

SESSION II.
1912.
NEW ZEALAND

COST OF LIVING IN NEW ZEALAND

(REPORT AND EVIDENCE OF THE ROYAL COMMISSION ON).

Presented to both Houses of the General Assembly by Command of His Excellency.

CONTENTS.

	Page
Commission	iii
Report	viii
Minutes of Proceedings	cix
Summary of Evidence and Classification of Witnesses	cxv
Indexes to Minutes of Evidence	cxxxiii
Minutes of Evidence	1
Exhibits	485
Addendum (Medical Statements)	505

MEMBERS OF THE COMMISSION.

- MR. EDWARD TREGGEAR, I.S.O. (Chairman), Ex Secretary of Labour, Wellington ;
MR. ANDREW FAIRBAIRN, Merchant, Christchurch ;
MR. EDWIN HALL, Auckland Agricultural and Pastoral Association, Auckland ;
MR. JAMES HIGHT, M.A., Litt.D., F.R.E.S., Professor of History and Economics, Canterbury College, Christchurch ;
MR. GEORGE WILLIAM LEADLEY, Farmer, Ashburton ;
MR. WILLIAM GEORGE MACDONALD, Solicitor, Wespport ;
MR. JOHN ROBERTSON, M.P., Levin ;
MR. WILLIAM ANDREW VEITCH, M.P., Wanganui.

Commission assembled 31st May, 1912.

Reported on 30th August, 1912.

MR. J. W. COLLINS,
Secretary to Commission,
(Department of Labour),
Wellington.

COMMISSION.

ISLINGTON, Governor.

To all to whom these presents shall come, and to Andrew Fairbairn, Esquire, of Christchurch; Edwin Hall, Esquire, of Auckland; George William Leadley, Esquire, of Wakanui; William George Macdonald, Esquire, of Westport; John Robertson, Esquire, M.P., of Levin; John Ross, Esquire, of Dunedin; Edward Tregear, Esquire, I.S.O., of Wellington; William Andrew Veitch, Esquire, M.P., of Wanganui: Greeting.

WHEREAS it is deemed expedient to appoint a Commission to inquire into and report upon the subject of the cost of living in New Zealand, and the necessity or expediency of legislation with respect thereto:

Now, therefore, I, John Poynder Dickson-Poynder, Baron Islington, the Governor of the Dominion of New Zealand, in exercise of the powers conferred by the Commissions of Inquiry Act, 1908, and of all other powers and authorities enabling me in this behalf, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby constitute and appoint you, the said

ANDREW FAIRBAIRN,
EDWIN HALL,
GEORGE WILLIAM LEADLEY,
WILLIAM GEORGE MACDONALD,
JOHN ROBERTSON,
JOHN ROSS,
EDWARD TREGEAR, and
WILLIAM ANDREW VEITCH,

to be a Commission to inquire into and report on the following questions:—

1. Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten than during the previous ten years?
2. Has that increase, if any, been more marked in New Zealand than in other English-speaking countries?
3. To what extent is the increased cost of living, if any, the result of a higher standard of living?
4. In what special direction has the increase, if any, been most marked: (a) Rent; (b) food; (c) clothing; (d) lighting and fuel; (e) household necessaries; (f) attendance; (g) education?
5. To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?
6. What has been the effect on prices of the tariff reduction?
7. To what extent, if any, has the rise in the price of land, during the past twenty years, contributed to the rise in the price of commodities?
8. What effect has the demand for New Zealand products beyond the Dominion had on prices of such commodities?
9. What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?

10. What influence, if any, has the value of gold had on the cost of living ?
11. What effect have the movements of the urban and rural populations had on the cost of living ?
12. What causes generally have brought about the increased cost of living ?
13. What steps should be taken with a view to reducing the cost of the necessaries of life ?

And with the like advice and consent I do further appoint you, the said

GEORGE WILLIAM LEADLEY,

to be Chairman of the said Commission.

And for the better enabling you, the said Commission, to carry these presents into effect, you are hereby authorized and empowered to make and conduct any inquiry under these presents at Dunedin, Christchurch, Wellington, and Auckland, and at such times as you deem expedient, with power to adjourn from time to time and from place to place as enumerated as you think fit, and to call before you and examine on oath or otherwise, as may be allowed by law, such person or persons as you think capable of affording information in the premises ; and you are also empowered to call for and examine all such books and records as you deem likely to afford you the fullest information on the subject-matter of the inquiry hereby directed to be made, and to inquire of and concerning the premises by all lawful means whatsoever.

And, using all diligence, you are required to report to me, under your hands and seals, not later than the twenty-fifth day of June, one thousand nine hundred and twelve, your opinion as to the aforesaid matters.

And it is hereby declared that these presents shall continue in full force and virtue although the inquiry is not regularly continued from time to time or from place to place by adjournment.

And, lastly, it is hereby further declared that these presents are issued under and subject to the provisions of the Commissions of Inquiry Act, 1908.

Given under the hand of His Excellency the Right Honourable John Poynder Dickson-Poynder, Baron Islington, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies ; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this twenty-fourth day of May, in the year of our Lord one thousand nine hundred and twelve.

THOS. MACKENZIE,
Prime Minister.

Approved in Council.

LEOD. E. JOHNSON,
Acting Clerk of the Executive Council.

APPOINTMENT OF DR. JAMES HIGHT IN PLACE OF JOHN ROSS, Esq., RESIGNED.

ISLINGTON, Governor.

To all to whom these presents shall come, and to James Hight, Esquire, M.A., F.R.E.S., Litt.D., of Christchurch : Greeting.

WHEREAS by a Warrant dated the twenty-fourth day of May, one thousand nine hundred and twelve, the Governor in Council appointed certain persons, including John Ross, Esquire, of Dunedin, to be a Commission to inquire into and report upon the subject of the cost of living in New Zealand, and the necessity or expediency of legislation with respect thereto :

And whereas the said John Ross has resigned his appointment as a member of the said Commission, and it is expedient to appoint another member in his place :

Now, therefore, in exercise and pursuance of the powers and authorities conferred by the Commissions of Inquiry Act, 1908, I, John Poynder Dickson-Poynder, Baron Islington, Governor of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby appoint you, the said

JAMES HIGHT,

to be a member of the aforesaid Commission, in place of the said John Ross, resigned.

Given under the hand of His Excellency the Right Honourable John Poynder Dickson-Poynder, Baron Islington, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this seventh day of June, in the year of our Lord one thousand nine hundred and twelve.

GEO. LAURENSON.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT.

ISLINGTON, Governor.

To all to whom these presents shall come, and to Andrew Fairbairn, Esquire, of Christchurch; Edwin Hall, Esquire, of Auckland; George William Leadley, Esquire, of Wakanui; William George Macdonald, Esquire, of Westport; John Robertson, Esquire, M.P., of Levin; James Hight, Esquire, of Christchurch; Edward Tregear, Esquire, I.S.O., of Wellington; William Andrew Veitch, Esquire, M.P., of Wanganui.

WHEREAS by Warrants dated the twenty-fourth day of May, one thousand nine hundred and twelve, and the seventh day of June, one thousand nine hundred and twelve, Andrew Fairbairn, Edwin Hall, George William Leadley, William George Macdonald, John Robertson, James Hight, Edward Tregear, and William Andrew Veitch were appointed to be a Commission under the Commissions of Inquiry Act, 1908, for the purposes set out in the said Warrants:

And whereas by the said Warrants you were required to report to me under your hands and seals your opinions as to the aforesaid matters not later than the twenty-fifth day of June, one thousand nine hundred and twelve:

And whereas it is expedient that the said period should be extended as hereinafter provided:

Now, therefore, I, John Poynder Dickson-Poynder, Baron Islington, the Governor of the Dominion of New Zealand, in pursuance of the powers vested in me by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby extend the period within which you shall report to me as by the said Commission provided to the twenty-third day of July, one thousand nine hundred and twelve.

And in further pursuance of the powers vested in me by the said Act, and with the like advice and consent, I do hereby confirm the said Commission except as altered by these presents.

Given under the hand of His Excellency the Right Honourable John Poynder Dickson-Poynder, Baron Islington, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this first day of July, in the year of our Lord one thousand nine hundred and twelve.

THOS. MACKENZIE,
Prime Minister.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

FURTHER EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT

ISLINGTON, Governor.

To all to whom these presents shall come, and to Andrew Fairbairn, Esquire, of Christchurch; Edwin Hall, Esquire, of Auckland; George William Leadley, Esquire, of Wakanui; William George Macdonald, Esquire, of Westport; John Robertson, Esquire, M.P., of Levin; James Hight, Esquire, of Christchurch; Edward Tregear, Esquire, I.S.O., of Wellington; William Andrew Veitch, Esquire, M.P., of Wanganui.

WHEREAS by Warrants dated the twenty-fourth day of May, one thousand nine hundred and twelve, the seventh day of June, one thousand nine hundred and twelve, and the first day of July, one thousand nine hundred and twelve, Andrew Fairbairn, Edwin Hall, George William Leadley, William George Macdonald, John Robertson, James Hight, Edward Tregear, and William Andrew Veitch were appointed to be a Commission under the Commissions of Inquiry Act, 1908, for the purposes set out in the said Warrant:

And whereas by the said Warrants you were required to report to me under your hands and seals your opinion as to the aforesaid matters not later than the twenty-third day of July, one thousand nine hundred and twelve:

And whereas it is expedient that the said period should be extended as hereinafter provided:

Now, therefore, I, John Poynder Dickson-Poynder, Baron Islington, the Governor of the Dominion of New Zealand, in pursuance of the powers vested in me by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby extend the period within which you shall report to me as by the said Commission provided to the twenty-third day of August, one thousand nine hundred and twelve:

And in further pursuance of the powers vested in me by the said Act, and with the like advice and consent, I do hereby confirm the said Commission except as altered by these presents.

Given under the hand of His Excellency the Right Honourable John Poynder Dickson-Poynder, Baron Islington, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this twenty-ninth day of July, in the year of our Lord one thousand nine hundred and twelve.

W. F. MASSEY,
Prime Minister.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

FURTHER EXTENDING PERIOD WITHIN WHICH THE COMMISSION SHALL REPORT.

ISLINGTON, Governor.

To all to whom these presents shall come, and to Andrew Fairbairn, Esquire, of Christchurch; Edwin Hall, Esquire, of Auckland; George William Leadley, Esquire, of Wakanui; William George Macdonald, Esquire, of Westport; John Robertson, Esquire, M.P., of Levin; James Hight, Esquire, of Christchurch; Edward Tregear, Esquire, I.S.O., of Wellington; William Andrew Veitch, Esquire, M.P., of Wanganui.

WHEREAS by Warrants dated the twenty-fourth day of May, one thousand nine hundred and twelve, the seventh day of June, one thousand nine hundred and twelve, the first day of July, one thousand nine hundred and twelve, and the twenty-ninth

day of July, one thousand nine hundred and twelve, Andrew Fairbairn, Edwin Hall, George William Leadley, William George Macdonald, John Robertson, James Hight, Edward Tregear, and William Andrew Veitch were appointed to be a Commission under the Commissions of Inquiry Act, 1908, for the purposes set out in the said Warrant :

And whereas by the said Warrants you were required to report to me under your hands and seals your opinion as to the aforesaid matters not later than the twenty-third day of August, one thousand nine hundred and twelve :

And whereas it is expedient that the said period should be extended as hereinafter provided :

Now, therefore, I, John Poynder Dickson-Poynder, Baron Islington, the Governor of the Dominion of New Zealand, in pursuance of the powers vested in me by the said Act, and acting by and with the advice and consent of the Executive Council of the said Dominion, do hereby extend the period within which you shall report to me as by the said Commission provided to the thirtieth day of August, one thousand nine hundred and twelve.

And in further pursuance of the powers vested in me by the said Act, and with the like advice and consent, I do hereby confirm the said Commission except as altered by these presents.

Given under the hand of His Excellency the Right Honourable John Poynder Dickson-Poynder, Baron Islington, Governor and Commander-in-Chief in and over His Majesty's Dominion of New Zealand and its Dependencies ; and issued under the Seal of the said Dominion, at the Government House, at Wellington, this twenty-sixth day of August, in the year of our Lord one thousand nine hundred and twelve.

W. F. MASSEY,
Prime Minister.

Approved in Council.

J. F. ANDREWS,
Clerk of the Executive Council.

REPORT.

To His Excellency the Right Honourable John Poynder Dickson-Poynder,
Baron Islington, Governor and Commander-in-Chief in and over His
Majesty's Dominion of New Zealand and its Dependencies.

MAY IT PLEASE YOUR EXCELLENCY,—

WE, the Commissioners appointed by Your Excellency's Letters Patent of the 24th May, 1912, which Letters Patent were extended on the 1st July, 1912, the 29th July, 1912, and still further extended on the August, 1912, by which we were directed to inquire into the following matters and things, that is to say,—

Scope of the
inquiry.

1. Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten than during the previous ten years?
2. Has that increase, if any, been more marked in New Zealand than in other English-speaking countries?
3. To what extent is the increased cost of living, if any, the result of a higher standard of living?
4. In what special direction has the increase, if any, been most marked—*(a)* rent, *(b)* food, *(c)* clothing, *(d)* lighting and fuel, *(e)* household necessaries, *(f)* attendance, &c., *(g)* education?
5. To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?
6. What has been the effect on prices of the tariff reduction?
7. To what extent, if any, has the rise in the price of land during the past twenty years contributed to the rise in the price of commodities?
8. What effect has the demand for New Zealand products beyond the Dominion had on prices of such commodities?
9. What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?
10. What influence, if any, has the value of gold had on the cost of living?
11. What effect have the movements of the urban and the rural populations had on the cost of living?
12. What causes generally have brought about the increased cost of living?
13. What steps should be taken with a view to reducing the costs of the necessaries of life?

have to report as follows:—

Order of
procedure.

For the purpose of obtaining evidence concerning these several matters, sittings were held at Dunedin, Christchurch, Auckland, and Wellington. Advertisements were inserted in the public Press, inviting those desirous of tendering evidence to attend the Commission's sittings, and every publicity was given to the Commission's work. A large number of witnesses were also subpoenaed. The witnesses, with few exceptions, were examined in public.

Thirty-one open sittings of the Commission were held, in addition to numerous committee meetings. In all 270 witnesses were examined (on oath or affirmation), and their occupations were as follows:—

		Occupations of witnesses.	
Accountants	3	Contractor	1
Agricultural-imple- ment makers	2	Dairymen	3
Apiarist	1	Dairy company manager ..	2
Architects	2	Dentist	1
Auctioneers	4	Doctor of medicine	2
Bakers	4	Domestic duties	5
Bank clerk	1	Drapers	6
Boardinghouse-keeper ..	1	Educationists	5
Boot-machinist	1	Engineers	4
Boot-manufacturers	6	Farmers	23
Boot-retailers	5	Fishermen	6
Boot-trade worker	1	Fishmongers	6
Brickmaker	1	Flourmillers	5
Builders	4	Fruiterers	8
Butchers	11	Furniture-dealers	8
Candle-manufacturers ..	2	Gardeners	2
Caretaker	1	Gas company managers, &c.	3
Carrier	1	Grocers	11
Carpenters	4	Hardware-merchant	1
Civil servants	18	Hollow-ware	2
Clerks	3	Journalists	8
Clothing-manufacturers ..	6	Labourers	5
Coal-merchants	10	Land agents	9
		Meat company managers ..	2
		Merchants	7
		Manager (acting), shipping company	1
		Printer	1
		Produce-merchants	3
		Restaurateur	1
		Saddler	1
		Sawmiller	1
		Secretary, Farmers' Union ..	2
		Secretary, A.M.P. Society ..	1
		Secretary, workers' unions ..	16
		Secretary, Coal Fund	1
		Secretary, shipping company ..	1
		Secretary, Master Grocers' Association	1
		Shipping agent	1
		Soap-manufacturer	1
		Stock-dealer	1
		Tea-merchant	1
		Temperance advocates	2
		Timber-merchants	5
		Tobacconists	2

In addition, several written statements were received from medical practitioners, who gave their opinions on definite questions put before them by the Commission. These questions and statements are printed after the evidence. Medical statements.

The sittings at the centres visited were held on the following dates: Dunedin, 4th to 8th June; Christchurch, 10th to 18th June; Auckland, 20th to 29th June; Wellington, 2nd to 11th July. Date of sittings in chief towns.

We would like to place on record the difficulties of getting reliable evidence from certain witnesses on matters within the scope of the Commission. Whilst valuable evidence was freely tendered by most of the witnesses who appeared before us, there was, on the other hand, a reluctance on the part of some to disclose even in confidence information exclusively in their possession, which would have been of the utmost service to the Commission in framing its report. We would particularly draw attention to the fact that the Commission was met by a point-blank refusal on the part of the Merchants' Association of New Zealand to give any evidence whatever. Difficulty of securing reliable evidence.

Finally, your Commissioners would say that whatever shortcomings there may be in the Report are largely due to the wide range of the investigation, the paucity of statistical information relevant to the questions, the short time allowed us for the inquiry, and the insufficient powers conferred upon us by the Commission of Inquiry Act, 1908. Sources of evidence partly unsatisfactory.

CHAPTER I.—THE COST OF LIVING IN NEW ZEALAND.

Question 1 : Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten than during the previous ten years?

Definition.

1. The first necessary step is to define the term "cost of living"; unless the terms are defined with precision, and the definitions used consistently, there is the danger of failing to appreciate the point at issue, to misapprehend statements, and to multiply errors that are the result of vague and ill-defined notions. Definition is especially needed in economic terms, because these are drawn from the words of every-day life, which have not the precise connotation that fits them for use in an inquiry with any pretence to accuracy. We have had abundant proof in the evidence tendered us that the phrase "cost of living" means different things to different people, quite apart from the fact that it is closely identified with "standard of living."

The "cost of living" means the sum of the exertions and sacrifices necessary to maintain life. But at once certain questions suggest themselves: How shall we express this cost in common terms? And what is the standard of life in view? Money, the common denominator or measure of value, supplies the means of measuring the cost. If we were at the primitive stage, when each man produced the few means of satisfying his needs by his own labour directly, then the cost of living at a given standard would be measured by registering the changes in the amount of labour necessary to produce these goods, though even here a difficulty would arise in choosing between labour-time and labour-sacrifice, or in combining both in a satisfactory ratio. But the application of this measure is impossible in a state of complex combination of labour and division of employments and processes, and an elaborate system of exchange of commodities and services. Money has been developed historically as the means of exchanging the various economic utilities, and of thereby measuring their values, and as these values roughly correspond in the long-run to their costs, to the "efforts and waitings" that have produced the goods, the money-values or prices of the means of life may be taken to measure the cost of living.

2. But the standard of living changes from time to time and from country to country, and is different for different classes of people in the same country at the same time, and differences are observable in the modes of living of people even of the same class, time, and locality. It is clear that to measure the cost of living we must refer to a living at a given standard. What standard shall be chosen? Several offer themselves for selection: there is first the amount of goods necessary for bare physical existence, the subsistence minimum; and above that a great many standards. The guiding principle in our selection has been suggested by reference to the character of the more universal needs of the mass of the people.

We do not propose to include in the term "living" for the purpose of this inquiry the satisfaction of all needs of these classes, but only that of the necessities, comforts, and the commoner luxuries, or conventional necessities. "A distinction must be made between the necessities for efficiency and the necessities for existence, and there is for each rank of industry at any time and place a more or less clearly defined income, which is necessary for merely sustaining its members; while there is another larger income, which is necessary for keeping it in full efficiency."* We understand the necessities of life in the usual economic sense to be the things physiologically necessary to maintain existence, and to secure the continuance of the race. Necessaries of efficiency are the things over and above the necessities of life, the consumption of which adds to the productive value of human agents a sum greater than the cost of the things consumed. According to this definition the price of an article is one of the incidents which settle whether it is a necessary of efficiency to any particular person or not. Comforts are those things which add to the efficiency of a person, but add amounts which have less value than the cost of the comforts. Here again we observe that the price of a thing helps to determine whether it is a comfort or not.†

3. It will be useful to note here those goods that in the opinion of economists constitute the necessities for efficiency—not only for the purpose of enlarging the

* Marshall, "Economics of Industry," p. 43.

† See Chapman, "Outlines of Political Economy," p. 59.

definition, but also to ensure that no constituent in the standard of life shall be overlooked when we come to deal with the improvement of the standard, or with proposals for decreasing the cost. Marshall's statement *re* England may be accepted with slight modifications for New Zealand: "The necessaries for the efficiency of an ordinary agricultural or of an unskilled town labourer and his family in this generation may be said to consist of a well-drained dwelling with several rooms, warm clothing with some changes of underclothing, pure water, a plentiful supply of cereal food, with a moderate allowance of meat and milk, and a little tea, &c., some education and some recreation, and, lastly, sufficient freedom for his wife from other work to enable her to perform properly her maternal and her household duties."* Among the necessaries for efficiency of our workers the chief are a plentiful and nutritious diet; warm clothing; adequate house-room; fuel and lighting; rest to secure physical vigour; leisure for home training; recreation; education (general and technical); freedom from oppression and repression to secure intelligence, resourcefulness, versatility, adaptability, and such moral virtues as temperance, diligence, enterprise, that are of great importance in the industrial life of the people. All these "goods" we may conveniently denote by the brief term "schedule of living."

