

The payment of these two rates has the effect of equalizing the returns of both sets of factories, as under the *Gazette* notice issued on the 16th April, 1918, local factories are already entitled to charge 1s. 5d. per pound for bulk butter at factory-door, while under the conditions of purchase exporting factories are receiving 1s. 6d. per pound as quoted above.

The difference between these two prices, plus the rates of compensation authorized as an interim payment by the Butter Committee, represents the cost of transferring the butter from factory-door to f.o.b.

A further small distribution will probably be available for the 1918-19 season when all butter has been shipped, and the returns furnished by factories on which the interim payments have been made audited.

CONDENSED MILK.

During the year ended the 31st March, 1919, 7,509 cases of condensed milk were purchased on behalf of the Imperial Government by the New Zealand Munitions and Supplies Department, and payment arranged for on behalf of the Imperial Government by the Department of Imperial Government Supplies.

The value of these purchases amounted to £7,884 9s., and the total shipments and payments to the 31st March, 1919, are 66,666 cases, valued at £70,955 2s. 4d.

"GLAXO."

Arrangements were again made by the Imperial Government for the purchase of 2,000 tons of "Glaxo" from the manufacturers in the Dominion, and during the year 107,645 tins were purchased and shipped, valued at £412,384 2s. 3d.

This quantity and value included the balance of the contract for the previous year, and the total quantity of "Glaxo" now purchased by the Department on behalf of the Imperial authorities amounts of 163,923 tins, valued at £660,768 13s. 6d.

SCHEELITE.

The purchase of scheelite commenced on the 20th September, 1915, and has been continued during the period under review.

The preliminary contract provided for payment at the rate of £2 15s. per unit of tungstic acid in respect of ore assaying at least 65 per cent., with a reduction in cases where the assay fell below that point down to 50 units per ton.

On the 1st January, 1917, an additional allowance was made to shippers, representing the difference between the cost of freight and insurance at the commencement of the requisition and the rates being charged at that date.

This arrangement continued throughout 1917, and on the 1st January, 1918, the price was increased to £3 per unit, with an allowance of 3s. 10d. per unit to cover the cost of increased charges since the requisition commenced.

A further increase was made by the Imperial Government in respect of shipments despatched from New Zealand on and after the 1st May, 1918, bringing the price to £3 8s. per unit, which includes the allowance previously made to cover the increased cost of charges.

The following are particulars of shipments to the 31st March, 1919 :—

					Tons.
Shipped and lost in transit	..	..	..	..	18
Arrived at destination..	..	..	..	..	648
<i>En route</i> to Great Britain	..	..	..	..	24
					690

The total payments to the same date amounted to £135,212 19s., representing advances against consignments, final payments, and charges in connection with shipments from the following districts :—

					£	s.	d.
Glenorchy ..	..	..	..	..	66,678	1	4
Macrae's Flat	..	..	..	..	28,247	7	8
Otago Central	..	..	..	..	5,997	2	0
Marlborough	..	..	..	..	26,286	19	11
Charges ..	..	..	..	..	8,003	8	1

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