

1922.
NEW ZEALAND

DEPARTMENT OF IMPERIAL GOVERNMENT SUPPLIES.

REVIEW OF OPERATIONS COVERING THE PERIOD FROM 1ST APRIL, 1921, TO THE
30TH JUNE, 1922.

Laid on the Table of the House of Representatives by Leave.

SIR,—

Wellington, 1st July, 1922.

I have the honour to submit a review of the operations of the Department of Imperial Government Supplies from the 1st April, 1921, to the 30th June, 1922.

The period covered by my last report witnessed the termination of the remaining contracts of purchase of frozen meat, butter, cheese, wool, and sheepskins on behalf of the Imperial Government, and the year under review has been occupied in shipping the stocks in question, and in the administration of the Butter Equalisation Fund and the New Zealand Wool Committee.

FROZEN MEAT.

The shipment of the 600,956 60 lb. freight carcasses remaining on hand at the 31st March, 1921, was effected in the following months :—

	Beef (Quarters).	Mutton (Carcases).	Lamb (Carcases).	Other Meat (in 60 lb. Carcases).	Total (in Equivalent of 60 lb. Carcases).
April, 1921 ..	77,944	36,564	2,684	..	243,939
May, „ ..	62,587	5,841	507	2,387	156,501
June, „ ..	63,070	10,220	..	..	158,063
July, „ ..	..	20,408	1,217	..	17,778
October, „ ..	11,280	..	..	..	24,675
	214,881	73,033	4,408	2,387	600,956

BUTTER.

The butter held in store awaiting shipment on account of the Imperial Government on the 31st March, 1921, amounted to 251,029 boxes. Shipment was effected as follows :—

April, 1921	..	..	..	88,068 boxes.
May, „	..	..	..	54,532 „
June, „	..	..	..	43,000 „
July, „	..	..	..	65,429 „

251,029 boxes.

BUTTER EQUALISATION FUND, 1920-21 SEASON.

Under the authority of section 12 of the Appropriation Act, 1920, a payment was made to manufacturers in respect of creamery butter sold for household consumption at prices fixed by Order in Council, in order to equalise returns of such factories with the returns of exporting factories. The maximum rate was fixed at 6d. per pound from the 19th October, 1920, up to the date on which the Imperial Government contract for the purchase of butter terminated—viz., 31st March, 1921.

On the 1st April, 1921, the rate was reduced to 3d. per pound, and again to 2d. per pound on the 17th April, 1921. The latter rate was payable in respect of creamery butter sold and distributed to retailers or consumers up to the 31st August, 1921. Each of the foregoing rates was subject to a deduction in the event of, and to the extent of, the factories' selling-price exceeding the price of 1s. 11½d. per pound bulk in boxes at factory-door, or its equivalent.

Interim payments were made to factories based on monthly returns received from them, and the final payment was made by the Department upon the receipt of each factory's return duly audited by one of the Department's travelling auditors.

The total payments made out of the fund for the fifteen months ended 30th June, 1922, amounted to £245,099 0s. 6d.

WOOL.

The wool held in New Zealand on account of the Imperial Government at the 31st March, 1921, amounted to 314,903 bales. Upon the market improving the shipment of these stocks was resumed at the end of November last, and during the seven months to the 30th June, 1922, 260,008 bales were shipped, leaving a balance of 54,895 bales, which it is estimated will be all shipped by the end of August, 1922.

The following table shows the classes of wool contained in the various shipments:—

