

requiring heavy hides for military purposes, an arrangement was made whereby the exportation of hides weighing 45 lb. and over was allowed, providing 10 per cent. of the hides for which permission to export was desired was retained for delivery at prices previously agreed upon at a conference of parties interested to tanners engaged in supplying manufacturers of military footwear. It was also arranged that the selection of the hides was to be made by a representative nominated by myself, so that the retention in the country of hides suitable for military purposes would be ensured. These arrangements have proved satisfactory by enabling tanners to continue to supply the manufacturers of military boots with leather at prices not exceeding those which were ruling prior to the embargo, and on which the manufacturers had based their tenders for the supply of the Government's requirements in military boots and shoes for the current year.

As evidence of the need to arrest the export of hides (especially those likely to produce leather suitable for military work) the following figures, taken from the *New Zealand Trade Review* for May last, are of interest:—

Export of Hides, October to April.

1915-16.	1914-15.	1913-14.
347,512	264,433	151,126

To illustrate the nature of the difficulties which present themselves in connection with the acquisition of military supplies in their present extensive quantities, I may mention that it was found early in this year that it was impossible to procure from stocks held sufficient spurs to equip all the mounted men that were to be despatched. Therefore expert advice was sought in regard to the possibility of arranging for their production locally. On looking into the matter experiments were made necessitating a supply of nickel. It was found most difficult to secure this metal in the state required for the experimental work, but eventually a small supply was purchased in the shape of spent rifle-bullets which had been collected from rifle ranges. On the experiments proving satisfactory instructions were immediately issued by the Commandant whereby sufficient nickel for 4,000 pairs of spurs was collected, and sold by the Department to the manufacturer under a satisfactory arrangement.

RIFLE PULL-THROUGHS.

About September last Mr. C. H. Hewlett, of Christchurch, generously offered to organize and train some two hundred men who would be prepared in their spare time to give their services in the interests of the country, and, provided the Government supplied the material, offered to make 30,000 rifle pull-throughs for the Defence Department, the cost working out at slightly over 2½d. each, as against the ordinary price of 5d. each. This patriotic offer was gratefully accepted, and the first batch of 2,250 pull-throughs came to hand about the middle of January last. These articles were reported on as being well made and of good material, and quite suitable to the requirements of the Defence Department. Since then batches of 2,500 have been coming forward at regular intervals, and Mr. Hewlett and his energetic band of patriotic workers are to be congratulated upon the success of their efforts in assisting the Government in the manner indicated.

CONCLUSION.

In conclusion, I have to state that I have endeavoured to provide in a businesslike manner and on strictly commercial lines for the large quantities of varied goods which are essential for the conduct of our military operations. In the discharge of this duty I have observed two primary principles, the first being to make certain of securing the full quantities of supplies needed, giving preference where possible to New-Zealand-produced articles, and the second being the buyers' function, to (consistent with quality) cheapen the market. In this connection the fact must be recognized that, while increased quantities are persistently required, depleted stocks only are available to meet the keen demand thereby occasioned. I have pleasure in stating that the stock-taking which was completed at my direction early this month reveals that ample stocks are held in store. In certain lines previously referred to as being in short supply in October last the position in these lines, as disclosed by the stock-taking, was approximately as follows: 38,000 blankets, 31,000 working-shirts, 15,500 jerseys, 53,000 pairs socks, 35,000 underpants, 30,000 undershirts, 36,000 cholera-belts. In other lines, too, the position is similarly sound.

This fact is of importance to the military authorities, who are now in a position to move troops without fear of hindrance from shortages of stores, and is also of significance to merchants and others, for the Department is therefore no longer impelled by necessity to treat for supplies, except on the most advantageous terms. Steps are being taken to ensure a proper record of all transactions affecting stock in store, and by the adoption of a card system the quantity of each article in stock can readily be ascertained. It should also be mentioned that all goods delivered are examined by a staff of expert examiners before payment is made.

SUPPLIES BOARD OF ADVICE.

I desire to acknowledge the generous and great assistance which has been afforded me by the members of the Supplies Board of Advice—namely, Messrs. A. H. Miles, Alexander Macintosh, and George Wilson—in regard to the many novel and oftentimes difficult situations which have arisen during the course of our pleasant association.

NEW ZEALAND MILITARY SUPPLIES PURCHASE OFFICE.

I further desire to express my appreciation of the work done by the Supplies Purchase Office (under the charge of Mr. A. M. Adams), and in connection with this office to gratefully acknowledge the generous and valuable help afforded me by gentlemen expert in the various branches of