and the sale and distribution of products of the refinery have been carried out by the Colonial Sugar-refining Company (Limited) on its own account, with a protective tariff on refined sugar fixed by Parliament at ¼d. per pound. Refined sugar in New Zealand has, of course, fluctuated in price according to the movement in world market values of sugar. During the year under review sugar-prices have fallen steadily, and the Colonial Sugar Company has been forced to meet a serious and continued decline in the values of raw and refined sugar held by the company. The reductions in the price of refined sugars during the past twelve months have aggregated £9 10s. per ton.

The Chelsea works in the past year have melted 66,272 tons of raw sugar, most of which quantity was obtained within the Empire—namely, 46,113 tons from Fiji, 8,415 tons from Australia; Java and Peru supplied the balance of approximately 12,000 tons.

During the year ended 31st March last the total quantity and value of sugar (other than raw) imported into New Zealand amounted to 1,825 tons, valued at £42,467.

The company has entered into contracts with New Zealand manufacturers who are large users of sugar, under which, for a certain period, manufacturers know the maximum price payable for supplies. Such contracts make provision for a reduction in price if and when world prices fall.

In Fiji, where, during recent years, the production of raw sugar has been seriously reduced, a distinct improvement has been brought about. Last year 62,000 tons were produced, and for the coming season it is estimated that there will be 90,000 tons available—a quantity more than sufficient to meet the Dominion's normal consumption of approximately 65,000 tons of refined sugar.

The reductions in price put into effect from time to time by the company have doubtless been much appreciated by consumers, and no complaints in regard to either prices or supplies have this year been received by the Department.

The Department has continued to keep in touch with conditions in the world's markets, which for some months past have recorded an almost uninterrupted decline in prices. This has been due essentially to the marked improvement in world production, which at a recent date was estimated for the year 1924–25 at nearly 23,000,000 tons, as against 19,700,000 tons in the previous year. This very substantial increase is largely though not entirely due to a post-war recovery in the European production of beet-sugar.

The position in Australia is of interest. In the Commonwealth an arrangement exists for the prohibition, over a period of years, of the importation of sugar, with the fixation of the prices of home-grown and refined sugar at a level (£37 11s. 4d.) considerably in excess of world market value. This stimulus to production has apparently been a factor in bringing about a record output, estimated for the current year at approximately 500,000 tons. Of this quantity about 200,000 tons must be sold for export.

TIMBER.*

For some years past the Department has controlled the administration of the regulations relative to restrictions on export of timber.

Permits to export New-Zealand-grown timber are issued up to the limits and upon the principles laid down by the Government, as explained in detail in the reports for 1923 and 1924. The issue of these permits and the supervision of control is a work of some magnitude which has apparently been carried out with satisfaction to all parties.

The exports of timber during the years ended 31st March, 1924 and 1925, were as follow:—

Variety.	Year ended 31st March, 1924.		Year ended 31st March, 1925.	
	Quantity.	Value.	Quantity.	Value.
	Sup. Ft.	£	Sup. Ft.	£
Kauri	1,913,767	42,435	2,598,400	53,828
White-pine	31,458,492	306,762	34,881,143	378,663
Rimu	7,458,638	59,147	5,171,640	44,807
Beech	1,366,517	18,095	1,832,000	24,669
Miscellaneous	1,455,922	16,176	700,907	8,096

It will be noted that white-pine has been exported in increased quantities in 1925. This class of timber is usually produced under such conditions that unless export were allowed much of the timber would be destroyed on lands being opened for settlement. The local market has, however, continued to have a first claim on supplies, which have been ample to fulfil all Dominion needs.

The other main exportable timber, rimu, has been exported to a lesser extent in 1924-25 than in 1923–24, and reports indicate that the competition of other soft woods in our export market—Australia—is increasingly keen.

Beech, of which the Dominion has very large supplies, is finding an increased export market.

* In regard to timber, the Department of Industries and Commerce acts on the advice and on the instructions of the Commissioner of State Forests, who is responsible for the policy and regulations as to the control of the export of timber.