

by the world's market value of wheat in February, 1922, of similar quality to New Zealand wheat, having regard to the necessary adjustment between North Island and South Island; but in any case the purchase price will not be less than the minimum stated above for the respective varieties with the monthly increment."

CONTROL OF WHEAT AND ITS PRODUCTS.

The detailed supervision of the trade has been in the hands of the Chairman of the Board (Mr. W. G. McDonald) in his capacity as Wheat-controller, while the prices have been fixed by means of the powers conferred under the Board of Trade Act, 1919. The purchase and sale of wheat and the payments for flour subsidies have been the work of the Wheat-control Office, Christchurch, while the regulation of bread-prices has been attended to by the Board of Trade. The following table shows the prices of bread as fixed from time to time during the period 1st April, 1919, to 31st March, 1921:—

Period.	Maximum Cash Price per 2lb. Loaf.	
	North Island.	South Island.
1st April, 1919, to 28th February, 1920	5½d.	5d.
1st March, 1920, to 14th March, 1921	6d.	5½d.
14th March, 1921, to 28th February, 1922	7d.	6½d.

PROFITS OF THE WHEAT-CONTROL OFFICE.

With regard to the operations of the Wheat-control Office in the purchase and sale of both New Zealand and Australian wheat, the revenue accounts show the undermentioned net profits:—

	£	s.	d.
Year ended 31st December, 1918	10,672	9	8
Year ended 31st December, 1919	15,567	12	5
Year ended 31st December, 1920	125,104	10	5

Although the absolute net profits are considerable, the percentage of net profit on sales was extremely low—far lower than the rate on which any private enterprise could safely work. The profits thus derived served to reimburse the Consolidated Fund for a portion of the payments made as subsidies to keep bread-prices low. These flour subsidies paid by the Government amounted to—

	£
Year ended 31st March, 1920	358,305
Year ended 31st March, 1921	489,571

The Government's decision to reduce the amount of the flour subsidy for the year ended 31st March, 1922, to approximately £150,000 necessitated a rise in the price of flour from £16 10s. to £21 per ton, f.o.b. southern ports, and an increase of 1d. on the price of the 2 lb. loaf.

As it is impossible to review adequately in this report the measures of control adopted by the Government in connection with wheat and flour, a special report (to be issued later) is being prepared.

GENERAL REVIEW OF OPERATIONS.

The following return shows the quantity of wheat handled under the scheme of Government control:—

WHEAT PURCHASED.						Bushels.
1918—New Zealand .. .. .	..	..	..	..	..	4,926,857
Australian .. .. .	..	..	..	..	..	633,644
Australian (ex Imperial supplies) .. .. .	..	..	..	..	..	225,678
Total .. .. .	..	..	..	..	..	5,786,179
1919—New Zealand .. .. .	..	..	..	..	..	5,252,210
Australian .. .. .	..	..	..	..	..	1,339,235
Total .. .. .	..	..	..	..	..	6,591,445
1920—New Zealand .. .. .	..	..	..	..	..	3,897,123
Australian .. .. .	..	..	..	..	..	2,018,533
Total .. .. .	..	..	..	..	..	5,915,656
Grand total (three years) .. .. .	..	..	..	..	..	18,293,280