

The losses as a result of enemy action were the s.s. "Rotorua," which sailed in March, 1917, with 8 tons of ore, and the s.s. "Hurunui" in May, 1918, with 10 tons.

Final settlements in respect of purchases of scheelite are made on the basis of the assay carried out in the United Kingdom, but advances representing 80 per cent. of the value of the scheelite as determined by the assay made in New Zealand prior to shipment are made to producers free of interest.

The contract in connection with the purchase of scheelite was made for the period of the war and for six months after the termination thereof, but on the 21st March, 1919, a cablegram was received from the High Commissioner for New Zealand stating that the Ministry of Munitions had decided to cancel the contract for scheelite from all parts of the Empire, and to accept only that shipped up to the end of March, 1919.

It was proposed to take this action in view of the fact that stocks in the United Kingdom and afloat were sufficient for requirements for a period of eighteen months, and the Ministry was of opinion that if the contracts were continued and production thus stimulated stocks would accumulate to such an extent that the position at the expiration of the contract would have the effect of automatically closing the Home market to Empire producers.

In arriving at the decision to cancel the contract the Ministry expressed its desire to deal fairly with producers, and promised that full consideration would be given to a statement of any loss sustained as a result of the cancellation.

On the 26th March a further cablegram was received from the High Commissioner stating that in order that producers should not have any cause for complaint with regard to short notice of cancellation the Ministry of Munitions had agreed to substitute "30th April" for "31st March" as the latest date on which shipment could be made on their account.

The contents of these two messages were advised to the scheelite-producers throughout the Dominion, and as a result of meetings convened at the various centres interested a telegram was despatched to the High Commissioner stating that the producers refused to agree to the cancellation of the contract unless positively assured that full compensation for loss entailed by cancellation would be made.

It was pointed out in this message that many producers, in order to meet the wishes of the Imperial Government, had increased their output and entailed considerable expense in extending their works, and that the cancellation would result in serious loss on this account if producers were deprived of the benefit of the balance of the contract.

Further information, which it is hoped will form the basis of a satisfactory settlement of the matter, is now awaited.

RABBITS.

The contract for the purchase of rabbits of the 1917 pack has been completed during the year under review, and the total shipments have amounted to 91,480 crates, of an f.o.b. value of £85,762.

The contract price for the purchase of rabbits was fixed at 19s. per crate f.o.b., all storage and insurance charges being borne by the seller; but in some instances the condition in which the rabbits were shipped was so unsatisfactory that 10 per cent. of the value of the shipment was withheld when making payment of the proceeds, until such time as a report had been received from London regarding the state in which the rabbits had arrived at their destination.

Correspondence is now being exchanged with the High Commissioner with a view to arriving at finality in connection with the matter of these deductions.

To the 31st March, 1919, 34,639 cases of canned rabbits have also been purchased and shipped on behalf of the Imperial Government, the value, including freight, amounting to £67,332.

In addition, 18,601 cases of corned beef and mutton have been purchased on behalf of the War Office, London, and shipped to the Director of Supplies, Egypt; and the total payments in respect of these purchases, including freight, amount to £82,390.