It will be seen from the foregoing export statistics that the trade does not reach the limits laid down by the regulations, but that there has been an increase over last year's totals in the quantities of beech and rimu exported. New Zealand beech has gained a place on the Australian market, and is securing a delayed recognition of its high merit.

In accordance with the close restriction of kauri exports the figures for 1924 show a decrease. It should be noted, however, that even the comparatively small quantity sent out is comprised mainly of inferior qualities which are not subject to stringent control. In regard to kauri timber it should be mentioned that, as a result of the reduction in export quotas of better-grade kauri, from 7,000,000 ft. in 1921–22 to 500,000 ft. per annum in 1923–24 and subsequent years, difficulties arose in regard to the quantities held and intended for export from the west coast of the North Auckland district. Representations were made to the Government as to the position, and it was ascertained that a very large number of logs lying in creeks and rivers, especially at Hokianga and Whangape, were rapidly deteriorating in condition, and the timber cut from such logs could not be profitably used on the New Zealand market in competition with timbers cut on the east coast areas. The Government decided to allow export of timber cut from such logs from this particular area, as follows: 2,500,000 sup. ft. for the current year, 2,000,000 sup. ft. in 1925–26, 1,000,000 sup. ft. in 1926–27. It was made clear, however, to the parties interested that no increase in the quota of 500,000 ft. for recently cut kauri timber would be allowed, whether or not the export quota for the deteriorating logs on the west coast is used in any year or not.

It was also agreed during the past year that the position in relation to exports of rimu should be amended by allowing export on the following basis:—

	Export by Mills in Export Trade prior to 1918. Sup. ft.	Export by Mills not in Export Trade prior to 1918. Sup. ft.
Year ended March, 1924	14,000,000	2,000,000
" 1925	11,000,000	1,500,000
" 1926	9,000,000	1,000,000

Wheat Products and Bread.*

During past years the Government has been closely associated with the wheat trade of the Dominion in an endeavour to ensure sufficient supplies of wheat being grown for domestic requirements. The policy of controlling prices for wheat, wheat products, and bread was continued up to the end of February, 1923, but for the following year a different policy was adopted. Under the new arrangements the Government ceased to control wheat-prices, but agreed to such prices being mutually arranged between growers and millers, provided that flour, bran, pollard, and bread prices were not increased. In order to enable such an agreement to be put into effect the Government undertook to continue the existing prohibition of importation of wheat and flour.

In 1923 the growers formed a Board comprising representatives from all the main wheat-growing areas, and successfully negotiated an agreement with the millers as to wheat-prices. By this arrangement flour continued to be sold at £15 10s. main ports South, and bran at £5 f.o.b. The price of pollard was reduced from £8 per ton to £7 per ton f.o.b. southern ports.

On the understanding that the Government would again agree to continue the prohibition of importation of wheat and flour, the Wheat Board and millers met in Christchurch in December last, when it was mutually agreed that millers would pay farmers 1d. per bushel over the previous year's prices. Prices for the current season are therefore 5s. 5d. for Tuscan, 5s. 7d. for Hunters, and 5s. 9d. for Pearl or Velvet varieties, f.o.b. South Island ports—these prices being inclusive of brokerage (1d.) and miller's payment to wheat pool (1d.). The Government gave approval to this arrangement, whereby the price of flour is continued at a maximum of £15 10s. per ton, while bran and pollard prices are fixed at maxima of £5 10s. and £6 10s. per ton f.o.b. South respectively. At the time the agreement was entered into it was fully expected that the wheat harvested in New Zealand during the then-ensuing summer months would be insufficient for domestic requirements, but it was not expected that the shortage would be as great as it subsequently proved to be. The farmers had extraordinary difficulties to face. Persistent wet weather in the first place interfered with the sowings in the autumn of 1923, and like conditions were experienced in the winter and spring, with a result that the acreage put in crop was the lowest since 1919. Moreover, the yield was most adversely affected by abnormally dry weather during the whole summer. In February of this year (1924) the Government Statistician estimated that the yield per acre would be 23·27 bushels, giving a Dominion yield from approximately 185,000 acres of 4,250,000 bushels. It was therefore apparent that the local supplies would need to be largely supplemented by wheat purchased from overseas.

In order to stabilize prices of flour and bread, the Wheat Board was informed by the Government towards the end of 1923 that in the event of an agreement being come to between millers and the Board the necessary importations would be made by the Government. This course was decided upon, for the reason that it would have been impossible to import wheat, pay duty, and maintain a price for flour no higher than £15 10s. f.o.b. southern ports. At the same time, that level of prices would have returned a substantial and unnecessary profit—particularly in the North Island—to any miller bringing in wheat duty-free.

When the agreement was reached between millers and wheat-growers it therefore became necessary that Government should make provision for meeting the Dominion's needs over and above the local production.

This Department is accordingly carrying out the work of purchasing, freighting, and selling to millers necessary supplies of imported wheat. The wheat is being sold on an approximate parity with the agreement price of New Zealand wheat of equal quality. Supplies are also being made

* In regard to the control of the wheat trade, the Secretary of the Department of Industries and Commerce, as Wheat Controller, acts on the advice and on the instructions of the Minister of Agriculture, Hon. W. Nosworthy.