

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,

1915. In this month the Government statistics of wheat-production, based on the threshing returns, were published. These disclosed a considerable surplus, and the price of wheat steadily declined until November, 1915, when it had receded to 4s. In December, 1915, wheat rose again as high as 6s., as there was a fear that the late frost and the continued dry weather had affected the growing crops. In January of the present year prices fell sharply to 5s. 3d., 5s. 4d., and towards the end of February to 4s. 5d. and 4s. 7d. During March the price varied from 4s. 4d. to 4s. 7d.

5. Although the price of flour naturally follows the price of wheat, the prices of bran and pollard vary independently of the price of wheat from extraneous causes—*e.g.*, demand in Australia and New Zealand for the purpose of feeding stock. During 1912 and until the end of March, 1913, flour remained steady at £8 10s. a ton. In April, 1913, it rose to £9, and remained at this price until February, 1914, when there was a further rise to £10; in June and July the price mounted rapidly to £12, and in August, prior to the war, it was £12 10s. Immediately war broke out there was a further rise to £13. During the month of September the price receded to £11 15s., followed by an immediate rise to £13, at which figure it remained until January, 1915, when it rose to £15 10s., in February to £16 10s., and in March to £17 10s., and remained at this level to July, when the price rapidly receded to £15, and continued falling during August and September, when it touched £12 10s. In November a further drop to £11 10s. took place, followed in December by a recovery to £13 10s., at which price it remained until March of the present year, when it again dropped to £13 in Christchurch and £12 10s. f.o.b. Timaru and Lyttelton.

6. The price of pollard exhibited somewhat similar fluctuations to the price of flour. During 1912, and until June, 1914, pollard remained at £6 per ton, and in July, 1914, rose by 10s. From the outbreak of the war till January, 1915, the price mounted steadily until it reached £9 per ton, and six months later a further increase to £9 10s. occurred. In August the price dropped suddenly to £8 per ton, and in September was back to the original level of £6. In October the price again rose to £7 10s.; in November to £9, at which figure it remained till March of this year, when it dropped to £6 10s. When our inquiry opened in March–April of this year the average price was £6 per ton.

7. During 1912–13, and to the outbreak of the war, the price of bran was never higher than £4 10s. per ton and never lower than £3 10s. In September following the outbreak of the war it reached £5 15s., and rose rapidly during October and November to £7. It remained at this figure until April, 1915, when a further rise to £7 10s. took place, and during May, June, and July the price mounted rapidly till it reached £8 10s., at which figure it remained till September, when it fell with equal rapidity to £6 10s., in October to £5 10s., in December to £5; and, with the exception of a rise of 10s. in February, 1916, it has continued to fall until the opening of our inquiry of this year, when the price reached a level as low as in 1912—*viz.*, £4.

8. The price of bread in Christchurch from June, 1912, to March, 1914, was 6½d. delivered. On the 2nd April, 1914, the price rose to 7d., and remained at this price until the 10th September, 1914, when it was advanced to 7½d. In January, 1915, a further rise to 8½d. took place, and in March of the same year bread was selling at 10d. This price was maintained till July, when it dropped to 9½d., in August to 9d., and on the 15th September to 8½d. From this date till our inquiry opened on the 29th March, 1916, the price remained at this figure.

The cost of delivery, in the opinion of the majority of the master bakers examined, amounted to at least 1½d. An examination of the delivery costs of a number of bakers convinces us that in an average business this is not an unreasonable charge to make. It could, of course, be considerably reduced if the delivery were made from one distributing-centre. In Nelson we were assured by one baker it costs only half the amount set out above where motor delivery has superseded delivery by horse and cart.

In most bakery businesses over-the-counter sales are discouraged, the reason given being that they disorganize the delivery without reducing its cost. We are of the opinion, however, that over-the-counter sales should be encouraged, and that a relative over-the-counter price should be insisted on by legal enactment. Where people are willing to call for their bread and pay cash they should not be penalized by having to pay the same amount as if it were delivered at their door. In another part of this report we make a recommendation dealing with this aspect of the question.

