

1919.
NEW ZEALAND.

DEPARTMENT OF IMPERIAL GOVERNMENT SUPPLIES.

REVIEW OF OPERATIONS COVERING THE PERIOD FROM THE 1ST APRIL, 1918,
TO THE 31ST MARCH, 1919, INCLUDING AN APPENDIX SHOWING RESULTS TO
23RD AUGUST, 1919.

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

SIR,—

Wellington, 23rd August, 1919.

In continuation of my last annual report, dated the 24th April, 1918, I have the honour to submit a review of the operations of the Department of Imperial Government Supplies during the period 1st April, 1918, to the 31st March, 1919.

As previously intimated, the Department commenced its operations on the 3rd March, 1915, and was primarily constituted for the purpose of controlling the purchase of the output of frozen meat on behalf of the Imperial Government.

The organization established for that purpose has since been extended, and now handles all produce requisitioned on behalf of the Imperial Government, including wool, sheep-skins, hides, butter, cheese, "Glaxo," frozen and canned rabbits, condensed milk, scheelite, and such other individual contracts as are from time to time made by the Imperial authorities with New Zealand producers.

In addition to the work undertaken on behalf of the Imperial Government the Department has also at different times completed arrangements in connection with various matters on behalf of the New Zealand Government; and included under this latter heading may be mentioned the butter-fat levy imposed under the provisions of the Order in Council dated the 16th October, 1916, the purchase of butter and cheese for use in camps and on transports, the internal arrangements in connection with the sale and shipment of kauri-gum, and the accounts in connection with the original purchase of wheat from the Australian Government.

In addition, at the request of the Dominion Butter Committee the Department has supervised and controlled the arrangements in connection with the Equalization Funds established in connection with the butter-outputs during 1917-18 and 1918-19 seasons.

FROZEN MEAT.

The requisition of frozen meat on behalf of the Imperial Government commenced on the 3rd March, 1915, and has since then comprised all beef, mutton, and lamb in store or produced at freezing-works available for shipment.

The preliminary arrangements in connection with this requisition were made at conferences convened by the Prime Minister and attended by representatives of the industry, and the schedule of prices and general arrangements necessary in connection with the requisition were agreed upon and subscribed to by all parties interested.

This original schedule was adhered to until the 20th October, 1916, when a revision of the rates was agreed to by the Imperial Board of Trade, and has since remained operative.

The two sets of rates are furnished below for the purpose 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 $\frac{3}{8}$	4 $\frac{1}{2}$
„ „ over 72 lb. and up to 85 lb.	5 $\frac{1}{8}$	4 $\frac{1}{4}$
„ „ over 85 lb. and up to 98 lb. (subject to special approval by Inspector)	4 $\frac{7}{8}$	4
„ second quality	5 $\frac{1}{8}$	4 $\frac{1}{4}$
Ewes, first quality, 72 lb. and under	4 $\frac{7}{8}$	4
„ „ over 72 lb. and up to 85 lb.	4 $\frac{5}{8}$	3 $\frac{3}{4}$
„ second quality	4 $\frac{5}{8}$	3 $\frac{3}{4}$
Lamb, specially prime and Canterbury quality, 42 lb. and under ..	6 $\frac{1}{2}$	5 $\frac{3}{8}$
„ first quality, 42 lb. and under	6 $\frac{3}{8}$	5 $\frac{1}{2}$
„ „ over 42 lb.	6 $\frac{1}{8}$	5 $\frac{1}{4}$
„ second quality	6 $\frac{1}{8}$	5 $\frac{1}{4}$
Beef, prime ox	5	4 $\frac{1}{4}$
„ second and heifer	4 $\frac{3}{4}$	4 $\frac{1}{2}$
„ boning in quarters	4 $\frac{1}{4}$	4
„ cow, prime	4 $\frac{3}{4}$	4 $\frac{1}{2}$
„ „ second	4 $\frac{1}{4}$	4
„ boneless	5 $\frac{1}{4}$	5
Mutton, legs	6 $\frac{3}{8}$	5 $\frac{1}{2}$
„ shoulders	5 $\frac{3}{8}$	4 $\frac{1}{2}$
„ loins	5 $\frac{3}{8}$	4 $\frac{1}{2}$
„ haunches .. .. .	..	5

The conditions applying to the increase granted on the 20th October, 1916, provided that the prices should operate for at least three months after the termination of the war, and that as from the 1st November, 1916, the previous storage rate of $\frac{1}{8}$ d. per pound per month, with a maximum of three months, should be reduced by 25 per cent. to $\frac{3}{32}$ d. per pound.

In May, 1917, these storage rates were again reviewed, and the maximum of three months removed; and the position now obtaining is that freezing companies are entitled to storage at the rate of $\frac{3}{32}$ d. per pound per month in respect of frozen meat after it has remained in freezing-chambers for a period of one month until shipped.

On the 29th November, 1917, an amended agreement governing the terms and conditions of purchase of meat by His Majesty's Government was completed with all freezing companies; and under these amended terms the Imperial Government accepts the ownership of all meat so soon as it is placed in the companies' freezing-chambers in good and merchantable order and condition, and on such delivery into freezing-chambers the meat becomes the property of and at the risk of the Crown in all respects, subject to the obligations of storage, insurance, and delivery imposed on the company under the terms of the agreement.

The principal provision of this agreement in respect to insurance is that all frozen meat so purchased shall be covered by the freezing company for a period of four months, at its own cost and charges, under an accepted policy covering loss or damage caused by fire, and loss or damage caused by changes of temperature resulting from the total or partial destruction or disablement for a period of not less than twenty-four hours of any portion of the refrigerating plant by fire.

At the end of the period of four months referred to the responsibility and liability for all frozen meat in freezing companies' chambers is accepted by the Government, subject, as mentioned above, to the freezing company exercising all due and reasonable care.

Provision is also made in the agreement for the withdrawal of meat for local consumption; and in respect of such withdrawals it is provided that the storage charges shall be based on the principle of "Last in first out"—that is, that the meat withdrawn for local consumption shall be deemed to have been the meat which last entered the freezing company's chambers.

In January, 1919, a cablegram was received from the High Commissioner for New Zealand, London, stating that the Imperial Government had agreed to the extension of the contract for the purchase of meat to the 30th June, 1920, on the condition that if there is any accumulation of meat in store on that date the meat

purchased by the Imperial Government shall have preference of shipment over meat killed subsequently to the 30th June, 1920.

This amendment to the original agreement has been accepted by all freezing companies throughout the Dominion with one exception, and correspondence is now being exchanged with that company regarding the matter.

Another important variation of the original agreement has been in regard to the payment for meat which up to June, 1918, was made only when shipment had been effected. During that month, in response to representations which had been made by the Dominion's representatives in London, an authority was received from the Imperial Government to make an advance of the sum of £3,000,000 against meat in store; and a distribution of this amount was immediately undertaken, payment of 75 per cent. of the value of all old season's meat being made to those companies holding such meat, and the balance apportioned *pro rata* over all companies on the basis of the quantity of meat held. This latter payment represented 42·91 per cent. of the value of the new season's meat in store.

In September, 1918, a further telegram was received from London authorizing an advance of 75 per cent. of the value of meat in store after it had remained there for a period of six weeks, and immediate arrangements were made to give effect to the authority. The payment of this advance has proved of inestimable benefit to the various freezing companies throughout the Dominion on account of the accumulation of meat in store, and some idea of the assistance granted may be gained from the fact that on the 31st March, 1919, the outstanding advances amounted to £4,772,033.

The authority to permit the shipment of mutton and lamb to Canada in refrigerated space available in steamers now trading with that Dominion has been continued, and several shipments, principally by Auckland companies, have been made under this arrangement.

The total quantities of meat purchased and shipped from the 3rd March, 1915, to the 31st March, 1919, were—

Beef (quarters)	..	..	..	2,452,259
Mutton (carcases)	..	..	..	8,392,329
Lamb (carcases)	..	..	..	9,864,344
Other meat (in 60 lb. carcasses)	..	..	..	254,549

The total payments for meat to the 31st March, 1919, including storage and advances, amounted to £32,869,318 2s. 4d., which was distributed as under:—

	£	s.	d.	£	s.	d.
Auckland	2,750,870	12	0			
Poverty Bay	3,448,313	6	6			
Hawke's Bay	3,481,884	0	10			
Taranaki	1,323,001	8	7			
Wellington	9,897,561	14	6			
North Island				20,901,631	2	5
Marlborough	262,243	18	2			
Nelson	142,112	11	3			
Canterbury	7,057,771	11	11			
Otago	2,408,518	10	9			
Southland	2,097,040	7	10			
South Island				11,967,686	19	11
Grand total				£32,869,318	2	4

The quantities of meat which had either arrived at destination or were *en route* as at the 31st March, 1919, were—

Beef (quarters)	..	..	..	2,433,430
Mutton (carcases)	..	..	..	8,269,155
Lamb (carcases)	..	..	..	9,758,719

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

The work of inspection, grading, and checking weights, and the certification of statements furnished by freezing companies in respect of meat in store, is carried out by the Inspectors of the Live-stock and Meat Division, Department of Agriculture.

The respective quantities of meat shipped from each port from the commencement of the requisition to the 31st March, 1919, are set out in the following table:—

STATEMENT SHOWING THE QUANTITIES OF FROZEN MEAT SHIPPED AT EACH PORT FROM THE INCEPTION OF THE SCHEME--i.e., 3RD MARCH, 1915--TO 31ST MARCH, 1919.

