

agreed upon for a portion of the crop. This enabled the wholesale price of refined sugar to be reduced to £34, and the retail price to 4½d. The balance of the crop was later purchased at £15 10s. per ton raw f.o.b. Fiji, which enabled the retail price to be fixed at 3½d. per pound.

Almost immediately following this purchase the sugar-market began to firm, placing New Zealand consumers in an exceptionally advantageous position as compared with other parts of the world.

On the completion of the foregoing arrangements the company offered supplies for a further season, and the Government agreed to purchase at £19 12s. 6d. per ton raw f.o.b. Fiji. By averaging the price with the previous and the subsequent contracts, the sugar purchased under the fourth contract was disposed of without making any increase in the retail price.

Later the Government purchased the balance of the crop for £17 3s. 8d. per ton raw f.o.b. Fiji, which price when averaged with the sugar bought under the previous contract enabled the retail price of 3½d. per pound to be maintained until after the end of the jam season.

On account of the cheaper price a considerable increase in consumption has taken place during the past six months. It should be noted that during the jam season just past (1922-23)—November to March), 4,000 tons more sugar were delivered than during a similar period in the previous year. The quantity delivered last jam season constituted a record, and the heavy demand has shown no abatement since March, when normally there is a decided slackening-off in orders. Early this year it was evident to the Government that the extra demand at that time, due largely to a plentiful supply of cheap fruit, would result in the supply not lasting as long as was originally anticipated. Reports from Fiji also indicated that the new season's crop would not be available until the end of August; consequently, to bridge the gap, the Government decided to secure a supplementary supply from Java.

JAVAN PURCHASE.

It was decided to purchase 19,000 tons of Java sugar in parcels to coincide with the best shipping arrangements that could be effected. The first and second shipments were secured before an advance in price took place, but for the last shipment £6 a ton more had to be paid. One of the disabilities of trading with a market with which there is no regular freight service is that purchasers are to a great degree at the mercy of a fluctuating market—particularly so in the case of Java, where 90 per cent. of the total sugar-output is sold through a combination called the Java Sugar Association, for under such circumstances the price is subject to artificial manipulation.

The higher cost of the sugar purchased from Java necessitated an increase in the local retail price from 3½d. to 4d. per pound, but, despite this, the price still compares favourably with any other country in the world.

ABNORMAL DEMAND.

The demand during the jam season was unusually heavy, as is shown by the following figures:—
Comparison of Deliveries during Jam Season—Pre-war and Post-war.

		November to March.			November to March.
		Tons.			Tons.
Pre-war—1911-12	..	24,790	Post-war—1920-21	..	26,094
1912-13	..	26,140	1921-22	..	27,014
			1922-23	..	31,153

Unfortunately, the abnormally heavy demand continued, necessitating a restriction of deliveries to an equivalent to orders executed during the winter months of last year. As sugar at that time was in free supply, cheap, and subject to no restriction whatever, it was considered that it would form the most equitable basis of distribution, and enable distributors to meet the normal requirements of their regular customers.

To show that last year was a normal year—if anything a little higher than usual—the following comparison with earlier years is made:—

		April to October.			April to October.
		Tons.			Tons.
Pre-war—1912	..	28,822	Post-war—1920	..	28,673
1913	..	28,430	1921	..	25,422
			1922	..	29,299

Despite the complaints made, it is a fact that every merchant in the Dominion has received more sugar this year than last. The following figures are submitted to show that the deliveries this year, since the restriction has been imposed, have been more than equivalent to deliveries effected last year:—

Monthly Deliveries from Chelsea.

		1922.	1923.
		Tons.	Tons.
April	..	3,944	4,760
May	..	3,624	4,243
June	..	4,194	5,286

These figures not only prove conclusively that the demand has been abnormal, but also show that every reasonable effort was made to anticipate the requirements of the Dominion.

AUSTRALIAN PURCHASE.

A recent attempt was made by the Government to secure additional supplies in an endeavour to satisfy the insistent and more or less speculative demand. Inquiries were made as to further supplies from Java, but it was not possible to arrange for delivery to be effected promptly. 2,500 tons of Australian raw sugar were secured from the Federal Government. This extra quantity has made it