9. As a good deal of discussion has taken place on the disparity in price between, say, the quantity of wheat sufficient to make a ton of flour and the price the ultimate consumer pays for the manufactured article, we have thought it advisable to set out the facts as accurately as they could be obtained from the evidence before us. We take it as established that 46 bushels of good milling-wheat will produce a ton of flour, but many millers in giving evidence allowed 48 bushels to the ton, and probably this season, owing to the poor quality of the wheat, 48 bushels is not too much to allow. We further take it as established that 670 4 lb. loaves can be produced from a ton of flour weighing 2,000 lb. Various estimates ranging from 640 to 710 loaves were given by bakers. We believe, however, that 670 loaves is a fair average. The prices obtainable by farmers for milling-wheat at the time of our inquiry ranged from 4s. 4d. to 4s. 9d. according to grade, and would average 4s. 7d. a bushel. The farmer would therefore receive for his wheat on the basis we have assumed 46 times 4s. 7d. = £10 10s. 10d. Railage to mill and commission average 3d. per bushel = 11s. 6d. The miller therefore pays for his wheat at the mill £11 2s. 4d. plus the cost of sacks.

The cost of manufacture into flour differs considerably according to the capacity, output, and efficiency of the plant. In fact, no two mills gave similar results. After comparing the whole of the returns furnished us and closely analysing the items included, we have come to the conclusion that the manufacturing cost per ton of a plant with an output of 5,000 tons yearly, working on the average two shifts, amounts to £1 7s. 6d. An addition must be made for charges to f.o.b., and selling commissions and discounts, and an allowance for offal must be taken into account.

Taking as the basis of calculation 46 bushels of wheat to a ton of flour, the cost of a ton of flour will work out as follows :—

	£	s.	d.
46 bushels at 4s. 10d.	11	2	4
Cost of manufacture*	1	7	6
Railage to f.o.b.	0	3	7½
Commission and discount as on selling-price of £13	0	13	0
	13	6	5½
Less allowance for offal at mill	1	7	8
	£11	18	9½

Interest on capital has not been included in the above calculation, and no allowance has been made for bad debts.

The above shows a profit to the miller of £1 1s. 2½d. per ton. If 48 bushels is taken as the basis the profit would amount to 9s. 8d. less.

Turning now to the manufacture of the flour into bread, and taking the conditions in Christchurch as a standard, we find the cost to be as follows :—

	£	s.	d.
Flour	12	13	6
Potatoes	0	8	0
Yeast	0	3	6
Salt	0	2	0
Improvers	0	5	0
Firing	0	12	6
Lighting	0	1	6
Power	0	1	0
Depreciation	0	5	0
Rent	0	10	0
Wages	2	10	0
Stationery and rates	0	1	6
Insurance	0	1	6
Incidental	0	2	6
	17	17	6
Delivery	4	2	6
	£22	0	0

At 8½d. delivered the profit to the baker would amount to £1 10s. 5d. per ton. An average bakery would deal with 3 tons of flour per week, and the profit shown, in our opinion, is reasonable.

10. Fluctuations in local prices are the result of causes which operate not in New Zealand alone but throughout the whole economic world. A comparison between New Zealand and England wheat-price movements over a long period shows that they rise and fall in unison, and this sympathy of movement is too pronounced to be merely coincidence. Prior to the outbreak of the war the prices of wheat and flour showed a tendency to rise throughout the world, owing to a decrease in world production, and New Zealand prices were rising in sympathy. This movement was totally unconnected with the question of whether there was or was not a sufficiency in the local market for home consumption.