4. The cost of living may therefore be regarded as roughly measured by the sum of money that represents the efforts and sacrifices necessary to obtain the goods for securing and maintaining a certain standard of existence and efficiency—or, in brief, necessary to purchase a certain amount of food, clothing, and other necessaries and comforts. From knowledge of the actual conditions of the markets for necessaries, and of the variations in the supply of and demand for these goods, every one recognizes that this cost of living is subject to frequent changes. The degree of these changes may be measured by the variations in the prices of the items in the schedule of living. If the sum of these prices be found to increase over a period we should deduce therefrom a rise in the cost of living; if it be found to decrease, a diminution in the cost of living. If there be changes in the various items in the schedule in opposite directions, and such as to neutralize the effects of one another, the sum total and the cost of living would be considered unaffected, though, owing to the different extents to which the demand for different things is affected by similar changes in price, it may happen that the net result is a real rise, or fall, in the cost of living. The difficulties suggested by the latter and other considerations are referred to later.

5. It will now be seen that for an investigation into the extent of the changes in the cost of living it is necessary that there should be available accurate and representative records over a period of—(1) The nature and the amounts of the goods necessary for efficiency and comfort consumed by the people concerned; (2) the prices at which these goods are bought by the consumers; and (3) the relative importance, from the economic standpoint, of each commodity and service. This may be deduced from (1) and (2) by calculating the percentage which the expenditure on each is of the total expenditure on the articles in the schedule.

The records available in New Zealand are very imperfect, and the circumstances of this inquiry would not permit your Commissioners to supplement those already existing to the extent required to make a comprehensive and final pronouncement. The data used by the Commission may be classified thus:—

(1.) Dr. J. W. McIlraith's *Course of Prices in New Zealand from 1860 to 1911* (Government Printer): This gives the annual average wholesale prices in New Zealand, with their index numbers, of forty-five commodities selected on account of their representative character of commodities in general. The commodities are grouped as agricultural products, pastoral products, beverages, liquors, other food-stuffs, materials, oils, and minerals; and there are chapters on the significance of the price changes noted, as well as on the general principles followed by the author in his investigation.

(2.) *Inquiry into the Cost of Living in New Zealand in 1910–11*, by Mr. J. W. Collins, Editor of the *Journal of the Department of Labour* (Government Printer): This analyses the nature of sixty-nine budgets of family expenditure collected in the four cities during October–September, 1910–11, and is the first attempt that

General principles followed in the measurement of changes in the cost of living.

has met with any considerable degree of success to ascertain in the Dominion the cost of living at a given period. If similar investigations had been made in previous years your Commissioners' work would have been greatly facilitated.

(3.) The Statistics of New Zealand, particularly those relating to changes in rates of wages, prices of commodities, and rents in the four cities. As already mentioned, these statistics require extension before they can be of any material assistance in an inquiry like ours.

(4.) Special tables and other statistical matter kindly prepared for the Commission by Mr. M. Fraser, the Government Statistician.

(5.) Evidence tendered to the Commission, which may be classified as—

(a.) Material derived from developing and recombining the subject-matter of the official and private statistics enumerated above, supplemented by original research, as, for instance, the evidence of Dr. McIlraith (see page 264), Professor Segar (see page 303), Mr. F. P. Wilson (see page 407), Mr. F. L. G. Jolly (see page 196).

(b.) Authenticated price-lists and accounts described, explained, and handed in or read to the Commission by witnesses.

(c.) Budgets of household expenditure for certain dates.

(d.) Verbal statements, often from memory only, and of the vaguest description.

(e.) Statements of medical practitioners (see Addendum, page 505).

Of these the most valuable for the purpose of comparing prices were Dr. McIlraith's tables and index numbers, portions of the official statistics (particularly the Labour Department's Inquiry), and the certified price-lists and household accounts. It is to be regretted that the work of the Commission has been made exceedingly difficult, and less exact than should be desired, by the very serious defects in the statistics of the Dominion, a subject to which we return later in this report.

6. In dealing with the material accumulated regarding prices, the Commission was alive to most of the leading principles to be observed in combining and interpreting them, viz. :—

(1.) That wherever possible the greatest care should be taken to select an accurate estimate of the price in question, but that since the inquiry is in the nature of a comparison of *changes in price*, or into *price-ratios*, approximate estimates might be admitted, provided the methods by which they were obtained were the same over the whole period. Thus, if the price of tea in a particular table of prices were found to be calculated from some particular kind of tea not generally used, and high in price, that might be accepted as the price of tea generally, provided, first, that the price had been taken from the same market on the same method throughout, and, secondly, that the price of the tea in question moved in sympathy with the changes in the cost of the general kinds of tea.

(2.) That the prices compared should be the same prices—*i.e.*, that allowance should be made for changes in discounts, and in other details in the methods of charging, such as ex ship, ex store, delivered over the counter or at the house; and that retail prices should be carefully distinguished from wholesale prices.

(3.) That the things priced should be the same not only in kind but also in quality. This is a matter impossible to allow for in the price statistics themselves, as they cannot be manipulated to allow for improvement in quality. But it is important to note that most of the articles with which the inquiry has been concerned have improved in quality during the last twenty years—some of them very considerably; that is to say, not only has there been an improvement in quality in each grade of the commodity, but in many cases new and higher grades of the same article have appeared. If ordinary white bread, *e.g.*, improves in quality and the money price remains the same there is a real fall in price, but there is no plain and convenient method of representing statistically such a fall. All that can be done is to call attention to the fact that the quality has changed.

(4.) That the prices chosen should be thoroughly representative of the prices usually paid for the commodities specified. Actual prices paid were often quoted by witnesses, but it was difficult to discover whether they were representative prices,

or prices for special qualities, or for abnormal lots, or for a narrow and local market, or for a period of abnormally high or low prices. Where prices were quoted it was important, but often impossible, to ascertain what was understood by "average price"—whether it was (a) a simple arithmetical average, or (b) a mean between two extremes, or (c) an average calculated according to the quantity sold at each price, or (d) the price at which most purchases were made.

7. After the most satisfactory of the prices were collected, the next step taken was to combine them in order to compare their levels at different times. A tabulation of the actual prices collected is of little value in affording a convenient measure of the changes in these levels. For this purpose the method commonly adopted is the method of index numbers. A certain period is chosen as the standard or base period; the average prices for that period are equated to 100, and those of subsequent periods are expressed as percentages of the base or standard index number. Thus, in the English Board of Trade index number, of wholesale prices in general, the year 1900 is the base period, the general level of prices for that year is represented by 100, and the levels for 1905 and 1911 as 97·6 and 109·3 respectively, showing in the one case a slight fall and in the other a moderate rise in prices for those years as compared with 1900. In this way changes can be conveniently measured in the prices of a single commodity, a group of commodities, and, on the assumption that the prices of certain goods are representative of all prices, of commodities and services in general. For the complete success of our inquiry one essential is index numbers for the last twenty years of the retail prices in New Zealand of the commodities and services that comprise the schedule of living. Such index numbers do not exist; the materials we have been able to collect contribute very little to the data necessary for their formation, and furthermore it does not appear practicable to form such index numbers at all in the present state of statistical method, even in those countries with well-developed statistical bureaux. Nearly all the index numbers of repute in every country are index numbers of wholesale, not retail, prices, it having been found impossible as yet to frame an accurate general retail index number. The Board of Trade retail index number, which is frequently quoted, is for certain food-prices only, and is said to show semi-wholesale rather than retail prices.* The conditions that preclude the formation of reliable and useful retail index numbers are (1) the absence of standardization of grades and of standard retail quotations for the same article over a series of years; (2) the rapid variations in the quality and the general nature of retail articles, which are powerfully influenced by changes of fashion and the varieties of production; and (3) the local and non-typical character of retail prices.

Combination
of data.

Wherever retail prices have been observed and classified, however, they appear to change in the same directions, and at about the same times, as wholesale prices (and this is in accord with theoretical conditions), so that the use of index numbers of wholesale prices to assist in measuring changes in the cost of living may be justified on both *a priori* and practical grounds—provided, of course, that the index numbers used fairly indicate the prices of the goods actually comprising the schedule of living. The Commission has therefore availed itself largely of the data embodied in the index numbers of Sauerbeck, the Board of Trade, and the *Economist* for the United Kingdom; of Coats for Canada; of the Bureau of Labour and Bradstreet for the United States of America; of Schmitz for Germany, as well as McIlraith's Index Numbers for New Zealand; but the more reliable of the quotations of prices, both retail and wholesale, handed in by witnesses have been used to check the inferences drawn from the study of index numbers. These quotations are, however, mostly single prices, referring to a particular date, district, commodity, or grade of commodity, and the strict application of guiding principles would lead to the rejection of many of them as "primary" material for our particular purpose; but they have been found extremely useful as "secondary" material, for the purpose of checking, testing, and confirming results otherwise obtained.

8. Having ascertained and classified the changes in the prices of the items in the schedule of living over the last twenty years, it is necessary to find the relative expenditure on the various items before combining the changes into an index number

* Bowley, Palgrave's Dict. of P.E., Appendix, p. 800.

of the cost of living ; or, in other words, the prices of each commodity and service must be weighted according to the relative importance of it in the total consumption of the individual. In this respect the information available is particularly meagre. Such data might have been obtained from the production and consumption statistics of these articles in the Dominion, but no statistics of the kind exist of sufficient range and detail. Such material as we could get has been used in order to check the results obtained by other methods.

Another method is to derive these percentages from an examination of a number of workmen's budgets, each showing detailed expenditure of income over a period under certain main heads—*e.g.*, food, rent, clothing, fuel and light, and other expenses. The Commission was able to apply this method also only in an incomplete form, as no statistics of this nature existed before the Labour Department's recent inquiry into the cost of living in 1910–11. It had therefore to be assumed that the distribution of expenditure over the main classes of goods consumed remained constant throughout the period at the ratios shown in the Department's report,* though undoubtedly the general rise in incomes, the fall in the size of the average family, and the rise in the standard of comfort must have changed it to some extent. In interpreting the results an attempt has been made to allow for these factors.

9. The results obtained from index numbers have also been checked, as far as the data given us would allow, by making up a representative or standard budget of consumption, and estimating its total cost at the prices of different years. This method is trustworthy only when a great many accurate samples of actual budgets have been collected relating to a series of years, giving the actual prices paid and the actual quantities consumed. A representative budget may then be deduced for each date. To compare them in order to get the index of the rise or fall in prices the method described by Bowley† may be adopted. Suppose there are two budgets from the series for two separate years. Price the second year's budget at the first year's prices ; the ratio of the two amounts may be 8s. 3d. to 10s. 11d. ; therefore the index number of retail prices equals $\frac{8s. 3d.}{10s. 11d.}$ of 100, equal to 75·6. Price the first year's budget at the second year's prices ; the ratio may be 5s. 10d. to 6s. 10d., and the index number 85·4. Since the first overstates and the second understates the fall, some number between them, preferably their mean (80·5) may be assumed to describe it approximately. Rent presents a serious difficulty, because the influence exerted by improvement in the general quality of the houses and sites, through the expenditure of the rates, cannot be disentangled from that of other factors. Then, since most budgets available relate only to necessities, and even to food only, there is the difficulty of measuring changes in the purchasing-power of the money left over after paying for these ; but for reasons already noticed these changes are fairly well indicated by movements in the wholesale prices index number.

The results arrived at by these various methods are summarized in the following tables and commentaries upon them. The relation of the changes discovered to the incomes of the people is discussed in the chapter on the standard of living.

10. Table 1 summarizes the index numbers of the eight groups of commodities on which Dr. McIlraith's index number of wholesale prices in New Zealand is based, and is intended to show the general trend of average prices over the period under review, as well as the trend between 1860 and 1890, which is added for the purpose of comparison. It will be seen that the average falls, with but slight upward fluctuations, till 1895, since when there has been a rise. The level in 1911 is almost half what it was in 1866, and much the same height as in the late eighties.

* See Inquiry, pp. 15, 23, and 26.

† Elements of Statistics, p. 226.

TABLE 1.—SUMMARY OF INDEX NUMBERS.

[NOTE.—The figures in the columns are the annual aggregates of the index numbers of the various articles included in each group. The small number shows the number of commodities included in the group in any particular year. The number in bold type is the index number showing the level of general prices.]

Year.	Agricultural Products.	Pastoral Products.	Beverages.	Oils.	Minerals.	Materials.	Other Food-stuffs.	Liquors.	Grand Totals.	Number of Articles.	Annual Index Numbers.
1861	5 1055	4 693	2 315	2 456	5 923	4 1059	7 1148	4 436	6085	33	184
1862	5 985	4 690	2 309	2 537	5 971	4 1059	7 1155	4 437	6143	33	186
1863	5 1070	5 1133	2 305	2 552	6 1135	6 1331	7 1135	4 471	7132	37	193
1864	5 1123	5 1043	2 323	3 816	6 1105	6 1349	8 1389	4 463	7611	39	195
1865	5 1031	5 986	2 311	3 845	6 1063	6 1304	8 1333	4 499	7372	39	189
1866	5 1011	5 1232	2 309	3 837	5 898	6 1403	8 1407	4 494	7591	38	200
1867	5 786	5 1069	2 337	3 802	4 720	6 1396	8 1401	4 395	6906	37	187
1868	5 877	5 1049	2 285	3 689	4 702	6 1403	8 1412	4 385	6802	37	184
1869	5 695	5 790	2 278	3 654	4 636	7 1494	8 1290	4 385	6222	38	164
1870	5 621	5 692	2 295	3 661	4 583	7 1286	8 1235	4 493	5866	38	154
1871	5 631	5 584	2 300	3 570	4 640	7 1241	8 1271	4 456	5693	38	150
1872	5 644	5 619	2 222	3 567	4 722	7 1343	8 1278	4 469	5864	38	154
1873	5 833	5 724	2 236	3 567	4 884	7 1262	8 1278	4 447	6231	38	164
1874	5 884	5 757	2 276	3 517	5 976	7 1218	8 1200	4 450	6278	39	161
1875	5 632	5 846	3 372	3 466	6 1040	7 1182	8 1089	4 434	6061	41	148
1876	5 531	5 871	3 376	3 442	6 965	7 1056	8 1073	4 439	5753	41	140
1877	5 792	6 877	3 376	3 471	6 942	7 1048	8 1110	4 444	6060	42	144
1878	5 817	6 776	3 376	3 451	6 837	7 991	8 990	4 411	5637	42	135
1879	5 748	6 805	3 376	3 431	6 709	7 896	8 935	4 416	5316	42	127
1880	5 554	6 832	3 386	3 426	6 786	7 988	8 1076	5 541	5589	43	130
1881	5 537	6 800	3 392	3 409	6 742	7 957	8 1031	5 534	5402	44	126
1882	5 630	7 912	3 383	3 363	6 699	7 921	8 951	5 529	5388	44	122
1883	5 608	7 843	3 361	3 371	6 662	7 886	8 943	5 510	5184	44	118
1884	5 556	7 790	3 363	3 370	6 635	7 898	8 921	5 520	5053	44	115
1885	5 483	7 802	3 348	3 351	6 607	7 892	8 860	5 520	4863	44	111
1886	5 534	7 759	3 342	3 327	6 573	7 851	8 843	5 518	4747	44	108
1887	5 501	8 798	3 298	3 317	6 566	7 765	8 864	5 516	4625	45	103
1888	5 497	8 745	3 298	3 319	6 593	7 749	8 909	5 510	4620	45	103
1889	5 625	8 906	3 298	3 332	6 637	7 773	8 939	5 497	5007	45	111
1890	5 462	8 838	3 295	3 345	6 699	7 759	8 939	5 498	4835	45	107
1891	5 499	8 818	3 299	3 329	6 685	7 772	8 962	5 498	4862	45	108
1892	5 527	8 814	3 307	3 292	6 657	7 744	8 844	5 498	4683	45	104
1893	5 464	8 837	3 307	3 270	6 604	7 704	8 808	5 498	4492	45	100
1894	5 438	8 837	3 307	3 278	6 579	7 701	8 761	5 497	4398	45	98
1895	5 427	8 753	3 307	3 272	6 559	7 680	8 707	5 498	4203	45	93
1896	5 522	8 749	3 295	3 283	6 554	7 679	8 713	5 508	4303	45	96
1897	5 596	8 702	3 295	3 309	6 545	7 692	8 736	5 507	4382	45	97
1898	5 618	8 721	3 295	3 285	6 546	7 655	8 757	5 507	4384	45	97
1899	5 408	8 922	3 295	3 288	6 606	7 618	8 768	5 505	4410	45	98
1900	5 419	8 906	3 295	3 315	6 692	7 623	8 783	5 494	4527	45	101
1901	5 408	8 894	3 295	3 321	6 644	7 615	8 760	5 494	4431	45	98
1902	5 568	8 947	3 295	3 310	6 588	7 614	8 700	5 496	4512	45	100
1903	5 547	8 1022	3 294	3 290	6 577	7 604	8 651	5 496	4481	45	100
1904	5 438	8 1005	3 294	3 258	6 561	7 577	8 647	5 498	4278	45	95
1905	5 497	8 1047	3 294	3 255	6 574	7 575	8 664	5 496	4402	45	98
1906	5 525	8 1058	3 294	3 279	6 629	7 577	8 705	5 497	4564	45	101
1907	5 607	8 1033	3 294	3 300	6 672	7 618	8 771	5 498	4793	45	107
1908	5 667	8 1073	3 282	3 271	6 626	7 623	8 629	5 508	4675	45	104
1909	5 522	8 1054	3 322	3 268	6 595	7 630	8 628	5 520	4540	45	101
1910	5 552	8 1078	3 322	3 317	6 576	7 622	8 663	5 520	4650	45	103

11. This general index number, however, tells us little as to the relative movements in the prices of the different commodities. For this purpose the data of the original tables have been regrouped in order to show the variations in the prices of those articles that more directly affect the cost of living.

Table 2 shows the changes in the average annual prices of the chief foodstuffs included in the index number. The seventeen commodities selected are—Wheat, flour, barley, oats, oatmeal, beef, mutton, lamb, bacon, butter, cheese, tea, sugar, currants, rice, salt, and salmon.

TABLE 2.—INDEX NUMBERS OF WHOLESALE FOOD-PRICES IN NEW ZEALAND, 1890 TO 1911. (Seventeen Articles founded on Dr. McIlraith's Tables; Average Price for Decade 1890-99 = 100.)

Year.	Price Index.	Year.	Price Index.	Year.	Price Index.
1890	102	1898	103	1905	106
1891	102	1899	97	1906	106
1892	104	1900	99	1907	111
1893	100	1901	100	1908	116
1894	99	1902	108	1909	107
1895	92	1903	108	1910	109
1896	97	1904	101	1911	115
1897	100				

If retail prices move with wholesale prices, and if, as Mr. G. H. Knibbs states, "it is not unlikely that expenditure on food alone furnishes a true indication of the standard of material well-being,"* this table would provide us with a good means of measuring the extent of the change in the cost of living during the last twenty years. Taking the single years 1891 and 1911, there is a rise of 12·7 per cent. If in order to reduce the influence of an abnormal year we take the averages of the first and last five-year period, the rise is only 10·9 per cent. Comparing the year 1911 with the triennial period 1894–96, there is a rise of 20 per cent. The rise has been more marked after 1901 than before, and during the nineties there were four years in which prices fell. The most abrupt changes occurred in the rises of 1902, 1905, 1907, 1908, and 1911; the falls in 1904 and 1909 were also severe. Since 1901 the rise has been 15 per cent.; if we take the average of the first and last five-year periods, 1901–5 and 1907–11, it has been nearly 5 per cent. This rise in these food-prices would have been slightly greater but for the effect of the remission of certain import duties.

This table may be compared with that given in evidence by Dr. McIlraith (page 274).

TABLE 3.—INDEX NUMBERS INDICATING VARIATIONS IN PRICES OF CERTAIN COMMODITIES.
(Base, 1890–99 = 100.)

Year.	Cereals.	Animal Products.	Other Foodstuffs.
1895	85	94	93
1900	84	113	101
1908	133	134	103
1909	104	132	102
1910	110	135	103
1911	119	131	107
1912, to end June	115	145	111

From this table it would appear that the group "animal products" shows the highest rate of increase; but articles other than foodstuffs are included in this group.

Table 30 in Chapter IV shows that whilst the general level of prices in New Zealand rose 7 per cent., when we compare the average prices for the two five-year periods 1894–98 and 1906–10, the following important foodstuffs rose higher than this average: Wheat (10 per cent.), barley (17), beef (20), mutton (20), lamb (25), bacon (36), butter (41), and cheese (61): showing a general rise for this group of 29 per cent. above the average rise. The price of tea, coffee, flour, and oats rose less than the average; and only the price of sugar, rice, and currants fell.

Mr. F. P. Wilson (page 408) adapted Dr. McIlraith's figures in convenient form for estimating the percentage of change over the last twenty years. This portion of his evidence is embodied in the following table:—

TABLE 4.—INDEX NUMBERS OF PRICES IN NEW ZEALAND, WITH BASE 1891 = 100.

