

"The Hides Committee appointed a sub-committee comprising Messrs. John Fraser (Chairman), J. P. Mackay, W. V. Watson, and G. A. Duncan to prepare a schedule of Marketing Department purchase-prices, and to vary these prices from time to time in accordance with market values. The sub-committee met monthly, and appropriate variations in prices were made.

"*Financial Report.*—The following summary shows the position of the Equalization Fund as at the 31st March, 1942:—

	£	s.	d.
"Cash in hand at 1st April, 1941	153	17	10
	£	s.	d.
"Levy received by H.M. Customs	57,112	17	1
"Less 2 per cent. collection charges	1,142	6	1
	55,970	11	0
	56,124	8	10
"Less claims paid to tanners, freezing companies, and exporters ..	45,264	6	1
	10,860	2	9
"Expenses to 31st March, 1942—	£	s.	d.
"Salaries	925	0	0
"Telegrams, stamps, and petty expenses	27	13	1
"Travelling-expenses	34	5	5
"Sundries (rent, phone, cleaning, &c.)	81	16	0
"Audit fee	20	0	0
"Bank interest	6	11	0
"Bank charge and cheque-book	2	10	2
"Cables	6	10	9
	1,104	6	5
"Cash in bank at 31st March, 1942	9,755	16	4
"To this must be added estimated levy due on hides which have not been shipped or for which payment has not been received from H.M. Customs as at 31st March, 1942	7,250	0	0
"From this amount must be deducted claims which are finalized and estimated claims not yet completed ..	6,600	0	0
"Leaving estimated balance to be collected	650	0	0
"and leaving an estimated surplus in hand of	£10,405	16	4

"The amount of surplus funds shown above (£10,405 16s. 4d.) is justified in view of the expressed desire of the Committee that the tanners should claim freely while the hides are available in order to obtain their necessary requirements to cover the period, September to December, when production of hides is low.

"During the previous year the Committee endeavoured to keep the levy as much in line with market prices as possible, and to arrange that when hides realized higher price levels the levy was correspondingly higher. The Committee also endeavoured to carry as small a cash balance as possible, and this policy is reflected in the amount standing to the credit of the fund at the beginning of the year.

"Experience showed that this policy was open to the objection that sudden changes in the rate of levy were necessary. The Committee therefore decided to strike a rate of levy which would, as far as possible, obviate the sudden changes, and it is considered that this policy is satisfactory to the meat industry, in that it has helped to avoid sudden and frequent changes in the beef-price schedule.

"*Statistics.*—The following table shows the number of hides claimed by tanners and the number freed for export under the regulations:—

—	Ox.	Cow.	Bulls.	Yearlings.	Calf-skins.
Tanners claims ..	113,495	200,721	644	43,850	55,910
Hides freed for export ..	99,965	252,911	13,942	8,808	45,328
Totals ..	213,460	453,632	14,586	52,658	101,238

"Grand totals

"Tanners 414,620 hides and calf-skins.

"Exporters 420,954 hides and calf-skins.

835,574

"*Cost of Administration.*—The total cost of administering the Hides Equalization Fund for the twelve months ended 31st March, 1942, is £1,104 6s. 5d., compared with £1,106 7s. 4d. for the period ending 31st March, 1941.

"Based on the quantity of hides handled in terms of the regulations, the cost is again just under $\frac{1}{2}$ d. per hide.

"*General.*—I desire to express my thanks to the Chairman and members of the Committee, to the Government Departments concerned, and to all sections of the trade for their willing assistance at all times."