / ₈	4 ¹ / ₂
„ haunches .. .. .	..	5

A condition applying to the prices fixed on the 20th October, 1916, was that they should operate for at least three months after the termination of the war, and that the storage rate previously paid should be reduced by 25 per cent. as from the 1st November, 1916.

The total quantities of meat purchased from the 3rd March, 1915, to the 31st March, 1917, were,—

Beef (quarters)	1,313,748
Mutton (carcases)	5,279,408
Lamb (carcases)	6,928,023
Other meat (in 60 lb. carcasses)	198,611

The total payments for meat to the 31st March amounted to £15,800,701, distributed as under :—

	£	£
Auckland	1,399,312	
Poverty Bay	1,599,494	
Hawke's Bay	1,584,561	
Taranaki	641,255	
Wellington	4,612,552	
North Island		9,837,174
Marlborough	120,242	
Nelson	71,072	
Canterbury	3,455,022	
Otago	1,193,913	
Southland	1,123,278	
South Island		5,963,527
		£15,800,701

The respective quantities of meat shipped from each port from the 3rd March, 1915, to the 31st March, 1917, are set out in the following table :—

Port of Shipment.	1914-15 Season.			1915-16 Season.			31st March, 1917.			Totals		
	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.
	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.
Whangarei ..	23,694	..	..	41,457	11,323	3,222	11,076	3,271	..	76,227	14,594	3,222
Auckland ..	52,533	41,264	74,983	186,587	42,975	108,104	43,520	10,824	8,445	282,640	95,063	191,532
Tokomaru Bay ..	6,463	58,460	41,897	8,950	107,846	67,526	2,927	16,223	..	18,340	182,529	109,423
Gisborne ..	25,024	220,038	101,073	62,261	325,172	165,752	6,987	69,456	10,255	94,272	614,666	277,080
Napier ..	34,802	208,775	151,982	64,802	377,599	301,282	11,453	130,630	25,463	111,057	717,004	478,727
Waitara ..	46,612	49,485	28,250	77,680	54,929	44,126	14,087	13,918	13,389	138,379	118,332	85,765
New Plymouth ..	..	..	..	..	..	..	1,457	6,199	2,180	1,457	6,199	2,180
Wanganui ..	17,812	95,713	38,012	26,783	88,569	67,766	23,353	38,532	17,479	67,948	222,814	123,257
Wellington ..	58,979	610,073	411,351	166,931	734,540	782,383	47,602	256,669	319,596	273,512	1,601,282	1,513,330
Total, North Island	265,919	1,283,808	847,548	635,451	1,742,953	1,540,161	162,462	545,722	396,807	1,063,832	3,572,483	2,784,516
Nelson ..	521	10,312	20,549	4,763	16,623	21,563	2,157	2,544	..	7,441	29,479	42,112
Pictou ..	..	22,410	31,035	..	27,650	42,392	..	10,809	..	..	60,869	73,427
Lyttelton ..	11,128	244,750	772,152	38,162	274,884	770,312	18,711	135,297	207,059	68,001	654,931	1,749,523
Timaru ..	2,618	153,374	623,925	7,624	102,373	334,357	6,903	89,485	192,507	17,145	345,232	1,150,789
Oamaru ..	..	29,871	97,868	..	10,095	32,402	..	9,336	2,732	..	49,302	133,002
Dunedin ..	11,876	85,884	214,387	22,246	102,716	189,680	6,022	54,132	54,900	40,144	242,732	458,967
Bluff ..	45,673	156,552	282,044	61,634	144,396	217,847	9,878	23,432	35,796	117,185	324,380	535,687
Total, South Island	71,816	703,153	2,041,960	134,429	678,737	1,608,553	43,671	325,035	492,994	249,916	1,706,925	4,143,507
Grand totals	337,735	1,986,961	2,889,508	769,880	2,421,690	3,148,714	206,133	870,757	889,801	1,313,748	5,279,408	6,928,023

The quantities of meat which had either arrived at destination or were afloat as on the 31st March were as follows :—

Beef (quarters)	..	..	..	1,268,627
Mutton (carcases)	..	..	..	5,140,964
Lamb (carcases)	..	..	..	6,809,934

The balance is accounted for by quantities of meat then on board steamers loading in New Zealand and losses in the steamers "Clan MacTavish" and "Rotorua."

The important work of inspection, grading, and checking weights, together with the certification of statements furnished with regularity by the freezing companies relating to quantities of meat on hand, killings, &c., is carried out by the Live-stock Division of the Department of Agriculture.

System of Payment for Meat.

The system of payment for the meat adopted at the outset has been adhered to, and has proved satisfactory. The method adopted is for consignors to forward shipping documents and invoices to the Department of Imperial Government Supplies and draw on Wellington, which by an arrangement made with the banks in the Dominion they are able to do without any expense. In the case of freezing companies freezing on account of clients, however, it has been arranged that the company concerned shall forward all documents direct to the Department in Wellington, together with a statement showing to whom payment is desired to be made for specified shipments. Cheques are thereupon posted directly to the clients named, and are made payable free of exchange. This method obviates the necessity for the freezing company furnishing more than one set of documents, and prevents the delay which would arise if a set of documents had to be prepared and forwarded to individual clients and subsequently submitted to the Department in Wellington for settlement.

Payment is made for shipments by the Department usually within twenty-four hours of the receipt of documents.

The funds required for the purchases are provided by the Imperial Government through the High Commissioner, to whom application is made by the

Secretary to the Treasury, acting on the advice of the estimated amounts required furnished by the Department of Imperial Supplies.

In the early history of the Department a special telegraph code was devised for communicating to the High Commissioner detailed particulars of shipments, which has resulted in a saving of many hundreds of pounds per annum.

Particulars of Frozen Meat in Store and of Shipments made (60 lb. Carcases).

In store on—				1915-16.	1916-17.
April	30	...	...	1,792,362	2,304,258
May	31	...	...	2,048,454	2,642,362
June	30	...	...	2,165,342	2,480,846
July	31	...	...	1,865,283	1,892,504
August	31	...	...	1,410,167	1,396,540
September	30	...	...	665,992	816,933
October	31	...	...	199,936	367,975
November	30	...	...	140,836	161,311
December	31	...	...	597,817	451,361
January	31	...	...	1,093,300	1,137,438
February	28	...	...	1,575,336	1,901,085
March	31	...	...	2,152,250	2,409,541
Shipments during—				1915-16.	1916-17.
April	...	...	...	498,971	540,204
May	...	...	...	389,223	500,097
June	...	...	...	302,293	605,890
July	...	...	...	761,641	740,845
August	...	...	...	602,647	555,630
September	...	...	...	795,766	609,362
October	...	...	...	474,055	465,983
November	...	...	...	282,450	321,497
December	...	...	...	241,734	235,316
January	...	...	...	514,036	440,168
February	...	...	...	498,964	272,910
March	...	...	...	542,586	800,539
				5,904,366	6,088,441

The foregoing table will doubtless be found interesting as indicating that the freezing-works were virtually clear of meat in November, 1916, and in the same month of 1915, whilst the maximum quantity of meat in store during last year was reached in May, 1916—2,642,362 60 lb. carcasses—as compared with a maximum of 2,165,342 60 lb. carcasses in June of the previous year (1915). The present indications are that the former quantity will be considerably exceeded during the present season, attributable in the main to a lack of sufficient shipping facilities, and also in a degree to the increase in the number of freezing-works. It will also be seen from the “Table of Shipments” that, taking the periods ending 31st March, 1916 and 1917, that the quantity of meat shipped during the latter twelve months only exceeded the former by 184,075 carcasses.