11. On the outbreak of the war, however, world prices soared rapidly, due to five main causes :—

- (a.) There was an immediate rise in freights between wheat-exporting countries and England, due mainly to increased war risks and the withdrawal of tonnage from mercantile to war purposes.
- (b.) There was an obstruction of supplies not only in the zone of conflict but in eastern Europe, due to the closing of the Dardanelles.
- (c.) The shortage of supplies mentioned above was now generally known, the amount of the world shortage being at least 10 per cent. in comparison with the year immediately preceding.
- (d.) There was an actual destruction of growing supplies in both France and Poland by the invading Germans.
- (e.) Lastly, the psychological factor—the fear of famine prices—caused somewhat of a panic in the chief wheat-markets.

12. In normal years the price of wheat in New Zealand reaches its maximum in the months of October and November, and begins to fall in December in anticipation of the new season's yields. In 1914, however, it was known by December that the Australian crop would be a complete failure; underestimates of New Zealand's wheat acreage were given general credence in spite of reassuring statements to the contrary from semi-official sources. These two local factors accelerated the upward price movement, and accentuated the difficulties of a position already acute for the reasons detailed in the preceding paragraphs. By September wheat was selling at 5s. per bushel and flour at £13 per ton, a rise of 25 per cent. and 20 per cent. respectively on the prices ruling immediately prior to the outbreak of war.

* Includes wages, sacks, power, depreciation, interest on stocks, management and clerical, rates and taxes, and other charges.

13. Undoubtedly the initial cause of the increase in prices was a deficiency of supply as compared with demand in the world market, and opinion generally is that prices would have risen even if war had not produced abnormal conditions. But when to this deficiency of supply due to natural causes there was added the deficiency of supply due to panic buying of wheat and flour on the part of traders and the general public, it was to be expected that prices would reach a high level. The effect of a temporary failure in the supply of any commodity is normally that the price rises, and rises without relation to the cost of production and distribution; and those who have bought at the lower price are in a position to reap profits proportionate to the amount of their purchases, if they take advantage of the change in the market. The time at our disposal did not enable us to ascertain the amount of purchases of wheat by individual millers at the prices ruling prior to the outbreak of hostilities, but enough evidence was available to show that for the milling year ending 31st January, 1915, which included five months under war conditions, substantial profits were made by those who had secured supplies of wheat at pre-war prices. In other cases where stocks were not held or contracted for losses were sustained.

14. In normal times increase of price of a commodity induces economy in its use and automatically attracts further supplies, and thereby tends to provide its own remedy. In the case of flour, however, where consumption varies little, notwithstanding price, these considerations do not apply. In the abnormal and unprecedented conditions prevailing from August to December, 1914, a serious crisis would probably have occurred if the distribution of available stocks had been left to the ordinary working of the law of supply and demand. No doubt a little economy in consumption was practised, and the high price of wheat proved a sufficient inducement to farmers to increase the acreage under wheat cultivation, but long before these factors could have affected the situation the poorer classes would have been faced with prices beyond their ability to pay. What undoubtedly steadied the market was the Government purchase of Canadian and Australian wheat, as it acted immediately on what we termed the psychological factor, and lessened, if it did not entirely end, the demand due to "panic" orders.

15. In considering the question of reasonableness of the prices prevailing to-day for wheat we have come to the conclusion that although substantially higher than pre-war prices, they are no higher than prices at which foreign wheat could be landed in New Zealand, and in this sense they are reasonable. We have come to the conclusion from the evidence before us that no proportion of the prices of flour and bread is attributable to the existence of definitely constituted "rings" or close corporations among either millers or master bakers, but there are evidently opportunities of conference among those chiefly concerned which do in effect commonly lead to concerted action with respect to prices. For the purposes of comparison, the Board had hoped to append a statement showing the wholesale prices of the commodities dealt with in the report not only in New Zealand, but in London, the Dominion of Canada, and the Commonwealth of Australia. Owing, however, to the lack of statistical information in New Zealand, the Board has not been able to obtain the complete information. The data will, however, be collected and published later.