Year.	Agricultural Products.	Pastoral Products.	Beverages.	Other Foods.	Average of the Four Groups.	All Commodities.
1891	100	100	100	100	100	100
1896	104	91	98	74	92	89
1901	82	108	98	79	92	90
1906	105	129	98	75	102	93
1910	110	132	107	70	105	95

The five agricultural products, wheat, flour, barley, oats, and oatmeal, show a rise of 10 per cent., comparing the first and last year of the period; the other foods, which include sugar, currants, sultanas, rice, sago, salt, salmon, and pepper, a fall of 30 per cent., due largely to fiscal changes. Wool is included in pastoral products.

* "The Cost of Living in Australia," p. 1177.

The rise in beverages is due to a recent rise in tea and coffee. The last column shows the change in the average price of the forty-five commodities, including minerals, oils, and materials.

12. In order to estimate the real increase in cost to the consumer we must take account of the relative importance to him of the articles in his food budget—*i.e.*, “weight” the articles according to their relative importance before proceeding to take the averages. This method was used by Professor Segar (pages 304–5), who used the system of weighting recommended by the British Association for the Advancement of Science, and also took triennial averages in order to get the normal trend. He reclassified Dr. McIlraith’s foodstuffs and used his index numbers. The result is summarized in Table 5.

TABLE 5.—INCREASE IN FOOD-PRICES BETWEEN 1894–96 AND 1908–10.

	1894–96.	1908–10.
Breadstuffs (including wheat, flour, barley, rice, sago, oatmeal) ..	100	114
Meat and fish (beef, mutton, lamb, and salmon) ..	100	115
Butter and cheese ..	100	149
Weighted according to relative importance ..	100	121

This shows an increase in the cost of living as measured by changes in these important foodstuffs of 21 per cent. during the last seventeen years, and in the opinion of the Commission affords the most satisfactory estimate. The effect of weighting and of selecting only the foods of prime importance is seen if we compare the rise observed with the rise for the same period, taking the prices of Table 2, which is only 14·6 per cent.

A review of these tables of wholesale prices of foodstuffs supports the opinion that the change in the cost of living as measured by the variations in food-prices between the middle nineties and 1911 is a rise of a little more than 21 per cent. Table 2 shows a rise of 20 per cent. from 1894–96 to 1911, and Table 5 a rise of 21 per cent. between 1894–96 and 1908–10. But since the latter average is weighted according to the relative importance of the foods, and since the year 1911 saw an advance in most food-prices, we believe that the rise over the period in question exceeds 21 per cent.

But this result may be modified by an examination of (a) retail prices and (b) other items in the schedule of living besides food. It is in respect of these matters that the Commission found most difficulty in getting satisfactory data and in piecing the information together.

Table 6 gives Professor Segar’s estimate of the increased cost of living in the City of Auckland between 1894–96 and 1908–10. A description of the method he adopted—the only one available in the present condition of our economic statistics—and his interpretation of the figures are added :—

TABLE 6.—ESTIMATE OF INCREASE IN COST OF LIVING IN AUCKLAND, FROM 1894–96 TO 1908–10 (WEEKLY AVERAGE).

	1894–96.			1908–10.		
	£	s.	d.	£	s.	d.
Rent	0	7	11½	0	12	0
Bread	0	1	9½	0	2	2¼
Meat	0	3	11	0	4	7¼
Vegetables	0	1	1½	0	2	5½
Milk	0	2	0½	0	2	4½
Butter and cheese	0	2	0¼	0	2	8¾
Sugar	0	1	0¾	0	1	0¾
Tea and coffee	0	1	3	0	1	1
Sundry other foods	0	3	6¼	0	3	8
Clothing	0	6	10	0	8	2½
Fuel and light	0	3	0	0	3	1
Groceries other than food	0	2	1	0	2	2
Total	1	16	7¼	2	5	7½
Miscellaneous				0	13	5½
Total, with miscellaneous				£2	19	1

An increase (excluding miscellaneous items) of 24·6 per cent. This accounts for 77 per cent. of the expenditure. If we exclude “miscellaneous,” and “clothing,” we get a total of £1 9s. 9¼d. in the

first column, and £1 17s. 5d. in the second, showing an increase of 25·7 per cent. If we take the total, excluding only "miscellaneous," the increase is from £1 16s. 7½d. to £2 5s. 7½d., an increase of 24·6 per cent.

The estimate is based on the "cost of living," as shown by the expenses of the people dealt with in the "Inquiry into the Cost of Living in New Zealand," written by Mr. J. W. Collins. Mr. Collins analyses the returns in the family budgets supplied to the Labour Department, and shows how much, on the average, is spent on the various items such as rent, fuel, clothing, &c. I take the amount he gives as being spent during the year under examination, which was about 1910. I take the average prices of the various commodities from the Government statistics. I do not know how they were compiled, so that I do not know to what extent they can be trusted, especially as the earlier statistics give the averages for the commodities, whereas the later statistics gives the extremes. To get the average for the later years I take the mean of the extremes. I do not know whether the earlier averages were obtained in the same way, but such as they are I take them, for the periods 1894-96 and 1908-10, so as to diminish somewhat any extreme variations for a single year—a three-year period in each case. Then, in taking the average for the foods, I have compared them with my own experience, as a kind of check. I thought that if they disagreed with what I thought ought to be I would not carry the calculation on, but if they did agree with my own experience I would proceed with it. They certainly did agree, as a whole, with my impressions. I could not take any decided exception to any one of the changes indicated. The increase in vegetables seems very large, and I admit that it may be a little too large. It is the increase that would follow from the Government statistics as to the prices of commodities in Auckland. It would not be too big, I believe, in the case of potatoes only. Some cases, such as that of tea and coffee, were a little awkward to deal with. Nearly every one takes tea, but coffee is not so much used by the poorer people. Fuel and light have moved in two opposite directions. Fuel has increased, and light has diminished in cost—noticeably in the case of kerosene. Electric light is new, and you cannot make any comparison. With regard to clothing, Mr. Caughey, of the firm of Smith and Caughey, took me through a large part of their establishment, and we conferred with the heads of the departments as to their opinions with regard to the increase in the cost of clothing. The result was to convince me that since 1896 there has been a rise of something like 20 per cent. in the cost of clothing, taking it all through, but varying very much from one kind to another. Still, if it should be only 15 per cent., or should it be 25 per cent., that would not make very much difference in the resulting percentage in the budget increase in the cost of living. But allowing for a little possible error, the possibility of which I freely admit, for the class of people dealt with in this inquiry the increase in cost has not been less than 20 per cent., and it may be a little higher.

Information subsequently submitted to the Commission tended to show that Professor Segar's estimate of increase in rent may be too high, and that for houses of similar quality to those of seventeen or eighteen years ago rents would now be about 45 per cent. higher. This would reduce the total increase (excluding miscellaneous items) on the cost of living in Auckland to about 23 per cent.

A similar estimate was prepared for Christchurch by Mr. F. L. G. Jolly. The prices have been taken from the Official Year-books, and, as in Professor Segar's estimate, the lowest quoted prices have been taken in cases where a range of prices is shown. The item rent may be inexact owing to the scarcity of reliable comparative data; but the figure 20-per-cent. increase is derived from the most reliable evidence tendered the Commission. Reliable figures *re* vegetables were not obtainable. Potatoes only have been included, but, owing to their liability to violent fluctuations, it has been found advisable to reduce their rating in the weighting. The weights have been derived from the estimates of proportionate consumption published in the Labour Department's "Inquiry into the Cost of Living, 1910-11," pages 19 and 23.

TABLE 7.—ESTIMATE OF INCREASE IN COST OF LIVING IN CHRISTCHURCH BETWEEN 1894-95 AND 1910-11.
(FOOD AND RENT ONLY.)
(Annual Average.)

	Prices, 1894-95.		Weights.	Hypothetical Expenditure, 1894-95.		Prices, 1910-11.		Expenditure on same Scale, 1910-11.			
	s.	d.		£	s.	d.	s.	d.	£	s.	d.
Rent			60	60	0	0	20 % increase	72	0	0	
Bread	0	4½ lb.	11	11	0	0	0	6	14	13	4
Meat	0	3½ lb.	23	23	0	0	0	4½	33	4	3
Potatoes (vegetables)	2	3 cwt.	6	6	0	0	8	9	11	11	5
Milk	0	3 qt.	12	12	0	0	0	3	3	0	0
Butter	0	7 lb.	14	14	0	0	0	11½	22	9	11
Cheese	0	7½ lb.									
In ratio Butter : Cheese 4 : 1											
Sugar	0	3 lb.	5	5	0	0	0	2½	3	15	0
Tea and coffee (in ratio Tea : Coffee :: 3 : 1)	1	9 lb.	5	5	0	0	1	3½	3	15	0
				136	0	0			164	8	11

Increase of 20 per cent.

This table includes only food and rent, and shows an increase of 20 per cent. in the cost of these, as against an increase of about 34 per cent. for the same items in Professor Segar's budget for Auckland. The Auckland budget shows an increase in food only of about 25 per cent., that for Christchurch about 21 per cent. These figures confirm the general belief that the cost of living, as measured by rent and food, has increased at a more rapid rate during the last fifteen years in Auckland than in Christchurch.

As to Wellington, Mr. F. P. Wilson took out from the Official Year-books the prices for that city of some representative articles of consumption.

TABLE 8.—INDEX NUMBERS OF WELLINGTON RETAIL FOOD-PRICES BETWEEN 1893-95 AND 1908-10.

	1893-95.	1908-10.
Bread	100	113
Flour	100	116
Beef	100	125
Mutton	100	138
Butter	100	127
Cheese	100	122
Potatoes	100	166
All	100	130
Rent (for same style of house)	100	114
Rent (for improved style of house, including tram fares)	100	130-135

13. Your Commission also carefully analysed the evidence provided in the quotations given by consumers and business men, and combined it with the estimates that have appeared in some of the preceding tables. The work has presented immense difficulties, and the result, owing to the incomplete nature of the data, the unsatisfactory methods of obtaining it, and the long period over which the different individual quotations and opinions range, can be regarded as only tentative and roughly approximative. The various items have been weighted in order to allow for their relative importance, according to the proportional consumption shown by the recent inquiry of the Labour Department. The general result is an increased "cost of living" of at least 16 per cent. between the middle and later nineties and the present day. It is to be remembered, of course, that as far as possible allowance has been made for the change in the quality of the articles chosen, especially house-room, and that the "living" whose cost is measured is living at a uniform standard throughout the period and without taking into account changes in the standard of comfort. The influence of the rise in the scale of living is discussed in Chapter V. It may be mentioned, however, that the decrease in the size of the average family since the beginning of the period and the higher average income of the people must have tended to diminish the proportion which food is of their total expenditure, and therefore to reduce the rise of 16 per cent. at which we have arrived.

TABLE 9.—ESTIMATED INCREASE IN THE COST OF LIVING IN NEW ZEALAND BETWEEN 1894-98 AND 1911.

Summarized from evidence tendered to the Commission.

(Average weighted according to present relative consumption as shown in Labour Department's inquiry, 1910-11.)

	1894-98.*	1911.
Bread	100	122
Butter and cheese	100	149
Boots and clothing	100	119
Sundry foods	100	104
Fuel and light	100	97
Meat	100	125
Milk	100	100
Vegetables (omitting potatoes)	100	100
Rent	100	120
Sugar	100	88
Tea, coffee, and cocoa	100	100
All (weighted)	100	116

* Some of the prices accepted are for years outside this quinquennial period.

The changes in the prices of other commodities of importance to the ordinary consumer are described in the next chapter.

CHAPTER II.—CHANGES IN THE PRICE OF PARTICULAR COMMODITIES.

Question 4 : In what special direction has the increase, if any, been most marked : (a) Rent ; (b) food ; (c) clothing ; (d) lighting and fuel ; (e) household necessities ; (f) attendance, &c. ; (g) education ?

Rent.

(a.) After the most careful consideration of the evidence submitted, the Commission is of opinion that the rent for an ordinary working-man's house generally of the same style and quality has increased by about 20 per cent. over the last fifteen years. The increase seems to be most marked in Auckland—a city which has also exhibited the most rapid increase in population over that period—and it is not improbable that there rents have increased by 45 per cent.

One of the most frequent complaints made by city workers is the increased rentals they have to pay. Opinions differ as to the causes of this increase. Land-values have undoubtedly risen in all the chief centres during the period in question, but during recent years the upward trend has been retarded, and in the case of Wellington there has been a decided backward movement since 1907. In the majority of cases considered, increased ground-values cannot be held responsible for more than 25 per cent. of the higher rents now charged. The reasons chiefly responsible for the increased rent charged for dwellings may be summarized thus :—

- (1.) The increased cost of building, caused by the higher prices paid for material and labour, and the more exacting requirements of the local authorities with regard to the general structural and sanitary conditions ;
- (2.) The rise in the value of desirable building lots ;
- (3.) The increased burden of rates ;
- (4.) The increased cost of new roads ;
- (5.) The general demand for a greater number of conveniences.

This last factor has not been taken into account by us in arriving at the estimated increase quoted above, as it was our object to show the increase in rent that has come about irrespective of the better standard of living.

In support of the foregoing conclusions we may cite the evidence of F. G. Ewington (page 298), who epitomizes the whole case as follows : “ This is my fiftieth year in Auckland, and forty-fifth in the land and estate agency business. In 1902 workmen's cottages of four rooms were let at 9s. per week, five rooms at 11s. to 12s., six rooms at 14s. to 15s. per week ; but now houses for workmen are scarce and about 20 to 25 per cent. dearer than they were ten years ago. Capitalists do not now generally build cottages to let to working-men, because of the unprofitableness of that class of investment. For working-men's cottage property, the outgoings are, I estimate, from one-fourth to one-third of the rent for vacancies, loss of rent, sanitation, legal expenses, rates, and incidental repairs. The discontinuance of building that class of house, and the consequent scarcity, has led to keen competition for renting cottages, and thus helped to make them dearer. I also think that the demands made by Borough Councils and local bodies for roading of land newly opened up for sale in subdivision has something to do with the increased cost of dwelling. Higher prices of land and building-materials are among the principal causes of increased rentals ; but the greater demands for more conveniences and a better style of house add to the cost.”

It is, however, very gratifying to find that a fair proportion of the workers are either owners or part-owners of their homes. Mr. Leyland, timber-merchant, Auckland, stated (see page 361), “ We are apt to forget that only a small proportion of the workers pay rent to a landlord. It would surprise you if you knew the number of houses, say in Ponsonby, in which the dwellers are the owners or own a considerable equity. In the street in which I live every house is owned by the occupier, and I know of another street where only one occupier pays rent to a landlord.”

Of the sixty-nine householders who sent in returns to the Department of Labour in 1910–11 in connection with its inquiry into the cost of living, fifty-six paid rent, and thirteen owned their houses. The same investigation showed that on the average these householders paid 20 per cent. of their total expenditure in rent.

(b.) In any inquiry into the cost of living it will be found that the cost of food is by far the most important consideration, more especially so in the case of those who have fixed incomes and those whose employment is of an intermittent character. It will be seen from the table of household expenditure (No. 10), which has been prepared by the Labour Department, that the cost of food amounts to nearly 35 per cent. of the total expenditure. The four main items of expenditure are (1) housing, (2) food, (3) clothing, (4) fuel and light, divided as follows: Rent, 20·31 per cent.; food, 34·13 per cent.; clothing, 13·89 per cent.; fuel and lighting, 5·22 per cent.; other items, 26·45 per cent.

TABLE 10.—PERCENTAGE OF MAIN ITEMS TO TOTAL EXPENDITURE.

Income.	Members of Families.	Housing.	Food.	Clothing.	Fuel and Light.	Other Items.	Totals.
Over £169	Over four ..	16·37	34·80	14·75	4·81	29·27	100
	Four and under	22·68	29·50	14·00	4·88	28·94	100
Between £169 and £143	Over four ..	14·05	38·52	16·87	6·17	24·39	100
	Four and under	19·91	35·68	13·77	5·01	25·63	100
Under £143	Over four ..	22·49	39·00	14·88	5·34	18·29	100
	Four and under	23·54	34·21	11·54	6·49	24·22	100
General average ..	..	20·31	34·13	13·89	5·22	26·45	100

PROPORTION OF MAIN ITEMS TO AVERAGE TOTAL WEEKLY EXPENDITURE.

EXPENDITURE, 100.				
Rent, 20·31 per cent.	Food, 34·13 per cent.	Clothing, 13·89 per cent.	Fuel, light, 5·22 per cent.	Other items, 26·45 per cent.

While the average rise in wholesale prices in New Zealand between the periods 1894–98 and 1906–10 was 7 per cent., the main foodstuffs rose more than the average, and many of them very much more. Wheat rose 10 per cent., mutton 20 per cent., beef 20 per cent., lamb 25 per cent., bacon 35 per cent., butter 41 per cent., and cheese 61 per cent. Tea and coffee also rose, but not so much as the average; whilst the only important articles that fell in price were currants, rice, and sugar.

In the case of bread the increase seems to be about 20 per cent., but this increase is largely due to the increased distribution-costs. A similar remark is applicable to other household necessities, such as milk, butter, fish, meat, and fuel. The extension of our cities, and the movements of the people into suburban areas, have increased the number of those who live in lodgings and boardinghouses.

Milk has been stationary in price.

Potatoes have fluctuated more than any other article of food.

(c.) (1.) The increase in clothing is about 20 per cent. All witnesses agreed that a better class of goods is sold to-day. The increase in the cost of clothes made on the premises is due largely to the increase in wages. Woollen clothing has increased more than any other class.

(2.) Boots: Here again a much higher quality is being demanded generally. The cheaper boots have increased in price at a higher rate than the better class of goods, and the increased tariff has caused the taxes to fall most heavily on boots of lower grade. The average increase in price in the poorer classes of boots cannot have been less than 66 per cent.

(d.) The evidence given before the Commission on the subject of household lighting and fuel shows that while the means of lighting have decreased in cost about 27 per cent., fuel has increased about 5 per cent. Owing to the growing scarcity of wood-supply as fuel and the consequent greater demand for coal, the cost of fuel to the

householder has probably risen to a greater extent in the smaller towns than in the cities. Mr. William Ferguson, managing director of the Wellington Gas Company (page 404), stated that since 1901 the price of gas was reduced from 7s. 6d. per thousand feet to 5s. 5d. in October, 1905, since when it has remained at the same price.

TABLE 11.—COMPARATIVE TABLE OF 1912 GAS-PRICES TO SMALL CONSUMERS.

	Per 1,000 Cubic Feet (net).	
	s.	d.
Auckland	4	3
Wellington	5	5
Christchurch	5	9
Dunedin	5	0

With regard to electric light, Mr. Stuart Richardson, Municipal Electrical Engineer, stated that in 1900 the average cost of lighting a five-roomed house in Wellington by electricity was 7s. per month, and now it is about 4s. This is directly due to the introduction of the metallic-filament lamp.

(e.) The following table gives the prices for different years at Christchurch (A. W. Jamieson, page 205):—

TABLE 12.—HOUSEHOLD NECESSARIES (RETAIL PRICES).

	1894.		1900.		1905.		1910.		1911.	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
Sugar	0	2 $\frac{3}{4}$	0	2 $\frac{3}{4}$	0	2 $\frac{1}{2}$	0	2 $\frac{1}{4}$	0	2 $\frac{1}{2}$
Pearl barley	0	2 $\frac{1}{2}$	0	2 $\frac{1}{2}$	0	2 $\frac{1}{2}$	0	2	0	2 $\frac{1}{2}$
Cornflour	0	3 $\frac{1}{2}$	0	3 $\frac{1}{2}$	0	3	0	3	0	3
Candles—										
National	0	7 $\frac{1}{2}$	0	8	0	6 $\frac{1}{2}$	0	7	0	7
Wax	0	7	0	6	4	6	3	4	4	5
Figs	0	6	0	6	0	6	0	3	0	3
Dates	0	10	0	10	0	6	0	5	0	7
Prunes	0	5	0	6	0	6	0	5	0	6
Raisins	0	5	0	4	0	4	0	5	0	5
Matches	0	9	0	9	0	9	0	9	0	9
Pickles	0	6	0	6	0	6	0	6	0	6
Vinegar	0	6	0	6	0	6	0	6	0	6
Biscuits	No alterations.									
Honey	0	4	0	4	0	5	0	4 $\frac{1}{2}$	0	4 $\frac{1}{2}$
Jams	0	5	0	5 $\frac{1}{2}$	0	5	0	5	0	5
Salt	4	6	4	6	3	9	4	0	4	6
Pepper	1	1	1	4	1	4	1	2	1	2
Kerosene	11	6	10	6	7	6	8	0	8	0
Infants' foods	0	11	0	11	0	11	0	11	0	11
Condensed milk—										
English	0	8	0	8	0	6	0	6	0	6
Colonial	0	11	0	10 $\frac{1}{2}$	0	8	0	8	0	8
Kipper herrings	2	3	2	3	2	3	2	3	2	3
Starch (Colman's)	1	7	1	7	1	7	1	6	1	6
Mustard	1	4	1	5	1	4	1	1	1	1
Cream of tartar	0	4	0	4	0	2	0	2	0	2
Carbonate of soda	0	8	0	8	0	6	0	4	0	4
Borax	0	11	0	11	0	11	0	11	0	11
Baking-powder	0	5	0	5	0	5	0	5	0	5
Arrowroot	3	3	3	3	3	3	3	3	3	3
Cocoa (Van Houten's)	0	6	0	6	0	6	0	5	0	5
Washing-soda, 7 lb. for	0	2 $\frac{1}{4}$	0	2 $\frac{1}{4}$	0	2	0	2	0	2 $\frac{1}{2}$
Vermicelli, macaroni	0	2	0	2 $\frac{1}{2}$	0	2	0	2	0	3 $\frac{1}{2}$
Rice	0	2 $\frac{1}{2}$	0	2 $\frac{1}{2}$	0	2	0	2	0	3 $\frac{1}{2}$
Sago	6/6 & 10/0	6/6 & 10/0	6/6 & 10/0	6/6-10/0	8/6-12/6	9/-12/6	9/-12/6	9/-12/6	9/-12/6	
Tapioca	0	4	0	5	0	4	0	4 $\frac{1}{2}$	0	5
Soap	0	5 $\frac{1}{2}$	0	7 $\frac{1}{2}$	0	4 $\frac{1}{2}$	0	6 $\frac{1}{2}$	0	7
Currants	0	11	0	11	1	0	1	0	1	0
Sultanas	5	0	5	0	5	3	5	3	5	3
Sheep-tongues										
Tobacco										

The average price for these articles in 1894 was 100 ; in 1900, 104 ; in 1905, 95 ; in 1910, 92 ; and in 1911, 100. Other groceries do not seem to have increased more than 3 or 4 per cent. over the last fifteen years.