Ship.	Greasy.	Station-scoured.	Station-Slipes.	Government-scoured.	Government-Slipes.	Freezing Companies' Slipes.	Total.	Date of Shipment.	Destination.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.		
Mahia ..	8,340	41	..	283	..	123	8,787	16/12/21	London.
Matakana ..	4,970	..	59	2,230	2,809	..	10,068	17/12/21	Hull.
Australia ..	15,327	457	..	5,127	2,027	6,154	29,092	21/12/21	Liverpool.
Port Kembla ..	4,316	296	104	74	1,047	2,874	8,711	15/1/22	London.
Maimoa ..	1,208	47	..	..	..	421	1,676	19/1/22	"
Ionic ..	2,637	500	..	1,597	422	..	5,156	8/1/22	"
Otarama ..	8,763	59	..	..	..	..	8,822	14/1/22	Liverpool.
Port Darwin ..	3,424	193	102	..	..	3,907	7,626	21/1/22	Hull.
Tresithney ..	2,001	8	..	1,173	..	..	3,182	21/2/22	Liverpool.
Tairoa ..	2,052	477	38	4,279	..	2,274	9,120	9/2/22	Hull.
Westmeath ..	1,774	..	..	1,842	..	..	3,616	9/2/22	Manchester.
Kaikoura ..	2,964	..	..	..	573	3,510	7,047	17/2/22	"
Mahana ..	2,273	..	..	968	236	..	3,477	1/2/22	Hull.
Port Albany ..	49	..	..	..	..	..	49	11/2/22	London.
Somerset ..	1,607	..	..	..	..	892	2,499	31/3/22	Manchester.
Port Curtis ..	7,407	3	..	..	1,042	31	8,483	10/3/22	London.
Corinthic ..	3,476	..	..	..	..	..	3,476	11/4/22	"
Port Bowen ..	..	..	45	207	..	1,461	1,713	5/4/22	"
Treloske ..	..	..	..	8,646	3,184	..	11,830	31/3/22	Manchester.
Waiwera ..	657	..	3	..	..	..	660	31/3/22	London.
Dorset ..	920	..	..	..	..	..	920	9/5/22	"
Port Adelaide ..	1,088	..	..	..	..	..	1,088	31/3/22	"
Tainui ..	..	..	..	..	..	1,964	1,964	10/5/22	"
Zealandic ..	4,333	9	1	..	..	990	5,333	29/4/22	"
Port Pirie ..	3,825	309	..	..	..	..	4,134	26/5/22	"
City of Winchester ..	6,063	..	9	..	457	3,910	10,439	25/5/22	"
Waimana ..	2,848	..	..	728	..	880	4,456	20/5/22	Hull.
Port Melbourne ..	3,515	1	48	..	..	..	3,564	11/5/22	London.
Errol ..	440	..	..	2,359	642	..	3,441	6/5/22	Manchester.
Tasmania ..	13,577	1	..	4,330	1,390	..	19,298	29/6/22	"
Makalla ..	10,469	25	..	1,531	..	950	12,975	1/6/22	London.
Port Denison ..	1,611	..	..	277	..	688	2,576	18/5/22	"
Devon ..	412	..	..	..	..	..	412	6/6/22	Manchester.
Ionic ..	1,017	..	..	1,975	..	712	3,704	10/6/22	London.
Matakana ..	7,816	6	..	..	..	143	7,965	16/6/22	"
Port Victor ..	4,279	29	..	..	..	..	4,308	16/6/22	"
Mahia ..	4,723	3	1	1,597	680	1,815	8,819	27/5/22	Hull.
Huntingdon ..	19,719	40	18	5,696	1,865	2,184	29,522	21/6/22	London.
Totals ..	159,900	2,504	428	44,919	16,374	35,883	260,008	..	..

The balance of 54,895 bales held awaiting shipment at 30th June, 1922, comprised the following qualities :—

	Greasy.	Station-scoured.	Station Slupe.	Government-scoured.	Government Slupe.	Freezer Slupe.	Total.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Merino ..	8	..	1	2	17	..	28
Halfbred 50/56's to 58's ..	1,208	29	10	4	46	444	1,741
Fine crossbred 46/48's to 50's ..	5,914	32	13	587	1,001	4,470	12,017
Medium crossbred 40/44's to 46's	28,011	28	3	4,595	2,627	2,415	37,679
Coarse crossbred 36's to 40's ..	1,883	1	9	69	742	726	3,430
Grand totals ..	37,024	90	36	5,257	4,433	8,055	54,895

NEW ZEALAND WOOL COMMITTEE.

As the result of a recommendation by the Producers' Committee, it was decided that, in view of the state of the wool industry in 1921, it was very desirable that the woolgrowers of New Zealand should fully co-operate with the British Australian Wool Realisation Association (Limited), and the woolgrowers of Australia, in regard to fixed reserves and limitation of wool offerings.

