

world with the exception of Australia. Unfortunately, the harvest did not realize expectations, on account of the unfavourable weather conditions which lasted from December to March, and the Board had once again to recommend the Government to import Australian wheat.\*

In order to stabilize bread-prices an Order in Council was issued in March last fixing the price of bread throughout New Zealand at the standard prices ruling as at the 4th March. The Order in Council further provided that power be given to the Board of Trade to authorize the sale of bread in any specified locality at a price exceeding the standard price by such amount as the Board thought fit. In pursuance of this Order in Council bread-prices were adjusted throughout New Zealand to correspond with the increase in the price of flour and other increases in the cost of manufacture. Even in isolated townships it was not found necessary to advance the price of bread above 11d. cash per 4 lb. loaf. The prices fixed for bread in the four main centres are as follows:—

Auckland—10d. cash over counter, 11d. delivered, per 4 lb. loaf.

Wellington—10d. cash over counter, 11d. delivered, per 4 lb. loaf.

Christchurch—9½d. cash over counter, 10d. delivered, per 4 lb. loaf.

Dunedin—9½d. cash over counter, 10d. delivered, per 4 lb. loaf.

#### SUGAR.

The excellent arrangement made by the Board for the supply of sugar for the Dominion's requirements was continued. Negotiations with the representative of the Colonial Sugar Company regarding the supply and price of sugar to the Dominion for the period ending 30th June, 1919, were entered into in April last, and the arrangement finally effected between the company and the Board is briefly that the company undertakes to supply all the requirements of the New Zealand home consumption of sugar for the year ending 30th June, 1919, at the wholesale price of £22 10s. f.o.b. Auckland for the No. 1A—other grades in correspondence—subject to the condition that nothing happens to prevent the manufacture of the sugar or its transport to the Auckland refinery.

The Board unanimously recommended the Government to accept the offer. The price quoted of £22 10s. per ton ensured the people of New Zealand getting sugar cheaper than any other country of the world. The market quotations for other countries are as follows: New South Wales, £29 5s.; Victoria, £29 7s. 6d.; South Australia, £29 15s. 6d.; Western Australia, £31; Great Britain, £41 12s. 6d.

Even if allowance be made for the full amount of duty payable in Australia—namely, £6—and in Great Britain—namely, £14—the New Zealand price is still considerably lower than the prices paid in the Commonwealth or Great Britain.

In the arrangement entered into the Colonial Sugar Company has entirely ignored the market value of sugar in determining the price, with the result that the Dominion's consumers have been able to purchase their requirements cheaper than those in any other country. Since the price of £21 was fixed in June, 1915, the company has had to meet the following increased charges:—

	Per Ton.
	£ s. d.
Export duty on raw material, Fiji .. .. .	0 5 0
Primage duty, New Zealand .. .. .	0 3 1
Extra freight on raw material .. .. .	0 8 6
Extra expenses in refining .. .. .	0 11 9
Harbour-improvement rate, Auckland .. .. .	0 0 6
Special war-tax, which works out at .. .. .	0 7 6
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	£1 16 4

In the Board's opinion the price agreed upon by the company has meant a sacrifice by the company on New Zealand's consumption of £432,000 for the year.

No complaints have been made to the Board as to the price of sugar, but a few complaints have been made as to shortage of supplies. These have been of a temporary nature only, and were due to difficulties experienced in shipping.

#### MEAT.

The adjustment of meat-prices in the various towns in the Dominion has engaged a large portion of the Board's time. The agreements entered into between master butchers and the Board have been loyally adhered to, and no increases in prices have been made without prior consultation with the Board.

The State meat-shops established by the Board in Auckland on the 25th January, 1917, continued in operation for the agreed period—namely, twelve months. Just prior to the expiration of the period it was resolved to cease running the shops as State meat-depots, in view of the fact that the master butchers of Auckland agreed to observe the prices fixed by the Board, on condition that they could obtain supplies, when necessary, from the Imperial hooks. The retail prices of meat were reduced by master butchers as from the 1st January, 1918, and the accounts of the State meat-shops were closed and the businesses resumed by Mr. Douglas Reid, from whom they had been leased by the Government. The loss on the year's working totalled £1,053. This loss was entirely due to the fact that the retail prices were fixed too low, and the loss would have been eliminated by a very slight adjustment of prices. An addition of one-fifth of a penny per pound on the turnover would have put matters on the right side of the ledger. The instructions of the Board to the manager of the shops were that the prices should be kept at as low a level as possible, as it was not desired to make a profit.

\* 4,000,000 bushels of wheat have been purchased to make up for this year's shortage and the anticipated shortage for the following year.