Furniture appears to have remained at much the same prices, when the difference in style is considered. The demand now is for a simpler style of furniture, which costs less to produce.

Earthenware, chinaware, glassware, cutlery, spoons and forks, hardware, hollow-ware, have quite recently increased fully 10 per cent. Prior to 1910 prices generally had not advanced.

Evidence was tendered before the Commission as to the weight of packed foods. It was alleged that articles of food in every-day use were sold over the counter by grocers and others which were short in the reputed weights. One witness (Mr. F. W. Greville, p. 447) took particular pains to prove this allegation, and at his suggestion the Commission had the goods weighed on reliable scales. The Commissioners are satisfied that this witness was able to prove his allegations. To supplement this evidence and to get a more comprehensive idea of the extent to which this "short-weight" practice rules, the Commission asked Dr. Frengley, of the Health Department, to depute an officer to make a thorough investigation. Care was taken by the Department to secure reliable data, and the following list shows the articles purchased, price, how asked for, and gross and net weight :—

Short weights and measures.

PURCHASED IN WELLINGTON, 17TH, 18TH, AND 19TH AUGUST, 1912.

Description of Article purchased.	Price.	How asked for.	Gross Weight.			Net Weight.		
			lb.	oz.	dr.	lb.	oz.	dr.
Pepper (K brand)	s. d. 0 4	$\frac{1}{4}$ lb. tin of white pepper ..	0	4	0	0	2	10*
" "	0 4	$\frac{1}{4}$ lb. tin St. George pepper ..	0	5	8	0	3	8*
" "	0 4	$\frac{1}{4}$ lb. tin Crease's pepper ..	0	4	8	0	2	15*
Butter	1 1	1 lb. Comet brand butter ..	0	15	12	0	15	10*
"	1 3	1 lb. Defiance butter ..	1	0	0	0	15	14*
"	1 3	1 lb. Gold Leaf butter ..	0	15	15	0	15	13*
"	1 3	1 lb. Primrose butter ..	1	0	0	0	15	15*
Rice (in paper bag)	0 3	1 lb. rice ..	1	0	3	1	0	0
Carbonate of soda (paper bag)	0 1	$\frac{1}{4}$ lb. baking-soda ..	0	4	7	0	4	5
"	0 1 $\frac{1}{2}$	$\frac{1}{2}$ lb. carbonate of soda ..	0	8	0	0	7	14*
Cream of tartar (paper bag)	0 4	$\frac{1}{4}$ lb. cream of tartar ..	0	4	2	0	4	0
"	0 4	$\frac{1}{4}$ lb. cream of tartar ..	0	4	1	0	4	0
Flour (paper bag)	0 4	2 lb. flour ..	2	1	3	2	1	0
"	0 4	2 lb. flour ..	2	0	0	1	15	11*
Ground rice (paper bag)	0 3	1 lb. packet ground rice ..	1	1	0	1	0	0
"	0 2	$\frac{1}{2}$ lb. ground rice ..	0	8	6	0	8	4
Tea (D. Anderson's)	0 8	$\frac{1}{2}$ lb. packet 1s. 4d. tea ..	0	9	3	0	8	1
"	1 0	$\frac{1}{2}$ tin Bell tea ..	0	14	0	0	8	8
" (Wardell's)	0 9	$\frac{1}{2}$ lb. packet 1s. 6d. tea ..	0	8	7	0	7	4*
"	0 9	$\frac{1}{2}$ lb. 1s. 6d. tea (Nelson-Moate's) ..	0	8	5	0	8	0
"	1 0	$\frac{1}{2}$ lb. Welcome tea ..	0	8	12	0	8	0
Oatmeal (paper bag)	0 4	2 lb. bag of oatmeal ..	2	0	12	2	0	5
Pea-flour (Symington's)	0 9	1 lb. tin pea-flour ..	1	4	3	1	0	2
Mustard	0 5 $\frac{1}{2}$	$\frac{1}{4}$ lb. tin Colman's mustard ..	0	6	2	0	4	0
"	0 5 $\frac{1}{2}$	$\frac{1}{4}$ lb. tin Sadler's mustard ..	0	6	7	0	4	8
Cocoa	0 11	$\frac{1}{4}$ lb. tin Bournville cocoa ..	0	6	3	0	4	0
"	0 11	$\frac{1}{4}$ lb. tin Van Houten's cocoa ..	0	6	4	0	4	1
Baking-powder	0 6	$\frac{1}{2}$ lb. tin Edmond's baking-powder	0	7	9	0	5	8*
"	0 11	1 lb. tin Whitlock's baking-powder	1	3	6	1	0	2
Arrowroot	0 3	$\frac{1}{2}$ lb. packet Sun brand arrowroot (marked $\frac{1}{2}$ lb. gross)	0	8	6	0	7	7*
Maizena	0 3 $\frac{1}{2}$	$\frac{1}{2}$ lb. packet Duryea maizena ..	0	9	5	0	8	8
Essence of lemon	0 9	1 oz. bottle Crosse and Blackwell's essence of lemon	..	..	..	..	..	1 fluid oz.
"	0 5	1 oz. bottle Sharland's essence of lemon	..	..	..	..	..	$\frac{3}{4}$ fluid oz.*
Essence of almonds	0 5	1 oz. bottle Sharland's essence of almonds	..	..	..	..	..	7 fluid dr.*
" vanilla	0 5	1 oz. bottle Sharland's essence of vanilla	..	..	..	..	..	7 fluid dr.*
Cayenne pepper (Lazenby's) ..	0 6	1 oz. bottle cayenne pepper ..	0	3	3	0	1	0

PURCHASED IN WELLINGTON, 17TH, 18TH, AND 19TH AUGUST, 1912—*continued.*

Description of Article purchased.	Price.	How asked for.	Gross Weight.			Net Weight.		
			lb.	oz.	dr.	lb.	oz.	dr.
Coffee (paper bag) ..	s. d. 0 10	½ lb. tin coffee ..	0	12	8	0	8	8
“ “ ..	0 9	½ lb. loose coffee ..	0	7	12	0	7	11*
“ “ ..	1 6	1 lb. tin coffee (New Zealand Coffee and Spice Manufacturing Company, Wellington)	0	15	14	0	11	2*
“ and chicory ..	1 8	1 lb. tin Red White and Blue brand coffee and chicory	1	1	14	0	12	12*
Sugar (Colonial Sugar Company—cardboard box)	0 6	2 lb. loaf sugar ..	2	1	15	2	0	3
Cream cheese (Wardell's) ..	0 4½	½ lb. cream cheese ..	0	7	8	0	6	12*
Egg-powder (½ lb.) ..	0 6	¼ lb. tin Edmond's egg-powder† ..	0	8	6	0	6	6*
Ground ginger ..	0 4	¼ lb. tin ground ginger (supplied loose)	0	4	3	0	4	1
Jam ..	0 5	1 lb. tin K peach jam ..	1	0	10	0	13	10*
“ ..	0 4	1 lb. tin A.B.C. peach jam ..	1	0	9	0	13	1*
Marmalade ..	0 6	1 lb. tin K marmalade ..	1	0	7	0	14	7*
Condensed milk ..	0 6	1 lb. tin Highlander condensed milk	1	0	12	0	13	12*
Honey ..	1 0	2 lb. tin of best honey, Beehive brand	2	4	15	..	..	..
Dried milk ..	1 0	1 lb. tin Defiance dried milk ..	1	1	12	0	12	8*
Margarine ..	0 9	1 lb. Hall's margarine ..	0	15	13	0	15	12*
Chocolate ..	0 6	¼ lb. Fry's cooking-chocolate ..	0	4	0	0	3	14*
Gelatine ..	0 6	1 oz. packet Nelson's Brilliant gelatine	0	2	8	0	1	8
Cinnamon ..	1 0	¼ lb. tin cinnamon ..	0	4	2	0	2	8*
Spice (K brand) ..	0 1½	One 1 oz. packet mixed spice ..	0	1	1	0	1	0
Biscuits ..	0 7	1 lb. arrowroot biscuits ..	1	0	9	1	0	1
“ ..	0 8	1 lb. rice-wafers ..	1	0	8	1	0	0
Essence of lemon ..	0 6	{ One 1 oz. bottle of each—essence of almonds, lemon, and vanilla (Cloth of Gold brand, put up by Young's Chemical Company) }	..	..	..	0	0	6½*
“ vanilla ..	0 6		..	..	..	0	0	5*
“ almonds ..	0 6		..	..	..	0	0	6½*
Butter ..	1 2	1 lb. Kaponga butter ..	1	0	0	0	15	15*
“ ..	1 3	1 lb. Reka butter ..	1	0	2	1	0	1
Tea ..	..	½ lb. 1s. 2d. tea (Campbell's) ..	0	8	6	0	8	1½
Marmalade ..	3 0	One 7 lb. tin marmalade (A B C brand)	7	14	0	7	3	0
Butter ..	1 2	1 lb. Black Swan butter ..	1	0	0	0	15	15*
“ ..	1 3	1 lb. Marigold butter ..	1	0	0	0	15	15*
Coffee ..	1 3	1 lb. tin Harp coffee ..	1	1	8	0	13	8*
Essence of lemon ..	0 6	{ 2 oz. bottles of each—Murdock's essences of lemon, vanilla, and almonds }	..	..	..	0	1	5*
“ vanilla ..	0 6		..	..	..	0	1	6*
“ almonds ..	0 6		..	..	..	0	1	6*
Butter† ..	1 3	1 lb. Gold Leaf butter ..	1	0	0	0	15	14*
“ ..	1 2	1 lb. Nutricia butter ..	1	0	0	0	15	15*

* Short weight or measure.

† Not sold by weight, but at per tin.

‡ Sold as “pats,” not as “lb.”

Out of seventy-one articles purchased it will be noted that forty (or 56 per cent.) were short in weight or measure. The Commission has made a recommendation on this matter in Chapter XIII, page xciv.

Attendance.

(f.) The wages of domestic servants have at least doubled during the last twenty years owing to the comparative scarcity of the supply.

Medical attendance to the working-man belonging to a lodge has not increased during the last twenty years. For approximately 1s. 6d. per week workers between the ages of seventeen and forty years are entitled to free medical attendance and medicine and other benefits for their wives and children. The fees of general practitioners do not seem to have changed to the community in general, but drugs of higher quality and of more expensive kinds are now demanded, and there is a higher cost owing to special forms of treatment. Nursing generally has increased about 50 per cent. The information sent in by the medical practitioners in answer to a letter of inquiry from the Commission is printed as the Adendum.

Education.

(g.) The following information was given by Dr. McIlraith, Inspector of Schools in the Auckland district (pages 277-8):—

“I find that the cost of maintaining children at school nowadays is considerably less than it used to be. Ten years ago the school-books for Standard I cost about 4s. a year. Now they do not cost

the children more than 2s. 3d. a year. In Standards V and VI the books cost the children ten years ago at least 12s. per pupil. Now they cost them about 5s. 3d. That is to say, there has been a reduction of over 50 per cent. to the parents in the cost of educating their children. Of the reading-books I am taking into consideration only those they pay for. Any one at school ten years ago used only one reading-book, but the Government now supplies about five free reading-books for Standards V and VI. If you consider the increased number of books they read at the present time you might say that the cost has been reduced from 70 to 80 per cent.

“190. What about secondary education in the district high schools?—The education at those schools, leaving out the books, costs the parents nothing. In many of the district high schools they are getting as good an education as in the high or secondary schools—in some of them an education superior to that which they would get in some of the so-called high schools.

“191. Would you say that the books in high schools would cost about 35s. a year?—Something like that. They used to cost more than that, but we are getting every year a supply of better and cheaper books.

“192. For that expenditure of 35s. people are getting education which they could not have got at all some years ago?—Yes. At one time they had to pay three or four guineas a quarter for what they now get for nothing.”

This, of course, refers to the direct cost, with which alone the Commission is concerned.

CHAPTER III.—COMPARISON WITH OTHER COUNTRIES.

Question 2: Has the increase in the cost of living, if any, been more marked in New Zealand than in other English-speaking countries?

1. A direct comparison of the increase in the cost of living in New Zealand and other countries is impossible, as the necessary income-and-expenditure budgets do not exist in New Zealand for the period in question. Your Commission is therefore limited to a comparison of the tentative results obtained in Chapter I with the changes shown by the most reliable investigations abroad. We have had the advantage of the inquiries made by Hooker,* the United States Bureau of Labour, the British Board of Trade, Sauerbeck, and the Canadian Department of Labour.

Direct comparison impossible.

2. The first table shows how general wholesale prices have changed in New Zealand compared with seven other countries:—

Wholesale prices.

TABLE 13.—INDEX NUMBERS OF GENERAL PRICES, 1890 TO 1911.

(The price for each year is expressed as a percentage of the average annual price for the ten years 1890–99.)

Country.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.
United Kingdom—																							
Sauerbeck ..	109	109	103	103	95	94	92	94	97	103	114	106	105	105	106	109	117	121	111	112	118	121	..
<i>Economist</i> ..	110	108	103	103	100	94	96	94	93	96	107	101	97	101	106	105	115	125	110	109	116	..	..
Board of Trade ..	108	112	106	104	98	95	92	94	97	96	104	101	100	101	102	101	104	110	107	108	113	114†	..
United States America—																							
Labour Bureau ..	113	112	106	106	96	94	90	90	93	102	110	109	113	114	113	116	123	129	123	127	132	..	..
Canada—																							
Coats ..	110	108	103	102	97	96	92	92	96	100	108	107	109	111	111	114	120	126	121	121	124	127	..
France—																							
Réforme Economique	109	109	103	107	98	92	90	91	96	105	112	105	103	105	104	105	115	122	111	112	118	..	..
Belgium—																							
Waxweiler ..	101	102	102	95	98	97	96	100	101	102	108	110	112	113	114	114	121	122	126	124	122	..	..
Germany—																							
Hooker ..	110	111	104	101	94	92	91	94	99	104	111	107	103	109	111	114	123	133	120	124	128	..	..
Italy—																							
Export values ..	111	104	104	103	98	99	94	92	94	103	117	108	104	106	107	108	114	119	115	116	..	..	..
New Zealand—																							
McIlraith ..	107	108	104	100	98	93	96	97	97	98	101	98	100	100	95	98	101	107	104	101	103	107	109
																						110†	112‡

* *Statistical Journal*, December, 1911.

† Highest since 1884.

‡ Including timber.

It will be seen that the general level has risen less since 1890 in New Zealand than in any other country. It also fell lower during this period in five other countries than in New Zealand, the New Zealand averages generally showing a higher degree of stability.

1890-99.
1896 to 1910.

3. The next table gives a comparative view of the changes in price from (a) the average of the period 1890-99 and (b) the average for the year 1896 to the year 1910. It shows clearly that the New Zealand price-level has not risen to anything like the degree observable in most of the other countries.

TABLE 14.—CHANGES IN THE GENERAL PRICE-LEVEL BETWEEN (a) 1890-99 AND (b) 1896 AND 1910.

Country.	(a.)		(b.)	
	1890-9.	1910.	1896.	1910.
United States	100	134	100	145
Germany	100	125	100	142
Canada	100	128	100	135
France	100	101	100	131.5
United Kingdom	100	108	100	128
Belgium	100	..	100	127
New Zealand	100	104	100	108

1911-12.

4. The years 1911 and 1912 show a further upward movement in all countries of which we have seen records. Sauerbeck's index number for the United Kingdom advanced from 118 in 1910 to 121 in 1911, and for May, 1912, stood at 130, while the New Zealand index number advanced from 103 to 107, and at the end of June of this year stood at 109. This continuing upward movement abroad is shown in the next table.

TABLE 15.—THE "ECONOMIST" INDEX NUMBER, SHOWING PRICE-MOVEMENTS IN THE UNITED KINGDOM IN 1912.

Date.	Cereals and Meats.	Other Foods.	Textiles.	Minerals.	Miscellaneous (Rubber, Timber, Oils, &c.).	Total.	Percentage.
Basis (average 1901-5)	500	300	500	400	500	2,200	100
End December, 1911 ..	600	407	539½	460	580½	2,586	117½
January, 1912 ..	607½	405	561	468½	571	2,613	118½
February,	619	411	573	493	571	2,667	121
March,	618½	400	578	608½	586	2,791	127
April,	635½	385½	581	512½	588½	2,693	122½
May,	633	379	570	493½	611½	2,687	122
June,	642½	373½	579½	501½	608	2,705	123

A rise occurred between December and July in every group except colonial produce.

5. It will be shown later in this chapter that the comparatively slow rise in the general level in New Zealand is partly due to the small degree in which materials have risen. The New Zealand index number is open to the criticism (see page 304) that it does not contain certain articles which have risen considerably and therefore does not measure the real fall. Your Commission has accordingly included in the index number five articles—viz., tin, copper, cotton, hides, and leather—taking their English prices for the period 1890-99 and the year 1911, and assuming that the New Zealand prices varied with the English prices. The result is to increase the New Zealand index numbers for materials for 1911 from 105 to 118, and the general index number for that year from 107 to 112. But the real rise in the index number for materials is not so high as 118.

6. The movement in food-prices abroad as compared with that in New Zealand Food-prices. is shown in the following table :—

TABLE 16.—INDEX NUMBERS OF FOOD PRICES, 1890 TO 1911.

(Base 1890-99 = 100.)

Country.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	
United Kingdom—																							
Board of Trade	105	112	107	105	99	96	90	94	98	94	96	97	98	97	97	97	97	101	102	105	105	..	
Sauerbeck	107	112	107	105	96	93	91	95	99	95	101	98	98	96	99	101	101	105	105	107	108	110	
United States America—																							
Labour Bureau	110	116	104	110	98	94	83	90	96	100	106	109	117	111	114	114	116	124	125	130	134	..	
Canada—																							
Coats	115	115	104	105	96	96	88	88	96	97	100	104	107	106	108	110	114	124	123	127	128	..	
France—																							
Hooker	106	111	103	104	99	92	88	95	103	97	98	95	94	92	93	95	96	104	97	98	101	..	
Germany—																							
Hooker	107	116	110	106	98	91	86	91	99	97	100	101	98	105	105	110	112	117	110	122	125	..	
Trieste—																							
Alberti	96	102	101	98	95	95	91	108	110	103	99	99	103	101	107	115	112	119	123	124	131	..	
New Zealand—																							
McIlraith	102	102	104	100	99	92	97	100	103	97	99	100	108	108	101	106	106	111	116	107	109	115	

Our course of food-prices has lagged behind that of all the other countries except the United Kingdom and France, but has shown some abrupt movements during the last ten years, due partly to tariff changes. A noticeable feature of the table is the comparatively small rise in France; no complete explanation of this fact has come under the notice of the Commission, though it has been suggested that it is associated causally with the prevalence of peasant properties in France and the greater percentage of the people who grow their own food. Both France and Germany are protective countries, so that we must look for some explanation of the difference elsewhere than to their fiscal policies. It would appear that in so far as the cost of living is measured by changes in the wholesale prices of food, the New Zealand cost has not increased to the same extent as the cost in America, Canada, Germany, and Trieste.

The Official Year-book of New South Wales for 1911, pages 705-7, gives average wholesale prices at Sydney of certain foodstuffs since 1904. The Commission has expressed these as index numbers in the following table :—

TABLE 17.—WHOLESALE PRICES IN NEW SOUTH WALES COMPARED WITH 1904 TAKEN AS 100.

—	1904.	1905.	1906.	1907.	1908.	1909	1910.
Farm and Dairy Produce—							
Wheat	100	106*	101*	120	133*	149	119*
Flour	100	80*	76*	88*	96*	111*	98*
Potatoes	100	214*	218*	94*	167*	170	196*
Butter	100	125	125	122*	153*	125	144*
Cheese	100	137*	126*	142*	168*	147*	132*
Bacon	100	86*	100	118*	125	121*	107*
Pastoral—							
Beef	100	123*	108*	123*	123*	154*	154*
Mutton	100	87*	105*	84*	84*	90*	105*
Wool	100	102*	111*	118	94*	88*	91

* Nearest whole number.

