

so far as the evidence has shown, been disproportionate. As prices of wheat were rapidly rising your Commissioners made recommendations as stated in our report of 29th September, 1914.

We found that the area sown in wheat in the Dominion is decreasing year by year. The low price of wheat for some years, the fact that the raising and fattening of live-stock and the production of butter and cheese have been more profitable during the same period, and the difficulty experienced in securing suitable and sufficient labour at harvest-time are the chief reasons given for this decline in wheat-growing. The remedy usually suggested is the placing of an increased duty on imported wheat and flour. Your Commissioners cannot recommend this course for the following reasons: it would involve an uneconomic use of land. Until sufficient wheat for our requirements was grown in the Dominion the consumer would have to pay an increased price. When an exportable surplus was grown protection for the grower would cease, and the crop would be marketed at the world's price.

This season's harvest turned out better than was anticipated, and the wheat threshed, as shown by the statistics recently collected, will nearly supply our normal requirements. There are indications that any deficiency which may exist will be made good by importations of flour from Vancouver and elsewhere. The price was high during and immediately after harvest, but has eased a little since.

The sugar-markets of the world became very disturbed in the early months of the war, and in London it was quoted as high as £33 per ton. The Colonial Sugar Refining Company continued to supply buyers' normal orders at £16 5s. per ton, and one of their agents came from Australia and appeared before your Commissioners and gave evidence. An arrangement was subsequently made with him by your Commissioners to supply our requirements up to the 30th of June of this year at a maximum price of £20 per ton—the existing arrangements to supply manufacturers at £14 per ton being undisturbed—the maximum to be reached by several increases of not more than £1 per ton at intervals of not less than two weeks. The maximum was reached in December last. As a result of this arrangement New Zealand has had an abundant supply of sugar of the best quality at a lower price than any other country has enjoyed. The Commission has recently renewed the arrangement with the Sugar Company for a further period of one year at the maximum price of £21 per ton, which, having regard to high prices still ruling elsewhere, should, your Commissioners think, be regarded as highly satisfactory. It may be fitting to point out here that the Colonial Sugar Refining Company has no privileges in New Zealand, and such a monopoly of the market as it enjoys is secured solely by virtue of supplying a first-class article cheaper than it can be procured elsewhere.

Many complaints were made about the price of butchers' meat, and we took evidence both from those engaged in the trade and from the public. The price of meat, especially beef for export, rose on the outbreak of war, while the price of by-products, such as skins, hides, tallow, &c., declined. Under these circumstances some rise in the retail price was inevitable. We found no indication that butchers were making undue profits. During the continuation of the war prices will be regulated by the price at which the Imperial Government has taken over our exportable surplus of meat, and may be further modified by shortage of shipping-space limiting the number of live-stock that can be dealt with by the freezing companies.

- Evidence showed that retailers generally, while receiving higher prices for a number of articles, were seldom making more profit than in normal times, and in many instances have to content themselves with reduced profits. Nearly all complained of the increased cost of booking and delivery of goods, the former because of the increased amounts involved and the reluctance of customers to settle accounts promptly, and the latter owing to the increased cost of horse-feed, &c. Grocers also commented on the enormous demand for flour, sugar, oatmeal, &c., which are regarded as non-paying lines, and the restriction in the sale of the better-paying special lines of groceries—factors which caused an