

tion in the Dominion, and the provisions of this Order in Council included the imposition of a levy of $\frac{3}{4}$ d. per pound on all butter-fat consumed by both butter and cheese factories.

Under the provisions of the Order in Council, 399 export licenses were issued to dairy factories in response to applications in which they accepted liability for the payment of the levy referred to, and the total amount collected for the months of September, 1916, to June, 1917, during which the levy was operative, was £308,819.

This amount was considerably in excess of requirements, and it was subsequently found possible to refund to factories an amount representing $\frac{3}{4}$ d. per pound on all butter-fat on which the original levy had been paid.

This refund has absorbed £51,085 to the 31st March, 1918, and, in addition, £252,142 has been paid to factories supplying the local market in order to bring proceeds for local sales on a parity with those ruling for exports during the months of September, 1916, to August, 1917.

The rates at which compensation was paid during the several months for which the scheme was in operation were as under :—

			Per Pound.
September, 1916, to January, 1917	...	...	3 $\frac{1}{8}$ d.
February, 1917, to June, 1917	...	...	2 $\frac{1}{2}$ d.
July and August, 1917	...	...	3d.

A statement showing the weight of butter sold and the compensation paid for each month during which the scheme was in operation is given hereunder :—

		Pounds.	£
1916—September	...	1,146,008	15,617
October	...	1,476,017	22,900
November	...	1,446,004	23,275
December	...	1,539,831	24,847
1917—January	...	1,587,506	25,037
February	...	1,762,272	16,608
March	...	2,054,468	21,268
April	...	2,385,093	24,737
May	...	1,937,346	20,124
June	...	1,622,408	16,883
July	...	1,476,443	18,292
August	...	1,822,362	22,554

As the provisions of the scheme require the rendering of monthly returns by all factories concerned, both in respect of butter-fat consumed and of butter sold locally, it was deemed expedient to appoint auditors for the purpose of examining factories' returns from their office records, and it is anticipated that the auditors appointed for this purpose will have completed their inspection some time during June next, when a complete statement of the accounts in connection with the fund will be audited and copies supplied to all factories concerned.

The Board of Trade was responsible for the arrangements made in connection with the administration of the Order in Council, and it had the assistance of an advisory committee, representing the butter-manufacturers, in connection with all matters of importance.

BUTTER FOR LOCAL CONSUMPTION.

The purchase of butter by the Imperial Government was, as stated earlier in this report, effected at the rate of 157s. per hundredweight, with an undertaking on the part of the Imperial authorities to return to the Dominion 50 per cent. of any profits subsequently made in the disposal of the butter on the United Kingdom markets.

This provision was considered by the factories supplying the local market in the Wellington Province as being likely to result in a larger return to the exporting factories than was possible to those factories supplying butter for local consumption only, and it was accordingly decided by the local factories that they would withdraw from the local market on the 28th February, 1918.