

(iii) *Imperial Government Contracts*

Delivery of approximately 1,200 tons of oatmeal, valued at £58,000, was made to the British War Office in the year to 31st December, 1947.

(iv) *Export of Canned Foods to the United Kingdom*

Early in 1948 the High Commissioner for New Zealand in London advised that the British Ministry of Food was prepared to grant import licences to United Kingdom importers for the importation of certain classes of canned goods from New Zealand. Arrangements were accordingly made for various local manufacturers to submit offers to their agents in the United Kingdom under the sponsorship of the Department's London representative. Considerable orders have since been received by manufacturers for commodities such as tomato puree, tomato juice, &c.

(v) *Import and Export Licensing*

The Office continued to submit recommendations to the Comptroller of Customs in respect of applications for import licences for food commodities, and to make recommendations regarding applications for the export of food commodities.

(vi) *Sugar Subsidy*

It was decided early in the year that sugar used for making cakes, confectionery, cordials, and other such products should no longer be subsidized. Accordingly, from 14th April, 1947, subsidy on sugar was confined to that used for domestic consumption, and manufacturers using sugar in their products were required to pay the full market price. The scheme was operated by this Office in conjunction with sugar-rationing by a system of payments to merchants in respect of their sales to retailers for ultimate domestic use, and was continued until 29th September, 1947. By this time the rate of subsidy had risen to over £22 per ton, and the amount of subsidy saved over the whole period approximated £350,000. On the 29th September the subsidy on sugar was discontinued entirely.

SECTION 3.—WHEAT, FLOUR, AND BREAD INDUSTRIES

The Wheat and Flour Controller has reported in the following terms for the year ended 31st January, 1948 :—

(a) GENERAL REVIEW

The supply of wheat continued to give difficulty on a world-wide scale throughout the year under review, and the problem of keeping New Zealand fully supplied for all purposes was not accomplished without difficulty. New Zealand, in common with all other wheat-importing countries, is dependent on such allocations as are approved by the Cereals Committee of the International Emergency Food Committee, Washington. All requests for imports are carefully screened by this Committee, and before allocations are made details have to be given by the applicant country of its stocks, its requirements, and the uses to which supplies are to be put. Although we were successful in obtaining allocations sufficient to cover our bare needs in wheat, and in obtaining supplies from Australia, the allocations restricted our over-all supply to the same level as in the previous year, and necessitated the continuation of the various emergency controls in this country, which have as their objective the conservation of wheat supplies.

Our position in the past year was much less favourable than in previous years because the substantial reserves carried all through the war years were largely consumed in 1946–47. The effect of this was noticeable both at the beginning and at the end of the period, when in a few instances mills' stocks were reduced to bare boards. The position in each case was relieved, however, by the new harvest. Early in the present year the position was eased by the despatch of a vessel from South Australia on Christmas Eve with a cargo short-loaded so as to enable an earlier discharge at Lyttelton than otherwise would have been the case.