1917. NEW ZEALAND.

DEPARTMENT OF IMPERIAL GOVERNMENT SUPPLIES.

REVIEW OF OPERATIONS COVERING THE PERIOD FROM 3RD MARCH, 1915, TO 31st MARCH, 1917, INCLUDING AN APPENDIX SHOWING RESULTS TO 30th JUNE, 1917.

Laid on the Table of the House of Representatives by Leave.

SIR,— Wellington, 30th June, 1917.

I have the honour to submit a review of the operations of the Department of Imperial Government Supplies covering the period from the 3rd March, 1915, to the 31st March, 1917.

The Department commenced operations on the 3rd March, 1915, and was constituted for the purpose of taking charge of the business details connected with the "requisition" received from the Imperial Government to purchase the entire output of the frozen beef, mutton, and lamb available for export from New Zealand for such purposes as the Imperial Government might determine.

Subsequently, as other necessities arose in and beyond the Dominion requiring a similar organization to that under which the export of frozen meat had been conducted, the scope of the Department was enlarged and now includes the business arising out of the purchase and export on Imperial Government account of cheese and scheelite, also the business connected with the purchase and export of wool (greasy, slipe, and scoured), sheep-skins, hides, and calfskins subsequent to valuation, and has quite recently undertaken in co-operation with the New Zealand Board of Trade all the financial arrangements connected with the purchase and disposal of wheat from Australia.

The Department has also set up the office machinery necessary for the collection from owners of factories producing butter and cheese the amounts required to be paid under the "butter-fat levy" set out by Order in Council dated the 13th October, 1916, and has disbursed to factories from time to time such amounts as they have become entitled to under the scheme; and, in addition, has purchased butter and cheese for the Dominion Government for the use of camps and transports, and undertaken a general oversight over the internal arrangements connected with the export and marketing of kauri-gum in the interests of the Dominion Government.

It has also arranged the payment for supplies of condensed milk for the Imperial Government, and has purchased and shipped frozen meat for the British Red Cross Society.

FROZEN MEAT.

The requisition of the frozen meat on behalf of the Imperial Government took effect as from the 3rd March, 1915, and it was for "all frozen beef, mutton, and lamb now in store or produced at freezing-works available for export." The scheme by which the requisition became effective was the outcome of conferences convened by the Prime Minister (Right Hon. W. F. Massey) and