

## APPENDIX.

1. SINCE the report on the wheat, flour, bread, &c., dealing with Canterbury, West Coast of South Island, and Nelson, was written the Board has continued its investigations at Auckland, Pukekohe, Thames, and Hamilton into the prices of the above commodities.

2. The conditions governing the manufacture of wheat into flour, and of flour into bread do not differ materially from conditions in the South, but the process of automatic baking is more fully developed in Auckland than in Christchurch or Timaru, and we are convinced that automatic bakeries such as Buchanan's at Auckland (which we inspected), if run at full time, would enable a reduction to be made in the price of bread.

3. The price of flour manufactured in the Auckland Province is fixed in keen competition with flour from the southern mills, and consequently nothing in the nature of a ring or combine exists.

4. The price of bread is governed by the price of flour, but, as the figures given in a subsequent paragraph will show, did not rise during the early part of 1915 proportionately as high as flour. Two explanations were offered in evidence.

(a.) Bakers feared the result of public opinion on their business if bread were retailed at a higher figure than 5d. per 2 lb. loaf.

(b.) It was thought that the high price of flour was only temporary.

5. Flour, however, remained at a high price during the first eight months of the year, and we are satisfied that during this period the bakers lost money. When flour commenced to fall in price in August, 1915, bread was not immediately reduced in sympathy. No reduction took place until November, when a drop of  $\frac{1}{2}$ d. per 2 lb. loaf (delivered) occurred in Auckland City, but not in the out-lying districts.

6. As flour is considerably lower now than it was from February to September, 1915, a drop in the price of bread should follow in the towns outside Auckland. In fact, during our visit to Thames the bakers voluntarily agreed to bring their prices into line with the prices prevailing in Auckland, and we are of opinion that in the country districts the same price should be charged as in the city, as cheaper rents, horse-feed, &c., would counterbalance railway freights on flour.

7. In all the towns visited there are associations of bakers who fix retail prices; but no compulsion appears to be used to ensure that the arranged price should be adhered to. There is nothing to prevent any one who thinks that undue profits are being made from commencing business on his own account. In Auckland City a number of firms are outside the association and sell at a lower price than the association. These firms, from the evidence submitted, appear to be generally short-lived.

8. The following table shows the wheat, flour, and bread prices during the period from January 1914, to the end of May, 1916:—

	Wheat at Mill.		Flour on Trucks (Net Prices).		Bread (delivered) per 2 lb. Loaf.		Wheat at Mill.		Flour on Trucks (Net Prices).		Bread (delivered) per 2 lb. Loaf.		
1914.	s.	d.	£	s.	d.	d.	1915— <i>ctd.</i>	s.	d.	£	s.	d.	d.
January ..	4	5 $\frac{1}{2}$	10	5	0	4	April ..	7	3 $\frac{1}{2}$	16	5	0	5
February ..	4	0 $\frac{1}{2}$	10	5	0	4	May ..	7	2	16	5	0	5
March ..	4	1	10	5	0	4	June ..	7	4	16	5	0	5
April ..	4	1 $\frac{1}{2}$	10	5	0	4	July ..	7	6	16	7	6	5
May ..	4	3	11	0	0	4	August ..	7	5 $\frac{3}{4}$	15	7	6	5
June ..	4	4 $\frac{1}{2}$	11	0	0	4	September ..	7	6 $\frac{1}{4}$	14	12	6	5
July ..	4	4 $\frac{1}{2}$	11	0	0	4	October ..	4	7	13	10	0	5
August ..	4	4 $\frac{3}{4}$	11	14	0	4 $\frac{1}{2}$	November ..	4	11	13	5	0	4 $\frac{1}{2}$
September ..	4	11 $\frac{1}{4}$	12	5	0	4 $\frac{1}{2}$	December ..	5	4	13	5	0	4 $\frac{1}{2}$
October ..	5	3 $\frac{3}{4}$	12	17	6	4 $\frac{1}{2}$	1916.						
November ..	5	9	13	9	0	4 $\frac{1}{2}$	January ..	6	0	13	17	6	4 $\frac{1}{2}$
December ..	6	5	13	17	6	4 $\frac{1}{2}$	February ..	6	1	13	17	6	4 $\frac{1}{2}$
1915.							March ..	5	6	13	5	0	4 $\frac{1}{2}$
January ..	6	7	14	7	6	4 $\frac{1}{2}$	April ..	5	6 $\frac{3}{4}$	13	5	0	4 $\frac{1}{2}$
February ..	7	0 $\frac{3}{4}$	16	5	0	4 $\frac{1}{2}$ & 5	May ..	5	2 $\frac{1}{2}$	13	8	0	4 $\frac{1}{2}$
March ..	7	2 $\frac{1}{2}$	16	5	0	5							

9. As intimated in our main report, we were collecting for purposes of comparison prices of wheat and flour prevailing in other countries during the war period. The figures are now available, and are furnished herewith.