

REPORT

I HAVE the honour to submit the annual report and statement of accounts of the Marketing Department (Export Division) for the year ended 31st July, 1946.

This report relates to the 1945-46 production season (the first post-war year), and the transactions in respect of dairy-produce, meat, wool, tallow, woolly sheep-skins, hides, linen flax, and scheelite are reviewed under the appropriate headings.

CONTRACTS BETWEEN THE UNITED KINGDOM AND NEW ZEALAND GOVERNMENTS FOR THE FIRST POST-WAR YEAR, 1945-46

In last year's annual report reference was made to the contracts of purchase of wool and woolly sheep-skins by the United Kingdom Government terminating with the sale of the 1945-46 season's wool and woolly sheep-skins and to the decision to form a Joint Organization to take over the marketing of unsold wool stocks. The steps in the necessary procedure as it affected New Zealand are referred to later in this report under the respective headings.

Details of the four-year contracts (1944 to 1948) for butter, cheese, and meat were given in last year's annual report. These contracts provided for agreed prices and terms for the 1944-45 and 1945-46 seasons, and that these prices and terms should continue for the balance of the term of the contracts unless before 1st May, 1946, either Government should require reconsideration on substantial grounds, "and in particular on the grounds of substantial changes in the cost of production in New Zealand or in the export prices then current in other supplying countries, or such substantial changes in conditions as may necessitate modifications in the conditions of this agreement" (refer clause 3 of Heads of Agreement).

Due notice was given that the New Zealand Government desired reconsideration of the prices and terms, and discussions were held with the Milk Products Division and Imported Meat Division of the United Kingdom Ministry of Food. In these discussions the Right Honourable Walter Nash, Minister of Finance, was assisted by Mr. B. C. Ashwin, Secretary to the Treasury, Mr. H. E. Davis and Mr. N. S. McClumpha, of the New Zealand Marketing Department (Export Division), London; and Messrs. G. A. Duncan (Director) and G. M. Pottinger (Deputy Director), of the Export Division of the Marketing Department. The New Zealand Government had agreed that representatives of the meat and dairy industries should be included in the discussions. Mr. G. H. Grigg, Chairman of the New Zealand Meat-producers Board, and Mr. W. E. Hale, Chairman of the New Zealand Dairy Board, ably represented the respective industries, and the Government is indebted to these gentlemen for their co-operation and assistance.

Details of the amended prices and terms agreed upon for the 1946-47 season are given in the appropriate sections of this report, as are also the contract prices and terms for tallow and other products handled by the Department.

SETTLEMENT WITH DAIRY AND MEAT INDUSTRY REPRESENTATIVES REGARDING DISPOSAL OF ADDITIONAL RECEIPTS FOR FARM-PRODUCE IN TERMS OF THE STABILIZATION AGREEMENT.

In last year's annual report a full report was given of the agreement reached with the dairy and meat industry representatives in respect of the disposal of additional receipts for farm-produce in terms of the stabilization agreement for the year ending 31st July, 1945.