

The resulting wool and pelts, after valuation, are required to be redelivered to the Government through the Government agents at the customary shipping-ports, baled or casked, and branded as directed.

In November, 1917, a deputation of fellmongers made representations regarding the large increase in the cost of materials used, and it was found equitable, as from the 1st November, 1917, to increase the payment to fellmongers for their services to the following rates:—

Fellmongering—2½d. per pound on the weight of wool.

Curing pelts—3s. 9d. per dozen pelts (casks extra).

Fellmongering of sheep-skins has been done in a very satisfactory manner, and the fellmongers have always displayed a willingness to carry out any instructions issued by the Department with a view to the improvement of the output, and the standard of preparation of both slipe wool and pelts is high.

The Inspectors, who are also Inspectors of Wool-scouring Works, continue to exercise the closest attention and care to maintaining the standard already set.

To the 31st March, 1918, 2,014,548 skins had been purchased, at a cost of £757,323.

In connection with both the wool-scouring and fellmongering operations periodical costs are extracted by the Department showing the results of the operations after taking into account the original cost of the greasy wool and sheep-skins and of the resulting product of the scoured wool, slipe wool, and pelts, and the results in the majority of instances have been quite satisfactory.

As the slipe wool from skins and the pelts are valued by valuers totally distinct from those responsible for the original valuation of the sheep-skins fellmongered, this position must be regarded as particularly satisfactory, and discloses a uniformity of opinion of values as between the two sets of valuers named.

HIDES AND CALF-SKINS.

All hides and calf-skins produced from the 1st March, 1917, to the 28th March, 1918, have been purchased on the following scale of values, on the basis of delivery f.o.b. ocean steamer:—

	Per Pound.	
	s.	d.
Ox-hides, first quality, over 45 lb. up to freezing companies' best standard	1	1
Others, first quality	1	0
Ox-hides, second quality	0	11½
Cow-hides, first quality, up to freezing companies' best standards	1	0
Others, first quality	0	11
Cow-hides, second quality	0	10½
Bull-hides, good quality...	0	9

All other grades and qualities, including cut and sloppy hides, are fixed at relative valuations.

Local tanners' requirements have been met by granting them permits to purchase from hides submitted for valuation at the appraised prices.

Hides have also been supplied to the Australian and Canadian Governments for military requirements, and have been invoiced at schedule rates plus 1½ per cent. to cover the expense of valuation.

In addition, sundry small shipments of calf-skins and yearling-hides have been made to Australian purchasers from the surplus of such skins and hides available after the local tanners' requirements have been filled under the system of permit referred to above.

Valuations have been periodically made at brokers' stores, freezing-works, and at the Christchurch, Dunedin, and Invercargill Abattoirs, and to the 31st March, 1918, 324,314 hides have been purchased, at a total value of £596,762.

Of these purchases 137,563 hides have been shipped to the United Kingdom and 129,692 sold locally and to other Governments.

Owing to the increasing difficulties in obtaining shipping-space to the United Kingdom, and also to the fact that the prices at which hides had been purchased in the Dominion were higher than those at which they had been purchased elsewhere, the Imperial Government expressed the desire to discon-