

1916.  
NEW ZEALAND.

## BOARD OF TRADE:

FIRST INTERIM REPORT OF THE COMMISSION APPOINTED BY THE BOARD OF TRADE TO INQUIRE INTO THE PRICES OF WHEAT, BRAN, POLLARD, FLOUR, AND BREAD FOR TWO YEARS BEFORE THE OUTBREAK OF THE WAR, THE FLUCTUATIONS OF PRICES SUBSEQUENTLY, AND THE REASONS FOR FLUCTUATIONS, PRESENT PRICES, AND THE REASONABLENESS OF THE PRESENT PRICES.

*Presented to both Houses of the General Assembly by Leave.*

### CANTERBURY, WEST COAST OF THE SOUTH ISLAND, AND NELSON.

To the Right Honourable WILLIAM FERGUSON MASSEY, P.C., M.P., President of the Board of Trade.  
SIR,—

1. On the 26th March last the appointed members of the Board of Trade were directed to institute an inquiry into pre-war and post-war prices of wheat, flour, and bread, and after consultation they formulated the following questions defining the scope that the inquiry should take:—

- (a.) What were the prices of wheat, bran, pollard, flour, and bread for two years prior to the outbreak of the war?
- (b.) What have been the fluctuations of prices since the outbreak of the war?
- (c.) What were the reasons for the fluctuations?
- (d.) What are the present prices, and are these reasonable?

2. The Commission have held ten sittings. In addition to obtaining information from other sources, we have heard evidence from thirty-nine witnesses on oath, including representative business men, millers, merchants, master bakers, and other experts. While within the limits of the time at our disposal we have taken account of prices generally throughout the country and abroad, we have concentrated our attention mainly on Canterbury and the west coast of the South Island and Nelson. In other parts of the South Island and in the whole of the North Island, apart from additional charges due to railway rates and steamer freights, prices are governed to a great extent by conditions obtaining in Canterbury, so that it is unnecessary for the purposes of this interim inquiry to deal with them separately. Speaking generally, there is no doubt that the causes which operate to fix the prices of the commodities with which we are dealing in Canterbury are also those mainly responsible for the prices in the rest of New Zealand. There may, of course, be local reasons for abnormal differences, but it would be impossible for the Commission to consider in detail sporadic variations without unduly prolonging their inquiry.

3. As our inquiry dealt with matters of a highly confidential nature we decided, after careful consideration, to hear all evidence *in camera*. This course of procedure was amply justified by results, as the witnesses examined were induced thereby to answer all questions put to them fully and frankly; and we would like to place on record the fact that we received material assistance from witnesses because of the protection given.

4. The prices of good milling-wheat in Canterbury for the period covered by the investigation are as quoted on trucks at country stations; an average addition of 2d. per bushel must be added for delivery to mills. The prices are as follow: In 1912 the average for the whole year was from 3s. 6d. to 3s. 7d., with little variation in the prices during the whole period; in 1913 the market opened at from 3s. 5d. to 3s. 6d., rose to 3s. 7d. and remained at this price until December, when it rose to 4s. to 4s. 3d. This rise was due to the fact that stocks were being depleted by consumption and the new crop was not yet harvested. By February, 1914, the new crop began to be available and the price dropped to 3s. 4d. to 3s. 6d. In March, 1914, the prices rose to 3s. 7d. to 3s. 8d., and remained at this figure until the outbreak of the war. From this period onward until April, 1915, the market rose steadily until it reached 7s. 2d., a record price for New Zealand, and at this price remained constant until July,