16. The millers in Christchurch comprising those selling through the New Zealand Flour and Produce Company (Limited) and the other local millers are, owing to lack of outside competition, able to obtain from 10s. to £1 per ton more in the Christchurch market than they can obtain in markets supplied by sea carriage where the price is fixed in competition with mills in other parts of the Dominion. The difference in the cost of flour in Christchurch and f.o.b. Timaru and Lyttelton—namely, from 10s. to £1 per ton—appears to be unwarranted.

17. The opinion was freely expressed by the majority of the witnesses examined that the Canterbury farmers who grow wheat are dissatisfied with the future prospects of remunerative prices, and it was freely alleged that unless some steps were taken by the Government to encourage wheat-growing in the Dominion the acreage sown in the immediate future would be insufficient to meet local requirements, and it was further contended by these witnesses that the "self-sufficing" ideal should guide our national policy in regard to wheat-production. It may therefore be a question for the Government to consider—

- (1.) Whether wheat-growing should be encouraged in New Zealand:
- (2.) What methods should be adopted to encourage wheat-growing:
- (3.) Whether the industry should be left to its own resources and the open competition of other countries.

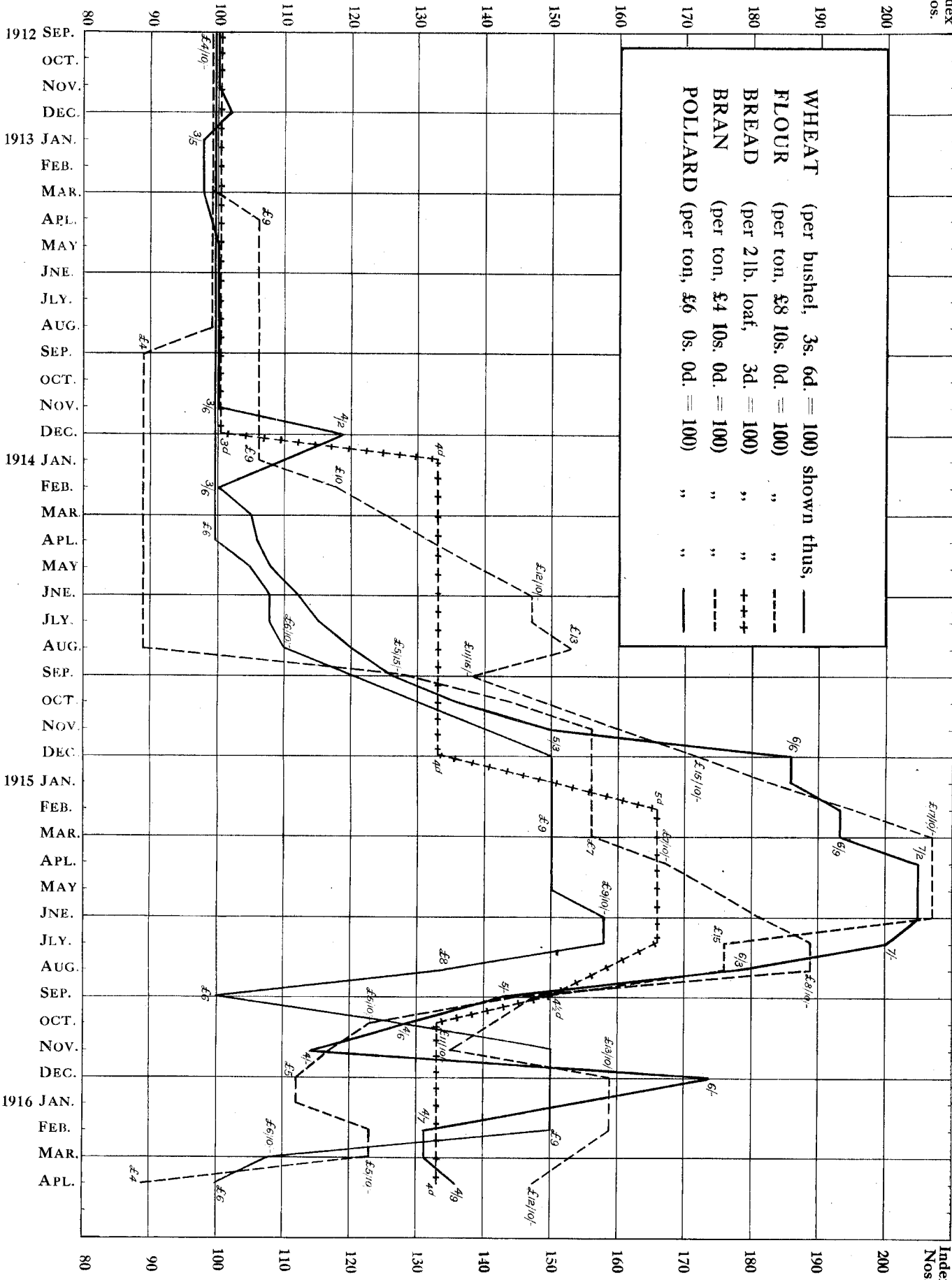
Upon these points the Commission have not taken sufficient evidence to enable them to make a recommendation.