Augmentation of Freezing Facilities.

Synchronizing with the expansion of the Department of Imperial Government Supplies has been the increase in the number of freezing-works in the Dominion and large additions to their storage-capacity. Ten new freezing-works have been erected, of which eight are in the North Island and two in the South Island, while one is in course of erection at Whakatane and one at Kakariki, both in the North Island. There are now forty-one freezing-works in operation in the Dominion. The storage-capacity of the works has been increased within the period under review from accommodation for 2,200,000 carcasses of 60 lb. to 4,400,000 carcasses.

CHEESE.

During the 1915–16 season the Dominion Government, acting for the Imperial Government, requisitioned about one-third of the cheese produced in New Zealand, on a basis of 7½d. per pound f.o.b. It so purchased and shipped 189,502 crates, for which £917,748 was paid to producers concerned. This purchase was concluded on the 1st October, 1916. After lengthy discussion, mainly as to price, between representatives of cheese-producers in the North and South Islands, merchants, and others concerned, under the presidency of the Right Hon. Mr. Massey and subsequently of the Hon. Mr. MacDonald, arrangements were completed to purchase for the Imperial Government the whole output of cheese available for export for the 1916–17 season at the price offered by the Imperial Government—viz., 9½d. per pound f.o.b. for first-grade and 9¼d. per pound f.o.b. for second-grade cheese. The scheme came into operation on the 16th January, 1917. By that time, however, arrangements between merchants and the cheesemaking companies with respect to the purchase of “outputs” and the “consignment” of cheese had already been entered into, and shipments of cheese had already been made on consignment on account of the factories or on account of British importing houses. The disturbance of these arrangements by the purchase of the whole output of cheese was met by a deduction of 1¼ per cent. from the above prices to be paid to owners of the cheese, which was made by the Government and paid over to those merchants who already held contracts to purchase cheese from makers who had elected to sell their outputs. The amount paid to brokers on this account to the 31st March, 1917, was £7,071. The Imperial Government also purchased all New Zealand cheese shipped to the United Kingdom prior to the requisition coming into operation at the contract price paid by importing firms to New Zealand producers, and allowed to such firms a commission of 5 per cent. Cheese shipped on consignment before the requisition became operative was also taken by the Imperial Government at 9½d. per pound, a commission of 2½ per cent. being allowed to firms in the United Kingdom through whom the cheese had been consigned.

The cheese purchased and shipped during the 1915–16 season was paid for on a f.o.b. basis. For 1916–17 a system of “advances” was introduced by which an advance payment of 90 per cent. on the prices agreed upon between the Government and producers was made on the expiry of twenty-eight days after the cheese was put into grading-store; payment in full, however, has been made in cases where the cheese was shipped within twenty-eight days of its receipt into grading-store.

The Department of Imperial Government Supplies to the 31st March, 1917, had disposed of the cheese so purchased as follows:—

1915–16 season—		Crates.
Total shipped and arrived at destination	...	189,502
Total payments made	...	£917,748
1916–17 season—		
Shipped per “Rotorua” (sunk <i>en route</i>)	...	16,440
Shipped and arrived at destination	...	9,332
<i>En route</i> to Great Britain	...	64,025
On board steamers now on loading-berth	...	64,048
Total crates	...	153,845
Total payments made	...	£1,547,408

The total payments above include advances made against cheese in store.

There were in store as at 31st March, 1917, 185,400 crates of cheese awaiting shipment.

Three hundred and eighty-one factories were in existence in the Dominion when the Department began its cheese purchases in October, 1915. Since then the number has increased to 401.

CONDENSED MILK.

Payment for supplies of condensed milk purchased on behalf of the Imperial Government by the Department of Munitions and Supplies has been arranged by the Department of Imperial Government Supplies. From the 27th November, 1916, up to the 31st March, 1917, 19,998 cases were shipped, the value being £21,381 5s.

SCHEELITE.

The Imperial Government, being desirous of obtaining all the scheelite produced in the Dominion, arranged with the Dominion Government to requisition the available supply on its behalf.

Operations to this end commenced on the 20th September, 1915. The price paid for scheelite so dealt with was on a basis of £2 15s. per unit of tungstic acid disclosed by assays made in the United Kingdom, with a reduction if the assay fell below 65 units per ton of ore.

The agreement with mine-owners expired on the 31st December, 1916, but at the request of the Imperial authorities it was extended to the 31st August, 1917. The price remained unchanged, but an allowance to cover increased rates of freight and war-risk insurance which had taken place since the inception of the scheme was made. The following are particulars of shipments and of payments made to producers:—

	Tons.
Shipped per "Rotorua" (sunk <i>en route</i>)	8
Arrived at destination	315
<i>En route</i> to Great Britain	27
Total	350
Total payments made to date	£67,480

One marked effect of the requisition of scheelite has been the increase of producers from five recognized companies operating at the beginning of the scheme to forty syndicates, companies, and private producers furnishing supplies of the ore to the Imperial Government through the Department.

WOOL.*Requisition and Disposal.*

The most important addition to the operations of the Department in point of magnitude has been the carrying-out of all the details subsequent to valuation connected with the purchase of the wool-clip of the Dominion on behalf of the Imperial Government, an Advisory Committee appointed by the Government taking in hand and advising on all matters prior to valuation.

On receipt of advice from the Imperial Government of its desire that the whole of the season's wool-clip for 1916–17 should be made available for Imperial requirements, a series of conferences was held, extending over a lengthened period, between the Hon. Minister (Mr. MacDonald) and growers, brokers, buyers, and others interested in the wool industry. The offer made by the Imperial Government for the season's clip named the price to be 45 per cent. advance on the average sale from values obtained in the Dominion during the 1913–14 season. After much deliberation and negotiation this offer was declined, and a counter-proposal made by the conference that the price should be based on the values ruling in the Dominion in January, 1916. This proposal was submitted to the Imperial Government, and as the result of further negotiations it was finally agreed that the price should be 55 per cent. advance on the average prices realized for season 1913–14. In order to aid the Minister and departmental officers in carrying out the scheme, committees were appointed to advise upon any points which might arise from time to time, and the assistance rendered has been invaluable.