The general trend is upward, the food-prices showing an increase of 28 per cent., or, without potatoes, 17. A notable feature is the high rise in the price of beef.

7. The following table compares the level of food-prices for 1910 and 1911 with the level for each of the two previous decades in six countries :—

Decade averages.

TABLE 18.—WHOLESALE PRICES OF FOOD: COMPARISON OF 1910 WITH TWO PREVIOUS DECADES.
(Hooker extended).

	United Kingdom (Sauerbeck).	France.	Germany.	United States of America.	Canada.	New Zealand (McIlraith).
Average, 1890-99	100	100	100	100	100	100
„ 1900-9	101	96	108	117	112	106
„ 1910	108	101	125	134	128	109
„ 1911	110	..	..	..	..	115

This table brings out the sympathy of New Zealand with the United Kingdom prices, though the tendency is towards a faster rate of advance.

Particular
foodstuffs.

8. Your Commission has also considered the comparative course of the individual prices of some of the more important foods produced in New Zealand, and present the result in the following table:—

TABLE 19.—INDEX NUMBERS OF WHOLESALE PRICES OF PARTICULAR FOODSTUFFS.*
(Base 1890-99 = 100.)

(R. H. Hooker, in *Journal of the Royal Statistical Society*, December, 1911, with addition of Dr. McIlraith's index number for New Zealand.)

Year.	United Kingdom.	France.	Germany.	United States of America.	Canada.	New Zealand.
<i>1. Wheat.</i>						
1890	111	113	115	119	110	92
1891	129	122	132	128	120	113
1892	105	103	104	105	104	117
1893	92	93	89	90	95	81
1894	80	85	80	74	79	73
1895	80	85	84	80	93	86
1896	91	86	92	85	85	106
1897	105	112	102	106	102	125
1898	118	113	109	118	121	124
1899	89	89	91	95	92	75
1900	94	89	90	94	97	70
1901	93	90	96	96	97	71
1902	98	97	96	99	94	103
1903	94	101	95	105	102	122
1904	99	98	103	138	119	92
1905	103	104	103	134	117	92
1906	98	104	106	106	98	94
1907	106	106	122	121	114	110
1908	111	100	125	132	135	135
1909	128	108	138	160	140	120
1910	110	116	125	146	129	107
1911 .. ..	..	..	..	..	..	98
<i>2. Oats.</i>						
1890	106	111	109	116	141	87
1891	114	103	115	144	114	92
1892	113	87	104	113	74	98
1893	107	110	109	105	92	92
1894	97	110	91	116	100	90
1895	82	89	84	88	90	83
1896	85	86	87	67	67	108
1897	96	95	97	68	90	118
1898	104	111	106	92	127	134
1899	97	97	98	91	106	93
1900	100	99	92	85	114	84
1901	105	113	97	118	133	94
1902	115	100	104	147	121	129
1903	98	89	95	132	104	105
1904	93	86	93	136	120	80
1905	99	103	99	111	120	91
1906	104	118	111	122	112	102
1907	107	109	126	167	132	136
1908	101	102	114	189	130	128
1909	108	114	118	179	133	79
1910	99	108	106	143	115	97
1911 .. ..	..	..	..	..	..	128

* To nearest whole number.

INDEX NUMBERS OF WHOLESALE PRICES OF PARTICULAR FOODSTUFFS*—*continued.*

3. Beef.

Year.	United Kingdom (Carcase, Middling).	France (La Villette).	Germany (Berlin Cattle).	United States of America (Steers, g. to ch.).	Canada (Steers, Choice).	New Zealand.
1890	101	105	103	87	109	102
1891	107	106	104	108	104	96
1892	101	102	101	95	101	93
1893	104	101	93	102	116	114
1894	99	114	103	96	104	117
1895	99	104	103	104	97	104
1896	91	95	97	90	79	100
1897	96	93	98	101	89	87
1898	96	88	98	103	99	96
1899	107	91	100	114	100	94
1900	112	90	103	114	111	105
1901	112	93	101	118	115	121
1902	125	88	105	138	128	131
1903	112	88	112	107	117	148
1904	112	87	114	110	118	123
1905	107	85	119	110	119	113
1906	107	81	128	113	118	118
1907	112	92	127	123	127	123
1908	120	94	120	127	130	125
1909	120	99	114	136	148	110
1910	128	95	125	148	161	129
1911	..	..	..	..	..	140

The high rise in the price of beef in New South Wales since 1904 has already been noted. The newer countries show the higher rate of increase, probably because some of the cattle lands are being devoted to other uses.

4. Sugar.

Year.	United Kingdom (West Indian).	France (Beet, White).	Germany (Magde- burg).	United States of America (Granu- lated).	Canada (Granu- lated).	New Zealand (Refined No. 1).
1890	113	105	125	130	143	117
1891	117	110	134	100	119	112
1892	117	115	128	92	93	109
1893	123	127	116	102	106	105
1894	97	97	88	87	91	104
1895	87	86	78	88	82	94
1896	93	91	87	96	91	95
1897	80	80	76	95	88	89
1898	82	93	82	105	93	88
1899	87	95	86	104	93	89
1900	97	92	87	113	95	93
1901	80	78	75	107	97	94
1902	63	66	60	94	79	85
1903	74	76	71	98	79	87
1904	89	88	78	101	90	86
1905	95	97	88	111	105	96
1906	74	77	66	96	86	89
1907	78	80	66	98	90	86
1908	84	90	81	104	96	67
1909	89	95	83	101	95	69
1910	95	119	97	105	102	75
1911	..	..	..	..	..	72

The course of New Zealand prices shows clearly the effect of the tariff remissions in 1907.

* To nearest whole number.

INDEX NUMBERS OF WHOLESALE PRICES OF PARTICULAR FOODSTUFFS*—*continued.*

5. Butter.

Year.	United Kingdom.	France.	Germany.	United States of America.	Canada.	New Zealand.
1890	100	98	103	100	96	88
1891	106	99	100	113	110	91
1892	108	121	103	116	111	136
1893	106	130	106	121	114	100
1894	98	101	101	102	105	115
1895	93	87	93	94	94	100
1896	98	83	95	82	90	98
1897	94	86	101	84	90	86
1898	95	95	99	87	93	89
1899	103	102	99	96	96	80
1900	102	100	98	102	105	95
1901	105	89	103	98	100	111
1902	102	84	101	112	100	117
1903	100	78	104	106	100	109
1904	102	84	104	98	93	102
1905	107	80	111	113	108	116
1906	110	91	117	113	112	121
1907	108	92	117	128	120	111
1908	114	92	121	122	128	138
1909	112	84	124	132	120	159
1910	114	94	130	139	126	157
1911	..	..	..	..	..	157

In this commodity New Zealand shows the highest rate of increase, chiefly because her dairy industry has developed almost wholly within this period, and the prices for the earlier years were low, because determined by local conditions.

Materials.

9. There is a greater contrast between the course of the prices of materials in New Zealand with that in other countries than was exhibited by the comparison of food-prices.

The next table shows the index numbers of these prices from 1890 to 1911 :—

TABLE 20.—INDEX NUMBERS OF PRICES OF MATERIALS, 1890 TO 1911.

Country.	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.
United Kingdom—																							
Board of Trade ..	115	109	104	101	95	92	96	94	93	100	123	111	107	110	114	112	123	131	117	117	133	..	..
Sauerbeck ..	111	106	102	102	94	94	94	92	96	110	125	113	111	113	113	117	130	135	116	117	127	130	..
United States of America—																							
Bureau of Labour ..	114	108	104	101	92	93	92	91	95	110	118	112	119	125	119	124	133	140	125	130	137	..	..
Canada—																							
Coats ..	108	105	102	101	98	95	95	95	96	102	112	108	109	113	113	115	123	127	120	118	123	..	..
France—																							
Hooker ..	115	106	99	100	91	91	91	91	97	117	133	119	117	120	119	122	140	146	127	126	138	..	..
Germany—																							
Hooker ..	114	106	99	97	90	93	95	96	98	111	122	112	108	114	116	118	134	148	129	126	132	..	..
New Zealand—																							
McIlraith ..	112	111	101	98	96	93	94	96	93	101	106	98	95	97	93	95	102	108	102	102	104	105	..

Whilst the other countries have shown an increase over the average in the nineties of from 23 to 38 per cent., the increase in New Zealand is shown to have been 4 per cent. The New Zealand materials selected were fourteen—viz., wool (2), kerosene, linseed-oil, galvanized iron, bar iron, lead, zinc, cement, soap, matches, candles, hops, and soda-carbonate. It has already been shown that if hides, leather, tin, copper, and cotton be included, and it be assumed that New Zealand prices follow the English prices, the materials index number would rise to 118 for 1911, a rise almost as great as in Canada. It cannot, of course, be definitely accepted that the increase in these prices would show exactly the same rate as the rate of increase in the English prices; but the change effected by their inclusion shows that the New Zealand materials index number indicates probably too low a rise.

* To nearest whole number.

10. In order to show the position of the prices of materials in 1910 and 1911 with their levels in the two previous decades we give the following table :—

Decade averages.

TABLE 21.—WHOLESALE PRICES OF MATERIALS : COMPARISON OF 1910 AND 1911 WITH TWO PREVIOUS DECADES.

(Hooker, with additions.)

—	United Kingdom (Sauerbeck).	France.	Germany.	United States of America.	Canada.	New Zealand (McIlraith).
Average 1890-99..	100	100	100	100	100	100
„ 1900-09..	119	127	123	124	116	100
„ 1910 ..	127	138	132	137	123	104
„ 1911 ..	130	..	..	..	..	105

A noticeable feature pointed out by Hooker is that the differences in these numbers between one country and another are much less marked than in the case of food. The table shows that New Zealand is an exception. Canada, the youngest country but New Zealand, is the country that shows the least rise. This suggests that the slower rate of rise in their case is in part due to the high prices ruling for materials in the base period.

11. The prices of four materials—coal, iron, wool, and petroleum—have been selected and stated in the following comparative table :—

Particular materials.

TABLE 22.—INDEX NUMBERS* OF WHOLESALE PRICES OF PARTICULAR MATERIALS.
(Base 1890-99 = 100.)

I. Coal.

(R. H. Hooker, in the *Statistical Journal*, December, 1911, with the addition of Dr. McIlraith's Index Number for New Zealand.)

Year.	United Kingdom (Wallsend, in London).	France (Charbon Nord).	Germany (Dusseld, Fett).	United States of America (Pittsburg Bitum.).	Canada (N.S. Run of Mines).	New Zealand (Newcastle, on Ship).
1890 ..	109	129	135	103	102	110
1891 ..	109	113	111	123	102	110
1892 ..	107	99	96	117	102	110
1893 ..	112	91	82	118	102	110
1894 ..	95	91	89	99	99	110
1895 ..	86	81	90	93	99	110
1896 ..	86	83	91	89	100	110
1897 ..	91	85	101	89	98	83
1898 ..	97	100	101	88	97	74
1899 ..	107	129	105	83	97	74
1900 ..	135	182	114	117	106	74
1901 ..	115	162	115	117	121	74
1902 ..	107	135	107	122	122	74
1903 ..	95	131	105	144	124	74
1904 ..	94	123	105	132	122	74
1905 ..	89	123	108	124	114	74
1906 ..	95	143	114	123	111	74
1907 ..	114	162	123	128	119	74
1908 ..	104	162	127	132	128	74
1909 ..	101	148	122	126	125	75
1910 ..	99	162	121	125	122	75
1911 ..	..	..	..	..	..	..

* To the nearest whole number.

INDEX NUMBERS* OF WHOLESALE PRICES OF PARTICULAR MATERIALS—*continued.*2. *Iron.*

Year.	United Kingdom (Cleveland pig).	France (Marchands).	Germany (Dortm., Thomas).	United States of America (Pig).	Canada (Pig, Summerlee).	New Zealand (Iron Bars).
1890 ..	115	101	117	124	116	109
1891 ..	97	101	95	118	106	109
1892 ..	93	96	94	106	100	109
1893 ..	84	93	87	98	95	109
1894 ..	86	96	87	86	96	94
1895 ..	87	86	87	88	101	88
1896 ..	92	89	101	87	98	88
1897 ..	98	102	110	82	96	94
1898 ..	102	98	109	79	87	94
1899 ..	145	137	112	131	106	108
1900 ..	167	166	150	135	125	136
1901 ..	110	115	..	107	101	128
1902 ..	119	101	109	150	103	115
1903 ..	112	100	107	134	108	106
1904 ..	105	99	107	105	100	102
1905 ..	120	95	107	121	94	99
1906 ..	128	119	112	142	109	104
1907 ..	134	125	130	161	118	108
1908 ..	122	117	105	120	117	110
1909 ..	119	103	95	120	97	104
1910 ..	121	105	105	117	96	105
1911 ..	..	..	..	..	..	109

3. *Wool.*

Year.	United King- dom (English Wool).	France.	Germany.	United States of America.	Canada.	New Zealand (Merino).	New Zealand (Half-bred).
1890 ..	110	128	116	132	113	120	122
1891 ..	98	112	110	126	100	108	127
1892 ..	87	99	100	113	95	90	100
1893 ..	103	99	94	102	95	95	99
1894 ..	101	86	87	79	92	86	93
1895 ..	120	80	90	70	113	86	87
1896 ..	115	90	95	71	108	95	89
1897 ..	96	84	89	89	111	90	87
1898 ..	87	96	95	108	95	95	84
1899 ..	83	125	122	111	78	136	114
1900 ..	79	102	114	118	94	130	103
1901 ..	69	89	94	97	73	92	78
1902 ..	63	102	104	101	81	101	84
1903 ..	72	111	121	110	85	134	101
1904 ..	101	112	120	116	99	139	112
1905 ..	124	117	126	127	128	140	131
1906 ..	134	126	141	121	137	153	150
1907 ..	123	130	141	121	124	153	145
1908 ..	85	109	128	118	81	145	127
1909 ..	90	125	141	126	107	147	141
1910 ..	99	132	136	116	113	163	151
1911 ..	..	..	..	..	..	131	124

* To the nearest whole number.

INDEX NUMBERS* OF WHOLESALE PRICES OF PARTICULAR MATERIALS—*continued.*

4. Petroleum.

Year.	United Kingdom.	France.	Germany.	United States of America.	Canada.	New Zealand (Kerosene).
1890 ..	106	107	110	95	105	117
1891 ..	109	101	106	74	105	103
1892 ..	97	87	103	61	110	85
1893 ..	77	77	93	70	110	84
1894 ..	75	76	88	92	110	92
1895 ..	116	115	106	149	103	93
1896 ..	107	107	101	129	95	93
1897 ..	92	99	91	87	94	98
1898 ..	99	110	96	100	88	87
1899 ..	121	122	107	142	80	118
1900 ..	131	124	110	148	79	83
1901 ..	126	109	106	133	79	59
1902 ..	121	113	105	136	84	56
1903 ..	121	130	111	174	97	60
1904 ..	119	123	104	179	100	59
1905 ..	109	114	98	152	85	57
1906 ..	119	121	106	176	83	61
1907 ..	131	133	107	191	79	62
1908 ..	131	136	109	196	79	65
1909 ..	123	136	106	183	81	66
1910 ..	116	123	106	148	69	66
1911 ..	..	..	..	..	..	61

* To the nearest whole number.

The effect of the tariff reduction is observable in the case of New Zealand ; a conspicuous feature is the occasional abrupt changes in the United States of America.

12. It is difficult to construct retail prices indices, but the most reliable available are quoted in the following table and compared with the corresponding wholesale prices :—

Comparison of wholesale and retail prices.

TABLE 23.—COMPARISON OF WHOLESALE AND RETAIL FOOD-PRICES. (BASE 1895-1904 = 100.)
(Hooker, p. 35.)

Year.	United Kingdom.		France.					Germany.		United States of America.	
	Wholesale (Board of Trade).	Retail (Board of Trade).	Wholesale (i).	(ii).	Retail (iii).	(iv).	(v).	Wholesale (Hooker).	Retail (Board of Trade).	Wholesale (Bureau of Labour).	Retail (Board of Trade).
1890 ..	110	..	117	109	107	110	101	110	..	108	..
1891 ..	118	..	110	112	108	113	105	119	..	114	..
1892 ..	112	..	105	110	113	112	104	113	..	102	..
1893 ..	110	..	102	104	107	109	98	109	..	107	..
1894 ..	103	..	98	103	109	109	104	101	..	96	..
1895 ..	100	94	94	99	100	104	102	94	98	92	96
1896 ..	94	93	94	99	97	102	99	88	96	82	93
1897 ..	98	97	98	102	97	104	96	93	99	88	94
1898 ..	103	102	99	101	103	105	101	102	101	94	96
1899 ..	99	97	98	102	104	107	103	100	99	98	97
1900 ..	100	101	102	102	101	104	98	102	100	104	99
1901 ..	101	103	107	102	103	101	98	103	101	106	102
1902 ..	102	103	107	98	99	89	100	101	103	115	108
1903 ..	101	104	106	99	97	91	102	108	102	109	107
1904 ..	102	105	99	93	98	94	102	108	101	111	110
1905 ..	102	105	102	88	98	88	107	113	108	112	111
1906 ..	101	104	109	92	99	86	107	115	114	114	114
1907 ..	106	107	115	98	99	90	112	121	116	121	118
1908 ..	107	110	122	99	103	91	114	113	119	123	..
1909 ..	109	109	122	96	105	90	109	125	120	127	..
1910 ..	110	111	..	..	..	96	114	128	..	131	..
1911 ..	..	110	..	..	..	..	..	..	..	..	..

(i.) Import values ; same commodities as (ii) and (iii).

(ii.) Assistance publique.

(iii.) *Economat.*

(iv.) Normal expenditure of a working-class family.

(v.) *Idem*, without sugar and wine ; (i) and (ii) include coal and lamp-oil in addition to food.

In order to show the difficulty of comparing wholesale and retail prices over a period your Commission would quote the observations of Mr. Hooker on the above table :—

I have ventured to make a comparison between the wholesale prices of food in the country, as ascertained above, and these retail prices, although, of course, the comparison is largely vitiated by the commodities not being really the same, nor weighted in the same manner. Very little reliance can accordingly be placed upon the result. *A priori*, we should expect the curve of retail prices to be, upon the whole, distinctly smoother than that of wholesale prices; and this is apparently the case at New York, whereas the British series show very little difference between the two. The figures suggest that the retail index-number has risen somewhat more than the wholesale in recent years in this country, which is contrary to theoretical anticipation: this conclusion is quite illusory, and merely due to the selection of the standard. In the United States the retail curve is much the smoother, not falling so low as the wholesale in 1896-97, and lagging behind in 1907. Moreover, the different plan on which the wholesale and retail index numbers have been formed is quite sufficient to account for very considerable variations. All that can safely be said here is, I think, that since 1895 retail prices of food have risen as much as wholesale in this country, but that in the United States they appear to have lagged behind (until 1907).

Reverting now to the French wholesale and retail prices, quoted in the "Salaires et cût de l'existence," these show an index number for eight articles of food (bread or flour, butter, cheese, potatoes, rice, oil for food, wine, sugar—the absence of meat is noticeable), plus coal and lighting-oil, first at import values (wholesale prices); secondly, contract prices paid by the "Assistance publique" and, thirdly, the prices charged by two *economats* (that is, co-operative associations of employees of two railway companies) to their members, these last being retail prices at Paris, all *octroi* paid. These three sets thus represent three stages in the sale of goods. The number of commodities is extremely small, and the data thus apply to but a fraction of the provisions usually purchased by a family; still, the unexpected conclusion is reached that while import values have risen 20 per cent. since the average of 1895-1904, the other prices have scarcely risen at all. This is only another example of the difficulty of drawing conclusions, and is, I suspect, attributable to reductions in *octroi* or Customs duties on certain articles, such as wine and sugar. As instancing the enormous differences that may arise—when dealing with a few articles only—I also reproduce two columns from the same work of the Ministère du Travail showing the "normal" annual expenditure on food of a workman's family of four persons at Paris. Only thirteen articles are taken (bread, meat, fresh vegetables, potatoes, haricots, sugar, milk, butter, cheese, rice, fruits, wine, coffee), and these are weighted according to an estimated ideal rate of consumption based upon medical research. It will be seen that the food index number (base 1895-1904) is much lower, reaching in 1910 only 96. If, however, two articles—sugar and wine—are excluded, the index number of the remaining eleven articles shows a rise to 114 in 1910. The latter curve shows a much more reasonable resemblance to wholesale prices. Such considerations as these convey a vivid idea of the difficulty of arriving at a true estimate of the change in the cost of living.

Though materials for a proper comparison are not available, the results arrived at in Chapter I, compared with the trend in retail prices abroad as shown in the last table, suggest that the retail prices of food have moved in New Zealand at a slower rate than in other countries, except France and perhaps England.

Retail prices.

13. Mr. F. P. Wilson submitted a comparative table showing retail prices for a single year, which is set out below, with the addition of the figures for the United States of America.