RECOMMENDATIONS.

18. The impression left upon our minds by the evidence and information before us is that the distribution of the food-supply of the Dominion cannot safely be left in a time of crisis to the working of an unregulated system of supply and demand; and we consider that the situation as regards prices of flour and by-products of wheat should be closely and continuously watched with the aid of returns that should be periodically furnished through the Government Statistician to the Board of Trade. We therefore recommend that it be enacted that millers and recognized dealers in grain should be registered with the Board of Trade, and should furnish from week to week quantities of wheat purchased and the prices paid. Appropriate penalties should be provided for omitting to furnish, or furnishing false returns. It would be the duty of the Board, in conjunction with the Government Statistician, to collate the information thus supplied, and weekly to publish an official quotation of the actual market prices. At present the leading newspapers publish weekly market quotations, and we are in possession of evidence that the publication of unreliable information by speculators has on occasions

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WHEAT (per bushel, 3s. 6d. = 100) shown thus, —
 FLOUR (per ton, £8 10s. 0d. = 100) ———
 BREAD (per 2lb. loaf, 3d. = 100) ++++
 BRAN (per ton, £4 10s. 0d. = 100) ----
 POLLARD (per ton, £6 0s. 0d. = 100) ———



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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.

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.

TABLE SHOWING THE WHOLESALE PRICE OF WHEAT PER BUSHEL IN VARIOUS CENTRES OF THE WORLD AS AT 31ST JULY IN EACH OF THE YEARS 1912, 1913, AND 1914.

Town.	July, 1912.	July, 1913.	July, 1914.
	s. d.	s. d.	s. d.
London (English Gazette average)	4 10 $\frac{1}{4}$	4 2 $\frac{1}{4}$	4 2 $\frac{3}{4}$
Paris (current month)	6 4 $\frac{1}{2}$	6 4 $\frac{3}{4}$	5 9 $\frac{1}{4}$
Berlin (September)	5 5 $\frac{1}{2}$	5 5	5 2 $\frac{1}{2}$
Budapest (October)	5 3	5 2 $\frac{3}{4}$	6 0 $\frac{1}{2}$
Antwerp (September)	4 4 $\frac{1}{2}$	4 4 $\frac{1}{4}$	..
Chicago (September)	3 11 $\frac{1}{4}$	3 7 $\frac{1}{2}$	3 4
Winnipeg (October)	3 11 $\frac{3}{4}$	3 9 $\frac{3}{4}$	3 6 $\frac{1}{4}$

NOTE.—Figures derived from *London Economist*.