Port of Shipment.	1914-15 Season.				1915-16 Season.				1916-17 Season.				1917-18 Season.				1918-19 Season.				Total.	
	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.	Lamb.	Beef.	Mutton.			Lamb.
Whangarei Auckland Whakatane Tokomaru Bay Gisborne Napier Waitara New Plymouth Wanganui Wellington	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Quarters.	Carcases.	Carcases.	Carcases.
	23,694	..	..	41,457	11,323	3,222	25,067	4,271	3,155	34,595	9,991	1,079	16,166	..	..	140,979	25,585	..	140,979	25,585	7,456
	52,533	41,264	74,983	186,587	42,975	108,104	76,063	22,942	9,464	146,239	30,534	40,040	32,659	3,643	932	494,081	141,358	..	494,081	141,358	233,523	
	..	..	..	..	..	..	..	..	..	6,721	..	..	7,580	..	..	14,301	..	..	14,301	..	..
	6,463	58,460	41,897	8,950	107,846	67,526	7,742	33,186	..	4,071	50,905	..	7,647	22,794	43,758	34,873	273,191	..	34,873	273,191	153,181	
	25,024	220,038	101,073	62,261	325,172	165,752	33,933	143,881	13,562	35,811	190,555	100,023	29,662	44,474	33,705	186,691	924,120	..	186,691	924,120	414,115	
	34,802	208,775	151,982	64,802	377,599	301,282	33,092	248,209	88,516	30,702	263,763	211,958	23,632	99,525	77,199	187,030	1,197,871	..	187,030	1,197,871	830,937	
	46,612	49,485	28,250	77,680	54,929	44,126	34,608	13,918	13,389	61,543	33,832	26,198	13,430	6,673	18,324	233,873	158,837	..	233,873	158,837	130,287	
	..	..	..	..	..	..	8,531	12,761	2,567	12,952	9,043	9,345	14,770	4,174	7,573	36,253	25,978	..	36,253	25,978	19,485
	17,812	95,713	38,012	26,783	88,569	67,766	56,011	65,784	24,004	57,900	176,227	121,674	25,519	32,648	34,822	184,025	458,941	..	184,025	458,941	286,278	
58,979	610,073	411,351	166,931	734,540	782,383	88,287	395,542	402,350	134,810	420,894	257,605	38,759	234,311	147,998	487,766	2,395,360	2,001,687	..	487,766	2,395,360	2,001,687	
Total North Island ports	265,919	1,283,808	847,548	635,451	1,742,953	1,540,161	363,334	940,494	557,007	525,344	1,185,744	767,922	209,824	448,242	364,311	1,999,872	5,601,241	4,076,949	..	1,999,872	5,601,241	4,076,949
Nelson	521	10,312	20,549	4,763	16,623	21,563	4,256	1,671	1,684	2,646	8,526	10,324	3,681	..	..	15,867	37,132	..	15,867	37,132	54,120
Pictou	..	22,410	31,035	..	27,650	42,392	..	17,592	23,217	1,099	25,419	23,690	484	6,435	36,806	1,583	99,506	..	1,583	99,506	157,140	
Lyttelton	11,128	244,750	772,152	38,162	274,884	770,312	52,205	237,954	352,344	37,049	312,976	588,620	..	32,875	91,746	138,544	1,103,439	2,575,174	..	138,544	1,103,439	2,575,174
Timaru	2,618	153,374	623,925	7,624	102,373	334,357	15,507	158,713	248,520	7,038	88,455	283,701	..	42,508	114,675	32,787	545,423	1,605,178	..	32,787	545,423	1,605,178
Oamaru	..	29,871	97,868	..	10,095	32,402	..	9,541	2,527	..	61,636	28,670	111,143	161,467	111,143	161,467	..
Dunedin	11,876	85,884	214,387	22,246	102,716	189,680	30,388	107,912	54,700	8,316	82,697	112,692	..	5,401	8,050	72,826	384,610	579,509	..	72,826	384,610	579,509
Bluff	45,673	156,552	282,044	61,634	144,396	217,847	52,018	101,723	75,507	31,455	105,744	55,825	..	1,420	23,584	190,780	509,835	654,807	..	190,780	509,835	654,807
Total South Island ports	71,816	703,153	2,041,960	134,429	678,737	1,608,553	154,374	635,106	758,499	87,603	685,453	1,103,522	4,165	88,639	274,861	452,387	2,791,088	5,787,395	..	452,387	2,791,088	5,787,395
Grand totals	337,735	1,986,961	2,889,508	769,880	2,421,690	3,148,714	517,708	1,575,600	1,315,506	612,947	1,871,197	1,871,444	213,989	536,881	639,172	2,452,259	8,392,329	9,864,344	..	2,452,259	8,392,329	9,864,344

SYSTEM OF PAYMENT FOR MEAT.

The system of payment for meat adopted at the outset of the scheme has been considerably altered as a result of the payment of advances under the authorities mentioned above.

When the requisition originally commenced no payment was made until the meat had been placed f.o.b. ocean steamer, but since June, 1918, the payment of advances has necessitated an alteration in this arrangement.

At present debit notes are received from freezing companies in respect of meat killed and remaining in store for a period of six weeks, and an advance representing 75 per cent. of the value of all such meat is paid on due date.

When shipment is subsequently effected 25 per cent. only of the value thereof is paid to the freezing companies, and the balance is applied towards the reduction of the advance already made.

In some cases, by direction of the Imperial Government, certain classes of meat have been given preference of shipment, and as a result meat has been shipped which has not been in store for the full period of six weeks necessary before advances are due. Under such circumstances the payment of the full value of the meat is made at time of shipment, and the advance is accordingly reduced when it subsequently becomes payable.

There has been no change in regard to the submission of documents for shipments, and freezing companies are still entitled to draw on the Department free of exchange in respect of any shipments made.

They are also entitled to show in their shipping invoices the apportionment which they desire should be made of the total amount of the invoice, and cheques are remitted direct to the freezing companies' clients, thus avoiding the payment of exchange and the duplication of documents which would otherwise be considerable.

A similar arrangement has also been made in connection with advances, and in cases where freezing companies desire payment direct to clients a direction accordingly on the relative debit notes receives the attention of the Department.

Funds for purchases and for advances are obtained weekly from the Imperial Government, and the method adopted is for the Controller to make an estimate of the amount which will be required during each subsequent week and to advise the Treasury, which cables the High Commissioner to obtain the amount from the Imperial Department concerned and credit the New Zealand Public Account.

These requests are promptly honoured, and little difficulty is experienced in obtaining the funds required for payments due from time to time.

The following statement furnishes particulars of frozen meat in store and of shipments made in 60 lb. carcasses from the inception of the requisition to the 31st March, 1919 :—

In store on—			1915-16.	1916-17.	1917-18.	1918-19.
April	30	..	1,792,362	2,304,258	2,946,781	4,082,323
May	31	..	2,048,454	2,642,362	3,290,072	4,794,787
June	30	..	2,165,342	2,480,846	3,483,324	5,230,000
July	31	..	1,865,283	1,892,504	3,383,235	5,314,602
August	31	..	1,410,167	1,396,540	2,949,545	5,233,308
September	30	..	665,992	816,933	2,873,277	4,970,053
October	31	..	199,936	367,975	2,557,881	4,576,942
November	30	..	140,836	161,311	1,890,489	4,446,726
December	31	..	597,817	451,361	1,915,451	4,293,315
January	31	..	1,093,300	1,137,438	1,954,490	4,992,719
February	28	..	1,575,336	1,901,085	2,609,618	5,766,815
March	31	..	2,152,250	2,409,541	3,398,364	6,567,871

Shipments during—	1915-16.	1916-17.	1917-18.	1918-19.
April	498,971	540,204	340,374	490,339
May	389,223	500,097	338,507	365,688
June	302,293	605,890	239,793	94,855
July	761,641	740,845	229,402	75,290
August	602,647	555,630	453,178	98,327
September ..	795,766	609,362	96,059	264,780
October	474,055	465,983	321,127	394,722
November ..	282,450	321,497	743,065	133,486
December ..	241,734	235,316	394,941	369,577
January	514,036	440,168	904,810	217,749
February	498,964	272,910	369,043	317,679
March	542,586	800,539	335,303	549,936
	5,904,366	6,088,441	4,765,602	3,372,428

It will be noticed that the maximum quantity of meat in store to the 31st March, 1918, was 3,483,324 60 lb. carcasses on the 30th June, 1917, and that this quantity has been very considerably exceeded by the maximum quantity in store on the 31st March, 1919, which was 6,567,871 60 lb. freight carcasses.

The shortage of shipping-facilities has again necessitated an extension of the freezing-accommodation throughout the Dominion.

When the Department originally commenced the storage capacities of the various works amounted to 2,200,000 freight carcasses.

In my previous report I referred to the increase to 4,400,000 freight carcasses, and a further increase to 6,336,399. This latter figure has now been increased, and the total refrigerated accommodation amounts to 7,405,272 60 lb. carcasses, including 4,896,561 in the North Island and 2,508,711 in the South Island.

These figures represent the capacity for uncut carcasses, and the arrangement whereby freshly killed carcasses of mutton and lamb intended for export are specially cut and packed considerably increases the capacity of the various works.

Freezing companies are paid an extra $\frac{1}{2}$ d. per pound for all meat so specially treated, and it is estimated that the saving in space as a result of the adoption of this process averages from 25 per cent. to 30 per cent.

CHEESE.

The requisition of cheese on behalf of the Imperial Government has been continued, and the following is a brief summary of the conditions of the contracts which have governed this purchase since the inception of the requisition :—

During the 1915-16 season one-third of the first-grade factory cheese produced in New Zealand was purchased by the Imperial Government on the basis of $7\frac{1}{4}$ d. per pound f.o.b.

During the 1916-17 season the whole of the output of first- and second-grade factory cheese was purchased at the rates of $9\frac{1}{2}$ d. and $9\frac{1}{4}$ d. per pound f.o.b. respectively.

During the 1917-18 season the prices were fixed at 10d. and $9\frac{3}{4}$ d. per pound for first- and second-grade factory cheese respectively, and, in addition, dairy cheese was purchased at $8\frac{1}{2}$ d. and 8d. per pound for first and second grades.

Arrangements were also completed to enable the shipment of third-grade factory cheese on the condition that it would be valued on arrival in the United Kingdom, and purchased at a price not exceeding $9\frac{1}{4}$ d. per pound. This condition was accepted, and the subsequent valuation of the cheese in London enabled the Imperial Government to authorize the payment of $9\frac{1}{2}$ d. per pound, instead of the maximum of $9\frac{1}{4}$ d. previously fixed in the negotiations.

During the present (1918-19) season the whole output has again been purchased, and the prices fixed at $10\frac{3}{4}$ d., $10\frac{1}{2}$ d., and 10d. for first-, second-, and third-grade factory cheese respectively.

Dairy cheese also has been purchased at $9\frac{1}{4}$ d. and $8\frac{3}{4}$ d. respectively for first- and second-grade quality.

The following table shows the number of crates and the value of all cheese purchased to the 31st March, 1919, during the several seasons mentioned above :—

Season.			Number of Crates.	Amount. £
1915-16	..	..	189,502	917,748
1916-17	..	..	518,326	3,295,557
1917-18	..	..	751,863	4,948,367
1918-19	..	..	679,296	3,576,380
			<hr/> 2,138,987	<hr/> £12,738,052

The figures for the 1918-19 season include 461,359 crates awaiting shipment on the 31st March, a portion of which had been advanced against in accordance with the conditions of purchase.

Of this total quantity of cheese purchased and shipped it is interesting to note that only two shipments have failed to arrive at destination as a result of enemy action, and that the total quantity carried by the two steamers was 62,846 crates.

