

SESSION II.
1918.
NEW ZEALAND.

BOARD OF TRADE

(SECOND ANNUAL REPORT OF THE).

Presented to both Houses of the General Assembly in accordance with Section 11 of the Cost of Living Act, 1915.

To the Right Honourable William Ferguson Massey, P.C., President, Board of Trade.

THE Cost of Living Act, 1915, provides that a report of the transactions of the Board for the year ending on the 31st day of March shall be laid before Parliament within twenty-one days after the commencement of the session of Parliament held next after the said day, and in compliance with this section we have the honour to present herewith the second annual report of the Board for the year ending 31st March, 1918.

The work of the Board for the period under review has consisted mainly in inquiries into matters affecting the cost of living, and especially upon questions relating to the supply, demand, or price of commodities, and into complaints that the prices of particular classes of goods are unreasonably high.

No complaint was received by the Board alleging an infringement of any provisions of the Commercial Trusts Act, 1910, and amendments thereto, and it is therefore reasonable to infer from the omission of the public to lodge complaints in this respect that the trade of New Zealand is free from the operation of commercial trusts. A "commercial trust" is defined in that Act as meaning "Any association or combination (whether incorporated or not) of any number of persons, established either before or after the commencement of this Act, and either in New Zealand or elsewhere, and (a) having as its object or as one of its objects that of (i) controlling, determining, or influencing the supply or demand or price of any goods in New Zealand or any part thereof or elsewhere, or that of (ii) creating or maintaining in New Zealand or any part thereof or elsewhere a monopoly, whether complete or partial, in the supply or demand of any goods; or (b) acting in New Zealand or elsewhere with any such object as aforesaid."

One hundred and forty complaints have been received regarding the high prices of commodities, and these complaints have been investigated from time to time, and wherever in the opinion of the Board it was deemed desirable adjustments of prices have been effected. In addition 478 witnesses were examined by the Board in respect to the inquiries made. The main features of the Board's work in this connection are detailed later in this report.

As was to be expected, the food-supply of the Dominion received the Board's particular attention.

WHEAT, FLOUR, AND BREAD.

On the 1st April, 1917, the prices of wheat and flour were governed by the Order in Council dated 6th February, 1917, but it was known that on account of the dry season experienced in the South Island there would be a shortage in the wheat crop, and that it was imperative that steps should be taken to supplement the local supplies by importation from Australia. As early as the 18th December, 1916, at a meeting of the Board of Trade presided over by the Hon. W. D. S. MacDonald, a resolution was carried to the effect that the Government be urged immediately to take steps to secure an option to purchase 1,000,000 bushels of Australian wheat for delivery between August and December, 1917. The Board reported to the Hon. W. D. S. MacDonald, *inter alia*, as follows: "Our reason for urging that an option should be secured without delay lies in the fact that there is a world shortage [of wheat], due in the main to Canada's yield being less than half of what it was last year; prices in consequence are rising, and our only practicable source of supply is Australia, and during the last month [November, 1916] the price in Australia for export has been advanced from 5s. to 5s. 4½d. per bushel. The Imperial Government has purchased large quantities of