

1937.
NEW ZEALAND.

PRIMARY PRODUCTS MARKETING DEPARTMENT

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st JULY, 1937.

Presented to both Houses of the General Assembly pursuant to the Provisions of the Primary Products Marketing Act, 1936.

SIR,—

I have the honour to submit the annual report and Statement of Accounts of the Primary Products Marketing Department for the year ended 31st July, 1937.

INAUGURATION OF DEPARTMENT.

The Primary Products Marketing Act, which was passed in May, 1936, established the Primary Products Marketing Department. The preamble to the Act states that it is considered essential in the public interest that producers of primary products should, as far as possible, be protected from the effects of fluctuations in market prices, and the means adopted by the Government of affording such protection are stated as follows :—

- (a) The Government is empowered to acquire ownership of primary products at prices to be fixed from time to time.
- (b) In respect of primary products intended for consumption in New Zealand the Government is empowered in its discretion either to acquire the ownership of such products at fixed prices or to control the sale and distribution thereof.
- (c) The immediate inauguration of a plan to deal effectively with dairy-produce through the Primary Products Marketing Department, the principal functions of which are to make all necessary arrangements with respect to—
 - (i) The acquisition, on behalf of the Crown, of any primary products in accordance with the Act :
 - (ii) The marketing, in New Zealand or overseas, of primary products, whether or not such products have been acquired on behalf of the Crown.

The Department commenced operations on 1st August, 1936. The officers and staff of the Dairy Produce Export Division in New Zealand and London have been appointed almost entirely from the staff of the New Zealand Dairy Board, which, prior to the setting-up of the Department, arranged for the export of dairy-produce, and for the allocation of such produce to agents in the United Kingdom for sale on behalf of dairy-factory companies.

The present activities of the Department cover the acquisition of export butter and cheese, and the marketing of such butter and cheese in the United Kingdom and elsewhere, and regulation of the sale and distribution of butter and other products within New Zealand. The acquisition and sale of export butter and cheese is conducted by the Dairy-produce Export Division of the Department, whilst the control and regulation of marketing within New Zealand is conducted by the Internal Marketing Division of the Department. The activities of the Internal Marketing Division are reviewed in a separate section of this report.