The conditions of purchase for the 1918-19 season apply also to all cheese manufactured up to and including the 1st July, 1920, and provide for the payment on delivery of the cheese f.o.b. ocean steamer, subject, however, to an advance of 90 per cent. in the event of the cheese remaining in store for a period of fourteen days prior to shipment.

All insurance risks up to the point of shipment are borne by factories, but the Imperial Government accepts the liability for storage if the average period during which the cheese remains in store exceeds two months.

BUTTER.

The requisition of butter on behalf of the Imperial Government has also been continued, and the present arrangements provide for the requisition of all butter manufactured in the Dominion up to and including the 31st July, 1920.

The 1917-18 output was purchased at the following rates :—

Creamery Butter.—First grade, 157s. per hundredweight, with a reduction of 1s. per hundredweight for each grade point by which the butter fell below first grade.

Whey and Dairy Butter.—First grade, 133s. 8d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

Milled Butter.—First grade, 124s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

In addition to the prices mentioned above it was also agreed by the Imperial Government that the New Zealand producers should participate in any profits resulting from the sale of the butter in the United Kingdom, and these profits were subsequently assessed at 34s. per hundredweight, of which the New Zealand factories received 50 per cent.

The total amount available under this heading was £307,997 1s. 6d., which was credited to an Equalization Fund, the administration of which is explained later in this report.

During the 1918-19 season, after prolonged negotiations, the following prices were fixed :—

Creamery Butter.—First grade, 181s. per hundredweight, with a reduction of 1s. per hundredweight for each grade point by which the butter falls below first grade.

Whey and Dairy Butter.—First grade, 162s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

Milled Butter.—First grade, 148s. 4d. per hundredweight, with a reduction of $\frac{1}{2}$ d. per pound for second grade.

No provision was included in this latter contract regarding any division of profits, and the prices quoted above represent the final payment to the exporting factories.

As in the case of cheese, arrangements were made for the payment of advances in respect of produce which had remained in store for a period of fourteen days, but all insurance risks are borne by factories until the butter has been placed f.o.b. ocean steamer.

The Imperial Government also accepted liability for storage beyond an average period of two months based over all consignments throughout the season.

The total quantity of butter purchased and shipped during each season to the 31st March, 1919, was as follows:—

Season.				Number of Boxes.	Value. £
1917-18	..	..	..	724,699	2,931,529
1918-19	..	..	..	647,139	2,720,090
				<hr/> 1,371,838	<hr/> £5,651,619

The value shown against the 1918-19 season includes the amount advanced against a portion of the 93,729 boxes which were awaiting shipment on the 31st March.

The only loss of butter as the result of the enemy's submarine campaign was that shipped per s.s. "Hurunui," comprising 49,847 boxes, of a value of £194,953.

EQUALIZATION FUNDS.

Considerable difficulty has at various times been experienced in connection with the supplies of butter for local requirements, and when it was ascertained that the provision in the contract for the purchase of the 1917-18 season's output for the participation in profits earned on the sale of the butter in the United Kingdom would result in a substantial return to exporting factories, a number of factories which had previously supplied the local market decided to withdraw and to export their output in anticipation of realizing better prices.

This action on the part of factories necessitated action by the New Zealand Government, and steps were accordingly taken to release a portion of the butter purchased on Imperial Government account for sale to local retailers.

When the 50-per-cent. profits, amounting to £307,997 1s. 6d., were subsequently received from the Imperial Government the Dominion Butter Committee met and discussed the position, and decided to approach all butter-factories with a view to obtaining their consent to credit the amount to an Equalization Fund, and apply the fund towards the equalization of prices as between factories which exported and those which supplied local requirements.

This proposal of the Dominion Butter Committee was agreed to by all butter-factories throughout the Dominion with the exception of three, and at the request of the Committee arrangements were accordingly undertaken by the Department to administer the fund in accordance with the proposals of the Committee.

An interim payment, representing 1½d. per pound in respect of all creamery butter exported, and of ½d. per pound in respect of butter sold locally, was authorized by the Committee, and on receipt of the necessary particulars from the butter-factories concerned was distributed by the Department.

This distribution absorbed the sum of £164,031 to the 31st March, 1919, and further claims are being regularly received from the factories interested, and paid on receipt.

It is anticipated that a further payment of ¼d. per pound will be available for all factories, both exporting and local, when the returns already furnished have been audited and the final distribution can be undertaken.

During the 1918-19 season a provision was inserted in the conditions of purchase for the establishment of an Equalization Fund for the purpose of equalizing local and export prices, and the insertion of this provision has automatically brought all butter-factories into the scheme for the present season.

The equalization applies to creamery butter only, and funds are provided by paying all factories shipping creamery butter the sum of 1s. 6d. per pound and crediting the Equalization Fund with the balance of the value of the shipment.

From this fund an interim payment has been authorized by the Dominion Butter Committee of 1d. per pound to factories supplying the local market and 7⁄16d. per pound to factories exporting.

The payment of these two rates has the effect of equalizing the returns of both sets of factories, as under the *Gazette* notice issued on the 16th April, 1918, local factories are already entitled to charge 1s. 5d. per pound for bulk butter at factory-door, while under the conditions of purchase exporting factories are receiving 1s. 6d. per pound as quoted above.

The difference between these two prices, plus the rates of compensation authorized as an interim payment by the Butter Committee, represents the cost of transferring the butter from factory-door to f.o.b.

A further small distribution will probably be available for the 1918-19 season when all butter has been shipped, and the returns furnished by factories on which the interim payments have been made audited.

CONDENSED MILK.

During the year ended the 31st March, 1919, 7,509 cases of condensed milk were purchased on behalf of the Imperial Government by the New Zealand Munitions and Supplies Department, and payment arranged for on behalf of the Imperial Government by the Department of Imperial Government Supplies.

The value of these purchases amounted to £7,884 9s., and the total shipments and payments to the 31st March, 1919, are 66,666 cases, valued at £70,955 2s. 4d.

"GLAXO."

Arrangements were again made by the Imperial Government for the purchase of 2,000 tons of "Glaxo" from the manufacturers in the Dominion, and during the year 107,645 tins were purchased and shipped, valued at £412,384 2s. 3d.

This quantity and value included the balance of the contract for the previous year, and the total quantity of "Glaxo" now purchased by the Department on behalf of the Imperial authorities amounts of 163,923 tins, valued at £660,768 13s. 6d.

SCHEELITE.

The purchase of scheelite commenced on the 20th September, 1915, and has been continued during the period under review.

The preliminary contract provided for payment at the rate of £2 15s. per unit of tungstic acid in respect of ore assaying at least 65 per cent., with a reduction in cases where the assay fell below that point down to 50 units per ton.

On the 1st January, 1917, an additional allowance was made to shippers, representing the difference between the cost of freight and insurance at the commencement of the requisition and the rates being charged at that date.

This arrangement continued throughout 1917, and on the 1st January, 1918, the price was increased to £3 per unit, with an allowance of 3s. 10d. per unit to cover the cost of increased charges since the requisition commenced.

A further increase was made by the Imperial Government in respect of shipments despatched from New Zealand on and after the 1st May, 1918, bringing the price to £3 8s. per unit, which includes the allowance previously made to cover the increased cost of charges.

The following are particulars of shipments to the 31st March, 1919 :—

					Tons.
Shipped and lost in transit	..	..	..	..	18
Arrived at destination..	..	..	..	..	648
<i>En route</i> to Great Britain	..	..	..	..	24
					<hr/> 690

The total payments to the same date amounted to £135,212 19s., representing advances against consignments, final payments, and charges in connection with shipments from the following districts :—

					£	s.	d.
Glenorchy ..	..	..	..	..	66,678	1	4
Macrae's Flat	..	..	..	..	28,247	7	8
Otago Central	..	..	..	..	5,997	2	0
Marlborough	..	..	..	..	26,286	19	11
Charges ..	..	..	..	..	8,003	8	1

£135,212 19 0

The losses as a result of enemy action were the s.s. "Rotorua," which sailed in March, 1917, with 8 tons of ore, and the s.s. "Hurunui" in May, 1918, with 10 tons.

Final settlements in respect of purchases of scheelite are made on the basis of the assay carried out in the United Kingdom, but advances representing 80 per cent. of the value of the scheelite as determined by the assay made in New Zealand prior to shipment are made to producers free of interest.

The contract in connection with the purchase of scheelite was made for the period of the war and for six months after the termination thereof, but on the 21st March, 1919, a cablegram was received from the High Commissioner for New Zealand stating that the Ministry of Munitions had decided to cancel the contract for scheelite from all parts of the Empire, and to accept only that shipped up to the end of March, 1919.

It was proposed to take this action in view of the fact that stocks in the United Kingdom and afloat were sufficient for requirements for a period of eighteen months, and the Ministry was of opinion that if the contracts were continued and production thus stimulated stocks would accumulate to such an extent that the position at the expiration of the contract would have the effect of automatically closing the Home market to Empire producers.

In arriving at the decision to cancel the contract the Ministry expressed its desire to deal fairly with producers, and promised that full consideration would be given to a statement of any loss sustained as a result of the cancellation.

On the 26th March a further cablegram was received from the High Commissioner stating that in order that producers should not have any cause for complaint with regard to short notice of cancellation the Ministry of Munitions had agreed to substitute "30th April" for "31st March" as the latest date on which shipment could be made on their account.

The contents of these two messages were advised to the scheelite-producers throughout the Dominion, and as a result of meetings convened at the various centres interested a telegram was despatched to the High Commissioner stating that the producers refused to agree to the cancellation of the contract unless positively assured that full compensation for loss entailed by cancellation would be made.

It was pointed out in this message that many producers, in order to meet the wishes of the Imperial Government, had increased their output and entailed considerable expense in extending their works, and that the cancellation would result in serious loss on this account if producers were deprived of the benefit of the balance of the contract.

Further information, which it is hoped will form the basis of a satisfactory settlement of the matter, is now awaited.

RABBITS.

The contract for the purchase of rabbits of the 1917 pack has been completed during the year under review, and the total shipments have amounted to 91,480 crates, of an f.o.b. value of £85,762.

The contract price for the purchase of rabbits was fixed at 19s. per crate f.o.b., all storage and insurance charges being borne by the seller; but in some instances the condition in which the rabbits were shipped was so unsatisfactory that 10 per cent. of the value of the shipment was withheld when making payment of the proceeds, until such time as a report had been received from London regarding the state in which the rabbits had arrived at their destination.

Correspondence is now being exchanged with the High Commissioner with a view to arriving at finality in connection with the matter of these deductions.