TABLE 24.—PRICES IN ENGLAND AND WALES, GERMANY, AND FRANCE IN OCTOBER, 1905—FROM "BOARD OF TRADE LABOUR GAZETTE," MARCH, 1909 (P. 75)—COMPARED WITH THOSE OF NEW ZEALAND, 1911 (FROM "NEW ZEALAND YEAR-BOOK," 1911).

	United States of America, 1909.	"New Zealand Year-book," 1911.	England and Wales, 1905.	Germany, 1905.	France, 1905.	England, 100.				United States of America.
						New Zealand (Wellington).	England and Wales.	Germany.	France.	
Rent (four rooms) ..	s. d. 9 4	s. d. 14 6	s. d. 5 0*	s. d. 5 1½*	s. d. 3 11*	290	100	102.5	78	207
Sugar, per pound ..	0 2½	0 2½*	0 2	0 2½*	0 27½*	112.5	100	119	144	144
Butter, per pound ..	1 4½	1 1*	1 1½	1 1½	1 0½	99	100	105	94	126
Potatoes, per 7 lb. ..	0 6½	0 6	0 3	0 2½	0 3	200	100	88	100	233
Flour, per 7 lb. ..	1 0½	0 8	0 9	1 0½	1 1½	88	100	140	153	139
Bread, per 4 lb. ..	0 11	0 7	0 5	†	0 5½	140	100	..	115	223
Milk, per quart ..	0 4½	0 3½	0 3½	0 2½	0 2½	100	100	75	71	129
Beef, per pound ..	0 7	0 5	{ 0 8½ 0 5½ 0 8½ 0 4½	0 8½	0 7½	71	100	122	109	104
Mutton, per lb. ..	0 7½	0 4½	{ 0 8½ 0 8½ 0 4½	0 8½	0 8½	74	100	137	131	116
Pork, per pound ..	0 6½	0 6	0 8	0 9½	0 9½	75	100	123	116	81
Coal, per hundredweight ..	..	2 0	0 10½	1 1½	1 6½	223	100	124	170	..
Kerosene, per gallon..	..	1 0	0 7½	0 10½	1 2½	160	100	135	188	..

* Mean.

† Little white used.

‡ English.

§ Colonial.

14. After reviewing the position as disclosed in the statistics on the subject your Commission is of opinion that the rise in the cost of living due to the increase of the prices of the articles in the uniform "Schedule of Living" has been considerably less than in the United States, Canada, and Germany, and appears to be approximately the same as in the United Kingdom, but higher than in France.

General
conclusion.

CHAPTER IV.—INFLUENCE OF THE GOLD-SUPPLY.

Question 10 : What influence, if any, has the value of gold had on the cost of living ?

1. The price of a commodity is the value or purchasing-power of that commodity expressed in terms of money. Money is the common medium of exchange, and, as such, becomes the common denominator of values expressed in prices. If a bushel of wheat exchanges for 3s. and a chair for 9s. in the same market, their relative powers in exchange for commodities in general are as 1:3. The total value of the exchanges in a market at a given period will equal the quantities of goods and services exchanged multiplied by their several prices. This must be equal to the amount of money in circulation in that market for that period, multiplied by its rate of turnover or velocity of circulation. The money with which exchanges are made consists of (a) gold in circulation, and (b) credit money based on gold, and on other forms of property deposited in the banks, the latter usually taking the form of bank-notes, cheques, and bills of exchange. Therefore the amount of *legal-tender money* in circulation multiplied by its *rate of turnover*, and added to *the amount of credit money* in circulation multiplied by *its turnover*, exactly equals the sum of the prices of all commodities and services bought and sold in the market multiplied by the quantity sold; or, in other words, *the volume of trade*. The general level of prices, or the average prices, for the period must therefore equal the sum of, first, the legal-tender money in circulation multiplied by its rate of turnover, and, secondly, the amount of credit money in circulation multiplied by its turnover, divided by the total quantities of goods and services exchanged. This may be briefly referred to as the "equation of exchange" (Fisher). It is this general level of prices which the index numbers of wholesale prices (referred to in Chapter I) attempt to measure, not, of course, by attempting the impossible task of pricing all goods and services exchanged, but by choosing certain ones that may be regarded as typical of the whole. It is therefore clear that the general level of prices so determined is influenced directly by five factors—viz., the amount of money in circulation, the velocity of its circulation, the amount of credit money in circulation, the velocity of its circulation, and the volume of trade.

Gold and the
general level
of prices.

Obviously, if any one of these factors changes in magnitude, there must result a change in the general level of prices. Actually, of course, all of them are constantly changing, and the net result on the level of prices will depend on whichever factor has preponderating influence. The general principle is: If either money or credit money, or either of their velocities, increases, other things remaining the same as before the general level will rise; and, conversely, if the volume of trade increases, other things being the same, the general level must fall; if all the factors are increasing or diminishing, but at different rates, the result on prices will depend on the difference of influences exerted.

But the amount of credit money in the country is always dependent on the amount of money proper; though the ratio of the one to the other may change, there is a limit to the superstructure of credit that can be raised on the base composed of money proper. In New Zealand, as in nearly all countries, this basis of money proper is composed of gold, which is the standard money and the only unlimited legal tender; and it is by directly influencing the amount of this money in circulation, and indirectly influencing the amount of credit money in circulation, that the changes in the gold-supply of the world influence the general level of prices.

Increased gold-supplies, other things equal, increase the amount of money proper in circulation, and so tend to raise prices. A falling-off in the gold-supply diminishes the rate at which money proper is being increased, and, other things equal, lowers the level of prices. As long as gold is being mined and used as the money material, it must influence the position of the general level of prices; for, if the gold produced were used only in the arts, sooner or later a time would come when minted gold, by reason of its comparative scarcity, would become more valuable than uncoined gold, and then the owners of gold bullion would coin it, and the money-supply would rise. A fall in the general level of prices marks a rise in the general level of gold, or an appreciation of gold, since a given amount of gold—*e.g.*, a sovereign—obtains in exchange a greater quantity of things in general; conversely, a rise in the general level of prices indicates a fall or depreciation in the value of gold.

Causes of the depreciation of gold.

2. The period since 1895-96 has been marked by a rising price-level, and by the depreciation of gold measured by commodities and services in general. We are therefore led to seek the causes that have helped to bring this depreciation about by an examination of the forces that tend to alter the magnitude of the terms in the "equation of exchange." Let us examine these as they affect the several terms.

(1.) The amount of *money proper* in a country like New Zealand is determined by the price-level over the countries within the circle of its trade. That amount must be sufficient to sustain prices at the figure which will make them equal to those in other countries, allowing for the cost of transportation of the goods. If, for instance, the amount of money in New Zealand were increased (other things equal), prices here would rise relatively to those in other countries; but this would lead to a falling-off in exports and an increase in imports, with a consequent balance of indebtedness against New Zealand, which would generally be discharged by the export of the surplus of gold. The gold might, in theory, be retained by diminishing the credit money in circulation, or the velocity with which the money (gold and credit) was turned over, but this is scarcely likely in practice under normal conditions. If the price-level is higher in one country than another it is due to the restrictions placed upon the import and export commodities by natural causes such as distance, or by artificial causes such as a Customs tariff. Tables in Chapter III prove that the depreciation of gold since 1895-96 has not been confined to New Zealand, but is universal.

If the supply of gold for use in the arts increases relatively to the demand, gold will become more valuable as money, and will be minted in greater quantities. About one-fourth of the gold produced is used in the industrial arts throughout the world, and the amount of gold mined has been rapidly increasing.

The amount of additions to the money in circulation is also partly a result of the cost of producing gold. Gold is produced as long as the cost of production of an ounce is less than the current value of an ounce. A period when the price-level is rising retards the mining of gold, though the effect of the general rise in costs may be diminished by improvements in mining processes which diminish costs relatively to those of most industries.

(2.) The amount of *credit money* in circulation varies with the commercial habits of the people and the character of the banking system. The greater the value of the deposits in the banks and the confidence of the people in one another, the greater the circulation of the paper currency in the shape of bank-notes and cheques which are issued against the deposits. Other things equal, an increase of such currency raises the price-level and depreciates gold. Far greater than any advance in the quantity of metallic money has been the extension of the credit system by means of cheques, drafts, bills of exchange, &c. It is calculated that in the United States of America there is at least ten times as much credit money passing in business as there is of minted coin.

(3.) If the rate at which money proper and credit money is *turned over* increases, that is tantamount to an increase, other things equal, in the sum of currency in active circulation, and therefore induces a rise in the price-level and the depreciation of gold. That such an increase in the velocity of circulation of both kinds of money has occurred is hardly to be questioned after a glance at the causes which

quicken this rate. These are, shortly, a growing density of population; improvements in transport and in the communication of ideas, not only through the greater facilities yielded by rapid mail deliveries, telegraphs, and telephones for the transmission of ideas and orders, but by accelerated train and steamer services in the transit of goods; the extended use of book credits and of cheques; greater regularity of payments; shorter intervals between receipt of wages; and the growing tendency to synchronize receipts and payments. Observation and the statistics available support the opinion that in all these respects considerable influence must have been exerted in New Zealand during the last fifteen years in the direction of accelerating the nimbleness of money. The velocity of circulation of credit money is, of course, greater than that of the heavier and more bulky metallic money, the latter being relegated largely to the use of wage-payments and retail transactions. Under this credit system there has been no necessity to allow money to lie idle waiting for profitable use.

(4.) When we view the remaining factor, *the volume of trade*, we find that it can bring about the depreciation of gold only by falling off in itself. If fewer goods are to be exchanged by means of a given amount of money, more money will be offered for each unit of goods. But the greater part of the last twenty years of New Zealand's economic history has been marked not by a falling-off in the volume of trade, but by a remarkable increase therein, whether it is measured by production, market, or transportation statistics. In a new country like this, peopled from a vigorous stock, it would be indeed startling if the volume of trade did not regularly increase through the utilization of the natural resources, the settlement and improvement of the land, the increasing physical, mental, and moral efficiency of the people, the accumulation of capital, and the gradual improvement in the organization of industry with regard to security and economy in production, by invention, division of labour, and the general adaptation of labour and capital to their environment. The depreciation of gold must therefore have been in spite of, and not because of, the increase of trade in New Zealand. In fact, this factor, the expansion of trade, must have had the effect of retarding the rise in prices that has taken place and have tended to decrease the cost of living. But the production of commodities has been outstripped by the expansion of money, including credit, so that the cost of living has steadily increased. It would be possible to increase the quantity of money, and of credit built on that money, till the labourer, instead of getting 10s. a day would receive £10 a day. Such wage, however, would be of little use, as prices would probably all have risen in proportion. Prices are now ten times higher than they were a thousand years ago. The way in which wages and other incomes would be affected is shown in the next section and the next chapter.

3. We have now shown that the general purchasing-power of money is the effect of certain causes, of which the most important is the amount of money in circulation, and that this depends largely on the annual gold-supply; further, that the depreciation in the purchasing-power of money, which has been a chief factor throughout the world since the middle nineties, has been accompanied by, and is chiefly the result of, a greatly increased rate of gold-production. An attempt to show this increase in production is made in the following tables.

Increase in
the pro-
duction of
gold.

Sauerbeck estimates the value of the gold produced since 1880 to be:—

TABLE 25.

Period.	Value.	Year.	Value.
	£		£
1881-85 average	21,000,000	1906 ..	82,000,000
1886-90	23,000,000	1907 ..	84,800,000
1891-95	33,000,000	1908 ..	90,900,000
1896-1900	53,000,000	1909 ..	93,400,000
1901-05	66,000,000	1910 ..	93,400,000*
		1911 ..	95,900,000*

* Rough estimates.

The amount in fine ounces is stated by the United States Mint to be:—

Year.	Fine Ounces.	Year.	Fine Ounces.	Year.	Fine Ounces.
1890 ..	5,749,000	1897 ..	11,420,000	1904 ..	16,804,000
1891 ..	6,320,000	1898 ..	13,878,000	1905 ..	18,396,000
1892 ..	7,094,000	1899 ..	14,838,000	1906 ..	19,471,000
1893 ..	7,619,000	1900 ..	12,315,000	1907 ..	19,977,000
1894 ..	8,764,000	1901 ..	12,626,000	1908 ..	21,430,000
1895 ..	9,615,000	1902 ..	14,355,000	1909 ..	21,983,000
1896 ..	9,784,000	1903 ..	15,853,000		

TABLE 26.—COIN AND BULLION IN THE BANKS IN NEW ZEALAND.

		£			£		
1891 ..	..	2,357,588	1898 ..	..	2,752,245
1892 ..	..	2,522,725	1899 ..	..	2,636,177
1893 ..	..	2,601,949	1900 ..	..	2,802,232
1894 ..	..	3,221,476	1901 ..	..	2,996,345
1895 ..	..	3,333,272	1902 ..	..	3,201,824
1896 ..	..	3,294,603	1903 ..	..	3,608,941
1897 ..	..	2,955,818	1904 ..	..	3,896,195
					1905	4,006,108
					1906	4,593,954
					1907	4,836,718
					1908	4,840,942
					1909	4,947,096
					1910	5,035,764

This amount has therefore more than doubled during the last twenty years.

Mr. Roberts, the Director of the United States Mint, in his last annual report tries to show how the gold-output during the last twenty years has gone into "actual use, for the purpose of discovering where it has been located, and how much of it has been placed where it would probably exert an influence for the expansion of credit, the stimulation of industry, and the rise of prices." He summarizes the decade production since 1880 as:—

		Dollars.
1880-89 ..	..	1,062,500,000
1890-99 ..	..	1,959,977,820
1900-9 ..	..	3,582,917,500
1910 ..	..	454,703,900
1911* ..	..	473,383,543

The industrial consumption of gold he states to have been:—

		Dollars.
1890-99 (ten years) ..	..	570,627,100
1900-10 (eleven years) ..	..	958,192,100

of which Australasia consumed one million dollars' worth in 1910. India, Egypt, Japan, South America, and Mexico have also taken considerable amounts of the output, which are largely withdrawn from monetary use, though they have undoubtedly influenced the credit circulation. In fact, nearly half the gold circulation of the last twenty-one years has gone into the arts and to these countries. The remainder, some of it coined, and some of it in bank reserves, must have exercised some influence in raising prices both directly and indirectly by its influence in extending credit. It appears to have had most effect in these directions in North America.

4. There is no doubt that changes in the rate of gold-production have been throughout recent history very closely associated with changes in the general level of prices. The evidence of Dr. McIlraith (page 269) very fairly summarizes the trend of these changes. "Investigation seems to show that prices are now ten times as high as they were a thousand years ago, and from four to six times as high as they were during the period from 1215 to 1500—that is, up to the time of the discovery of America. The discovery of America caused the introduction of an immense amount of silver and gold, principally silver, into the markets, and hence into the currency, and prices rose. From about the time of the French Revolution—1789 to 1809—the stock of gold was rapidly increasing; and we find that during that period prices rose. From 1809 to 1849 the stock of gold was stationary, remained fairly stationary, and prices fell. That was a period of great development of steam-power. Steam was used for the first time in manufacturing. We may assume, then, that the volume of trade increased to an enormous extent, the stock of gold

* Estimate by the *Engineering Mining Journal*, quoted in *The Economist*, 18th May, 1912.

remained stationary, and, credit not being highly developed, trade outstripped the amount of money. The trade outstripped the currency, and the result was that prices fell. From 1849 to 1873, the period of the Californian and Australian gold discoveries, the stock of gold increased rapidly, and prices rose. From 1873 to 1896 only a slight increase in the stock of gold took place, and prices fell. You must bear in mind, also, that trade increased rapidly. This was a period of the application of scientific methods to manufacture, and it was at this time that the Suez Canal was opened. Trade increased very rapidly. The stock of gold increased slightly. The trade outstripped money, and prices fell. From 1896 to 1912 the stock of gold increased rapidly. We had the discovery of the Transvaal, the Cripple Creek (United States), and the Klondike mines. During that period, also, occurred the discovery and application of the cyanide process of gold-extraction. The stock of gold rapidly increased, and prices rose. The statement I have just made divides the last century or two into big periods. We find that, if the volume of trade increases in greater ratio than the stock of gold, prices fall, and *vice versa*. I have here in greater detail the figures from the year 1865. The world's gold-production varied thus :—

		" GOLD-PRODUCTION.		Compared with Average of Decade 1890-99.	
" Prices—					
Fell	2½ per cent.	from 1865 to 1870, an increase of	5 per cent...	..	34 per cent. below.
"	15 "	1870 to 1875, a decrease of	13 " ..	..	44 "
"	11 "	1875 to 1880, stationary	.. ..	..	44 "
"	12½ "	1880 to 1885, a decrease of	7 per cent...	..	48 "
"	12½ "	1885 to 1890, an increase of	8 " ..	..	44 "
"	4 "	1890 to 1895, "	33 " ..	..	25 "
"	6⅔ "	1895 to 1900, "	66 " ..	..	25 per cent. above.
Rose	3 "	1900 to 1905, "	20 " ..	..	52 "
"	3 "	1905 to 1910, "	33 " ..	..	102 "

" NOTES.—(1.) The gold produced during the last ten years (1900-9) was equal to that produced during the preceding twenty-five years (1875-99). (2.) The gold produced since 1895 was 30 per cent. greater than the amount produced during the preceding thirty-five years. (3.) The sources of greatest production are—Africa, North America, Australasia, Russia. (4.) The sources of most rapid increase are now—China, Africa, Russia. (5.) Australasia and North America are declining. (6.) 25 per cent. used industrially."

5. It is doubtful, however, if the world's gold-supply will long continue at its present rate of increase. The Australasian gold-yield is steadily falling; the Transvaal mines have probably reached their highest point of production and will begin to decline, while the other goldfields of the world (Klondike, Russia, India, South America) give no indication of increasing output sufficient to warrant the belief that they could sustain the advance in production if the yield of the African and Australasian gold-fields diminished rapidly. In regard to the probable course of gold-supplies in the future, Mr. Roberts's report supports the opinion of Professor Segar rather than that of Dr. McIlraith. He believes that gold-production is now near its maximum, since the Transvaal is the only field that has increased its output materially of late, and since there the deposits are well defined and the increased production has been due to an increase in machinery rather than to an extension of the field itself.

Probable
future of gold
supply

6. But the important factor to consider when estimating the effect of gold on prices is not so much the movements in the annual production. We cannot do better here than to quote from Professor Segar's evidence (page 313): "But even when the output of gold begins to diminish, it must be borne in mind that we are not in consequence to expect diminished prices. The influence of gold on prices does not depend on whether the output is itself increasing or diminishing, but really on the quantity of gold in circulation relatively to other matters that we have previously considered. The normal condition of the world at its present stage of development, however, is one of continually expanding trade and industry. This requires normally an increasing quantity of gold to conduct it at the same prices. What increase would be wanted in any particular year to effect this purpose would depend on the other magnitudes of the equation of exchange, and would vary from year to year. Whatever quantity it might be that would be necessary for the purpose, if the quantity produced be in excess of it, the excess will be effective in raising prices; if in defect, then the deficiency will produce a fall in prices. Now, there

Influence of
diminishing
gold output.

is no doubt that a production of £95,000,000 a year is greatly in excess of the amount required on the average to provide for the increased trade of the world at the same prices, to supply the arts with the gold that is required as the raw material of their manufactures, and to provide for hoarding; though it is difficult to say what that amount would be. Suppose we place the sum at some £60,000,000, which many would consider altogether too large; even then there would be no less than £35,000,000 a year which can only find an outlet by raising prices. Whatever the sum may be, until the annual production comes down to it there can be no stop to the rising of prices. Some two years ago the Press reported that an American professor attached to one of the western universities declared that the output of gold would reach £150,000,000 a year, and that prices would increase manifold. Professor Fisher himself expresses definitely the opinion that prices will continue to rise for another generation at least. Neither of these gentlemen appears to take due account of the considerations we have brought forward, and especially of the fact that any great increase in prices must at the present stage react injuriously on the mining of gold. At the other extreme was very recently a suggestion in the *Economist* that as the gold-yield of the Transvaal might begin to diminish in the near future, we might now very soon be confronted once again with an era of falling prices. The writer overlooked here that a diminishing output does not involve in itself, in virtue of its diminishing, falling prices. If I may venture on a personal opinion, unsupported by elaborate argument, I would give it by saying that the probability seems to be that the rise in prices will continue for some ten or fifteen years, and by that time we shall not improbably be near an era—the final era under the present monetary system of falling prices; unless, indeed, a falling birth-rate brings about a comparatively stationary population, leading to small increase in the amount of business transacted. The important point is that, considerable as has been the rise in prices, we certainly have not yet come to the turning-point; we are still in the midst only of an era of rapidly rising prices, although we are already confronted with an increase as great as the whole of that which followed the great Californian and Australasian discoveries of gold.”

7. There is reason to believe that in nearly every country a great extension of credit has occurred during the last twenty years. In New Zealand the deposits in the banks have more than doubled between 1890 and 1911.

TABLE 27.—DEPOSITS IN THE FIVE BANKS DOING BUSINESS IN THE DOMINION (NOT INCLUDING SAVINGS-BANKS, OR PRIVATE INSTITUTIONS RECEIVING DEPOSITS SUBJECT TO CHEQUE).

