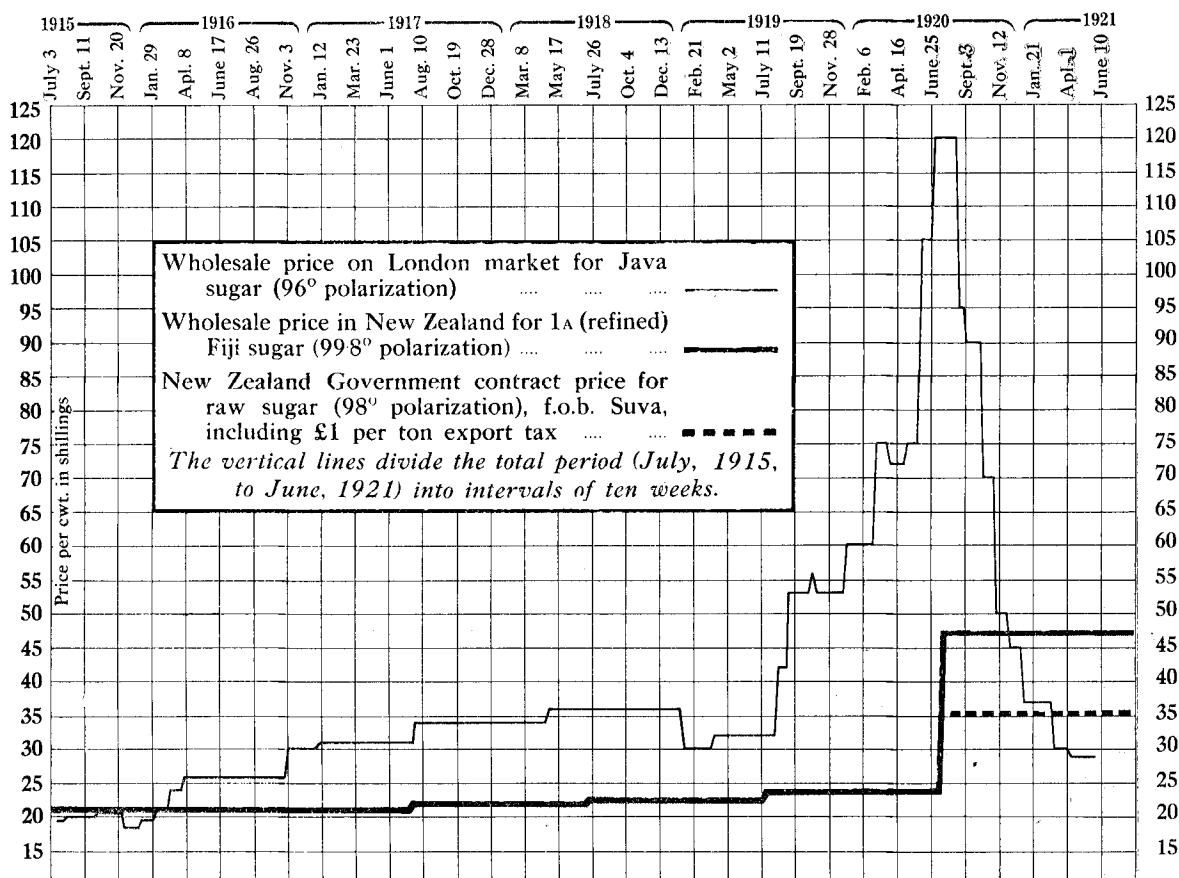


The following diagram illustrates the difference between the London wholesale price for Java sugar and the New Zealand wholesale price for the Fijian product, No. 1A sugar. A study of this graph makes it clear that the New Zealand public were adequately safeguarded from the prices ruling at the peak of the market. In view of the superiority of the Fijian sugar for both domestic and manufacturing requirements, the disparity between the prices until December, 1920, was even greater than indicated by the diagram.

GRAPHIC DIAGRAM SHOWING THE DIFFERENCE BETWEEN (1) THE LONDON WHOLESALE PRICE FOR JAVA SUGAR (96° POLARIZATION) AND (2) THE WHOLESALE PRICE IN NEW ZEALAND FOR 1A (REFINED) FIJI SUGAR (99·8° POLARIZATION), FOR THE PERIOD JULY, 1915, TO JUNE, 1921.



PREVENTION OF PROFITEERING.

During the last two years much public attention has been centred on the provisions of the Board of Trade Act relating to the prevention of profiteering. While prices were rising from month to month the number of complaints received was very large, and constant vigilance had to be exercised and many investigations made. The Department controlled the prices of many essential lines, including wheat, flour, bran, pollard, bread, butter, meat, sugar, timber, cement, locally manufactured soaps and candles, and several other leading grocery lines. The control in a few instances was exercised by means of regulations by Order in Council, but in the majority of cases effective control was maintained through the agency of agreements with interested parties providing for no increases in price to be made without prior consultation with and consent of the Board of Trade.

Complete investigations were made into the ramifications of whole industries. For instance, a comprehensive inquiry was made into profits of the woollen-manufacturing companies, which was followed by an investigation of middlemen's profits leading to several prosecutions and convictions with heavy fines, and this in turn was followed by investigations of retailers' prices and tailors' profits. Thus the Department endeavoured to follow the commodity through all stages of manufacture and distribution. The same applied to the leather trade, in which the profits of tanners, boot-manufacturers, boot wholesalers and retailers, and boot-repairers were investigated in turn.

With regard to imported goods, many articles, such as dairy separators and agricultural implements, were very high-priced; but difficulty arose in any endeavour to prevent profiteering in these goods, because the prices were often fixed outside New Zealand and the profits of intermediaries regulated by central agencies.

SUMMARY OF PROSECUTIONS.

Of the twenty-four cases taken before the Courts, sixteen cases were successful, the fines ranging from £10 and costs, to £1,000 and costs, and aggregating £4,545. A good deal of criticism was levelled at the Department because of the relative unimportance of some of the commodities which