The export of wool from New Zealand to any destination, "save with the consent of the Minister of Customs," was prohibited by Order in Council of the 18th November, 1916, and all wool of the 1916-17 clip in New Zealand was requisitioned by Proclamation on the 21st December following. Steps were also taken to secure freezing companies' slipe wool, and scoured and slipe wool after treatment by fellmongers.

Established firms of wool-brokers were appointed Government wool-brokers in respect to the wool so requisitioned. All owners of wool were required to deliver their wool at the wool-stores of the Government brokers at specified ports. There the wool was examined before shipment by two expert valuers, one being appointed by the Government and one by the Government's broker. Supervising valuers were also appointed by the Government, to whom any difference between the Government valuer and Government brokers' valuer as to classification and valuation of wool could be referred. Provision was also made for the appointment of umpires as a means of settling any disputes which arose in respect to valuation.

Wool received in store and accepted was paid for on the following scale of qualities and values, plus 55 per cent. :—

Description of Wool.		Range of Values per Pound according to Quality.	
Superior merino combings ...	...	From 12d.	to 14½d.
Medium to good merino ...	...	" 9¾d.	" 11½d.
Inferior merino ...	...	" 8½d.	" 9½d.
Superior half-bred ...	...	" 12d.	" 14d.
Medium to good half-bred ...	...	" 9¾d.	" 12d.
Inferior half-bred ...	...	" 9d.	" 10d.
Superior crossbred ...	...	" 10½d.	" 12d.
Medium to good crossbred ...	...	" 9d.	" 11d.
Inferior crossbred ...	...	" 7¾d.	" 9d.
Lincoln and Leicester ...	...	" 8¾d.	" 10½d.
Lambs, good ...	...	" 11d.	" 13d.
Lambs, medium ...	...	" 9d.	" 10¾d.

The above were taken as the average returns for wool sold in the sale-rooms of the Dominion during the season 1913-14.

Payment was made for the wool to the broker as agent for the owner, and on receipt of such payment the broker took possession of the wool on behalf of the Government, and such wool thereupon became the property of the Government. Payments were made to owners of the wool free of exchange fourteen days after valuation, through the broker acting as his agent. Prior to such payment the wool remained the property of and was at the risk of the owner, but was insured against fire to its full insurable value on his behalf while in the possession of the broker and until paid for. The broker was not allowed to charge the owner of the wool for any services rendered except for repacking when such was required, the intention being that the amount payable by the Government to the owner for his wool should be the net return for it, such amount being based on the foregoing scale of prices.

Wool already shipped for export under permit of the Minister of Customs, together with all other wool theretofore shipped by or on behalf of the same owner upon the same ship, was purchased by the Government on terms equivalent, as regards the seller, to those on which the wool requisitioned was paid for and in accordance with valuations to be made in the United Kingdom.

The brokers appointed as Government brokers were required to do all that was required as to the receipt, weighing, stacking, cataloguing, displaying, counter-marking, &c., as in accordance with the Government instructions. Their remuneration for these services was 1⁹/₁₆d. per pound of wool for all wool purchased by the Government through the agency of the brokers in pursuance of the scheme, plus 6d. per bale to cover cost of preparation of shipping

documents. For storage of wool beyond twenty-eight days after valuation the Government paid 4d. per bale per week or part of a week while the wool remained in the brokers' possession.

The Government paid freight, marine insurance (if required), stamp duty on bills of lading, all wharfage, lighterage, and railway charges from the store to the ship where such were incurred.

Valuation.

The services of a number of overseas buyers and others as supervising valuers and valuers were utilized, their presence in the Dominion at the time being accounted for by the sales for the season having already begun. The remuneration for their services was fixed at £45,000, plus actual locomotion expenses, clerical assistance, and office accommodation. It is calculated that this remuneration will work out at, roughly, $\frac{1}{16}$ d. per pound of wool valued.

Wool bought and shipped.

Operations for the valuation, purchase, and shipment of the wool requisitioned were begun on the 1st December, 1916, since when, to the 31st March, 1917, the following quantities have been disposed of as under :—

	Bales.
Shipped per "Rotorua" (sunk <i>en route</i>)	8,865
Total number of bales valued (as per valuation certificates received)...	421,388
Total number of bales shipped	219,030
Number of bales available for shipment or scouring	202,358
Number of bales for which space has been allotted which remain in store	89,780
Number of bales for which no space has been allotted	112,578
Total number of bales paid for	399,529
Number of steamers arrived at destination (with 48,737 bales) ...	7
Number of steamers <i>en route</i> to Great Britain (with 147,238 bales) ...	16
Number of steamers on loading-berth at 31st March (with 14,190 bales)	7

The Department has paid out on account of wool to the 31st March, 1917, £9,315,924 for 399,529 bales above referred to.

The wool-valuing centres under the scheme were Auckland, Tokomaru Bay, Tolaga Bay, Gisborne, Napier, Waitara, Wanganui, Wellington, Nelson, Blenheim, Christchurch, Timaru, Oamaru, Dunedin, and Invercargill.

Wool for France.

Acting on instructions from the Imperial Government, arrangements were made to permit the French Government to select in New Zealand a considerable quantity of wool for its requirements. This was done at valuation prices, plus the charge of $\frac{5}{8}$ d. per pound to cover cost of valuers' and brokers' services, and released on payment of $\frac{1}{16}$ d. per pound to cover valuation expenses.

The selection of the wool was made by the French Government's agents, who took charge of it for transport. The quantity of wool so obtained amounted to 20,000 bales in the first shipments, but this quantity was subsequently increased, the Department of Imperial Government Supplies itself acting for the French Government in making the shipments of wool and arranging for its insurance, &c.

Wool for Local Mills.

The Department has arranged for a supply of wool to meet the requirements of Dominion manufacturers. This wool was supplied at the Imperial Government schedule rates plus the cost of valuation. The representatives of the New Zealand woollen-mills selected the wool required prior to its valuation.

Wool-scouring Arrangements.

In conjunction with the Advisory Committee, arrangements were made by the Department of Imperial Government Supplies for the scouring of wool purchased on behalf of the Imperial Government as required. District Supplies Committees were set up by the Government at Auckland, Wanganui, Wellington (to include Nelson and Marlborough), Gisborne, Napier, Christchurch, Timaru, Dunedin (to include Oamaru), and Invercargill, whose duties were to collect information from time to time regarding the quantities of wool available for scouring in brokers' stores within their respective districts; also to receive from registered wool-scourers applications for wool for scouring, and to recommend to the Controller of the Department of Imperial Government Supplies the allocation of wool in certain quantities to such registered scourers, and to furnish information of matters of importance appearing in reports of Government Inspectors of Wool-scouring Works, such reports to be reviewed by the Committee from time to time.

