

next September, and earnestly trusts that this information is accurate. If so, Ministers appreciate highly this measure of relief, and would be glad if you would also convey their appreciation to the Board of Trade and the Ministry of Shipping.—LIVERPOOL.

From SECRETARY OF STATE FOR THE COLONIES to GOVERNOR-GENERAL OF NEW ZEALAND. 16th July, 1917.

The following is in reply to Your Excellency's telegrams dated 30th June, 2nd July, and 4th July respectively regarding tonnage for meat:—

The Shipping Controller states as regards the "Corinthic" that this vessel was requisitioned under the general liner requisitioning scheme on 13th June, and is being employed in carrying troops United Kingdom to South Africa, but so far from its being contemplated to withdraw her from New Zealand homeward trade the vessel is being despatched in ballast in order to expedite loading New Zealand. Would be glad to know from what source Your Excellency's Ministers received erroneous report of withdrawal of this vessel, particularly as she is a troopship, the movements of which should be treated as strictly confidential. The owners of the vessel state that no such communication was made by them to New Zealand agents.

As regards the "Opawa," arrangements were made some time ago for this ship to load meat New Zealand after part loading Australia, and on 2nd July a telegram was sent to the New Zealand Committee confirming this.

With regard to the "Port Kembla" and the "Port Alma," to which it is presumed your telegram of 4th July refers, arrangements have been made for these vessels to carry 55,000 bales of Australian wool which is urgently required for war purposes by the Government of Italy. The wool will be discharged at Port Said, and by combining with this cargo meat-supplies for the Army in Egypt the complete discharge of the vessels at Port Said will be possible, and they will be more quickly available for homeward loading in Australasia.

In addition, fully refrigerated ship "Meissonnier," belonging to River Plate trade, will be diverted to Australasia on discharging at Port Said in August, and will be used so long as it is deemed desirable to carry meat only to Egypt at a time when it is hoped that all wool will have been delivered to Italy.

The Shipping Controller observes that all steamship companies trading with New Zealand are also Australian traders, and that no specific ships can be considered as peculiarly attached to the New Zealand trade; also vessels loading at New York or in Canada cannot fill for either New Zealand or Australia, and must include both countries in their itinerary.

As vessels formerly requisitioned by the Australian Government as troop transports are now being released to Shipping Controller, he hopes to be able to order some of these ships which would otherwise have loaded only in Australia to proceed to New Zealand, and this policy has already been applied to the "Ceramic." It is the intention of the Shipping Controller, as regards your telegram of 11th July, unless further losses through submarine campaign or other circumstances necessitate any change, that ten ships mentioned shall be available for loading in Australasia in September, and he has expressed a wish to the Australian Liner Committee that they should load meat wholly in New Zealand.

In general he has lost and will lose no opportunity of fulfilling the assurance given to Mr. Massey of doing all in his power to relieve the acute embarrassment of New Zealand, subject to the paramount necessities of the United Kingdom, but beyond occasional palliatives he is unable to hold out hope of permanent enlarged shipping facilities in view of the present tonnage position.

Situation is that requirements of the United Kingdom for July and August, as estimated by various Departments, are about three and a quarter million tons dead-weight per month, while the estimated tonnage available is less than two and three-quarter millions, so that it is impossible to lift even all priority cargo which it is desired to import, and demand must be adjusted to supply; consequently it is necessary to derive imports from places involving the shortest sea transit and to concentrate shipping in the North Atlantic, and on this principle it has been necessary to divert tonnage on a large scale from Australasia to Plate and North American trades.

As long as sufficient foodstuffs are available to fill these diverted steamers not possible to return them to their original trades, and in any case continuous and heavy destruction of vessels would point to their not improbable retention.

There was a net loss during May of seventy ocean-going steamers of 1,600 tons gross register and over, after allowing for replacements by building and purchase, and the total number of such steamers available for imports to the United Kingdom at the end of May was under 1,300. For some time losses have been at the rate of twenty such steamers a week, and this rate, after adjustment for losses by marine risk and present rate of new tonnage acquisition, would represent in the year net loss of 4,000,000 gross tons, or importing-power of 15,000,000 tons, which is about equivalent to all foodstuffs imported in 1916.

It is doubted whether imports of the United Kingdom in 1917 will exceed 30,000,000 tons in spite of the Atlantic concentration.

The loss over the whole area of mercantile marine falls upon that section available for carriage of imports, and so long as supply of tonnage in the shorter trades is considered necessary in order to increase importing capacity ultimate loss must fall on long trades.

It is not possible, consequently, to hold out any hope of the situation as regards Australasian trade improving unless and until equilibrium established between losses and replacements of tonnage.

A suggestion has been made that New Zealand meat might be sent to Canada or the United States for storage and subsequent shipment to the United Kingdom, but it is not considered