

unloaded on the Government, whether I would be in a position to give the time required to this matter until the wheat-control ceases. Indications point to a very large area of wheat being sown this next season, and if the yield is up to the average it is more than likely that the country will have an exportable surplus. In this event it would be a favourable opportunity to try out a system of grading for outside markets. As the benefits of export grading became apparent the system might be extended in such a manner as would give satisfaction to merchants doing an inter-Island trade and at the same time leave the grading directly under Government control.

*Australian Wheat.*—Since my last annual report there has been landed in New Zealand close on two million bushels of the Dominion's purchase from the Australian Wheat Board, and the whole of this quantity has passed under my direct supervision. I checked the quality of all shipments, and found them to be well up to sample on which the Australian Government sold. This wheat was all disposed of to millers, the bulk of it going to the North Island mills. The deliberate cutting of bags for stowage purposes was not so pronounced as in previous years. The lodging of claims with the shipping company for this damage evidently had the desired effect of compelling the latter to exercise a little more supervision when the wheat was being loaded. The last million bushels of the four-million-bushels contract was much superior in quality to the sample on which the line was purchased. The Imperial bushel weight of the purchase sample was 60½ lb., whereas the last million bushels averaged 62 lb. to 63 lb. per bushel.

*New Zealand Grain-merchants' Federation.*—During the year I brought under your notice the fact that the Government grade certificates are now subject to appeal, and this organization reserves to itself the right to override the Grader's decision. There is no mention of any appeal to the Chief Grain-grader, and this further shows that the federation considers itself quite capable of dealing with its own grading matters, which I have no hesitation in asking you to allow it to do.

*Potatoes.*—This line has caused the most trouble. No alteration in the description of grades has been made since 1918. Those of that year allow for a certain percentage of diseased and rotten tubers—namely, 5 per cent. for good table and 10 per cent. for F.A.Q. grade. When the average duration of a trip between Oamaru, Timaru, and Lyttelton to Auckland was about seven days, potatoes put on board equal to the description set out in the list of grades could be landed at Auckland showing just about the same degree of disease as existed at time of grading. Latterly, however, it has not been uncommon for a boat to be from five to six weeks on the same journey, with the result that potatoes partially diseased are in a much worse state when landed, and the Grader naturally comes in for abuse in connection with the shipments and is often accused of wilfully passing undergrade produce. Another aspect of a long voyage which bears on the question as to whether goods accompanied by a Grader's certificate will be accepted or not lies in the fact that the fluctuation in values is naturally wider over a period of six weeks than in one of say, ten days, and merchants who have shipped potatoes when the market allowed a profit on the transaction have often to face a loss when the goods reach their destination, hence a tendency to endeavour to evade such contracts by appealing against the Grader's certificate.

*Work at the Ports.*—Detailed reports on the work and conditions at the ports where Graders are stationed—namely, Lyttelton, Timaru, Oamaru, Dunedin, Invercargill, and Bluff—have been duly furnished to you.

*Approximate Cost of Paper.*—Preparation, not given; printing (700 copies), £90.

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