Scourers were required to sort, classify, scour, and dry and pack the wool to be treated by them, and their remuneration was fixed on the following scale: 1½d. per pound for fleeces on scoured weights; 1¾d. per pound for pieces, bellies, locks, stained pieces, and second pieces, on scoured weights; ¼d. per pound advance on each class for merino wool. Payment to be made within fourteen days upon receipt by the Department of Imperial Government Supplies, of the Inspectors' and valuers' certificates in duplicate.

Slip Wool from Freezing Companies.

The Imperial Government having expressed a desire to purchase the slip wool produced at freezing-works, a conference between the Minister and representatives of freezing companies was held on the 2nd December, 1916, when proposals were submitted for the sale to the Imperial Government of all slip wool held by freezing companies in store in the Dominion on the 16th November, 1916, or produced thereafter during the year ending 15th November, 1917, on the basis of the values received in London for the year 1st January to 31st December, 1914, plus 55 per cent. On the 29th December the Imperial Government agreed to this proposal with the exception of that relating to the fixing of the price, considering that the value should be based on the period 1st August, 1913, to 31st July, 1914.

Subsequent negotiations resulted in the Imperial Government agreeing that the price of the slip wool produced up to the 30th June, 1917, should be based on the values obtained in London during the period 1st January, 1914, to 31st December, 1914, and that the price of the slip wool produced from the 1st July, 1917, to the 15th November, 1917, should be based on the values obtained in London during the period 1st August, 1913, to 31st July, 1914.

No agreement has yet been completed between the freezing companies and the New Zealand Government acting on behalf of the Imperial Government, but this matter is now receiving attention.

Pending formal completion, payment of the 75 per cent. of the value due on delivery in store in New Zealand has been authorized by the Minister in charge, and in accordance with the proposed arrangements the balance due will be paid when the actual value has been ascertained by valuation at that point.

To the 31st March, 1917, advances totalling £49,326 had been made against 1,623 bales.

SKINS AND HIDES.

Purchase of Sheep-skins.

By Order in Council dated 29th January, 1917, the export of sheep-skins and pelts from the Dominion was prohibited, and brokers were appointed, as in the case of wool, and the purchase of the skins under conditions somewhat

similar in the main to those of the purchase of wool began as from the 31st January, 1917. No skins of sheep slaughtered at a meat-export slaughterhouse were, however, purchased under this scheme. Government brokers acted as agents of the seller of skins in respect to the receipt, preparation for valuation, and storage of such skins, and the remuneration payable by the seller was left at that customary in the trade in the particular locality.

The scale of values of sheep-skins was fixed as follows :—

Skins.	Merino.	Half-bred.	Fine Crossbred.	Coarse Crossbred.
	d.	d.	d.	d.
Three-quarter to full-woolled sound ..	10½-11½	13-14	12-13	11½-12½
„ faulty ..	9½-10½	11½-12½	10½-12	10½-11½
„ damaged ..	8½-9½	10-11	9½-10¾	9½-10¾
Half-woolled sound ..	8½-9¾	11-12	10½-11½	10-11½
„ faulty ..	8-9	10-11	8½-10	8½-10
„ damaged ..	7½-8½	8½-9½	7-8½	7-8½
Short to quarter-woolled sound ..	7½-8½	9½-10¾	9½-10¾	8½-10¾
„ faulty ..	5½-6½	7-8½	7-8½	7-8½
„ damaged ..	5½-6½	6½-7½	6-7½	5½-7
Shorn sound ..	5½-6¾	8-9	8½-9½	8-10
„ damaged-faulty ..	3-4	3-6	4-7	4-7
Lamb-skins sound ..		11-12½		
„ damaged ..		8½-11½		
„ seedy ..		4½-9		

To the 31st March, 1917, 213,109 skins had been purchased, valued at £60,883.

Fellmongering.

Working arrangements were drawn up for the guidance of fellmongers engaged in the treatment of such sheep-skins purchased by the Government as were required to be so dealt with. As in the case of the wool-scourers, District Committees were appointed at specified centres to receive applications for skins for fellmongering, and to discharge duties similar in general to those connected with the wool-scouring arrangements, except in technical details. The wool and pelts were required to be delivered to the Government, consigned through the Government's agents at the customary shipping-ports, the wool in bales, the pelts in casks, and each branded as directed.

The payment made by the Government to fellmongers for their services was at the following rates: Fellmongering, 2d. per pound on the weight of wool, with 6d. per skin minimum; curing pelts, 3s. per dozen, all kinds, casks extra.

Hides and Calf-skins.

The exportation of hides and calf-skins was prohibited by Order in Council dated 12th March, 1917, and two days later notification was given in the *Gazette* that they would be acquired by the Government. The hides and calf-skins (as wool and sheep-skins) were required to be delivered to authorized Government brokers, excepting hides stored in a meat-export slaughterhouse or at the public abattoirs at Christchurch, Dunedin, and Invercargill, the stores of which are held to be receiving depots for the purposes of the scheme. Hides are valued by a Government valuer according to the following classification of weight in their respective qualities :—

Ox-hides—33 lb. to 44 lb.	Cow-hides—33 lb. to 39 lb.
45 lb. to 52 lb.	40 lb. to 48 lb.
53 lb. to 59 lb.	49 lb. and over.
60 lb. to 69 lb.	
70 lb. and over.	
Yearlings—17 lb. to 24 lb.	Calves—5 lb. and under
25 lb. to 32 lb.	6 lb. to 10 lb.
	11 lb. to 16 lb.

Purchase of the hides is effected by the Government broker on the authority of the Government valuer, and all purchases are subject to the condition that the seller shall place the hides f.o.b. ocean steamer.

The scale of values fixed for hides is as follows :—

						Per Pound.	
						s.	d.
Ox-hides, first quality, over 45 lb. up to freezing companies' best standard						1	1
Others, first quality						1	0
Ox-hides, second quality						0	11½
Cow-hides, first quality, up to freezing companies' best standard						1	0
Others, first quality						0	11
Cow-hides, second quality						0	10½
Bull-hides, good quality						0	9
All other grades and qualities, including cut and sloppy hides, to be fixed at relative valuations.							

Provision was made for local tanners' requirements to be met by granting them permits to purchase at the scheduled rates.

Hides supplied to the Australian and Canadian Governments under approval of the New Zealand Government are invoiced at the values as set out above, plus 1½ per cent. to cover expenses of valuation.

SHIPPING.