To the 31st March, 1919, 34,639 cases of canned rabbits have also been purchased and shipped on behalf of the Imperial Government, the value, including freight, amounting to £67,332.

In addition, 18,601 cases of corned beef and mutton have been purchased on behalf of the War Office, London, and shipped to the Director of Supplies, Egypt; and the total payments in respect of these purchases, including freight, amount to £82,390.

WORK UNDERTAKEN FOR THE NEW ZEALAND GOVERNMENT.

In addition to the arrangements made in connection with the purchase and shipment of the various items of produce requisitioned by the Imperial Government, the Department has also been called upon to undertake the supervision of certain matters on behalf of the New Zealand Government.

BUTTER-FAT LEVY.

This levy was imposed by Order in Council dated the 13th October, 1916, with the intention of providing a fund from which the sellers of butter for local consumption could be compensated in order to bring their returns to a parity with the price obtained by factories exporting on private account.

The levy represented $\frac{3}{4}$ d. per pound on all butter-fat consumed in the manufacture of butter and cheese during the months of September, 1916, to June, 1917; and export licenses under the provisions of the Order in Council were only issued to those factories who made application accordingly, in which application they accepted liability for the payment of the levy referred to.

The total amount collected and credited to the fund amounted to £309,198 1s. 9d., and as this amount was considerably in excess of requirements an interim refund, representing $\frac{3}{5}$ d. per pound on all butter-fat on which the original levy had been paid, was made to the contributors, and absorbed £49,452 8s. 2d.

A further refund was made when the fund was finally closed, and amounted to £3,196 6s. 6d., representing one ninety-sixth of the original levy.

The rates of compensation paid during the several months for which the scheme was in operation were as under:—

				Per Pound.
September, 1916, to January, 1917	..	..	..	3 $\frac{7}{8}$ d.
February, 1917, to June, 1917	..	..	..	2 $\frac{1}{2}$ d.
July and August, 1917	..	..	..	3d.

A statement showing the weight of butter sold and the compensation paid for each month during which the scheme was in operation is given hereunder, and represents the final figures after the audit had been completed by the special auditors appointed for the purpose of verifying factories' returns:—

Month.		Number of Pounds.	Compensation. £ s. d.
1916—September	..	1,211,660	16,436 0 7
October	..	1,466,606	22,762 17 8
November	..	1,446,448	23,324 10 1
December	..	1,522,369	24,547 0 10
1917—January	..	1,573,643	24,794 14 6
February	..	1,731,192	16,239 3 0
March	..	2,064,689	21,328 6 6
April	..	2,392,444	24,835 2 5
May..	..	1,942,714	20,194 14 8
June	..	1,629,209	16,921 2 11
July	..	1,515,473	18,737 19 7
August	..	1,823,102	22,327 5 3
		20,319,549	£252,448 18 0

It is interesting to note that expense of the audit, amounting to £1,837 2s. 10d., was very considerably exceeded by recoveries obtained as a result of the inspection.

BUTTER FOR LOCAL CONSUMPTION.

The purchase of butter by the Imperial Government during the 1917–18 season was completed at the contract price of 157s. per hundredweight, but with an undertaking on behalf of the Imperial Government to return to the Dominion 50 per cent. of any profits which might subsequently be earned as the result of the disposal of the butter on the United Kingdom market.

This provision in the contract caused a good deal of disturbance in the minds of the factories responsible for supplying the local market, as it was contended that

exporting factories would be placed in a much better position than those which continued to supply the local market, and it was accordingly decided by a number of factories throughout the Dominion to withdraw from the local market and export their output.

To meet the position created butter was supplied to retailers and others concerned in the retail butter business from Imperial stocks held in cool stores, and under these arrangements 15,473 boxes were sold, with a total value of £61,598 17s. 10d.

A similar position has not arisen in connection with the purchase for the 1918-19 season, in view of the fact that the arrangements in connection with that season provide for the establishment of an Equalization Fund and obviate the possibility of any exporting factory obtaining a better return than the factory which supplies local requirements.

BUTTER AND CHEESE FOR DEFENCE DEPARTMENT.

In co-operation with the Dairy Division of the Department of Agriculture the Department has arranged for the supply of butter to the New Zealand Munitions and Supplies Department from stocks held on Imperial Government account, and to the 31st March, 1919, 10,109 boxes of butter, valued at £38,626 15s. 10d., and 10,454 crates of cheese, valued at £64,983 16s. 7d., have been supplied under these arrangements.

PURCHASE OF WHEAT FROM AUSTRALIA.

The original contract in connection with the purchase of 1,150,000 bushels of wheat from Australia was completed early in 1918, and the total amount expended on these purchases was £356,139.

Delivery and distribution of the wheat was undertaken by the Board of Trade, the Department rendering all invoices on receipt of an advice from the officer supervising the discharge of the various steamers, and keeping the accounts in connection with the whole transaction.

TOTAL DISBURSEMENTS.

The total disbursements by the Department from the 3rd March, 1915, to the 31st March, 1919, were as follows:—

	£
Frozen meat	32,869,318
Cheese, 1915-16 season	917,748
Cheese, 1916-17 season	3,295,557
Cheese, 1917-18 season	4,948,367
Cheese, 1918-19 season	3,576,380
Butter, 1917-18 season	2,931,529
Butter, 1918-19 season	2,720,090
Scheelite	135,213
Wool	36,814,755
Freezing companies' slipe wool	3,660,957
Sheep-skins	1,581,413
Hides	725,339
" Glaxo "	660,769
Butter-fat levy	256,549
Purchase of wheat in Australia	356,139
Miscellaneous	459,477

£95,909,600

The salaries, expenses, and stationery, and all other incidental charges connected with the internal administration of the Department since its inception to the 31st March, 1919, have amounted to £41,863 4s. 10d.

SHIPPING.

The question of shipping is one that has necessitated much thought during the past year, and has been the cause of very many lengthy communications with the High Commissioner and the Imperial Government Departments concerned.

Reference was made in my previous report to the decreasing number of steamers available for the Australasian trade, and a further marked decrease is noticeable in connection with the year 1918.

The following statement shows the number of insulated steamers which have sailed from the Dominion during the five years 1914–18 inclusive, together with their total insulated carrying-capacity, and furnishes a clear indication of the difficulties which have been experienced in connection with this matter :—

Year.						Number of Steamers.	Total Insulated Capacity : 60lb. Carcases.
1914	..	..	..	..	..	99*	8,800,700
1915	..	..	..	..	..	84	7,682,000
1916	..	..	..	..	..	78	7,322,500
1917	..	..	..	..	..	62	5,626,350
1918	..	..	..	..	..	52	4,926,300

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

Every effort has been made to obtain additional relief, both by cablegram to the responsible authorities in London, and through the New Zealand Overseas Shipowners' Committee to the London Tonnage Committee, and also by urgent personal representations by the Dominion's representatives attending the conferences in London.

On various occasions attention has been drawn to the accumulation of produce in the Dominion, and comparisons made between the space allotted to Australia and New Zealand, and protests have also been entered against the diversion of steamers to other trades.

To a very large extent these diversions and transfers have been due to the absolute necessity of obtaining the maximum use from the number of steamers available during the currency of the war, and there is little doubt that the utmost effort has been made by the Ministry of Shipping to relieve the congestion which has at different times been so noticeable in the Dominion ports.

During August, 1918, an intimation was received from the Ministry of Shipping that it was anticipated that 5,800,000 cubic feet of refrigerated space would be available from New Zealand to the United Kingdom during the period July to December, 1918, and that 26,000,000 cubic feet would be available to Australasia during the year 1919.

An attempt was made to obtain from the High Commissioner an intimation as to the probable allocation of this latter quantity as between New Zealand and Australia, but it was not found possible to obtain it, as the subsequent allocation of the space depended entirely on the Food Ministry's subsequent requirements.

During the latter months of 1918 further urgent efforts were made to increase the quantity of insulated space then being made available, and on the 25th January, 1919, a despatch was received from the Secretary of State for the Colonies stating that the cessation of hostilities had released tonnage previously engaged in military, naval, and munition services, and ended the war losses, damages, and convoy delays.

Under these circumstances it was found possible to restore to their original trades the majority of liners withdrawn in pursuance of the policy of consolidating all available tonnage on the shortest routes, and the hope was expressed that from February onwards New Zealand would gradually begin to feel the effect of this restoration.

This hope has been realized in so far as the provision for the carriage of general cargo has been concerned, and the number of steamers recently available have been sufficient to make a most satisfactory clearance of the congestion which had previously existed throughout practically every port in the Dominion.

The same relief, unfortunately, was not forthcoming in the case of refrigerated cargo, and the congestion in respect to frozen meat has been very severely felt.

The main factor causing the shortage of insulated tonnage is referred to in the reply from the High Commissioner to one of the very many cablegrams despatched on the subject:—

Cablegram sent to High Commissioner, dated 20th February, 1919.

Insulated tonnage: Position of freezing industry is becoming very serious owing shortness of shipping facilities. A number of freezing-works are already closing down, and there is a large quantity of stock available, which must suffer deterioration unless it can be properly treated. Please make urgent representations to Shipping Controller to provide additional insulated tonnage at earliest date possible and telegraph reply. Would also appreciate a forecast of tonnage to be made available for loading in the Dominion during April, May, and June.

Cablegram received from High Commissioner, dated 25th February, 1919.

Insulated tonnage: With reference to your telegram 20th February, have made representations to Ministry of Shipping, and am verbally informed that programme given my telegram 18th January remains unaltered, and that space mentioned will be available, but that delay occurring owing to labour troubles and epidemics. Same causes prevent reliable forecast tonnage likely to be made available for months mentioned. I am informed that up to end April sixteen insulated steamers will be diverted to Australasian trade.

It is fully anticipated, in view of the statement in the latter message to the effect that the programme outlined in January last remains unaltered and that the space mentioned will become available, the position will steadily improve, and the quantity of meat in the various stores throughout the Dominion be so reduced by the end of the year as to permit of killings next season proceeding without serious interruption.

On the 15th February, 1919, the release of liners from requisition by the Ministry of Shipping commenced, and vessels became entitled to release on the first occasion after midnight on that date on which they had completed discharge of a cargo in any Home port.

The release of any such vessel to an owner was made subject to his prior notification of the acceptance of the terms and conditions for the release of vessels under requisition, and it was provided by the Ministry of Shipping that the release did not in any way impair the powers of the Government to continue or reimpose the requisition should the national interests require the adoption of such a course.