£		£		£	
1890	12,368,610	1897.. ..	14,290,512	1904	19,074,960
1891	12,796,098	1898.. ..	14,143,229	1905	20,545,601
1892	13,587,062	1899.. ..	14,591,223	1906	22,422,243
1893	14,433,777	1900.. ..	15,570,610	1907	23,517,111
1894	13,927,217	1901.. ..	16,034,848	1908	21,821,753
1895	13,544,415	1902.. ..	17,231,767	1909	21,996,621
1896	14,490,827	1903.. ..	19,011,114	1910	24,968,761

This would seem to show that there has been a great increase in the amount of credit money in circulation, which is drawn against these deposits. An investigation into the variations in the amounts of the factors in the “equation of exchange” as they appear in New Zealand was beyond the powers of your Commission in the limited time available; but it is a work that urgently requires to be done. From an examination of the statistics in existence, however, it appears that New Zealand is developing in the same direction as the United States and other countries: that is to say, not only is the amount of gold money increasing, but the amount of credit money is increasing at a more rapid rate, though this rate, of course, is controlled ultimately by the gold-holdings of the people and banks, and the velocity of circulation of both kinds of money is also increasing. These are all changes that will raise the general level of prices if they are greater than the increase in the volume of trade. That they are greater in the United States is shown clearly by Professor Irving Fisher, whose work in this direction is generally regarded as opening up a way which will ultimately lead to the most valuable practical applications of monetary science. His figures for the United States of America are given here.

TABLE 28.—SHOWING THE AMOUNT OF MONEY AND CREDIT MONEY IN CIRCULATION, THEIR VELOCITIES, THE VOLUME OF TRADE, AND THE GENERAL LEVEL OF PRICES IN UNITED STATES OF AMERICA, 1896-1909. (From Fisher.)

Year.	(1) Money in Circulation (Billions Dollars).	(2) Credit Money (Billions Dollars).	(3) Velocity of Circulation of (1).	(4) Velocity of Circulation of (2).	Volume of Trade (Billions Dollars).	General Level of Prices.	Product of (1) and (3).	Product of (2) and (4).	Value of Total Trade.
1896 ..	0.88	2.71	18.8	36.6	191	60.3	16	99	115
1903 ..	1.39	5.73	20.9	39.7	310	82.6	29	227	256
1909 ..	1.61	6.68	21.1	52.8	387	100.0	34	353	387

The money in circulation has nearly doubled in fifteen years ; its velocity of circulation has increased ; the credit money nearly trebled, and its velocity increased by nearly 50 per cent. ; the volume of trade doubled ; and the general level of prices rose about 66 per cent. Briefly, the increase in the volume of trade was outstripped by the increases in the other four factors in the equation, and the result was a higher price-level.

Professor Segar drew the attention of the Commission to an interesting point (page 311) : “ If the ratio of the credit currency to money had changed, and also the velocity of circulation of the credit currency—if those two had changed together, but not the money, either in amount or velocity, that would have produced a change of 94 per cent. in the amount of currency that changed hands. You notice that those two are almost equal—viz., 92 per cent. and 94 per cent.—showing that the increase of the currency in the United States that changed hands was almost equally due to the increase in money and its increased velocity of circulation, and to the increase in bank deposits and their increased velocity of circulation. The two influences were almost equally divided. That is a point that Professor Fisher does not bring out, and it is very noteworthy.”

8. After taking a broad general view of the situation as it appears throughout the world, your Commission is of opinion that the increased gold-supplies of the world have assisted, both directly and indirectly through credit money, to raise the general level of prices. The Commission has already stated that the rise in the “ cost of living ” is partly the effect of the rise in general prices, and therefore holds that the increased production of gold has helped to raise the cost of living. This point is further developed in the next section, which deals with the different ways in which the prices of particular commodities are changed whenever a change in the general level of prices occurs.

General
conclusion.

9. If through increasing supplies of gold the prices of all goods and services increased at once and uniformly the gold-supply would be robbed of much of its interest in relation to the cost of living. It is true the items in the schedule of living would all increase in price, but the price of labour and ability would have shared in the general rise, and the receipts and payments would balance just as before the change.

Gold and
relative
prices.

10. But actually, if the supply of money increases, the prices of all things do not rise in the same proportion. Many prices are fixed for long periods by contract, others by custom, and some by law ; examples are those paid for the leases of farms, bonds, labour, medical and legal services, teachers' salaries, Court fees, and railway fares. Then, since the price of gold is fixed, all things of whose cost the cost of gold forms a large proportion, such as many kinds of jewellery, vary but little in price. If the prices of such things do not change in proportion to the increased gold-supply, those of all other things must rise higher than in proportion ; for example, the prices of food may rise more than wages or the price of labour, and the prices of materials more than the prices of foodstuffs. But there is another reason why the increase of price is not uniform, and that is because each commodity and service varies in price relatively to all other commodities and services, according to changes in the conditions of demand and supply affecting it. If, *e.g.*, the supply of money be doubled, that does not necessarily mean a doubling of every price, because, among other reasons, prices of some commodities will be changing relatively to one another through changes in the conditions of demand and supply relating to those commodities. All prices will tend to double—that is, in the absence of counteracting

No uniform
rise of price

causes ; but if there happens to be a special increase in demand for a commodity whose price is usually flexible, its price will be more than doubled, whilst other prices will change by less than doubling. But still the average of all prices—that is, the general level of prices—will have doubled. It is important to remember this in considering the actual influence of the gold-supply on the prices of particular commodities and services, such as those in the schedule of living. Moreover, the volume of trade does not remain constant, and the quantities of different goods change in different degrees, thus introducing another cause tending to the “dispersion of prices” from the average fixed by the ratio of the money-supply and velocity to the amount of trade.

What is important to grasp in examining the relation of gold to prices is that “every price of an individual article presupposes a price-level,” and that the demand for and supply of each article cannot of itself explain the amount of that price, but only its amount in relation to the prices of other things. “It is amazing how tenaciously many people cling to the mistaken idea that an individual price, though expressed in money, may be determined wholly without reference to money. . . . We have more need to study the price-level preparatory to a study of the price of sugar than to study the price of sugar preparatory to a study of the price-level. We cannot explain the level of the sea by the height of its individual waves ; rather must we explain in part the position of those waves by the general level of the sea. . . . If one commodity rises in price (without any change in the quantity of it or of other things bought and sold, and without any change in the volume of circulating medium or in the velocity of circulation), then other commodities must fall in price. The increased money expended for this commodity will be taken from other purchases. In other words, the waves in the sea of prices have troughs.”*

“We cannot, therefore, reason directly from particular to general prices ; we can reason only indirectly by reference to the effects on quantities. Sometimes the rise in an individual price raises and at other times lowers the general price-level. To draw a physical parallel, let us suppose that a thousand piles have been driven in a quicksand, and that the owner wishes to raise their level a foot. He gets hoisting-apparatus and planting it on the piles pulls one of them up a foot. He then pulls up another, and continues until he has pulled up each of the thousand. But, if every time he has pulled one up a foot, he has pushed down 999 over $\frac{1}{1000}$ of a foot, when he has finished he will find his thousand piles lower than when he began. Each time a pile has risen the average level of all has fallen.”†

A practical application of the theoretical connection between the price-level determined by gold and the prices of particular commodities may be quoted from Mr. Layton’s “History of Prices.”‡ Food-prices increased markedly in 1911 ; the drought in Europe had reduced the yield of agricultural products below the normal level, and thus shrunk the volume of trade. This shrinkage alone would have accounted for the rise in the price-level, there being a smaller number of exchanges to be made by the same amount of money. “With the same amount of money in the hands of consumers, and with fewer goods to go round, prices may rise without any currency change ; and this consideration is at the bottom of the rise in prices of sugar and of dairy-produce. The increase of gold, however, underlies even this movement, for the level from which this special rise started is higher than the level from which a similar rise in 1895 would have started. The sugar crop, for example, in 1911 is abnormally low, but it is bigger than in 1895. There are more people with money in their pockets anxious to buy sugar, both in the Continent of Europe and in England, and therefore a crop that would have met the whole demand of consumers with money to spend in 1895 is insufficient for the number of consumers with money in their pockets in 1911. The difference in the basis level is thus dependent on the fact that there is more money in Europe than was the case fifteen years ago, though the particular rise on the top of the boom is to be attributed directly to drought.”

11. We venture to quote a table drawn up by Mr. Layton,§ analysing the price-changes in the United Kingdom of the articles comprised in Sauerbeck’s index number between the periods 1894–98 and 1906–10, and comparing these changes with the change in the general level of prices ; and to extend it by a similar table for New Zealand based on Dr. McIlraith’s index number.

Change in
relative
prices in N. Z.

* Fisher’s “Purchasing-power of Money,” p. 175 *et seq.*

† *Ibid.*, p. 181.

‡ Pages 98 and 99.

§ Page 88

TABLE 29.—ANALYSIS OF PRICE-CHANGES IN THE UNITED KINGDOM BETWEEN 1894-98 AND 1906-10.
(Layton.)

(Wholesale Prices according to Sauerbeck's Index Number ; Average Rise in Prices, 25 per Cent.)

Articles which rose less than the Average.			Articles which rose about the same as the Average.			Articles which rose more than the Average.		
		Per Cent.			Per Cent.			Per Cent.
Coffee .. ..	..	-32	Bacon .. ..	..	+20	Hemp .. ..	..	+31
Indigo .. ..	..	-25	Coal .. ..	..	+25	Hides .. ..	..	+33
Tallow .. ..	..	-4	Wool .. ..	..	+25	Oils .. ..	..	+35
Tea .. ..	..	-3	Petroleum .. ..	..	+27	Soda .. ..	..	+35
Sugar .. ..	..	-1	Pig-iron .. ..	..	+30	Iron bars .. ..	..	+35
Barley .. ..	..	+4	Nitrate .. ..	..	+30	Linseed .. ..	..	+40
Potatoes .. ..	..	+4				Maize .. ..	..	+44
Timber .. ..	..	+9				Copper .. ..	..	+52
Oats .. ..	..	+11				Cotton .. ..	..	+71
Leather .. ..	..	+14				Jute .. ..	..	+80
Lead .. ..	..	+15				Tin .. ..	..	+136
Beef .. ..	..	+16						
Mutton .. ..	..	+16						
Silk .. ..	..	+16						
Flour .. ..	..	+16						
Flax .. ..	..	+17						
Wheat .. ..	..	+17						
Butter .. ..	..	+17						
Pork .. ..	..	+18						
Rice .. ..	..	+19						

TABLE 30.—ANALYSIS OF PRICE-CHANGES IN NEW ZEALAND BETWEEN 1894-98 AND 1906-10.

(Wholesale Prices according to Dr. McIlraith's Index Numbers ; Average Rise in Prices, 7 per Cent.)

Articles which rose less than the Average.		Articles which rose about the Average.		Articles which rose more than the Average.	
Article.	Rise or Fall.	Article.	Rise.	Article.	Rise.
	Per Cent.		Per Cent.		Per Cent.
Kerosene	Fall 30.89	Coffee	Rise 3.40	Linseed-oil	Rise 14.82
Rice .. ..	.. 23.78	Tea .. ..	.. 4.80	Iron bars .. ..	.. 15.94
Coal .. ..	.. 23.57	Wheat .. ..	.. 10.12	Barley .. ..	.. 16.79
Currants .. ..	.. 19.31			Mutton .. ..	.. 19.58
Sugar .. ..	.. 17.72			Beef .. ..	.. 20.04
Soda .. ..	.. 12.12			Lamb .. ..	.. 24.90
Cement .. ..	.. 3.02			Soap .. ..	.. 25.00
Oats	Rise 1.69			Lead .. ..	.. 25.75
Flour .. ..	.. 1.18			Zinc .. ..	.. 31.15
				Bacon .. ..	.. 35.68
				Butter .. ..	.. 40.57
				Cheese .. ..	.. 60.67
				Wool .. ..	.. 65.35

These tables show some interesting contrasts. In the United Kingdom the more important foodstuffs, such as sugar, beef, mutton, flour, wheat, butter, pork, and bacon rose less than the average (in sugar there was even a fall in price); but in New Zealand these articles, with the exception of sugar, rice, and flour, rose more than the average, particularly the meats and dairy-produce. If we take into consideration the considerable rise in rent, it is clear that the cost of living in New Zealand has risen much more than the rise in the supplies of gold and of money generally would explain. Some of the other causes which have operated to raise the local prices of foodstuffs are discussed in succeeding chapters; but we may so far anticipate the results arrived at as to state here that the greatest influence has been the increased demand for foodstuffs throughout the world. During the last twenty years New Zealand has been enabled by the improvement of various processes of preserving foodstuffs and the acceleration of transport to play an increasing part in satisfying this demand; foodstuffs have been exported in increasing

quantities, and this, with a growing demand for them at Home, has resulted in their prices rising at a rate higher than prices in general. But the country has been more than compensated, for, as Dr. McIlraith pointed out (page 276), while the goods we export have risen about 40 per cent., the goods we import have risen only 3 or 4 per cent., and, therefore, have come into the Dominion in a rapidly increasing volume and benefited all classes of the community. This point is developed in the next chapter.

CHAPTER V.—THE STANDARD OF LIVING.

Question 3 : To what extent is the increased cost of living, if any, the result of a higher standard of living ?

Relation to
cost of living.

1. So far we have considered only one side of the account of living—that of expenditure on the schedule of living ; but, with the cost of living as we have defined it, we must compare the extent of the means of defraying that cost. If out of income there is a growing surplus after this cost has been defrayed, more will be spent on satisfying old wants, and some of the surplus will be devoted to the satisfaction of new needs ; in other words, the standard of living is raised. But this movement must not be confused with a rise in the cost of living. Its appearance means that the cost of living relatively to income has fallen, or that income has risen relatively to the cost of living. We must regard the latter at a uniform standard, otherwise it would be extremely difficult to make even approximately accurate comparisons of the progress in the material welfare of the people. If after a considerable period in which incomes have been advancing at a greater rate than the cost of living, and in which, therefore, the standard has risen so that that standard has become a commonplace, there then comes a slackening in the purchasing-power of income, people find it difficult to maintain this higher standard, and naturally complain that the “cost of living” is rising fast, though their ability to purchase the goods in the schedule of living may be much greater than in the earlier or middle part of the period in question. We have grounds for believing that this is the main reason for the present outcry against the rise in the cost of living—namely, that wages and similar grades of incomes have of late failed to keep pace with the prices of things included in the present extended schedule of living—a schedule different in many respects from that of twenty years ago—and that it is becoming more difficult to maintain *the rate of increase* in consumption in face of the relative falling-off in real income.

Methods of
measuring
change.

2. The rise in the standard of living may be proved to exist,—

First, by a comparison of the money wages received with the power of those wages in purchasing the commodities and services usually consumed by the wage-earning classes. If this power increases faster than the money wages, the inference is that the surplus will be devoted to increasing the material comforts of life. In fact, a comparison of the index numbers of the prices of these with the changes in earnings gives a rough measure of the improvement in the scale of living.

Secondly, by comparing the quantities consumed, per head of the population, of the necessaries and common comforts and luxuries. A great part of the increased consumption of these is accounted for by the greater demand of the workers, since the wealthier classes do not increase their expenditure on such articles at a similar rate in times of growing prosperity.

Thirdly, by comparing the relative amounts spent on rent, food, clothing, fuel and light, and other things, by the average workers at different periods. The lower the standard of comfort, the larger the proportion of income spent on food, and the lower that on things outside the necessaries of life.

Fourthly, by comparing such figures as the amounts of deposits in the savings institutions of the country, the numbers of life-insurance policies, and the importations of articles that are manufactured chiefly abroad, and may be regarded as common luxuries of the mass of the people.

3. Statistics giving the material for a complete comparison do not exist in New Zealand, but those available support the common opinion that there has been a marked rise in the standard of living over the last twenty years. The evidence tendered to the Commission abounds in references to this improved scale of living.

The next table gives the consumption per head of population of certain articles in common use, from material provided by parliamentary paper H.-9, Session II, 1912. These are the only reliable statistics of consumption available.

TABLE 31.—SHOWING CONSUMPTION, PER HEAD OF POPULATION, OF ARTICLES IN COMMON USE, 1891-1911.

A. *Spirits and Tobacco.*

Year.	Adult Male Population (including Maoris).	Spirits.		Tobacco.	
		Per Head.	Duty per Head.	Per Head.	Duty per Head.
1891	182,280	Gal.	£ s. d.	lb.	£ s. d.
1891	182,280	2.43	1 17 3	6.90	1 3 7
1892	185,070	2.47	1 17 11	6.72	1 3 0
1893	193,176	2.40	1 16 11	6.59	1 2 7 $\frac{3}{4}$
1894	196,005	2.24	1 14 5	6.44	1 1 11 $\frac{1}{2}$
1895	197,521	2.20	1 14 5	6.80	1 3 5
1896	208,518	2.17	1 14 8	6.61	1 2 9
1897	212,551	2.25	1 16 0	6.67	1 2 9 $\frac{1}{2}$
1898	216,431	2.27	1 16 4	6.89	1 4 0
1899	219,858	2.34	1 17 6	6.94	1 4 2
1900	223,454	2.46	1 19 5	7.28	1 4 9 $\frac{3}{4}$
1901	241,078	2.47	1 19 7	7.11	1 4 4 $\frac{1}{2}$
1902	247,526	2.43	1 18 11	6.86	1 3 7 $\frac{1}{4}$
1903	255,122	2.43	1 18 10	7.26	1 5 1
1904	263,023	2.46	1 19 4	7.43	1 5 10
1905	270,403	2.34	1 17 6	7.39	1 5 8 $\frac{3}{4}$
1906	295,122	2.34	1 17 6	7.06	1 4 6 $\frac{1}{4}$
1907	301,550	2.46	1 19 4	7.15	1 4 10 $\frac{1}{2}$
1908	306,717	2.45	1 19 2	7.33	1 5 5 $\frac{1}{2}$
1909	317,774	2.26	1 16 2	7.17	1 4 10 $\frac{3}{4}$
1910	323,340	2.37	1 18 0	7.10	1 4 10
1911	335,853	2.36	1 17 9	6.86	1 3 11 $\frac{3}{4}$

B. *Wine, Ale, and Beer, New-Zealand-brewed Beer.*

Year.	Male and Female Population over Fifteen Years (including Maoris).	Wine.		Ale and Beer.		New-Zealand-brewed Beer.	
		Per Head.	Duty per Head.	Per Head.	Duty per Head.	Per Head.	Excise per Head.
1891	407,590	Gal.	s. d.	Gal.	s. d.	Gal.	s. d.
1891	407,590	0.27	1 7	0.61	0 11	11.2	2 9 $\frac{1}{2}$
1892	417,673	0.27	1 6 $\frac{3}{4}$	0.62	0 11 $\frac{1}{4}$	11.4	2 10
1893	430,885	0.26	1 6 $\frac{1}{4}$	0.53	0 9 $\frac{1}{2}$	11.3	2 10
1894	439,198	0.22	1 3 $\frac{1}{2}$	0.48	0 8 $\frac{3}{4}$	10.9	2 9
1895	444,298	0.21	1 2 $\frac{3}{4}$	0.45	0 9 $\frac{1}{4}$	11.1	2 9 $\frac{1}{4}$
1896	479,015	0.21	1 2 $\frac{1}{2}$	0.38	0 9	11.2	2 9 $\frac{3}{4}$
1897	488,472	0.21	1 2 $\frac{3}{4}$	0.39	0 9 $\frac{1}{4}$	11.7	2 11 $\frac{1}{4}$
1898	497,619	0.22	1 3	0.39	0 9 $\frac{1}{4}$	12.1	3 0 $\frac{1}{4}$
1899	505,899	0.22	1 3	0.35	0 8 $\frac{1}{4}$	12.3	3 1 $\frac{1}{4}$
1900	514,900	0.22	1 3 $\frac{1}{2}$	0.34	0 8	13.2	3 3 $\frac{3}{4}$
1901	552,028	0.22	1 3 $\frac{3}{4}$	0.34	0 8	12.9	3 2 $\frac{3}{4}$
1902	565,533	0.22	1 3 $\frac{1}{2}$	0.36	0 8 $\frac{1}{2}$	12.7	3 2
1903	581,906	0.21	1 2 $\frac{3}{4}$	0.35	0 8 $\frac{1}{2}$	12.9	3 3
1904	598,583	0.20	1 2 $\frac{1}{4}$	0.34	0 8	13.0	3 3
1905	615,187	0.18	1 0 $\frac{3}{4}$	0.35	0 8 $\frac{1}{2}$	12.6	3 2
1906	651,559	0.19	1 1 $\frac{3}{4}$	0.38	0 9 $\frac{1}{4}$	12.7	3 2 $\frac{1}{4}$
1907	665,777	0.22	1 3 $\frac{1}{2}$	0.42	0 10	13.6	3 4 $\frac{3}{4}$
1908	676,447	0.22	1 3 $\frac{1}{4}$	0.40	0 9 $\frac{1}{2}$	13.8	3 5 $\frac{1}{2}$
1909	702,379	0.20	1 1 $\frac{1}{4}$	0.36	0 8 $\frac{1}{2}$	13.1	3 3 $\frac{1}{4}$
1910	715,908	0.21	1 1 $\frac{3}{4}$	0.38	0 9	13.1	3 3 $\frac{1}{2}$
1911	734,236	0.19	1 0 $\frac{1}{2}$	0.37	0 9	13.0	3 3

Consumption statistics.