For many years antecedent to the declaration of war the freighting of frozen meat between New Zealand and Great Britain had been carried out by private contract between the respective shipping companies engaged in the New Zealand trade and the freezing companies. This system remained in force for a few months after the declaration of war—*i.e.*, between August, 1914, and March, 1915—when the whole of the insulated tonnage in steamers engaged in the Australasian overseas shipping trade was requisitioned by the Imperial Government. The interests of the various shipping companies in the existing contracts with the freezing companies and others in consequence disappeared for the time being, and, in effect, the shipping business, in so far as the insulated space was concerned, although carried on by the respective companies, became conducted as one concern—that is to say, the insulated space became “pooled” for allocation to shippers.

The Imperial Government, in order to regulate the distribution and allocation of this insulated space, appointed Committees in London, Australia, and New Zealand, the New Zealand Committee receiving its directions from the London Committee and acting in co-operation with the Australian Committee. The Dominion Committee is known as the New Zealand Overseas Shipowners' Committee, and was appointed on the 26th March, 1915, its members consisting of representatives of the four overseas companies trading between New Zealand and Great Britain.

Shortly after the appointment of the Committee the New Zealand Government expressed a desire to be represented on that body. This was agreed to, and the officer controlling the Department of Imperial Government Supplies was appointed. The present personnel of the Committee is as follows: Messrs. James Findlay (Chairman) and A. E. Pearce, representing Shaw, Savill, and Albion Company (Limited); Messrs. A. W. Bennett and G. B. Bullock, representing the New Zealand Shipping Company (Limited); Messrs. W. Wallis and R. A. Anderson, representing the Federal Shire Line; Messrs. J. R. Rooper and J. Sandtmann, representing the Commonwealth and Dominion Line (now Cunard); and Mr. R. Triggs, representing the New Zealand Government.

The Committee meets daily, and the amount of business which requires to be conducted is very considerable.

The Department of Imperial Government Supplies completely co-operates in the work of the New Zealand Overseas Shipowners' Committee, and furnishes important information as may be required at frequent intervals.

This information at first consisted of supplying particulars regarding the quantity of meat held in store at the various freezing-works, estimates of prospective killings, &c., but as the operations of the Department were extended additional information necessary to the Committee's requirements has been obtained and furnished. At present particulars regarding greasy, slipe, and scoured wool, hides, &c., available for shipment are collected by the Department and supplied to the Committee. From allocating the insulated space for meat and dairy-produce in the first instance the New Zealand Ship-owners' Committee now attends to the allocation of all general cargo space, local Committees being set up in the various shipping centres to deal with the general cargo shipments other than those handled by the Department of Imperial Government Supplies.

LOSS OF SHIPS.

During the first two years of the war the overseas shipping requirements of the Dominion may be considered to have been well met. Certain delays and inconveniences were experienced, but, taking all circumstances into consideration, producers were fortunate in seeing refrigerated stores practically clear of meat, butter, and cheese at the end of both seasons.

This season, however, owing to the losses of tonnage by submarine and other casualties, coupled with the deflection by the Imperial Government of tonnage from the New Zealand trade to meet the urgent necessities of the Empire, the situation as regards shipping facilities has become much less favourable, and this is clearly indicated by the increased quantities of meat and dairy-produce remaining in store on the 31st May, 1917, as compared with the same date last year.

Date.	Frozen Meat, 60 lb. Carcases.	Cheese, Crates.	Butter, Boxes.
31st May, 1916	... 2,642,362	62,000	84,000
31st May, 1917	... 3,290,000	126,000	242,000

The losses of insulated carrying-capacity, represented in terms of 60 lb. carcasses of meat, are as follows:—

Steamer.	Capacity. 60 lb. Carcases.
S.s. "Kaipara"	96,500
S.s. "Otaki"	95,000
S.s. "Rotorua"	99,000
S.s. "Tongariro"	83,500
*S.s. "Matatua"	88,000
S.s. "Rangatira"	97,800
S.s. "Tokomaru"	82,000
S.s. "Middlesex"	102,000
S.s. "Port Nicholson"	113,000
S.s. "Port Adelaide"	113,000
S.s. "Marere"	86,000
S.s. "Clan MacTavish"	48,000

Total capacity in 60 lb. carcasses ... 1,103,800

* Undergoing repairs.

Of the vessels previously mentioned only the s.s. "Rotorua" and the "Clan MacTavish" carried produce consigned to the Imperial Government. The values of the cargo lost in each of these were as follows:—

	S.s. "Rotorua."	S.s. "Clan MacTavish."
	£	£
Meat	89,991	47,558
Wool	221,625	...
Cheese	102,318	...
Scheelite	1,641	...
	<u>£415,575</u>	<u>£47,558</u>

The whole loss was borne by the Imperial Government except as to scheelite, which was insured on behalf of the producers.

The s.s. "Matatua," mentioned above, was injured as the result of an explosion and a subsequent stranding, and is at present undergoing repairs preparatory to being made again available for the New Zealand trade.

As a set-off against the losses a small amount of new tonnage has been added to the fleet engaged in the frozen-meat trade, and fifteen steamers up to the present have been made available temporarily from Australia.

The continuation of war has accentuated the difficulty of satisfactorily solving the question of providing sufficient shipping facilities to meet the Dominion's requirements, and has necessitated distributing the shipment of requisitioned produce over longer periods. Nevertheless good progress has been made in the abnormal and trying circumstances, and, as the foregoing figures under their respective headings show, enormous quantities of meat, wool, cheese, and other cargo with which the Department was concerned have been despatched and have reached their destination.

Owing to a strike of coal-miners in New Zealand, which occurred immediately after the Easter holidays of this year, a number of steamers were held up for want of coal.

The following statement will show the number of insulated steamers and their total carrying-capacity which have sailed from the Dominion during the three years 1914, 1915, and 1916, with an appendix showing similar information covering the period 1st January to the 31st May in each of the years mentioned and this year :—

1914.		1915.		1916.	
Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.	Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.	Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.
*99	8,800,700	84	7,682,000	78	7,322,500

* Including 8 steamers used as transports for New Zealand Expeditionary Force in October, 1914, only a small portion of the insulated capacities of which was available for New Zealand produce.

From 1st January to 31st May.

1914.		1915.		1916.		1917.	
Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.	Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.	Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.	Number of Steamers.	Total Insulated Capacity. 60 lb. Carcases.
49	4,415,100	37	3,409,000	33	3,163,000	31	2,918,500

DOMINION EXIGENCIES: SUPPLIES FOR THE GOVERNMENT.

As previously stated, the Department of Imperial Government Supplies has not confined its energies solely to the purchase and despatch of produce requisitioned on behalf of the Imperial Government. Its organization has been utilized by the Dominion Government for the purchase of supplies for the New Zealand military camps and transports. In co-operation with the Dairy Division of the Department of Agriculture, the Department has purchased for the Military Supplies Department, to the 31st March, 1917, 461,256 lb. of butter at an average of 15·94d. per pound, amounting to £30,644, and 3,176 crates of cheese, amounting to £17,484.