SCHEDULE SHOWING THE WHOLESALE PRICE OF WHEAT PER BUSHEL IN LONDON, MELBOURNE, AND CHRISTCHURCH, MONTH BY MONTH, DURING THE YEARS, 1912, 1913, 1914, 1915, AND 1916.

Year and Month.	London.	Melbourne.	Christ-church (at Mill).	Year and Month.	London.	Melbourne.	Christ-church (at Mill).
1912.	s. d.	s. d.	s. d.	1914— <i>ctd.</i>	s. d.	s. d.	s. d.
January ..	4 3 $\frac{1}{2}$	3 8	3 9	March ..	4 5	3 10	3 9
February ..	4 6 $\frac{1}{2}$	3 9	3 8	April ..	4 4	3 9 $\frac{1}{4}$	3 9
March ..	4 8	3 9	3 7	May ..	4 5	3 10 $\frac{1}{2}$	3 9
April ..	4 7	4 1	3 7	June ..	4 5	3 11	3 9
May ..	..	4 3 $\frac{1}{2}$	3 9	July ..	4 5	3 10 $\frac{3}{4}$	3 9
June ..	..	4 2 $\frac{1}{4}$	3 8	August ..	5 7	4 5 $\frac{1}{2}$	4 3
July ..	4 11	4 1 $\frac{1}{4}$	3 7	September ..	5 10	4 11	4 9
August ..	5 0	4 1 $\frac{1}{4}$	3 7	October ..	5 6	4 9	4 9
September ..	4 10	4 3 $\frac{3}{4}$	3 7	November ..	5 10	5 1	5 3
October ..	4 9 $\frac{1}{4}$	4 4 $\frac{1}{2}$	3 8	December ..	6 1	6 7 $\frac{1}{2}$	5 3
November ..	4 8 $\frac{3}{4}$	4 2 $\frac{1}{2}$	3 7	1915.			
December ..	4 7	3 10	3 7	January ..	7 10	7 1	6 10
1913.				February ..	7 10	8 0	6 11
January ..	4 5 $\frac{3}{4}$	3 6 $\frac{3}{4}$	3 7	March ..	7 8	8 2	7 0
February ..	4 7	3 6 $\frac{3}{4}$	3 7	April ..	7 10	7 10 $\frac{1}{2}$	7 2
March ..	4 8	3 7 $\frac{3}{4}$	3 8	May ..	8 1	7 11	7 2
April ..	4 9 $\frac{1}{4}$	3 9	3 8	June ..	6 6	7 11	7 2
May ..	4 8 $\frac{3}{4}$	3 9	3 8	July ..	6 9	7 11	7 2
June ..	4 8 $\frac{3}{4}$	3 8 $\frac{1}{2}$	3 9	August ..	6 4	7 11	6 11
July ..	4 8 $\frac{3}{4}$	3 8 $\frac{1}{4}$	3 8	September ..	5 8	7 11	6 0
August ..	4 9 $\frac{1}{4}$	3 8 $\frac{1}{2}$	3 8	October ..	6 4	7 7	5 2
September ..	4 8	3 8 $\frac{1}{2}$	3 7	November ..	6 10	6 5	4 2
October ..	4 4 $\frac{1}{4}$	3 6 $\frac{1}{2}$	3 8	December ..	7 6	5 2 $\frac{3}{4}$	6 0
November ..	4 3 $\frac{1}{2}$	3 5 $\frac{3}{4}$	3 8	1916.			
December ..	..	3 5 $\frac{3}{4}$	4 2	January ..	8 3	5 11 $\frac{1}{2}$	5 5
1914.				February ..	8 6	5 11 $\frac{1}{2}$	5 8
January ..	4 3	3 5 $\frac{3}{4}$	3 11	March ..	8 1	5 0 $\frac{1}{2}$	4 9
February ..	4 5	3 8	3 6	April ..	7 7	4 9	4 10

SCHEDULE SHOWING THE WHOLESALE PRICE OF FLOUR PER TON IN LONDON, MELBOURNE, AND CHRIST-CHURCH, MONTH BY MONTH, DURING THE YEARS 1912, 1913, 1914, 1915, AND 1916.