For this purpose the Wool Industry Regulations were gazetted on the 24th June, 1921, and were administered by a Committee appointed by the Government, and known as the New Zealand Wool Committee. The Committee comprised Messrs. W. S. Bennett, O. Hawken, T. R. Lees (Chairman), A. E. Mabin, and L. A. Rutherford. This Committee, which was in constant touch with the British Australian Wool Realisation Association, prepared schedules of minimum reserve prices, issued permits for export, allocated the quantities of wool to be offered at the local sales, and handled other matters incidental to the well-being of the wool industry.

The clerical work connected with the functions of the Committee as outlined herein, together with the collection of statistics relating to the production and sales of wool, was carried out by this Department.

I quote hereunder extracts from a report made to you by the Committee, covering the period 1st October, 1921, to 31st March, 1922; where necessary the figures used have been brought up to the present date—namely, 30th June, 1922 :—

The Committee has to record a gradual rise in prices for all classes of wool during the six months, together with a very satisfactory clearance of stocks in New Zealand. The prices for medium and low crossbred wools are still below the cost of production, but the keen demand for all classes of wool, and the rapidity with which same have gone into consumption during the period under review, justifies the strong belief that producers can safely look forward to a return to payable prices in the very near future.

The system of registration under which woolbrokers, banks, and wool-exporters gave written undertakings, enforceable by bond if required, not to dispose of wool at prices below the minimum prices fixed by the Committee has been continued throughout this season, but from December onward the prices at which wool was saleable have been substantially higher than the very low fixed prices, and it will be unnecessary to continue the system next season.

The following are the sales which have been held since the 1st October, and the results :—

Date of Sale.	Centre.	Offered.	Sold.	Average Price per Bale.	Average Price per Pound.
		Bales.	Bales.	£ s. d.	d.
1921.					
October 14 ..	Wellington ..	7,167	6,969	7 2 5	4.55
„ 18 ..	Auckland ..	5,085	4,558	6 17 6	4.45
„ 20 ..	Wanganui ..	4,032	3,611	6 10 3	4.21
December 5 ..	Auckland ..	8,749	6,783	6 8 8	4.35
„ 9 ..	Wellington ..	15,491	13,433	8 3 7	4.95
„ 13 ..	Napier ..	15,966	14,097	6 15 4	4.47
„ 16 ..	Christchurch ..	20,352	18,227	9 14 11	6.92
„ 21 ..	Dunedin ..	10,904	10,302	9 17 5	6.90

Date of Sale.		Centre.	Offered.	Sold.	Average Price per Bale.	Average Price per Pound.
1922.			Bales.	Bales.	£ s. d.	d.
January	3	Timaru ..	9,903	9,569	9 13 4	6·85
"	6	Wanganui ..	13,347	11,991	7 15 11	4·85
"	11	Napier ..	19,992	18,007	8 2 3	5·16
"	16	Wellington ..	19,986	18,168	9 3 5	5·65
"	20	Christchurch ..	20,465	19,796	12 4 7	9·01
"	25	Invercargill ..	14,108	12,499	8 9 6	6·13
"	30	Dunedin ..	18,426	17,648	12 13 8	8·90
February	3	Timaru ..	12,000	11,216	11 7 8	8·02
"	8	Auckland ..	10,052	9,623	8 6 5	5·60
"	13	Napier ..	16,095	15,186	8 3 8	5·20
"	17	Wellington ..	24,828	21,505	8 14 11	5·30
"	23	Christchurch ..	18,012	15,422	11 13 10	8·05
"	28	Dunedin ..	20,108	17,463	11 2 7	7·77
March	3	Invercargill ..	9,865	8,864	8 2 3	6·04
"	10	Wellington ..	18,837	16,714	8 0 0	5·40
"	14	Napier ..	11,704	10,418	7 11 8	4·70
"	17	Wanganui ..	19,245	17,037	8 2 11	5·02
"	21	Auckland ..	12,223	9,690	7 10 3	5·10
"	27	Christchurch ..	9,934	9,099	10 8 4	7·60
"	31	Dunedin ..	11,290	10,878	11 1 9	7·70
April	5	Wellington ..	14,403	13,901	8 14 4	5·37
May	3	Timaru ..	5,007	4,778	12 1 0	8·10
"	5	Dunedin ..	1,424	1,409	10 6 4	7·18
"	11	Christchurch ..	2,487	2,266	10 11 5	7·48
"	16	Auckland ..	2,993	2,934	8 18 6	6·00
"	18	Wanganui ..	7,427	7,183	9 4 3	5·72
"	22	Napier ..	4,732	4,608	8 5 0	5·23
"	25	Wellington ..	5,260	5,158	10 0 0	6·28
Various dates		Gisborne ..	4,115	4,115	..	..
Total		..	..	405,125	..	..