DISPOSAL OF KAURI-GUM.

The disposal of kauri-gum, the property of the Government, to the best commercial advantage is but another of the increasing functions of the Department of Imperial Government Supplies. The Kauri-gum Superintendent, acting under instructions of the Government, visited Canada and the United States to ascertain at first hand the ruling market conditions in those countries. One outcome of this visit was the appointment of Messrs. G. W. S. Patterson and Co., of New York, as agents for the disposal of the gum on the Government's account in Canada and the United States. A considerable quantity of gum has already been thus disposed of at satisfactory prices. Arrangements are now in train for marketing parcels of the lower-grade gums in the United Kingdom, such grades not being suitable for the Canadian and American markets.

The gum sold has realized £10,915 1s. 8d. The estimated value of that on hand is £26,129 13s. 7d.

MEAT FOR RED CROSS.

Incidental to the frozen-meat export of the Department of Imperial Government Supplies may be mentioned the purchase on behalf of the Meat Trade Section of the British Red Cross Association of 5,000 carcasses of lamb, being approximately 200 carcasses from each freezing company operating in the Dominion.

MONEYS DISBURSED.

The total disbursements of the Department of Imperial Government Supplies from the 3rd March, 1915, to the 31st March, 1917, were as follows :—

On account Imperial Government	...	...	£ 27,731,525
On account Dominion Government	...	...	87,591
			<hr/>
			£27,819,116

The salaries, expenses, rent, stationery, and all other incidental charges connected with the administration of the Department since its inception to the 31st March, 1917, have amounted to £6,361.

BUTTER-FAT LEVY.

Another duty which the Department of Imperial Government Supplies has been called upon to discharge is the collection of the levy of $\frac{3}{4}$ d. per pound made on all butter-fat consumed in the manufacture of butter and cheese, to form a fund from which factories supplying the local requirements with butter at a price below its f.o.b. value would be compensated, so as to put them on a parity with those who export their butter, it being a condition precedent to export that the levy should be paid and a license for export obtained.

To enable the scheme to be brought into operation an Order in Council was gazetted on the 13th October, 1916, and became operative on the following day, prohibiting the export of butter and cheese unless manufactured at a factory in respect of which an export license had been issued, and the schedule attached to the Order in Council sets out in detail the conditions to be complied with prior to a license being issued by the authority appointed for the purpose.

Under warrant dated 14th October the Controller of the Department of Imperial Government Supplies was appointed Licensing Authority, and a conference was held on the 17th October, at which representatives of the producers, Department of Agriculture, Customs Department, and Imperial Government Supplies Department were present, and a "working-arrangement" was approved.

The same conference reviewed forms for the purpose of enabling factories to furnish information required under terms of the Order in Council in respect of (a) butter-fat consumed monthly, (b) butter supplied for local consumption, and the forms were approved.

The form of application for export licenses contains an undertaking on the part of the applicant to brand the butter-boxes delivered from any factory as "for export," or "for local sale," as the case may be, with brands approved by the Licensing Authority, and the "working arrangement" provides for the supply of such brands by that authority. The duty of obtaining the brands and supplying each factory's requirements has been entrusted to the Director of the Dairy Division, Department of Agriculture.

The operation of the Order in Council from the 14th October, before the forms of application for export licenses could be printed and distributed to factories, necessitated some temporary provision to obviate the inconvenience and delay which would otherwise have inevitably occurred in respect of dairy-produce then in course of shipment. A system of temporary permits was introduced under which the exporters signed an undertaking to be personally responsible for any charges which may become payable under the provision of the Order in Council dated 13th October, 1916. This system served the period which elapsed until the whole scheme came into operation.

The number of applications for licenses received from the 13th October, 1916, to the 18th December, 1916, was 399.

A system of accounts has been devised complying with the requirements of the Treasury, and the audit of the accounts twice monthly by the Controller and Auditor-General has been arranged.

All contributions by dairy factories are being paid to the Public Account either by the individual factories at the nearest branch of the Bank of New Zealand, or by the Licensing Authority on receipt of cheques drawn by the factories concerned. Such amounts are credited by the Treasury to a "Butter-fat Adjustment Deposit Account" in its books.

An account designated the "Butter-fat Adjustment Imprest Account" has been opened at the Bank of New Zealand, to which amounts requisitioned from the Treasury are credited, and which is being operated on by cheques drawn by the Department of Imperial Government Supplies. The accounts devised by the Department show—(a) The amount contributed by each factory; (b) the total amount contributed; (c) the amount paid to Public Account; (d) the amount requisitioned from the Treasury to meet disbursements; (e) the amount distributed to each factory or company supplying the local market; (f) particulars of administration expenses.

A register is devised to ensure the receipt at regular intervals of returns required from factories, and particulars of the monthly consumption of butter-fat on which contributions by factories are based, and of butter supplied for local consumption on which periodical distributions will be made.

A mass of correspondence has been dealt with since the inauguration of the scheme, referring largely to questions of routine.

The receipts from the 1st September, 1916, to the 31st March, 1917, have been £147,974 9s. 10d. The disbursements to factories from the 1st October, 1916, to the 31st March, 1917, have been £39,463 3s. 11d.

The Board of Trade, with the assistance of an advisory committee representing the butter-manufacturers, has in hand the question of determining the maximum compensation payable on butter supplied for local consumption, and a settlement is expected as soon as some necessary data concerning realizations on the London market is available.

ACCOUNTS.

From the inception of the Department the accounting-work has received most careful attention, and a few remarks are made generally illustrative of the position with regard to this.

Meat.—The records in connection with the purchase of meat on behalf of the Imperial Government are in a satisfactory state. All particulars in respect of shipments have been advised to the Imperial Government. The work arising in connection with these accounts has been particularly heavy, but no undue delay has occurred in making payments.

Cheese.—Difficulty has been experienced in connection with payments for cheese by reason of the state in which the documents are submitted to the Department. In many cases the grade-notes and specifications have not been received with the relative bills of lading, and their omission has necessitated reference to the Graders and the dairy factories concerned. In other cases grade-notes and specifications have not agreed with the entries in the bills of lading, and further delay has been occasioned in reconciling them. Despite these difficulties, however, no undue delay has occurred in making payments, and the accounts are in a quite satisfactory condition. The work in connection with this section of the Department has been particularly heavy.

Scheelite.—The account sales in respect of steamers for which completed statements have been received from London have been furnished to the consignors concerned, together with cheques in payment of the balance due on those shipments.

