

artificially raised the price of wheat to genuine dealers, and detrimentally affected the industry generally. We further recommend that the threshing-mill proprietors be required to register with the Board of Trade, and send weekly returns of quantities of grain threshed to the Government Statistician. Appropriate penalties should be provided for failure to comply.

19. We have considered the question whether the fixation of maximum prices by legal enactment for wheat, flour, and bread, or by the method of "recommended prices," which was adopted in England shortly after the outbreak of the war, would be best suited to the conditions prevalent in New Zealand. There are difficulties to be encountered under either system, but on the whole we prefer the latter method, and suggest that the following table should be the recommended prices, subject to alteration by the Board of Trade as may be required by changing conditions from time to time:—

Wheat (delivered at Mill).				Flour (£.o.b.).			Bread (Cash over Counter).
	s.	d.	s.	£	s.	d.	d.
At	3	9		9	10	0	6
"	3	9	to 4	10	0	0	6
"	4	0	" 4	10	10	0	6
"	4	3	" 4	11	5	0	6½
"	4	6	" 4	11	15	0	6½
"	4	0	" 5	12	5	0	6½
"	5	0	" 5	13	0	0	7

As pointed out in paragraph 8, the majority of master bakers discourage over-the-counter sales of bread by charging the customer who purchases his requirements in the shop the same price as for delivery. We recommend that a relative over-the-counter price be made compulsory, and that it be in accordance with the above table, and at least 1½d. less than the price for delivery. This provision should apply to the four main centres and the secondary towns.

20. We append a graph illustrating the course of the prices of wheat, flour, and bread during the period covered by our investigations, and showing the violent fluctuations that have occurred since the outbreak of war.

We have, &c.,

W. G. McDONALD,
J. R. HART,
P. HALLY, } Members of Board.

J. W. COLLINS, Secretary.

GRAPH OF RELATIVE PRICES OF WHEAT, FLOUR, BREAD, BRAN, AND POLLARD IN CHRISTCHURCH, AS FROM SEPTEMBER, 1912, TO APRIL, 1916.

The graph accompanying the Report has been prepared by the Secretary of the Board of Trade, with the assistance of the Government Statistician's Office.

In order to show in one graph the price-movements of the five commodities covered by the investigation for the purpose of comparison, the price quotations at the beginning of the period which are stated in different units—*e.g.*, per ton, per bushel—have been equated to 100, and the later prices equated in proportion thereto. The later divergencies are by this method more readily understood and the effect of the war period more easily seen than if they had been equated at the end of the period or in any other way.

The diagram shows the *relative* price-movements of all the commodities, the prices being equated as follows:—

	£	s.	d.	=	100
Wheat (per bushel)	0	3	6	=	100
Flour (per ton)	8	10	0	=	100
Bread (per 2 lb. loaf)	0	0	3	=	100
Bran (per ton)	4	10	0	=	100
Pollard (per ton)	6	0	0	=	100

The actual prices have thus been plotted and shown relatively to one another.

The diagram reveals the steadiness of these particular prices over the period 1912-13. Bran only seems to have fallen in September, 1913, from £4 10s. to £4, at which figure it remained till August, 1914. Flour shows a rise in January, 1913, from £8 10s. to £9, remaining stationary at this price until early in the following year, when a rapid rise commenced. The main feature of the diagram, however, is its indication of the very considerable rise of prices which set in in the middle of August, 1914, synchronizing with the outbreak of the war, and which reached its height in the first six months of 1915, after which all prices fell till the end of the year, followed by a temporary rise during the first three months of 1916. The fluctuations in every case are very irregular, though a general trend is observable, and the fact that the price-movements of the several commodities vary together in direction is brought out.

Regarding the stability of the price-movements, wheat, as would be expected, seems to be more influenced by market conditions. On the whole it shows a more considerable rise than any of the others, relatively, during the war period, though it is very closely followed by flour. Bread appears to be more stable in price, relatively, largely owing to the influence of custom and competition; while pollard and bran do not rise so high in proportion to wheat, pollard being the more stable in price.