In addition, the Government control over the insulated space in vessels on their homeward voyages was continued in effect until terminated by three months' notice, and as regards vessels in the Australasian and South American trades the insulated space will continue to be allotted according to the instructions of His Majesty's Government.

The New Zealand Overseas Shipowners' Committee, which has been responsible for the allocation of space in steamers loading in the Dominion since the requisition of steamers commenced, has met regularly during the past year, and the 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. Roper and H. Beauchamp, representing the Cunard Line; and Mr. R. Triggs, representing the New Zealand Government.

This Committee meets daily, and although at times the number of ships available for allocation has not been great the amount of business conducted has been very considerable, and every endeavour has been made to allocate the space available according to the requirements of the various districts.

The Department is in close co-operation with this Committee, and furnishes the information regarding the quantities of meat held in store at the various freezing-works, and the quantities of greasy, sripe, and scoured wool available for shipment, on the basis of which the allocations are undertaken.

LOSS OF SHIPS.

The losses of insulated tonnage since the commencement of the present war represented in terms of 60 lb. carcasses of meat, are as follows :—

Steamer.	Capacity: 60 lb. Carcasses.
S.s. "Kaipara"	96,500
S.s. "Otaki"	95,000
S.s. "Rotorua"	99,000
S.s. "Tongariro"	83,500
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
S.s. "Turakina"	120,000
S.s. "Somerset"	95,000
S.s. "Roscommon"	100,000
S.s. "Cumberland"	123,000
S.s. "Delphic"	93,000
S.s. "Limerick"	100,000
S.s. "Port Kembla"	65,000
S.s. "Hurunui"	125,000
	<hr/> 1,836,800

In my report for the previous year the s.s. "Westmoreland" was included in the foregoing list, but it has since been ascertained that this vessel, although suffering as the result of enemy action, was subsequently repaired, and re-entered the Australasian trade.

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

	"Rotorua."	"Clan MacTavish."	"Hurunui."
	£	£	£
Meat	89,991	47,558	86,738
Wool	221,625	..	..
Cheese	102,318	..	302,069
Butter .. .. .	..	..	194,953
Scheelite	1,641	..	2,085
Canned rabbits .. .. .	..	..	7,953
Frozen rabbits .. .. .	..	..	4,759
	<hr/> £415,575	<hr/> £47,558	<hr/> £598,557

The quantities of meat, cheese, and butter in store on the 31st March, 1916, 1917, 1918, and 1919, are given below, and show clearly the increase due to the shortage of shipping referred to above :—

Date.	Frozen Meat (60lb. Carcasses).	Cheese (Crates).	Butter (Boxes).
31st March, 1916	2,152,250	73,927	87,678
31st March, 1917	2,409,541	185,417	224,506
31st March, 1918	3,398,364	363,790	350,315
31st March, 1919	6,482,529	474,754	93,729

The decrease in the number of boxes of butter held on the 31st March, 1919, was due to the exceptionally heavy shipments made during the months of February and March by direction of the Imperial Government.

WOOL.

REQUISITION AND DISPOSAL.

Greasy Clip.

The purchase of the 1917-18 greasy-wool clip on behalf of the Imperial Government was made on the same basis as the purchase of the previous clip—viz., 55 per cent. advance on the average prices realized during the 1913-14 season, which were estimated to be as follows:—

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.

and all wool received into store and accepted was paid for on the above scale, plus the 55 per cent. mentioned.

In addition, the Imperial Government undertook to return to New Zealand wool-growers half the profits made on wool sold for other than military purposes. The Imperial Government has not yet been in a position to indicate the profits that have been made, but when any proportion becomes available it will be distributed to growers through brokers in proportion to the value of the wool purchased.

The Imperial Government having intimated its willingness to continue the purchase of the 1918-19 and 1919-20 wool-clips on the same terms and conditions as for the two previous seasons, and wool-growers generally having expressed the desire that the offer should be accepted, the necessary action was taken, and a Proclamation issued by *Gazette* notice on the 2nd December, 1918, by which all wool clipped in New Zealand at any time not later than the 30th June, 1920, is requisitioned on behalf of the Imperial Government.

The method of purchase followed for the 1918-19 clip was on the same lines as that adopted during the previous years.

All owners of wool were required to deliver their wool at the stores of registered Government wool-brokers at specified ports, and the wool was there examined by expert valuers appointed for the purpose by the Government and by valuers appointed by wool-brokers. In the case of any dispute in respect of the valuation as between the two sets of valuers, provision was made for revaluation by an umpire, and this provision has been freely availed of throughout all valuations.

Payment was made for the wool to the broker as the agent for the owner, and on receipt of payment the broker took possession of the wool and held it on behalf of the Government.

Payments were made to wool-brokers free of exchange on the fourteenth day after valuation had been completed, and on the same day the broker was required to account for the proceeds to the owners concerned.

Prior to payment being completed 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 any sum for services rendered with the exception of that for repacking or submitting wool to the adjudication of an umpire 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 based on the foregoing scale of prices.

A reduction of one-half of the minimum fee payable on appeals was made as from the 1st January, 1919.

The brokers appointed as registered Government brokers were required to do all that was necessary in connection with the receipt, weighing, stacking, cataloguing,

displaying, and countermarking in accordance with the instructions issued by the Government, and their remuneration for this service was fixed at $\frac{9}{16}$ d. per pound of wool for all wool purchased through the agency of these brokers in pursuance of the scheme. An additional allowance of 6d. per bale was made to brokers to cover the cost of preparation of shipping documents.

The wool-broker was required to provide storage free of charge for the wool for a period of twenty-eight days after the date of valuation, and on the expiration of that period storage was paid by the Department of Imperial Government Supplies at the rate of 4d. per bale per week or portion thereof for the months of October to April inclusive, and at the rate of $2\frac{1}{2}$ d. per bale per week or portion thereof for the months of May to September inclusive in any year.

The Government also accepted liability for freight, stamp duty on bills of lading, and all wharfage, lighterage, and railway charges from the store to the carrying steamer where such were incurred.

VALUATION.

The services of the overseas buyers and others as valuers utilized for the valuation of the previous clips were, with some alteration in personnel, retained for the valuation of the 1918–19 clip; and the remuneration for their services was fixed at £45,000 plus actual locomotion expenses, and £1,500 for clerical assistance and office accommodation, and a further £1,500 for additional expenses in valuing freezing-works slipe wool.

In addition to valuing the greasy clip and slipe wool produced at freezing-works, all scoured and slipe wool produced at wool-scouring and fellmongery works is valued as required without extra remuneration.

Valuations have been carried out with a minimum of friction and with general satisfaction to growers, the number of appeals against valuations being infinitesimal in proportion to the number of lots valued.

WOOL BOUGHT AND SHIPPED.

Since the commencement of the requisition the following quantities of wool have been disposed of as under:—

Total number of bales valued (as per valuation certificates received)	1,531,473
Number of bales lost in transit	9,668
Number of bales arrived at destination (in 116 steamers)	566,502
Number of bales <i>en route</i> to Great Britain (in 20 steamers)	128,997
Number of bales shipped on account of other Governments	115,318
Number of bales of greasy wool available for shipment, or scouring, or delivered to scourers	710,988
	<hr/> 1,531,473
Number of bales of greasy wool delivered to scourers for treatment..	233,451
Number of bales of scoured wool shipped	121,994
Number of bales of scoured wool available for shipment	84,306
Total number of bales paid for.. .. .	<hr/> 1,518,591

For the 1,518,591 bales of wool paid for as mentioned above, the sum of £36,814,755 has been disbursed.

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

WOOL FOR OTHER GOVERNMENTS.

Acting under instructions from the Imperial Government, the following wool has been selected for other Governments during the past year:—

From the 1917–18 clip:—

For France	24,152 bales.
For United States of America	20,676 „

From the 1918–19 clip:—

For France	24,446 „
For United States of America	59,635 „
For Canada	3,875 „

Shipments from the above and from selections made during the previous year have been made as follows :—

France	..	..	..	..	49,207 bales.
United States of America	..	..	..	..	44,373 „
Canada	..	..	..	..	21,738 „

The prices charged for these shipments were arranged by the Imperial Government.

The selections for Canada and the balance of selections for France and America were subsequently cancelled, and the wool held for shipment to the United Kingdom.

WOOL FOR LOCAL MILLS.

The Department has also arranged for the continuance of the supply of wool required by local mills, and this has been supplied at the Imperial Government schedule rates, plus the cost of valuation.

The representatives of New Zealand woollen-mills are required to make their selections prior to valuation, and in the case of any dispute arising as between two mills preference is given to the one which has first intimated its requirements to the broker concerned.

WOOL-SCOURING ARRANGEMENTS.

The arrangements made for scouring locks, pieces, lambs, and heavy conditioned fleece wool were continued as in previous years.

For the 1916-17 season to the 31st October, 1917, 80,951 bales, and for the 1917-18 season from the 1st November, 1917, to the 31st October, 1918, 107,739 bales, of wool were distributed to scourers for treatment; and for the portion of the 1918-19 season from the 1st November, 1918, to the 31st March, 1919, 93,320 bales of wool had been distributed to wool-scourers or set aside for subsequent scouring.

This continued increase has been by the instructions of the Imperial Government to save shipping-space, and also as a direct result of the satisfaction expressed by the Imperial Government at the quality of the work carried out by wool-scourers.

The quantity of wool now scoured in the Dominion is more than double the quantity scoured annually under private trading. The credit for the satisfactory work performed is largely due to the great care and attention given by the Inspectors of Wool-scouring works, and also to wool-scourers, who have improved their plant and methods to the requirements of the Department.

Scourers were required to sort, classify, scour, dry, and pack the wool to be treated by them, and their remuneration was fixed at the following scale: 1½d. per pound for fleece on scoured weights; 1¾d. per pound for bellies, locks, stained pieces, and second pieces on scoured weights; with ¼d. per pound advance in each case for merino wool; and payment for such charges is made within fourteen days on receipt by the Department of Imperial Government Supplies, provided the inspectors' and valuers' certificates required are properly completed.

The result of scouring for 1917-18 season showed that 108,682 bales greasy wool, of an average weight of 378.39 lb., equal to 41,124,629 lb., were reduced to 91,631 bales scoured wool, of an average weight of 291.33 lb., equal to 26,694,456 lb.—a saving in shipping-space required of 17,051 bales and 14,430,173 lb. weight.

The average yield of scoured wool was 64.91 lb. per 100 lb. of greasy wool.

The amount paid to wool-scourers for treatment of this wool was £192,933 18s. 11d.

CONDITION OF 1918-19 CLIP.