Wool.—The main clip has now been valued, and the work in connection with the accounts for greasy wool presents little trouble, and is in a very forward state. All valuations conducted prior to the intervention of the Easter holidays have been paid for, and as payments are made on the fourteenth day after valuation very few documents are at present being received from brokers. A reduction in the work has afforded an opportunity of bringing all the accounts in this connection completely up to date.

Scoured Wool.—The accounts in connection with the payment of wool-scourers' charges for treatment of wool on behalf of the Imperial Government are well in hand, and although the manner in which documents are submitted has been anything but satisfactory, as little delay as possible is incurred in their being checked, and payment is usually made within the specified period of fourteen days. In some cases the documents have been so incomplete that there has been no option but to return them for correction, and in such cases a delay in payment of the amount due is altogether unavoidable.

Sheep-skins.—Little difficulty is being experienced in connection with the accounts kept to record the transactions under this heading, and payments are promptly met on the dates on which they fall due. The valuation certificates are still being received through the Requisitions Committee, and it is satisfactory to note that considerable improvement has been effected by the valuers themselves in the manner in which these certificates are prepared.

Slipi Wool.—Authority has been obtained from the Hon. the Minister in charge of the Department for the payment of the 75-per-cent. advance on slipi wool due in terms of the arrangement now being concluded with freezing companies, and claims for this advance are being freely received from freezing companies throughout the Dominion. Advances on upwards of 17,000 bales have now been made out of a total of approximately 30,000 bales held in store, and invoices are to hand for an additional 5,000 bales and are receiving attention. It is not yet quite clear in what form the accounts will be received from London in respect of final valuations of freezing companies' slipi wool, and until this point has been satisfactorily settled no attempt has been made at devising a system of accounts, but simply a record of cash payments is at present maintained.

Hides.—The payments in connection with the purchase of hides are being effected, and while the same difficulty mentioned in connection with sheep-skins is experienced—namely, the discrepancies occurring between the invoices submitted by brokers and the valuation certificates forwarded by the valuers—little trouble is otherwise experienced. Payments for hides are made on the fourteenth day after the contract of purchase has been effected, and, as the *Gazette* notice fixes the date of the contract as that on which

the invoices are posted to the Controller by the brokers concerned, it is not always possible to ascertain definitely the date on which payment should be made. Care is exercised, however, to ensure that the amount is remitted within the period specified by the *Gazette* notice.

General.—The accounts in connection with wool, sheep-skins, and hides are, generally speaking, in a very satisfactory condition. In order to ensure the arrival in London of a complete set of documents the practice of forwarding all copies of invoices by one mail has been discontinued, and it is now customary to forward copies of invoices by separate routes. The statements of administration expenses for March quarter, bearing the certificate of the Controller and Auditor-General, were ready for despatch by the next outgoing mail, and in the case of all other entries in the statement of receipts and payments, supporting documents have invariably accompanied the relative statements.

Bills of Lading and Shipping Documents.—The bills of lading and shipping documents in connection with shipments of wool are being forwarded regularly by the best possible mails, care always being exercised to ensure that as many as possible of the duplicate documents accompany the steamer to which they refer, while the original documents are forwarded by the next direct mail.

Butter-fat.—Daily statements are forwarded to the Treasury, with supporting bank receipts, in respect of payments of the butter-fat levy, while Forms C, furnishing particulars of butter supplied for local consumption, are dealt with weekly. The accounts in connection with this branch of the Department's activities are satisfactory.

Audit.—The whole accounts of the Department, with the exception of that in connection with butter-fat, have been audited to the 31st March, and a special effort was made by the Controller and Auditor-General to audit the Department's accounts and enable them to be furnished to the Treasury in time to be included in the accounts for the financial year ended the 31st March.

In view of the volume of work entailed in the various branches of the Department, and the very considerable number of payments which have been made, this position must be regarded as entirely satisfactory, and it is specially creditable to those officers directly concerned in keeping the various accounts that the Audit queries have been slight and comparatively few. In no case has any serious error been disclosed, and any necessary adjustments have always been effected with the minimum of difficulty.

STAFF AND ORGANIZATION.

The Department of Imperial Government Supplies has as far as practicable endeavoured to constitute itself an intelligence bureau for the collection and distribution of information relating to those matters with which it has been concerned. It has published a bulletin (twice weekly) showing its operations, and has prepared monthly statements of a similar nature for the information of Ministers, all Departments of the Dominion Government concerned, the Overseas Shipowners' Committee, and to the representatives of the associated banks of New Zealand, and has further acquainted the Imperial Government each week by telegraph of the stocks of meat in the freezing-works, as well as furnishing other information of interest.

From the inauguration of the Department in March, 1915, the duties of all the officers connected with the Department have been of a particularly strenuous character. At the outset no organization or machinery existed which could have been utilized to carry out the business arrangements of the activities which the Department set out to control. The organization has had to be built up and the staff added to from time to time as new responsibilities were attached to the Department.

The policy of the Department has been to conduct its business on commercial lines, with a free utilization of modern methods and mechanical appliances essential to systematically and commercially handling business of

such large dimensions, so that the fullest measure of efficiency might be obtained; also, in as far as the policy of the Department is concerned, it has endeavoured on all occasions, when appealed to, to cheerfully render advice and assistance upon the many problems which have had to be faced day after day, so as to allow of their being disposed of in an equitable and businesslike manner, having a proper regard to all the interests involved.

It affords me the greatest pleasure to bear tribute to the loyal co-operation and cheerful assistance which has at all times been rendered by the whole of the staff, to which I particularly ascribe any success which may have been achieved. To my first assistant, Mr. F. H. Taylor (whose services were made available by Messrs. Dalgety and Co., Limited), and to Mr. D. Rutherford, A.R.A.N.Z., Chief Accountant (transferred for the purpose from the General Post Office), I am specially indebted for the unceasing interest displayed in carrying out their duties.

I am also greatly indebted to the Controller and Auditor-General for the completeness of the arrangements made for a continuous audit of the accounts, and to the Secretary of the Post and Telegraph Department and the Under-Secretary of the Lands and Survey Department for having placed a number of officers at my disposal at much inconvenience to themselves.

I have, &c.,

ROBT. TRIGGS, Controller.

The Hon. the Minister in Charge,
Department of Imperial Government Supplies, Wellington.

APPENDIX.

SHOWING RESULTS TO 30TH JUNE, 1917.

FROZEN MEAT, SCHEELITE, CHEESE, WOOL, SHEEP-SKINS, AND HIDES, ETC.

MEAT.

(Operations commenced 3rd March, 1915.)

