

tions in December, 1916, the total quantity of wool paid for amounted to 981,573 bales, valued at £23,360,888. In addition, 62,981 bales of freezing companies' slipe wool were included in the requisition, and advances totalling £1,594,895 were made against such wool.

The previously existing arrangements providing for final valuation of freezing companies' wool in London have since been altered, and, commencing on the 1st April, 1918, all freezing companies' wool is purchased outright in the Dominion.

The 1917-18 output of cheese was purchased by the Imperial authorities, the price being fixed at 10d. per pound f.o.b. for first-grade cheese and 9½d. per pound f.o.b. for second-grade cheese, storage being borne by the Imperial Government after the cheese has remained in store for an average period of three months.

The following statement shows the total shipments and payments made by the Imperial Government in respect of cheese purchased since the first requisition :—

	Number of Crates.	Value. £
1915-16 season (one-third of output only)	189,502	917,748
1916-17 season	518,326	3,295,557
1917-18 season (to 31st March, 1918)	201,763	3,107,274
	<u>909,591</u>	<u>£7,320,579</u>

The arrangements for purchase provide for the payment of an advance of 90 per cent. after the cheese has remained in store for a period of twenty-eight days.

For the butter-output requisitioned by the Imperial Government the price was fixed at 157s. per hundredweight, with the addition of 50 per cent. of any profits resulting from sale in the United Kingdom.

To the 31st March, 1918, 362,363 boxes were shipped, and payments made totalling £2,240,622.

The arrangements for purchase provide for the payment of an advance of 90 per cent. after the butter has remained in store for a period of twenty-eight days.

The purchase of scheelite commenced on the 20th September, 1915, and 505 tons were shipped, and the payments made totalled £97,611.

The total of all payments made to producers on behalf of the Imperial Government from the 3rd March, 1915, to the 31st March, 1918, amount to £59,211,190, while, in addition, payments totalling £670,254 were made in connection with services rendered on behalf of the Dominion Government, the total payments made by the New Zealand Government being £59,881,444.

ORDINARY REVENUE RESERVE.

I announced in last year's Budget that the special reserve established in London from surplus revenue for the purpose of meeting possible demands arising out of the war had, in addition to the Reserve Fund of £800,000, been increased by £3,917,731. The question of the disposal of this reserve will be dealt with after the conclusion of peace, but I must remind honourable members that it is probable that when business again returns to its normal condition there will in the natural course of events be considerable withdrawals from the Post Office Savings-bank, and it is advisable that the Treasury should be in a position to meet the requirements of the Post Office should it be necessary.

I am pleased to be able to inform the House that during the financial year 1917-18 additional sums were invested, making a total at the 31st March, 1918, of £9,570,380, inclusive of the £800,000 above referred to.

WAR EXPENDITURE.

The war expenditure of the Dominion had, up to the 30th September last, reached the sum of £51,400,000, including imprest advances outstanding, and honourable members will fully realize the heavy responsibility which is thrown upon the country in connection with making provision from the consolidated revenues of the Dominion for meeting the interest and sinking-fund charges on so large an amount.

The bulk of the money required has been raised in New Zealand, principally through the Treasury. The Post Office Department has also materially assisted and has been able to provide the Treasury with sufficient funds for carrying on the ordinary State requirements up to the present time.