

Cost of Administration.—The total cost of administering the Hides Equalization Fund during the period ending 31st March, 1941, is £1,106 7s. 4d., as shown in the statement of accounts. This figure compares favourably with the annual cost which the Chairman of the Committee had estimated—namely, £1,100.

“Based on the quantity of hides handled in terms of the regulations, the cost per hide is slightly less than one-third of a penny.

General.—The full co-operation of all interested parties has been given to the Hides Committee in the administration of the regulations, and this co-operation has been a major factor in the success of the equalization plan.

“I desire to express my sincere thanks to the members of the Committee, to all sections of the trade, and to Government Departments concerned for their assistance at all times.”

LINEN FLAX.

During this past season the Marketing Department has added linen-flax fibre to the products and goods for which it is arranging shipment to the United Kingdom. Shipment is made in terms of a contract of sale with the Ministry of Supply (Flax Control), from whom payment is collected. The sums collected are paid over to the Linen Flax Management Committee at Christchurch, which controls the production and manufacture in New Zealand. The Committee is representative of the Departments of Agriculture, Industries and Commerce, Scientific and Industrial Research, and of Treasury, and its report appears as part of the annual report of the Department of Industries and Commerce, Tourist and Publicity.

For the 1940–41 season 13,000 acres were sown, and for the 1941–42 season this is being increased to 25,000 acres.

The terms of sale to the United Kingdom Ministry of Supply were as follows:—

- (1) The United Kingdom Government will buy the flax from 25,000 acres during the war and one year thereafter, covering flax from that acreage which has been sown or for which cultivation has been put in hand before the close of hostilities between the British Empire and Germany.
- (2) The purchase will be at already agreed prices for seasons 1941–42 and 1942–43, and thereafter at prices to be mutually agreed. (NOTE.—The prices paid are equal to those paid for similar quality Irish flax.)
- (3) Payment to be made in full on receipt of telegraphic advice of grading.
- (4) United Kingdom Government insurance cover commences when flax placed on board ocean steamer.
- (5) Ministry of Supply to bear storage and insurance charges on flax after a period of three calendar months from date of delivery to port of shipment.

Shipments up to 31st July, 1941, were 806 bales of flax-fibre and 26 bales of tow, weighing 85 tons 2 cwt. 1 qr. 7 lb., value f.o.b., £13,101 17s. 7d. (New Zealand currency).

No bulk contracts for the sale of linen-flax seed could be arranged, but the following sales were made and shipments effected to the Governments in the following countries:—

	Sacks.
United Kingdom	710
Australia	4,549
India	504
	5,763

weighing 512 tons 17 cwt. 1 qr. 17 lb., value f.o.b., £27,336 7s. 6d.

SCHEELITE.

The annual report for the year ended 31st July, 1940, gives particulars of the agreement between the United Kingdom and the New Zealand Governments for the purchase of the output of New Zealand scheelite up to 31st March, 1941. This agreement was renewed for a further twelve months to 31st March, 1942, on the same terms and conditions. The quantity of scheelite exported by the Department for the twelve months ending 31st July, 1941, was 71 tons 1 cwt. 2 qr., and the provisional payment value in New Zealand currency is £14,663.

ACCOUNTS.

The scheelite accounts, which are published in the accounts section at the end of this report, page 38, show a Purchase and Sale Account covering operations for the period ended 31st July, 1941. To this account is charged the cost of administration of the purchase and export of scheelite, amounting, in terms of the Purchase of Scheelite Order 1940, to 2½ per cent. of the purchase-price.

SUNDRY SUPPLIES FOR WAR OFFICE.

During the year inquiries were received through the High Commissioner for sundry supplies of foodstuffs for War Office requirements.

It was agreed that negotiations for the purchase of these supplies from New Zealand manufacturers should be made by the Food Controller except in respect of such produce as was being purchased by