It will be noted that where the finer qualities of wool are offered at certain points in the South Island higher average values are recorded, and the converse applies to certain points in the North Island where coarser types of wool predominate.

The sales of New Zealand free wools from the 1st July, 1921, to the 30th June, 1922, have been as follows: Sold by auction in—London, 253,135 bales; New Zealand, 457,553 bales: total, 710,688 bales.

Although a great part of this wool has been sold at prices unremunerative to growers, there has been very little speculative purchasing, and the great bulk has been sold for direct consumption in the mills of the United Kingdom and the Continent. On the whole the purchases for shipment to the United States of America have been small.

IMPERIAL STOCKS.

Liquidation of the Imperial carry-over stocks has proceeded steadily during the year, the position at the 30th June, 1922, being as follows:—

	Australian. Bales.	New Zealand. Bales.	Total. Bales.
Stocks, 1st July, 1921	1,554,844	739,753	2,294,597
Sales by auction, United Kingdom and Continent, 1st July, 1921, to 30th June, 1922	701,844	309,753	1,011,597
Stocks, 30th June, 1922 (approximate)	853,000	430,000	1,283,000

These stocks are approximately made up as follows:—

	Australian. Bales.	New Zealand. Bales.
Merino	203,000	3,000
Fine crossbred	383,000	14,000
Medium crossbred	185,000	108,000
Low crossbred	82,000	135,000
Slipe	..	87,000
Scoured	..	83,000
	<u>853,000</u>	<u>430,000</u>

The stocks of Imperial wool in New Zealand included in the above, which amounted to 314,903 bales at the 1st July, 1921, had been reduced to 54,895 bales at the 30th June, 1922, and under the present shipping programme will all be cleared from New Zealand by the end of August, 1922.

AUSTRALIAN FREE WOOL.

Australian wool of the 1920–21 and 1921–22 clips has sold freely during the past twelve months, the latest figures being as follows :—

Sold by auction in London from the 1st July, 1921, to the 30th June, 1922	Bales.
.. .. .	312,094
Sold by auction in Australia from the 1st July, 1921, to the 30th June, 1922	1,510,702
Total	1,822,796

The disposals of Australian and New Zealand wool combined for the twelve months from the 1st July, 1921, to the 30th June, 1922, have been as follows :—

	Australian. Bales.	New Zealand. Bales.	Total. Bales.
B.A.W.R.A.	701,844	309,753	1,011,597
Free	1,822,796	710,688	2,533,484
Total for twelve months	2,524,640	1,020,441	3,545,081

The actual production of Australian and New Zealand wool, including slipes, for the twelve months ended the 30th June, 1922, is estimated as follows :—

	Bales.
Australia	1,850,000
New Zealand	575,000
Total	2,425,000

So that the sales of Australian and New Zealand wool during the twelve months have been approximately 1,120,000 bales more than the year's production ; or, put in another way, the sales have been 46 per cent. greater than the production.

The operations of the Committee have been carried out for a total expenditure to the 30th June, 1922, of £155 12s. 6d., the members acting in an entirely honorary capacity.

TOTAL DISBURSEMENTS.

The total payments by the Department for the fifteen months ended the 30th June, 1922, amount to £2,008,863, bringing the total payments by the Department from its inception on the 3rd March, 1915, to the 30th June, 1922, up to £160,585,507.

STAFF.

As the various branches of the Department have completed their work the staff has been reduced to the bare minimum required for effecting shipment of the balance of stocks and for the final compilation of accounts.

I have, &c.,

T. R. LEES, Controller.

The Hon. the Minister in Charge,
Department of Imperial Government Supplies.

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