Auckland.—While the wool in this district came forward in good condition, the clip did not show the length and character of the previous season. It was less affected by seed than usually, except at the later valuations. Indifferent skirting and poor classification are the chief causes of complaint.

Poverty Bay (including Tolaga Bay and Tokomaru Bay).—Complaint is general *re* the indifferent skirting and classing of the clips throughout the whole of this district.

Gisborne.—There was a slight improvement in the character and condition of the clip as compared to the previous season, but no marked and outstanding lines

of superior wool. Seed appeared to be later in ripening, and was not in evidence to the same extent in the earlier valuations. Hogget wool showed evidence of the adverse season, and came forward generally in poor condition and short. Lambs' wool is suffering for want of classing, thereby causing it to be more or less secondary, and there were very few choice lines.

Tokomaru Bay wools were not up to the standard of the previous year.

Hawke's Bay.—The wool submitted in the early part of the season was generally good, but not so well grown as usual. Some good lines came from southern Hawke's Bay. Hogget wool was short and tender. The majority of the lines of lambs' wool were short and secondary, and showed want of care in preparation. Seed was later than usual, and did not appear to any extent until the later valuations. As the season advanced the condition became heavier.

Wellington, Wanganui, and Waitara.—While the condition in these districts has been fair, there have not been those outstanding lines of superior condition and growth generally seen. Hogget wool was poor, and frequently tender and short. Late-shorn clips carried the usual percentage of seed and condition.

Marlborough.—The clip here could not be said to be generally as good as the 1917-18, though a few lines came forward in better condition. A little more care in preparation would make things more satisfactory both for growers and valuers.

Nelson.—Compared with the previous clip the wool did not come forward in such good condition, being shorter, off colour, and heavier in condition. There is little attempt at classing, and consequently lines are generally of a mixed character.

Christchurch.—In most cases the winter had left traces of its severity on the wool, and, while there were a few lines equal or better than the previous season, most of the choice lines of North Canterbury wool were this season of only medium character and condition. Because of this, valuers have not been able to get up to the previous season's prices. In consequence the number of appeals have been increased. Besides the worse condition there is evidence of want of the usual care in preparation, which in case of public auction would in many cases affect the competition from those wanting straight and well-got-up lines of wool.

Timaru.—The severe winter had left its traces on much of the wool submitted for valuation, and generally the clip was not in so good condition as the previous year, being only an average clip. There were a few good lines in three-quarter-bred wools.

Oamaru.—The condition of the clip was decidedly inferior when compared with the previous year's wool. There were some good lines, but generally the clip was only in average condition.

Dunedin.—The clip here had suffered considerably through the severe winter, while some clips were in better condition than the previous year. Those clips from snow country were exceptionally light, though wanting in growth and character, many lines being very tender.

Invercargill.—Except for station wools the condition and character of the clip was much as usual—in good condition, but there was a large proportion of tender wool.

LONDON APPRECIATION.

Evidence of the high opinion held in the United Kingdom of the arrangements made in the Dominion in connection with the wool-purchasing scheme has come to hand in a letter recently received from the office of the Imperial Ministry of Munitions (Contracts Department), an extract of which reads as follows:—

"We think we are voicing the general opinion when we say that the standard of work on your side was very high. The wool trade as a whole can now appreciate in a manner hitherto impossible the thoroughness of your scheme, and the amount of hard work which has been put into it both by the originators and those who have carried it out."

LOSSES BY FIRE.

During the year a fire occurred at Messrs. J. R. Mills and Co.'s wool-store, Port Chalmers, which resulted in the partial destruction of 223 bales of wool, valued at £5,329. A portion was recovered in a damaged condition, and this after scouring and reconditioning was valued at £1,257. The net loss to the Imperial Government after paying scouring and incidental charges was £4,282.

By a fortunate occurrence a large shipment of wool had been made from Port Chalmers immediately prior to the fire occurring, otherwise the loss would have been very large.

A smaller fire occurred about the same time in a wool-store occupied by Messrs. De Pelichet, McLeod, and Co., Port Ahuriri. No wool was destroyed, but damage by water resulted in a loss for reconditioning-expenses and depreciation of £505.

Previous losses of wool by fire had been—

March, 1917—Dewe and Sporle's wool-scouring works, Feilding, 482 bales greasy and scoured wool, £10,566.

June, 1917—Wilson and Canham's fellmongery works, Auckland, 77 bales slipe wool, £2,060.

FREEZING COMPANIES' SLIPE WOOL.

In accordance with arrangements made with the Imperial Government, valuations of slipe wool have been made periodically at freezing-works during the year, on the basis of a schedule of prices equivalent to the net average prices realized in New Zealand during 1913-14, plus 55 per cent.

At the greater number of freezing-works the slipe wool has been displayed for valuation on the premises, and 2s. 6d. per bale has been allowed for the extra labour involved.

Freezing companies who have not suitable accommodation on their own premises for this purpose have displayed their wool for valuation at approved shipping stores, and in such cases an allowance of 5s. per bale has been made.

Payment for slipe wool valued has been made on the fourteenth day after the date of valuation, and has been held thereafter on behalf of the Imperial Government, storage at the rate of 3d. per bale per week being paid to the freezing companies.

Out-of-pocket expenses for wharfage and lighterage incurred in placing the slipe wool on board ocean steamer, together with the cost of the bills of lading, have been defrayed by the Government; all other charges up to the point of shipment on board ocean steamer have been borne by the freezing company concerned.

In case of any dispute in respect of the valuation between the valuer appointed by the freezing company and the valuers appointed by the Government provision was made for revaluation by an umpire, but no appeal against a valuation has been made by any freezing company during the year.

To the 31st March, 1919, 68,959 bales had been purchased subject to valuation in the United Kingdom under regulations ruling to the 31st March, 1918, and of this quantity 65,130 bales had been shipped to the United Kingdom and 1,795 bales to other Governments. 63,201 bales have been valued and purchased in New Zealand, and of this number 18,440 bales have been shipped to the United Kingdom and 7,604 bales to other Governments. The total payments for freezing companies' slipe wool were £3,660,957.

The Imperial Government, in accordance with the wishes of the owners, having agreed to extend the purchase of slipe wool on the same basis to be coterminous with the purchase of greasy wool, the necessary action was taken, and a Proclamation issued by *Gazette* notice on the 25th January, 1919, extending the purchase of freezing companies' slipe wool up to the 30th June, 1920.

SHEEP-SKINS.

The purchase of sheep-skins on the basis of 55-per-cent. advance on 1913-14 prices has been continued on the same conditions of purchase as obtained to the 31st March, 1918.

The scale of values on which sheep-skins are purchased was fixed as follows:—

	Merino Skins.	Half-bred Skins.	Fine Crossbred Skins.	Coarse Crossbred Skins.
	d.	d.	d.	d.
Three-quarter to full-woolled sound skins	10½-11½	13-14	12-13	11½-12½
Half-woolled sound skins	8½-9½	11-12	10½-11½	10-11½
Short to quarter-woolled sound skins ..	7½-8½	9½-10½	9½-10½	8½-10½
Shorn sound	5½-6½	8-9	8½-9½	8-10
Lamb-skins, sound				11-12½

All skins with damaged or faulty pelts are valued at prices proportionate to those shown above.

In valuing green or salted sound skins allowance is made for the extra value of the pelts as compared with dried sound skins of similar quality.

Seedy skins are valued at lower values according to their condition. Black skins are valued according to their proportionate value to ordinary skins of the same class.

Wherever the conditions are suitable skins from sheep slaughtered at abattoirs are valued daily on the abattoir premises, and treated on the same day at neighbouring fellmongeries.

FELLMONGERING.

Sheep-skins are allocated to fellmongers by the Department immediately after valuation, and are during treatment under close inspection by Inspectors of Fellmongering-works specially appointed for the purpose.

The resulting wool and pelts after valuation are required to be redelivered to the Government through the Government agents at the customary shipping ports, baled or casked, and branded as directed.

Fellmongers have been paid for their services at the following rates :—

Fellmongering	..	..	2½d. per pound on weight of wool.
Curing pelts	..	..	3s 9d. per dozen (casks extra).

To the 31st March, 1919, 4,082,415 had been purchased, at a cost of £1,581,413.

Results for the 1917–18 season show that 1,935,722 skins, valued at £652,419, an average cost of 80·89d. per skin, were issued to fellmongers for treatment. The average pull of wool was 4·03 lb., and the average percentage of valueless pelts was 10·36. The amount paid to fellmongers for slipping wool and curing pelts was £99,316.

The standard of the work carried out by fellmongers continues to be well maintained, and the results are distinctly satisfactory to all concerned.

It is worthy of remark that this very large business of wool-scouring and fellmongering, treating an aggregate of £2,622,610 worth of raw material annually, and distributing in wages, material, railages, &c., £472,120 per annum, has been carried out by the Department with great advantage not only to the Imperial Government, but to the manufacturers and workers in New Zealand.

More than double the quantity of wool has been annually sorted and scoured in the Dominion than in any year prior to Government control, and all the sheep-skins produced have been fellmongered locally, no export being permitted. This, with careful distribution giving consideration to the capacity of works and the quality of the work done, has contributed to a continuity of well-paid work to all employees.

Under private trading a few of the wool-scouring and fellmongering works undoubtedly did first-class work, but the output of the majority was second rate. Under Government control the best methods and workmanship have been acquired by all, fullest advantage having been taken by wool-scourers and fellmongers of the knowledge and experience freely placed at their service by the Department's experts in each particular line.

The reports of the users of New Zealand scoured and slipe wool and pelts are that the general standard of work is immeasurably higher than in previous years.

HIDES AND CALF-SKINS.

The purchase of hides and calf-skins on behalf of the Imperial Government ceased at the 28th March, 1918; only those hides and calf-skins produced from stock slaughtered on or before that date have been purchased in the current year. The total purchases of hides and calf-skins were 370,508, for which £725,339 was paid.

At the 31st March, 1919, 43,941 were still held at the disposal of the Imperial Government.

STAFF AND ORGANIZATION.

It will be gathered from the foregoing that the work entrusted to the Department has continued to increase, and, in addition to undertaking the arrangements necessary in connection with the requisition of produce on behalf of the Imperial Government, the Department has at different times been called upon to institute general inquiries regarding other matters, and has endeavoured to constitute itself a Department for the collection and distribution of information of general interest to the commercial community.

In this connection the organization of the Department has been freely consulted by business people in matters of commercial interest, and its endeavour has always been to render the fullest assistance possible.

The policy has all along been to conduct its business on commercial lines, with the 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.

