

Account. With regard to the Government grant of £350,000, mention was made in my last report that £250,000 had been transferred to the Deposit Account. The additional £100,000 was transferred during May, 1949, at the request of the representative of the parent body in order to fulfil the conditions under which "a matching contribution" might be claimed by it from the Government of the United States.

Up to 30th June, 1949, some £380,000 has been expended in New Zealand out of the Deposit Account on supplies for shipment overseas as required by the Fund, and all disbursements have been audited by the Audit Office. The balance of collections, &c., held on deposit at 30th June, 1949, amounted to £438,216.

### United States Property Educational and Cultural Fund

On 14th September, 1948, the agreement between New Zealand and the United States relating to the above-mentioned Fund was extended to make more detailed provision for its use for educational and cultural purposes. In terms of the extension New Zealand is required to make available for such purposes New Zealand currency up to an amount equivalent to \$2,300,000 at the diplomatic rate of exchange.

Payments made during 1948-49 from the special Fund Deposit Account amounted to £32,842 7s. 8d. for transfers of property and to £3,082 8s. 6d. for educational purposes. The balance of the account remaining at 31st March, 1949, was £1,299,606 19s. 4d.

### Marketing Department

*Apple and Pear Growers' Pool.*—With the passing of the Apple and Pear Marketing Act, 1948, the Apple and Pear Marketing Board became, from 1st December, 1948, the statutory marketing authority. The Department has been appointed the agent for the Board as regards receiving, storage, and distribution of the fruit, and accounting.

An Apple and Pear Growers' Pool Account, prepared for the year ended 31st December, 1948, shows a debit balance of £9,800. This amount represents overpayments to growers which were made as a result of a miscalculation of the final payout rate.

In previous years it would have been possible for the Department to have recovered an item of this nature from the next year's distributions, but under the new organization this is not possible. The Audit Office is not aware as to what action the Department proposes to take to clear the balance.

*Potato Contracts.*—For some years past the Marketing Department has entered into contracts with certain potato-growers who on their part undertake to plant and harvest a specified area of potatoes, while the Department agrees to purchase any portion of their crops which remains unsold at a fixed date. The potatoes are required to be "fair average quality," and the price to be paid is that fixed by the appropriate Order of the Price Tribunal in respect of sales by the growers to merchants.

In 1948, as a result of a favourable climatic season, there was a surplus of potatoes to requirements. The Department became liable under the terms of its contracts, and it purchased some 14,000 tons of potatoes, most of which were grown in the South Island.