

WOOL-PURCHASE BY IMPERIAL GOVERNMENT.

DURING the recent session of Parliament a comprehensive statement was made in the House by the Prime Minister (Mr. Massey) regarding the purchase and distribution of New Zealand wool by the Imperial Government, also as to the share of the surplus profits on the 1916-17 clip payable to growers. The position given remains unaltered in the main, except that the 1916-17 clip is now practically all shipped from the Dominion. The statement is as follows:—

The purchase of the New Zealand wool clip of 1916-17 by the Imperial Government, approved by the Woolgrowers' Conference of the 22nd November, 1916, was on the basis of the average price realized for each quality of wool for the season 1913-14, plus 55 per cent. thereon. In addition thereto half the profits on the sale of all surplus wool not required by the Imperial Government or our Allies for military purposes would be returned to New Zealand, and if, on the other hand, there was any loss, such loss would be borne by the Imperial Government.

A schedule of average sale-room values of the main sorts of New Zealand greasy wool in January, 1914, was approved by the Conference as representing the average 1913-14 values, and subsequently agreed to by the Imperial Government. In addition, the Imperial Government agreed to pay for the wool in cash, free of exchange, on the fourteenth day after day of valuation, and to pay all charges incurred for exhibiting for valuation, storage, &c.—the valuation of the wool constituting the net return to the owner for the wool delivered into the broker's store.

In 1917 the purchase was extended on identically the same terms to cover the 1917-18 clip, and negotiations have now been practically completed for the purchase to be extended for the period of the war and for one year subsequent to the 30th June after the cessation of hostilities. Valuations have been made on the basis agreed upon, and the result for the 1917-18 clip to the 30th June shows the total purchase for all classes of greasy wool to be 522,325 bales for £11,854,822, equal to an average price of 14·96d. per pound. A comparison of the actual sales of wool made in New Zealand during the 1913-14 season with the prices paid to growers for the 1917-18 clip shows the following difference in favour of growers: 1913-14 sales of wool in New Zealand at auction (comprising fleeces, lambs, pieces, bellies, locks, and crutchings), 264,834 bales; average weight per bale, 347 lb., equals 91,897,398 lb.; gross return, £3,407,934, less brokers' charges (estimated), £127,797; net return to growers, £3,280,137, equal to 8·57d. per pound; 8·57d. plus 55 per cent. equals 13·28d. per pound. 1917-18—522,325 bales, net weight 190,101,424 lb.; purchased for £11,854,822, equals 14·96d. per pound; valued at 8·57d., plus 55 per cent., would equal £10,526,699; advantage to the growers, £1,328,123. This excess of approximately 1½d. per pound is accounted for by the basis prices taken being higher than the actual sales made in New Zealand in 1913-14, and by the saving of brokers' charges for commission, cataloguing, storage, &c., borne by the growers prior to the requisition of wool by the Imperial Government.

DISTRIBUTION OF WOOL.

On the arrival of the wool in the United Kingdom all wool that is suitable for combing goes to the top-makers direct, and is combed on commission, and practically all of it is made into cloth for military purposes. The scoured wool and wool for woollens are reappraised in the United Kingdom, and are issued at fixed prices put upon them on that side. About 75 per cent. of the total crossbred wool, including the British clip, consumed in the United Kingdom during the year ended 30th June last was used for Government purposes. About 20 per cent. New Zealand wool is used for civilian purposes, but it is impossible to say the exact proportion, as New Zealand wool is frequently blended with Australian. The Imperial Government, in addition to selling in original packages, is engaged in carbonizing, blending, scouring, and top-making processes, and issues such wool at fixed prices. The Imperial Government control over profits for all wool up to the spinning stage is complete, but not State control over later stages of