	Beef (Quarters).	Mutton (Carcases).	Lamb (Carcases).
1. Shipped per steamer sunk <i>en route</i>	13,732	38,689	44,527
2. Arrived at destination in 163 steamers	1,307,946	5,318,986	6,961,843
3. <i>En route</i> to Great Britain in 12 steamers	170,174	304,887	162,697
4. Meat aboard steamers now on loading-berth	9,365	13,149	5,775
5. Total payments made to 30th June, 1917, £17,391,003.			
6. Totals	1,501,217	5,675,711	7,174,842
7. MEAT IN STORE on 16th June, 1917, for which no space has been allocated in overseas steamers—			
North Island		1,982,402	
South Island		1,267,097	
Total in 60 lb. carcasses			3,249,499
Total shipments—			
During 1914–15 season	337,735	1,986,961	2,889,508
During 1915–16 season	769,880	2,421,690	3,148,714
During 1916–17 season (up to 30th June, 1917)	393,602	1,267,060	1,136,620
Totals	1,501,217	5,675,711	7,174,842

CHEESE.

(Operations commenced 4th November, 1915.)

	Crates.
1915–16 season—	
1. Total shipped and arrived at destination	189,502
2. Total payments made, £917,748.	
1916–17 season—	
3. Shipped per “Rotorua” (sunk <i>en route</i>)	16,440
4. Shipped and arrived at destination	212,112
5. <i>En route</i> to Great Britain	146,704
6. On board steamers now on loading berth .. ..	..
7. Total payments to 30th June, 1917, £2,831,555.	
8. Totals	375,562

9. CHEESE IN STORE on 25th June, 1917, for which no space has been allocated in overseas steamers—

	Crates.
North Island	91,355
South Island	30,442
Total quantity in crates	121,797

BUTTER.

1. BUTTER IN STORE awaiting shipment on private account on 15th June, 1917—

	Boxes.
North Island	228,186
South Island	5,693
Total in boxes	233,879

WOOL.

(Operations commenced 1st December, 1916.)

	Bales.
1. Total number of bales valued (as per valuation certificates received)	482,704
2. Number of bales shipped per “Rotorua” (sunk <i>en route</i>)	8,865
3. Number of bales arrived at destination in 28 steamers	216,714
4. Number of bales <i>en route</i> to Great Britain in 12 steamers	59,119
5. Number of bales shipped account other Governments	2,341
6. Number of bales of greasy wool available for shipment or scouring	195,665
7. Number of bales of greasy wool delivered to scourers for treatment	55,045
8. Number of bales of scoured wool shipped	3,917
9. Number of bales of scoured wool available for shipment	25,351
10. Total payments to 30th June, 1917, £11,113,945.	
11. Total number of bales paid for	476,265

SHEELITE.

(Operations commenced 20th September, 1915.)

	Tons.
1. Shipped per "Rotorua" (sunk <i>en route</i>)	8
2. Arrived at destination	322
3. <i>En route</i> to Great Britain	70
4. Total payments made to 30th June, 1917, £75,969.	400
Total	400

SHEEP-SKINS.

(Operations commenced 5th February, 1917.)

	No.
1. Number of skins purchased and distributed to fellmongers	625,442
2. Total payments to 30th June, 1917, £193,985.	

HIDES.

(Operations commenced 19th March, 1917.)

	No.
1. Number of hides purchased	97,349
2. Number of hides shipped	Nil.
3. Total payments to 30th June, 1917, £202,892.	

SLIPE WOOL (Freezing Companies).

(Operations commenced 31st March, 1917.)

	No.
1. Total number of bales advanced against	46,978
2. Number of bales shipped	9,161
3. Total payments to 30th June, 1917, £1,014,414.	

PAYMENTS.

(Totals to 30th June, 1917.)

	£
Frozen meat	17,391,003
Cheese, 1915-16 season	917,748
Cheese, 1916-17 season	2,831,555
Wool	11,113,945
Sheelite	75,969
Sheep-skins	193,985
Hides	202,892
Freezing companies' slipe wool	1,014,414
Other business	136,303
Grand total	£33,877,814

STATEMENT SHOWING THE QUANTITIES OF FROZEN MEAT SHIPPED AT EACH PORT FROM THE INCEPTION OF THE SCHEME (*i.e.*, 3RD MARCH, 1915) TO 30TH JUNE, 1917.

Port of Shipment.	1914-15 Season.			1915-16 Season.			1916-17 Season.			Totals.		
	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.
	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.
Whangarei	23,694	..	..	41,457	11,323	3,222	16,481	3,271	..	81,632	14,594	3,222
Auckland	52,533	41,264	74,983	186,587	42,975	108,104	62,464	22,942	13,617	301,584	107,181	196,704
Tokomaru Bay	6,463	58,460	41,897	8,950	107,846	67,526	4,683	33,186	..	20,096	199,492	109,423
Gisborne	25,024	220,038	101,073	62,261	325,172	165,752	11,981	92,271	10,673	99,266	637,481	277,498
Napier	34,802	208,775	151,982	64,802	377,599	301,282	17,677	179,106	41,698	117,281	765,480	494,962
Waitara	46,612	49,485	28,250	77,680	54,929	44,126	28,703	13,918	13,389	152,995	118,332	85,765
New Plymouth .. .. .	..	..	..	..	..	..	5,306	10,709	2,355	5,306	10,709	2,355
Wanganui	17,812	95,713	38,012	26,783	88,569	67,766	40,939	49,937	17,479	85,534	234,219	123,257
Wellington	58,979	610,073	411,351	166,931	734,540	782,383	68,101	356,969	402,350	294,011	1,701,582	1,596,084
Total, North Island	265,919	1,283,808	847,548	635,451	1,742,953	1,540,161	256,335	762,309	501,561	1,157,705	3,789,070	2,889,270
Nelson	521	10,312	20,549	4,763	16,623	21,563	2,157	660	1,684	7,441	27,595	43,796
Picton .. .. .	..	22,410	31,035	..	27,650	42,392	..	17,592	23,217	..	67,652	96,644
Lyttelton	11,128	244,750	772,152	38,162	274,884	770,312	48,407	216,768	289,149	97,697	736,402	1,831,613
Timaru	2,618	153,374	623,925	7,624	102,373	334,357	14,878	144,640	221,590	25,120	400,387	1,179,872
Oamaru .. .. .	..	29,871	97,868	..	10,095	32,402	..	9,541	2,527	..	49,507	132,797
Dunedin	11,876	85,884	214,387	22,246	102,716	189,680	24,998	65,137	54,700	59,120	253,737	458,767
Bluff	45,673	156,552	282,044	61,634	144,396	217,847	46,827	50,413	42,192	154,134	351,361	542,083
Total, South Island	71,816	703,153	2,041,960	134,429	678,737	1,608,553	137,267	504,751	635,059	343,512	1,886,641	4,285,572
Grand totals	337,735	1,986,961	2,889,508	769,880	2,421,690	3,148,714	393,602	1,267,060	1,136,620	1,501,217	5,675,711	7,174,842

Approximate Cost of Paper.—Preparation not given; printing (850 copies), £15.

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