

It is satisfactory to note that many of the freezing companies have taken in hand the matter of increasing the storage accommodation.

In November last a requisition for 15,000 tons first-grade cheese was made by the Imperial Government, the price fixed being 7½d. per lb. f.o.b. In order to comply with this requisition, all factories were notified that approximately one-third of their output for the season would be required for Imperial Army purposes.

A working scheme was drawn up between the factories and the Government, and up to the 9th May, 1916, 12,725 tons had been shipped, and the payments to dairy factories and producers totalled £845,474.

A notification was received in September last to secure for Imperial Government purposes the whole of the output of scheelite ores from the Dominion to the 31st December next, the price being fixed at £2 15s. per unit of tungstic acid per ton of ore. Arrangements were made with the mining companies, and a working scheme prepared and put into operation. Up to date 151 tons have been shipped, the payments to mining companies and producers totalling £28,683. Funds to finance the purchases of ore are requisitioned from the Imperial Government by the Treasury as required. The number of mining companies and producers of ore has considerably increased. At the inception of the scheme only two mining companies were operating in scheelite ores, while at the present time business is done with twenty-six suppliers.

At the close of the year it was arranged that the Imperial Government Supply Office should take over the management of the kauri-gum produced and purchased under the Kauri-gum Industry Act, 1914. The value of kauri-gum at present on hand is approximately £27,607, and arrangements are now being made to dispose of this in the United States.

Considerable congestion is being experienced in the export of general cargo, owing to the shrinkage in the world's tonnage. This condition is due, firstly, to the heavy and ever-increasing demands of our own and allied Governments for tonnage for war purposes; secondly, to the sinking of a number of cargo-steamers by the enemy and the loss of two large carriers, and also to the fact that the output of general cargo is above the normal.

There are indications that the tonnage available in the months of June and July will clear the accumulation, and the situation should wholly right itself by the end of August. The congestion may reasonably be said to have reached its worst in March and April, and, given the safe arrival of steamers now on the way to load, it should decline by August and become normal by September.

WAR BONUS.

Since the beginning of the war a very large amount of additional work has been cast upon the officers of all State Departments, and the Government desires to offer some recognition of the extra services which have been so readily given. It is also recognized that the cost of living has greatly increased during the past two years, and, in consequence, many of the lower-paid officers of the State find it increasingly difficult to maintain their families in ordinary comfort.

With a view of offering some recompense to these officers it is proposed to grant a war bonus, fixed in accordance with a specified scale, to those officers of the Railways and all other branches of the Public Service, including school-teachers, whose salaries do not exceed £315 per annum. I estimate that a sum of £400,000 will be required to cover this charge, and this amount will be placed on the estimates accordingly. As soon as the Appropriation Bill becomes law the full bonus will be paid in one sum to those entitled to it.

ESTIMATED LOAN EXPENDITURE FOR 1916-17.

I estimate that it will be necessary to provide from sources within the Dominion a sum not exceeding £2,500,000 during the current year to provide for the carrying-on of works and other services which are deemed to be necessary. This amount has been cut down to the lowest figure possible, and care will have to be exercised in the expenditure, as difficulties are likely to occur if further sums are required.