The special telegraphic code devised by the departmental officers has been revised and large additions made; and the Department now possesses a very comprehensive code, comprising some twenty-five thousand ciphers, which will have the effect of saving some thousands of pounds in the exchange of cablegrams with the High Commissioner and the Imperial Government Departments concerned in the various requisitioning schemes.

The regular issue of the printed bulletin showing its operations, which has been prepared and furnished for the information of Ministers, the High Commissioner, all Departments of the Dominion Government concerned, the New Zealand Overseas Shipowners' Committee, representatives of the associated banks in New Zealand, the Board of Agriculture, and others, has been continued by the Department, which has also kept the Imperial Government fully informed regarding the quantities of produce available for shipment from time to time.

I have pleasure in again placing on record the indebtedness of the Department to wool-brokers, freezing companies, and others with whom it is in close touch, for the co-operation and willingness at all times to assist the Department in its administration, and I am also glad to acknowledge the thoroughness of the continuous audit conducted by the Controller and Auditor-General through a special staff attached to the Department for the purpose.

When the Department was originally constituted in March, 1915, to handle the arrangements in connection with the purchase of frozen meat the staff consisted of five officers, including an officer in charge, two clerks, a typiste, and a messenger.

On the 31st March last there were sixty-one officers employed, including executive officers and clerks (49), typistes (9), Burroughs adding-machinists (2), and a messenger.

The staff suffered seriously as a result of the recent influenza epidemic, and this rendered the work of the administration staff particularly severe and arduous, and I consider it was largely due to the special efforts and co-operation displayed by all officers in the discharge of the duties entrusted to them that the work of the Department was successfully carried on during a very trying period.

I have, &c.,
ROBERT TRIGGS, Controller.

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

APPENDICES.

(1.) WOOL—1916-17, 1917-18, AND 1918-19 CLIPS.

STATEMENT SHOWING PARTICULARS OF TOTAL WOOL REQUISITIONED (AND EITHER PURCHASED BY THE IMPERIAL GOVERNMENT OR LOCAL WOOLLEN-MILLS) DURING THE ABOVE YEARS ENDED 30TH JUNE, AND AVERAGE VALUES IN EACH VALUING CENTRE.

	Auckland.	Tokomaru Bay.	Tolaga Bay.	Gisborne.	Napier.	Waitara.	Wanganui.	Wellington.
Number of bales valued—								
1916-17	35,929	4,584	3,969	36,349	89,267	6,586	24,945	115,390
1917-18	43,046	7,799	6,934	40,816	85,169	8,231	34,389	115,119
1918-19	40,518	7,779	6,350	42,133	86,096	8,330	40,418	110,718
Weight in pounds—								
1916-17	12,601,067	1,792,508	1,483,856	13,685,819	33,982,491	2,370,537	9,641,697	44,659,733
1917-18	15,397,618	3,235,486	2,575,937	15,499,303	32,433,780	3,101,635	13,369,531	44,706,351
1918-19	14,664,236	3,215,217	2,351,052	15,644,606	33,022,811	3,243,214	15,900,283	43,264,398
Value—								
1916-17	£764,017 18 4	£110,411 14 4	£88,965 13 2	£809,666 10 9	£2,037,142 14 8	£132,063 0 4	£560,018 7 1	£2,746,053 3 3
1917-18	£913,960 15 11	£191,531 2 6	£155,477 10 3	£913,088 15 9	£1,952,774 14 5	£179,591 16 1	£791,327 17 5	£2,763,361 4 5
1918-19	£883,788 4 5	£189,811 18 6	£142,812 8 7	£945,598 11 8	£2,018,401 18 7	£194,964 12 3	£972,240 9 0	£2,701,185 2 2
Average value per pound—								
1916-17	14-55d.	14-78d.	14-39d.	14-20d.	14-39d.	13-37d.	13-94d.	14-75d.
1917-18	14-24d.	14-31d.	14-48d.	14-14d.	14-45d.	13-90d.	14-20d.	14-83d.
1918-19	14-46d.	14-16d.	14-58d.	14-50d.	14-67d.	14-43d.	14-67d.	14-98d.
Average value per bale—								
1916-17	£21 5 3	£24 1 9	£22 8 4	£22 5 6	£22 16 5	£20 1 0	£22 9 0	£23 15 11
1917-18	£21 4 8	£24 11 2	£22 8 5	£22 7 5	£22 18 7	£21 16 11	£22 0 3	£24 0 1
1918-19	£21 16 3	£24 8 0	£22 9 9	£22 8 10	£23 8 10	£23 8 1	£24 1 1	£24 7 11
Average weight per bale, in pounds—								
1916-17	351	391	374	377	380	360	386	387
1917-18	358	415	371	380	381	377	389	388
1918-19	362	413	370	371	384	389	393	391

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	Marlborough.	Nelson.	Christchurch.	Timaru.	Oamaru.	Dunedin.	Invercargill.	Total (Dominion).
Number of bales valued—								
1916-17	8,136	6,130	65,303	26,096	10,119	49,674	30,565	513,042
1917-18	15,083	7,644	72,316	29,726	12,619	54,047	33,554	566,482
1918-19	16,600	7,818	71,863	33,290	12,469	51,437	31,560	567,379
Weight in pounds—								
1916-17	2,710,586	2,064,103	22,412,468	8,982,870	3,546,554	16,244,522	9,485,008	185,663,809
1917-18	4,987,041	2,539,155	24,197,602	10,192,050	4,270,560	18,254,534	10,817,838	205,578,421
1918-19	5,472,730	2,619,688	23,995,426	11,487,781	4,171,331	16,940,372	9,378,141	205,371,286
Value—								
1916-17	£176,823 6 2	£124,247 6 6	£1,462,069 1 0	£578,799 12 7	£211,342 16 7	£1,020,376 15 3	£582,912 2 0	£11,404,910 2 0
1917-18	£341,451 14 8	£154,427 1 11	£1,652,354 3 5	£691,412 0 7	£271,231 18 1	£1,153,073 7 6	£681,521 18 8	£12,806,586 1 7
1918-19	£376,537 7 1	£164,163 17 2	£1,670,673 13 1	£790,122 12 8	£269,080 8 8	£1,100,485 18 11	£634,893 1 11	£13,044,760 4 8
Average value per pound—								
1916-17	15-65d.	14-44d.	15-65d.	15-46d.	14-30d.	15-08d.	14-75d.	14-74d.
1917-18	16-43d.	14-59d.	16-38d.	16-28d.	15-24d.	15-16d.	15-12d.	14-95d.
1918-19	16-51d.	15-04d.	16-71d.	16-51d.	15-48d.	15-59d.	15-99d.	15-25d.
Average value per bale—								
1916-17	£21 14 8	£20 5 5	£22 7 9	£22 3 7	£20 17 9	£20 10 10	£19 1 5	£22 4 7
1917-18	£22 12 9	£20 4 0	£22 17 0	£23 5 2	£21 9 10	£21 6 9	£20 6 3	£22 12 2
1918-19	£22 13 8	£20 19 11	£23 4 11	£23 14 8	£21 11 7	£21 7 11	£19 16 0	£22 19 10
Average weight per bale, in pounds—								
1916-17	333	337	343	344	350	327	310	362
1917-18	330	332	335	343	338	328	322	363
1918-19	329	335	334	345	335	330	297	362

N.B.—Freezing companies' slipe wool is not included in above return.

(3.) WOOL—1916-17, 1917-18, AND 1918-19 CLIPS.

STATEMENT SHOWING PARTICULARS OF WOOL SOLD TO LOCAL WOOLLEN-MILLS DURING ABOVE YEARS ENDED 30TH JUNE, AND AVERAGE VALUES IN EACH VALUING CENTRE.

	Auckland.	Napier.	Wellington.	Marlborough.	Christchurch.	Tinarnu.	Oamaru.	Dunedin.	Invercargill.	Total (Dominion).
Number of bales valued—										
1916-17 ..	1,058	1,320	1,129	258	5,557	1,957	299	4,713	530	16,821
1917-18 ..	483	1,012	402	289	6,950	2,809	946	7,292	509	20,692
1918-19 ..	475	1,190	343	562	6,622	2,583	1,247	5,419	380	18,821
Weight in pounds—										
1916-17 ..	362,578	515,343	424,090	91,067	1,946,668	697,403	107,686	1,689,597	192,535	6,026,967
1917-18 ..	186,677	399,296	137,669	95,009	2,358,214	968,715	319,443	2,587,654	191,693	7,264,370
1918-19 ..	168,961	453,700	128,622	191,465	2,198,664	876,244	445,478	1,822,455	135,450	6,421,039
Value—										
1916-17 ..	£18,796 10 3	£25,861 16 2	£23,706 3 7	£5,801 16 9	£121,139 11 7	£41,497 12 6	£7,076 1 11	£97,569 7 6	£7,205 0 11	£348,654 1 2
1917-18 ..	£9,364 14 5	£20,255 6 2	£8,304 8 4	£8,185 2 2	£158,428 6 7	£73,804 1 1	£22,673 16 6	£165,580 8 4	£7,714 1 7	£474,310 5 2
1918-19 ..	£7,842 17 3	£24,653 8 3	£7,602 5 7	£15,607 19 5	£160,128 4 8	£64,026 18 8	£31,301 8 9	£121,058 13 4	£6,211 17 4	£438,433 13 3
Average value per pound—										
1916-17 ..	12-44d.	12-04d.	13-41d.	15-29d.	14-93d.	14-28d.	15-77d.	13-86d.	8-98d.	13-88d.
1917-18 ..	12-04d.	12-17d.	12-64d.	20-67d.	16-12d.	18-28d.	17-04d.	15-35d.	9-66d.	15-67d.
1918-19 ..	11-14d.	13-04d.	14-18d.	19-56d.	17-47d.	17-53d.	16-86d.	15-94d.	11-00d.	16-38d.
Average value per bale—										
1916-17 ..	£17 15 4	£19 11 10	£20 19 11	£22 9 9	£21 16 0	£21 4 1	£23 13 4	£20 14 0	£13 11 10	£20 14 6
1917-18 ..	£19 7 9	£20 0 4	£20 13 2	£28 6 5	£22 15 11	£26 5 6	£23 19 4	£22 14 2	£15 3 1	£22 18 5
1918-19 ..	£16 10 3	£20 14 4	£22 3 3	£27 15 5	£24 3 8	£24 15 9	£25 2 0	£22 6 10	£16 6 11	£23 5 11
Average weight per bale, in pounds—										
1916-17 ..	343	390	375	353	350	356	360	358	363	358
1917-18 ..	386	394	392	329	339	345	338	355	376	351
1918-19 ..	356	381	375	341	332	339	357	336	356	341

N.B.—Freezing companies' slipe wool is not included in above return.

