

WORK UNDERTAKEN FOR THE NEW ZEALAND GOVERNMENT.

In addition to the arrangements made in connection with the purchase and shipment of the various items of produce requisitioned by the Imperial Government, the Department has also been called upon to undertake the supervision of certain matters on behalf of the New Zealand Government.

BUTTER-FAT LEVY.

This levy was imposed by Order in Council dated the 13th October, 1916, with the intention of providing a fund from which the sellers of butter for local consumption could be compensated in order to bring their returns to a parity with the price obtained by factories exporting on private account.

The levy represented $\frac{3}{4}$ d. per pound on all butter-fat consumed in the manufacture of butter and cheese during the months of September, 1916, to June, 1917; and export licenses under the provisions of the Order in Council were only issued to those factories who made application accordingly, in which application they accepted liability for the payment of the levy referred to.

The total amount collected and credited to the fund amounted to £309,198 1s. 9d., and as this amount was considerably in excess of requirements an interim refund, representing $\frac{3}{5}$ d. per pound on all butter-fat on which the original levy had been paid, was made to the contributors, and absorbed £49,452 8s. 2d.

A further refund was made when the fund was finally closed, and amounted to £3,196 6s. 6d., representing one ninety-sixth of the original levy.

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

				Per Pound.
September, 1916, to January, 1917	..	..	..	3 $\frac{7}{8}$ 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, and represents the final figures after the audit had been completed by the special auditors appointed for the purpose of verifying factories' returns:—

Month.		Number of Pounds.	Compensation. £ s. d.
1916—September	.. ..	1,211,660	16,436 0 7
October	.. ..	1,466,606	22,762 17 8
November	.. ..	1,446,448	23,324 10 1
December	.. ..	1,522,369	24,547 0 10
1917—January	.. ..	1,573,643	24,794 14 6
February	.. ..	1,731,192	16,239 3 0
March	.. ..	2,064,689	21,328 6 6
April	.. ..	2,392,444	24,835 2 5
May..	.. ..	1,942,714	20,194 14 8
June	.. ..	1,629,209	16,921 2 11
July	.. ..	1,515,473	18,737 19 7
August	.. ..	1,823,102	22,327 5 3
		20,319,549	£252,448 18 0

It is interesting to note that expense of the audit, amounting to £1,837 2s. 10d., was very considerably exceeded by recoveries obtained as a result of the inspection.

BUTTER FOR LOCAL CONSUMPTION.

The purchase of butter by the Imperial Government during the 1917–18 season was completed at the contract price of 157s. per hundredweight, but with an undertaking on behalf of the Imperial Government to return to the Dominion 50 per cent. of any profits which might subsequently be earned as the result of the disposal of the butter on the United Kingdom market.

This provision in the contract caused a good deal of disturbance in the minds of the factories responsible for supplying the local market, as it was contended that