Year and Month.	London.	Melbourne.	Christ-church.	Year and Month.	London.	Melbourne.	Christ-church.
1912.	£ s. d.	£ s. d.	£ s. d.	1914— <i>ctd.</i>	£ s. d.	£ s. d.	£ s. d.
January ..	11 0 0	8 3 9	8 10 0	March ..	10 15 0	9 0 0	10 0 0
February ..	11 15 0	8 3 9	8 10 0	April ..	10 10 0	9 0 0	10 0 0
March ..	12 5 0	8 3 9	8 10 0	May ..	10 15 0	9 0 0	10 0 0
April ..	11 15 0	8 7 6	8 10 0	June ..	10 15 0	9 0 0	11 0 0
May ..	12 5 0	9 1 3	8 10 0	July ..	10 0 0	9 0 0	12 0 0
June ..	12 10 0	9 1 3	8 10 0	August ..	12 0 0	9 17 4	12 10 0
July ..	11 0 0	9 1 3	8 10 0	September ..	14 0 0	10 17 4	13 0 0
August ..	11 0 0	9 1 3	8 10 0	October ..	14 0 0	10 0 0	13 0 0
September ..	11 0 0	9 5 0	8 10 0	November ..	14 0 0	11 2 1	13 0 0
October ..	11 10 0	9 5 0	8 10 0	December ..	14 0 0	13 15 4	13 0 0
November ..	11 0 0	9 12 6	8 10 0				
December ..	11 10 0	9 7 6	8 10 0	1915.			
				January ..	15 0 0	14 17 9	15 10 0
1913.				February ..	17 5 0	17 2 1	16 10 0
January ..	10 15 0	9 7 6	8 10 0	March ..	18 10 0	18 4 0	17 10 0
February ..	10 15 0	8 12 6	8 10 0	April ..	20 0 0	17 8 10	17 10 0
March ..	10 15 0	8 11 3	8 10 0	May ..	19 5 0	17 0 0	17 10 0
April ..	11 10 0	8 11 3	9 0 0	June ..	16 10 0	17 0 0	17 10 0
May ..	11 0 0	8 15 0	9 0 0	July ..	16 10 0	17 0 0	16 5 0
June ..	11 0 0	8 15 0	9 0 0	August ..	16 10 0	17 0 0	15 0 0
July ..	11 0 0	8 15 0	9 0 0	September ..	15 15 0	17 0 0	12 10 0
August ..	10 15 0	8 15 0	9 0 0	October ..	16 15 0	17 0 0	12 10 0
September ..	10 15 0	8 15 0	9 0 0	November ..	17 5 0	15 17 0	11 10 0
October ..	10 15 0	8 18 0	9 0 0	December ..	18 5 0	12 16 8	13 10 0
November ..	10 10 0	8 10 0	9 0 0				
December ..	10 10 0	8 10 0	9 0 0	1916.			
				January ..	19 5 0	12 10 0	13 10 0
1914.				February ..	19 5 0	12 10 0	13 10 0
January ..	10 10 0	8 10 0	9 0 0	March ..	18 10 0	12 4 2	13 0 0
February ..	10 15 0	9 0 0	9 0 0	April ..	17 15 0	11 6 5	12 10 0

10. The figures quoted in regard to New Zealand show in the opinion of the Board the true movement of prices. During its investigations it found that the prices paid by different buyers varied slightly from the above table, being sometimes a little behind or ahead of the market, but, in the main, prices supplied us from different sources closely approximate those given above, and these we think may be taken as a reliable index of the fluctuations that have occurred during the period dealt with.

11. The further information we have gleaned during our inquiries in the North does not in any way lead us to modify the conclusions and recommendations embodied in our main report.

19th June, 1916.

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

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