(4.) SHOWING RESULTS TO 23RD AUGUST, 1919.

FROZEN MEAT, SCHEELITE, BUTTER, CHEESE, WOOL, SHEEP-SKINS, ETC.
MEAT.

(Operations commenced 3rd March, 1915.)

	Beef (Quarters).	Mutton (Carcases.)	Lamb (Carcases.)
1. Shipped per steamers lost in transit	18,829	106,260	91,080
2. Arrived at destination in 284 steamers	2,491,650	9,113,456	10,778,040
3. <i>En route</i> to destination in 10 steamers	104,268	344,662	228,231
4. Meat aboard steamers now on loading-berth	5,394	27,737	4,047
5. Total payments made to date, £40,088,444.			
6. Totals	2,620,141	9,592,115	11,101,398
7. MEAT IN STORE on 31st July, 1919, for which no space has been allocated in overseas steamers—			
North Island		4,537,277	
South Island		2,686,036	
Total in 60 lb. carcasses			7,223,313
Total shipments to date—			
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	517,708	1,575,600	1,315,506
During 1917-18 season	612,947	1,871,197	1,871,444
During 1918-19 season	381,871	1,736,667	1,876,226
Totals	2,620,141	9,592,115	11,101,398

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 and lost in transit	16,440
4. Total arrived at destination	501,886
5. Total payments, £3,295,557.	
6. Totals	518,326
1917-18 season—	
7. Shipped and lost in transit	46,406
8. Shipped and arrived at destination	709,189
9. <i>En route</i> to destination .. ..	..
10. Total payments, £5,008,056.	
11. Totals	755,595
1918-19 season—	
12. Shipped and arrived at destination	383,873
13. <i>En route</i> to destination	136,178
14. On board steamers now on loading-berth	43,410
15. Total payments to date, £5,396,922.	
18. Totals	563,461
16. CHEESE IN STORE awaiting shipment on account Imperial Government on 18th August, 1919—	
North Island	157,275
South Island	21,941
Total quantity in crates	179,216

BUTTER.

(Operations commenced 20th November, 1917.)

	Boxes.
1917-18 season—	
1. Shipped and lost in transit	49,847
2. Shipped and arrived at destination	674,852
3. Total payments, £2,939,250.	
4. Totals	724,699
1918-19 season—	
5. Shipped and arrived at destination	662,827
6. <i>En route</i> to destination	3,223
7. On board steamers now on loading-berth .. ..	..
8. Total payments to date, £3,009,375.	
9. Totals	666,050

BUTTER—continued.

10. BUTTER IN STORE awaiting shipment on account of Imperial Government on 23rd August, 1919 —							Boxes.	Boxes.
North Island	..	..	..	..	..	..	125	
South Island	..	..	..	..	..	..	..
Total in boxes	..	..	..	..	..	..	..	125

SCHEELITE.

(Operations commenced 20th September, 1915.)

								Tons.
1. Shipped and lost in transit	..	..	..	..	..	..	..	18
2. Arrived at destination	..	..	..	..	..	..	..	660
3. <i>En route</i> to Great Britain	..	..	..	..	..	..	..	96
4. Total payments made to date, £153,157.								
5. Total	..	..	..	..	..	..	..	774

WOOL.

(Operations commenced 1st December, 1916.)

1. Total number of bales valued (as per valuation certificates received)	..	1,582,302
2. Number of bales lost in transit	.. 9,668	
3. Number of bales arrived at destination in 148 steamers	.. 731,338	
4. Number of bales <i>en route</i> to Great Britain in 30 steamers	.. 240,106	
5. Number of bales shipped on account of other Governments	.. 119,282	
6. Number of bales of greasy wool available for shipment, scouring, or delivered to scourers	.. 481,908	
		1,582,302
7. Number of bales of greasy wool delivered to scourers for treatment	.. 278,583	
8. Number of bales of scoured and fellmongers' slipe wool shipped	.. 205,275	
9. Number of bales of scoured and fellmongers' slipe wool available for shipment	.. 76,235	
10. Total payments, £38,505,706.		
11. Total number of bales paid for	..	1,582,302

SLIPE WOOL (Freezing Companies).

(Operations commenced 31st March, 1917.)

PURCHASED FOR VALUATION IN UNITED KINGDOM.

1. Total number of bales advanced against	..	68,959
2. Number of bales shipped	..	67,114
3. Number of bales shipped on account of other Governments	..	1,795
4. Total payments to date, £2,001,910.		

PURCHASED UNDER NEW ZEALAND VALUATIONS.

5. Total number of bales	..	117,009
6. Total number of bales shipped	..	58,970
7. Number of bales shipped on account of other Governments	..	7,604
8. Total payments to date, £3,276,790.		

SHEEP-SKINS.

(Operations commenced 5th February, 1917.)

1. Number of skins purchased and distributed to fellmongers	..	4,944,442
2. Total payments to date, £1,929,613.		

HIDES.

(Operations commenced 19th March, 1917.)

1. Number of hides purchased	..	370,509
2. Number of hides shipped	..	149,442
3. Number of hides sold	..	212,627
4. Total payments to date, £735,663.		

PAYMENTS.

(Total to date.)

	£
Frozen meat	40,088,444
Cheese, 1915-16 season	917,748
Cheese, 1916-17 season	3,295,557
Cheese, 1917-18 season	5,008,056
Cheese, 1918-19 season	5,396,922
Butter, 1917-18 season	2,939,250
Butter, 1918-19 season	3,009,375
Butter equalization funds	391,971
Scheelite	153,157
Wool	38,505,706
Freezing companies' slipe wool	5,278,700
Sheep-skins	1,929,613
Hides	735,663
Other business	1,735,305
Grand total	£109,385,467

STATEMENT SHOWING THE QUANTITIES OF FROZEN MEAT SHIPPED AT EACH PORT FROM THE INCEPTION OF THE SCHEME—i.e., 3RD MARCH, 1915—TO 23RD AUGUST, 1919.

Port of Shipment.	1914-15 Season.				1915-16 Season.				1916-17 Season.				1917-18 Season.				1918-19 Season.				Totals.			
	Beef.		Mutton.		Lamb.		Beef.		Mutton.		Lamb.		Beef.		Mutton.		Lamb.		Beef.		Mutton.		Lamb.	
	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.	Quarters.	Carcases.
Whangarei ..	23,694	..	..	..	41,457	3,222	3,222	25,067	4,271	3,155	34,595	9,991	1,079	24,767	..	..	149,580	25,585	7,456	..	..	..	..	..
Auckland ..	52,533	41,264	74,983	..	186,587	42,975	108,104	76,063	22,942	9,464	146,239	30,534	40,040	77,601	62,330	50,156	539,023	200,045	282,747	..	..	..	..	..
Whakatane ..	..	..	..	..	..	..	..	7,742	33,186	..	4,071	50,905	..	..	23,550	11,596	30,271	11,596	478	..	..	..	..	..
Tokomaru Bay ..	6,463	58,460	41,897	8,950	107,846	67,526	7,742	33,933	143,881	13,562	35,811	190,555	100,023	55,765	147,814	49,581	38,275	298,211	159,004	..	..	..	..	..
Gisborne ..	25,024	220,038	101,073	62,261	325,172	165,752	33,933	33,092	248,209	88,516	30,702	263,763	211,958	34,290	380,779	155,324	197,688	1,479,125	909,062	..	..	..	..	..
Napier ..	34,802	208,775	151,982	64,802	377,599	301,282	34,608	13,918	13,389	61,543	33,832	26,198	16,026	8,367	13,075	43,705	236,469	190,307	147,786	..	..	..	..	..
Waitara ..	46,612	49,485	28,250	77,680	54,929	44,126	8,531	12,761	2,567	12,952	9,043	9,345	9,345	22,222	8,367	13,075	43,705	30,171	24,987	..	..	..	..	..
New Plymouth ..	..	..	..	..	..	..	56,011	65,784	24,004	57,900	176,227	121,674	28,051	83,215	127,246	186,557	509,508	378,702	378,702	..	..	..	..	..
Wanganui ..	58,979	610,073	411,351	166,931	734,540	782,383	88,287	395,542	402,350	134,810	420,894	257,605	56,471	452,865	345,184	505,478	2,613,914	2,198,873	..	..	..	..	..	..
Totals, North Island ports ..	265,919	1,283,808	847,548	635,451	1,742,953	1,540,161	363,334	940,494	557,007	525,344	1,185,744	767,922	349,792	1,228,683	836,987	2,139,840	6,381,682	4,549,625	..	..	..	..	..	..
Nelson ..	521	10,312	20,549	4,763	16,623	21,563	4,256	1,671	1,684	2,646	8,526	10,324	3,681	..	..	15,867	37,132	54,120	..	..	..	..	..	..
Pictou ..	..	22,410	31,035	..	27,650	42,392	..	17,592	23,217	1,099	25,419	23,690	484	36,610	41,942	1,583	129,681	162,276	..	..	..	..	..	..
Lyttelton ..	11,128	244,750	772,152	38,162	274,884	770,312	52,205	237,954	352,344	37,049	312,976	588,620	9,892	194,125	467,459	148,436	1,264,689	2,950,887	..	..	..	..	..	..
Timaru ..	2,618	153,374	623,925	7,624	102,373	334,357	15,507	158,713	248,520	7,038	88,455	283,701	1,596	161,637	325,373	34,383	664,552	1,815,876	..	..	..	..	..	..
Oamaru ..	..	29,871	97,868	..	10,095	32,402	..	9,541	2,527	..	61,636	28,670	..	..	..	..	111,143	161,467	..	..	..	..	..	..
Dunedin ..	11,876	85,884	214,387	22,246	102,716	189,680	30,388	107,912	54,700	8,316	82,697	112,692	..	28,110	64,551	72,826	407,319	636,010	..	..	..	..	..	..
Bluff ..	45,673	156,552	282,044	61,634	144,396	217,847	52,018	101,723	75,507	31,455	105,744	55,825	16,426	87,502	139,914	207,206	595,917	771,137	..	..	..	..	..	..
Totals, South Island ports ..	71,816	703,153	2,041,960	134,429	678,737	1,608,553	154,374	635,106	758,499	87,603	685,453	1,103,522	32,079	507,984	1,039,239	480,301	3,210,433	6,551,773	..	..	..	..	..	..
Grand totals ..	337,735	1,986,961	2,889,508	769,880	2,421,690	3,148,714	517,708	1,575,600	1,315,506	612,947	1,871,197	1,871,444	381,871	1,736,667	1,876,226	2,620,141	9,592,115	11,101,398

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