SHOWING CONSUMPTION, PER HEAD OF POPULATION, OF ARTICLES IN COMMON USE, 1891-1911—
*continued.**C. Tea, Coffee, &c., Sugar.*

Year.	Total Population (including Maoris).	Tea.		Coffee, Cocoa, and Chicory.		Sugar.	
		Per Head.	Duty Per Head.	Per Head.	Duty Per Head.	Per Head.	Duty Per Head.
		lb.	s. d.	lb.	s. d.	lb.	s. d.
1891 ..	675,775	6.00	3 0 $\frac{1}{4}$	0.84	0 2 $\frac{1}{2}$	80.7	3 4 $\frac{1}{4}$
1892 ..	692,426	5.90	2 11 $\frac{1}{2}$	0.79	0 2 $\frac{1}{4}$	83.8	3 6
1893 ..	714,258	5.72	2 10 $\frac{1}{4}$	0.79	0 2 $\frac{1}{4}$	88.3	3 5 $\frac{1}{2}$
1894 ..	728,121	5.67	2 10	0.67	0 2	87.2	3 7 $\frac{1}{2}$
1895 ..	740,699	6.04	2 6 $\frac{3}{4}$	0.65	0 1 $\frac{3}{4}$	88.5	3 8 $\frac{1}{4}$
1896 ..	754,016	5.88	1 11 $\frac{1}{2}$	0.70	0 1 $\frac{3}{4}$	89.4	3 8 $\frac{3}{4}$
1897 ..	768,910	5.93	1 11 $\frac{3}{4}$	0.70	0 1 $\frac{3}{4}$	92.0	3 10
1898 ..	783,317	6.03	2 0	0.67	0 1 $\frac{3}{4}$	93.6	3 10 $\frac{3}{4}$
1899 ..	796,359	6.03	2 0	0.80	0 2	97.0	4 0 $\frac{1}{2}$
1900 ..	810,536	6.38	1 8 $\frac{1}{2}$	0.57	0 1 $\frac{1}{2}$	98.8	4 1
1901 ..	830,800	6.63	1 1 $\frac{1}{4}$	0.44	0 1 $\frac{1}{3}$	98.5	4 1
1902 ..	851,072	5.98	1 0	0.49	0 1 $\frac{1}{3}$	102.8	4 3 $\frac{1}{2}$
1903 ..	875,648	5.98	1 0	0.54	0 1 $\frac{3}{4}$	104.0	4 4
1904 ..	900,682	5.80	0 1 $\frac{1}{4}$	0.61	0 1 $\frac{3}{4}$	104.9	4 4 $\frac{1}{2}$
1905 ..	925,605	6.37	..	0.53	0 1 $\frac{1}{2}$	100.2	4 2
1906 ..	956,457	6.41	..	0.51	0 1 $\frac{1}{2}$	105.6	4 4 $\frac{3}{4}$
1907 ..	977,215	6.93	..	0.62	0 1 $\frac{7}{8}$	106.6	4 5 $\frac{1}{4}$
1908 ..	1,008,373	6.41	..	0.55	0 1 $\frac{3}{4}$	103.9	..
1909 ..	1,030,657	7.08	..	0.44	0 1 $\frac{1}{2}$	114.7	..
1910 ..	1,050,410	7.22	..	0.54	0 1 $\frac{3}{4}$	107.9	..
1911 ..	1,075,250	7.50	..	0.52	0 1 $\frac{3}{4}$	115.4	..

The per-capita consumption of tea and sugar, which is a better index of the consuming-power of the general population than that of beer, spirits, wine, and tobacco, which is subject to other than economic influences, has increased greatly over the period—that of sugar by nearly 50 per cent., and that of tea by 25 per cent.

4. Dr. McIlraith stated that the period from 1887 to 1891 shows the lowest standard that New Zealand has experienced since 1860, judging the standard of comfort by the volume—not the value—of the things consumed in New Zealand, and this was the period in which twenty thousand more people left New Zealand than entered it. For that period the standard worked out at 98. He drew up the following table showing the changes in the general prosperity of the people judged by the volume of the goods they consumed:—

TABLE 32.—PROSPERITY TABLE.—AVERAGE OVER QUINQUENNIAL PERIODS.

Year.	Year.
1880-84 125	1894-98 113
1881-85 129	1895-99 116
1882-86 126	1896-1900 125
1883-87 118	1897-1901 135
1884-88 111	1898-1902 142
1885-89 107	1899-1903 152
1886-90 101	1900-4 164
1887-91 98	1901-5 169
1888-92 99	1902-6 174
1889-93 101	1903-7 182
1890-94 102	1904-8 187
1891-95 104	1905-9 184
1892-96 107	1906-10 188
1893-97 110	1907-11 190

Period.	Compared with 1887-91.	Period.	Compared with 1887-91.
1880-84 ..	27 per cent. higher	1898-1902 ..	45 per cent. higher
1884-88 ..	14 ..	1903-7 ..	86 ..
1893-97 ..	14 ..	1907-11 ..	94 ..

These figures show that in the years 1907-11 we consumed per head almost twice as much in volume as we did during the period from 1887-91. Each person

consumed approximately twice the volume that was consumed per person twenty years ago.

This table brings into clear relief the great advance in the general standard of comfort of the people, an advance, as Dr. McIlraith said, that has been directly connected with the extraordinary rise in the price of exported farm-products. The country has produced in volume very much more from the soil than formerly, and the prices of farm-commodities have increased by about 40 per cent. This has caused an inflow of wealth into New Zealand in exchange for those products, and that wealth has filtered down from the farmers to all classes of the community.

5. Another suggestive table is that comparing the volume of consumption per head with the marriage-rate, birth-rate, average size of the family, and the bankruptcy-rate. Tests of prosperity.

TABLE 33.—TESTS OF PROSPERITY.
(Dr. McIlraith, p. 275, extended.)

Year.	Volume of Consumption per Head.	Marriage-rate.	Birth-rate.	Bankruptcy-rate.	Proportion of Births to every Marriage of the Previous Year.
1880	102	104	..	411	..
1881	123	103	..	396	..
1882	144	109	..	356	..
1883	131	106	..	412	..
1884	123	106	..	205	..
1885	122	103	..	233	..
1886	112	93	..	246	..
1887	104	93	118	230	..
1888	97	93	114	195	..
1889	98	92	111	165	..
1890	95	95	108	142	..
1891	95	94	107	130	4.64
1892	108	96	103	107	4.54
1893	108	96	101	100	4.37
1894	106	95	100	129	4.33
1895	103	92	99	96	4.24
1896	111	106	96	80	4.32
1897	121	106	95	79	3.70
1898	122	107	95	74	3.68
1899	125	113	92	70	3.54
1900	146	119	94	56	3.41
1901	160	121	96	39	3.34
1902	155	124	95	34	3.23
1903	174	127	97	31	3.26
1904	183	128	99	41	3.22
1905	171	128	100	47	3.24
1906	187	131	99	52	3.21
1907	196	138	100	53	3.15
1908	196	137	100	61	3.03
1909	171	129	100	71	3.03
1910	191	129	96	60	3.07
1911	195	..	..	..	..

With regard to the marriage-rate, the basis is the average marriage-rate per thousand of population during the nineties = 100. Everything else is reduced to the percentage of that 100. Our marriage-rate and the prices of the products of the soil in 1895 were the lowest on record in New Zealand; and in 1896 the prices of commodities were the lowest on record in Europe and America.

The increasing volume of consumption has therefore been attended by a rising marriage-rate, fewer births per marriage, a diminution of the size of the average family, and a falling bankruptcy-rate, all indicative of a rising standard of life. The index number of the volume of liquor consumed in New Zealand (McIlraith, 1890-99 = 100) is instructive as showing that though the consumption has increased it has increased only by about 7 per cent., whilst the consumption of commodities in general has almost doubled.

TABLE 34.—PROSPERITY TABLE DERIVED FROM THE VOLUME OF LIQUOR CONSUMED PER HEAD.

Year.	Year.
1885 119	1898 94
1886 113	1899 98
1887 109	1900 103
1888 110	1901 108
1889 97	1902 105
1890 108	1903 107
1891 105	1904 106
1892 107	1905 102
1893 103	1906 107
1894 97	1907 113
1895 95	1908 114
1896 90	1909 104
1897 93	1910 107

This table seems to show that the volume of liquor consumed per head fell during the time of low prices of products, and rose during the period of high prices; people drink more when they are prosperous; but the increase of prosperity indicated here is not so great as the increase indicated by the other tables. That is clearly intelligible from the fact that the temperance sentiment is now much stronger than it used to be.

6. This rise in consumption shown in the above tables has accompanied a rise in prices, so that it is an undoubted sign of general prosperity if the individual can not only purchase twice as much but also pay higher prices therefor. Witness after witness, trade after trade, gave evidence that not only was better quality demanded by all classes, but that more attractive and more fashionable styles were found necessary to draw customers to stores and shops. Boots and shoes must be more delicately shaped; furniture more artistic; clothing of up-to-date style; houses of new design, and finished with all the latest appliances of baths, hot-water services, gas or electric light, drainage, &c. As one of the witnesses in the boot trade remarked, "The imported stuff that comes here now is of a higher grade, and the whole of the public has been gradually educated to demand a better class of stuff." "Educated" is the key-word to the whole movement.

The education towards higher ideals, even in the material things of life, is hard to trace, for it arises from many causes, and flows subtly in many channels. Some of it comes through our national system of education itself—the teaching of our public schools. In the early days of the Dominion there were thousands of our settlers who in other countries had been reared under imperfect tuition. They included in their ranks some of our most valued and valuable pioneers, men and women admirably fitted for the rough work of breaking in new lands. Their children and their children's children now receive instruction equalling, and sometimes surpassing, what they could obtain at a good private school. Naturally, all over the Dominion, even in the most isolated portions of it, there have sprung up centres of culture and intelligence. High schools, universities, colleges, libraries, picture-galleries, debating societies, lectures, daily newspapers, illustrated weeklies, picture-shows, all have tended to disseminate knowledge, and to give to all classes a strong desire for improvement not only in regard to mental culture, but also in regard to more material things, such as artistic dwellings, good food, attractive clothes, and leisure for recreation. With these are joined the desire for rapid transit on trains, fast steamers, and electric trams, together with quicker communication by letter, telegraph, and telephone. The effect of spending money on telegrams or telephones is to cause more of these to be extended as services, and so more taxes have to be paid.

That the rise in the standard of living is worth paying for, from the public point of view, cannot be doubted. The alteration in the public taste is very marked. The old crude wall-papers and decorations of twenty years ago cannot now be endured. The materials for women's dress and adornment become more elegant and dainty every year. The taste for good pictures is becoming evident; the reproach that a colonial was a person who "sat on a thirty-guinea sofa to admire a thirty-shilling chromo" is a thing of the past. The dislike of hideous advertisements on walls, trams, or picturesque places is marked, and the love of beautiful public parks and gardens everywhere apparent.

The question then arises, "Is there ability with the people to pay for these desirable things? Can the increasing burden be borne?" The answer is probably given by the witness who pointed out to the Commission that the returns in the New Zealand Year-book showed that in 1910 there were 408,770 depositors in the savings-banks—*i.e.*, that in a population of about a million nearly one person in two (including children) has a banking account.

In spite of this average of general prosperity there is plenty of room for individual poverty. The savings are often of a petty character; the struggle against competitors severe; and the very fact of higher standards of life becoming general makes the strife for existence among the very poor the harder and more galling to endure. If sometimes, as is alleged, the workers' means are too much trenched upon for sport and recreation, neither the State nor the Press is blameless in the matter. The State encouragement of the racecourse, and the endless columns of sporting news in the daily newspapers may be indexes of popular opinion, but do not tend to teach economy of outlay in the "cost of living." We have not in New Zealand what an American authority on economics has called "the criminal extravagance of our wealthy classes," but we have sufficient evidence visible on every side that it is difficult for people of varying degrees of wealth to exist in communities without a determination being aroused among the more needy to share in some of the advantages of national progress. This latter determination may contain within it valuable germs of enterprise and of future improvement. The matter may be considered as admirably summed up in the statement of a Wellington witness: "The desire to maintain and raise the standard of living is the only worthy motive for industrial and commercial advance."

7. Our inquiries into the movements in the national income during the last twenty years in order to ascertain the extent to which the purchasing-power of the people has increased in that time, and the proportions in which the different classes have benefited therefrom, have been restricted through the paucity of reliable data. No scientific valuation of the national income of New Zealand has yet been made. Certain statistics of wages exist, but they are not comprehensive, and it is difficult to generalize from them. Mr. F. P. Wilson (p. 409) took the figures given in the census report for 1890, and found that in twenty-nine industries, corresponding to Tables I to XXIX of the industrial census of 1911, the average wage for males was £87, and of females £32; whilst an examination of the Tables I to XXIX of the industrial census of 1911 showed that the wages of male employees have risen to £115, and of females to £57.5. The index numbers are: Males—1890, 100; 1910, 132; and females—1890, 100; 1910, 180. The information, however (such is the deficiency in New Zealand statistics), does not allow one to state definitely that these have been the rises in wages for adult workers, since they may have been brought about by an alteration in the ratio of boy and girl workers to adults; but that there has been a substantial rise in nominal wages may be safely asserted, and, in Mr. Wilson's opinion, the rise appears to have been greater than the rise in the wholesale prices of commodities, and about equal to the rise in retail prices.

Mr. F. L. G. Jolly, working from the data in the Official Year-book (page 197), estimates the rise in general money wages to be 24 per cent. since 1896, and the rise in the purchasing-power of these wages, taking the movements in Dr. McIlraith's index number into consideration, to be only 18 per cent. The following table embodies his results:—

TABLE 35, SHOWING CHANGES IN NOMINAL AND REAL WAGES IN NEW ZEALAND, 1896-1910 (JOLLY).

Year.	Total of Average Wages.	Index Numbers of Wages, Base Year (1896) being 100.	Dr. McIlraith's Index Number of Prices for New Zealand.	Index Number of Purchasing-power of Wages, Base Year (1896) being 100.
1896	124	100	96	100
1897	125	101	97	100
1898	128	103	97	102
1899	126	102	98	100
1900	138	111	101	106
1901	132	107	98	105
1902	137	110	100	106
1903	138	111	100	107
1904	139	112	95	113
1905	142	115	98	112
1906	146	118	101	113
1907	150	121	107	109
1908	152	122	104	113
1909	154	124	101	118
1910	154	124	103	118
1911	..	..	..	..

Purchasing-powers of incomes.

Real wages.

Mr. Von Dadelszen, ex Registrar-General, framed the following index numbers of money wages and their purchasing-power over food between 1895 and 1907. They have not been continued after that year:—

TABLE 36.—SHOWING CHANGES IN NOMINAL WAGES AND REAL WAGES IN NEW ZEALAND, 1895-1906 (VON DADELSZEN).

Year.	Wages.	Food-prices.	Real Wages.
1895	85	84	101
1896	84	86	98
1897	85	86	98
1898	89	87	102
1899	88	84	105
1900	90	86	105
1901	90	90	100
1902	93	106	89
1903	97	100	96
1904	99	99	100
1905	98	102	96
1906	100	100	100
1907	105	103	101.5

Whilst the former table shows a rise in real wages of 9 per cent. between 1896 and 1907, the latter shows it to be only about 3. The difference is partly explained by the fact that the latter takes into account food-prices only, which have risen faster than the prices of commodities in general in New Zealand. Between 1896 and 1907 both index numbers show the money wages to have risen from 21 to 25 per cent. The information on which these numbers are based does not appear to allow of a precise estimate of the rise in the purchasing-power of wages. All that can be said with certainty is that wages and prices have pursued almost parallel courses, and that over the greater part of the last twenty years the rise in wages has been sufficient not only to preserve the old standard of living at the increased prices, but to add considerably to the comforts and common luxuries consumed. In other words, the improvement in the standard of living has been due to the rise in wages having relatively cheapened cost of living at the original standard. The improvement of the standard of living is, therefore, not a cause of the "cost of living" as defined by the Commission, but has been made possible only by the increase in that cost having been outrun by the increase in income. But for the last two years the accelerated rise in the prices of food and some other necessaries has probably made it more difficult to maintain this higher standard, for incomes do not appear to have risen in proportion, the wages lagging behind prices even more than has been usual.

8. The movements abroad have been similar. The per-capita consumption of the common articles has increased greatly during the period of rising prices, and both the money and real wages have also increased. The following table shows the trend:—

TABLE 37.—WAGES AND PRICES ABROAD (HOOKER). (1890-99 = 100.)

	United Kingdom.			France.			United States of America.			
	Wages.	Prices.		Wages.	Prices.		Wages.	Full-time Earnings.	Prices.	
		Wholesale Food.	Retail Food.		Wholesale Food.	Retail Food.			Wholesale Food.	Retail Food.
1890-94	95	109	..	94	111	112	94	97	105	..
1895-99	97	99	97	98	101	104	94	96	91	95
1900-04	103	101	103	102	100	96	106	104	109	105
1905-09	105	105	107	107	104	89	117	113	119	114
1910	106	110	111	110	107	96	..	..	131	..

The conclusion drawn from the figures on which the above table is based is that "during the past two decades the rise in wages, in those trades for which we

have data, has been at least equal to that of the cost of living, although it has not imitated the sharpness of the rise in prices of the last year or two. But this is perfectly normal, and as it should be; the curve of wages is always steadier than that of prices—not rising so high in times of prosperity, nor, on the other hand, falling anything like as low in times of depression. It must, however, be admitted that during the last decade wages have not risen to the same extent as prices in this country.”*

9. The cost of living in France for workmen's families has moved as shown **France.** in the following table:—

TABLE 38.—COST OF LIVING IN FRANCE (FOR WORKMEN'S FAMILIES).
(Salaires et coût de l'existence à diverses époques jusqu'en 1910.)

—	1810.	1820.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1900.	1910.
Wages	41	43	45	48	51	60	71	82	92	100	110
Cost of living on a uni- form standard	74	80	83·5	84·5	85·5	95·5	103	110	103	100	104
Real wages ..	55·5	53·5	54	57	59·5	63	69	74·5	89·5	100	106

Here again the opportunity to raise the standard of living has presented itself.

10. As already explained, the method of measuring the rise in the standard of living by means of examining the way in which expenditure is distributed by the various items in the schedule of living cannot be applied in New Zealand, because no comparative statistics founded on actual budgets exist. A rapid examination of a number of budgets collected by Mr. Tregear in 1892 (see Appendix to the Journals of the House of Representatives, 1893, Vol. III), and discovered only when this report was in the press, supports the general argument of this chapter. But it may be interesting to note the comparison of this distribution of expenditure with that in other countries.

The general principle is that the greater the real income, the smaller the relative outlay on food, and the higher the relative outlay on “other items.” The tables following are from “Inquiry into the Cost of Living in New Zealand, 1910–11” (J. W. Collins):—

TABLE 39.—COMPARISON OF GENERAL DISTRIBUTION OF EXPENDITURE IN NEW ZEALAND, AUSTRALIA, UNITED STATES, AND GERMANY.

Country.	Percentage of Total Expenditure of Cost of					Totals.	Date of Inquiry.
	Housing.	Food.	Clothing.	Fuel and Light.	Other Items.		
New Zealand	20·31	34·13	13·89	5·22	26·45	100	1910–11
Australia	13·70	29·30	12·72	3·46	40·82	100	1910–11
United States of America ..	17·40	36·45	15·72	5·03	25·40	100	1902
Germany	14·90	30·31	14·91	3·12	36·76	100	1907

The following table compares the above figures in another way (the New Zealand standard in each heading is taken as 100):—

Country.	Percentage on Total Expenditure of Cost of					Date of Inquiry.
	Housing.	Food.	Clothing.	Fuel and Light.	Other Items.	
New Zealand	100	100	100	100	100	1910–11
Australia	67	86	92	66	154	1910–11
United States of America ..	86	107	113	96	96	1902
Germany	73	89	107	60	139	1907

*Journal Royal Statistical Society, lxxv, i, p. 17.

Relative consumption.

A somewhat better comparison is given in the next table, showing the expenditure on food in the above countries, and, in addition, the United Kingdom, France, and Belgium. Special inquiries were made in these last three countries by the British Board of Trade during 1907-10, and the figures relate to the working-classes only.

TABLE 40.—EXPENDITURE ON FOOD IN NEW ZEALAND COMPARED WITH THAT IN OTHER COUNTRIES.

Country.	Average Weekly Income per Family.	Average Number of Members per Family.	Average Weekly Expenditure on Food.	Percentage of Expenditure on Food on Average Income.	Weekly Cost of Food per Head.
	£ s. d.		£ s. d.		s. d.
New Zealand	*3 4 3	4.52	1 0 2	31.39	4 5½
	†2 12 3	5.57	1 3 0	44.02	3 8
Australia.. ..	*4 13 1	4.71	1 3 3½	25.00	4 11¼
	†3 1 11	5.60	1 2 3½	36.00	4 0¼
United States of America	3 0 6	6.00	1 12 6	53.70	5 5
United Kingdom	2 12 0½	6.40	1 9 8	57.00	4 7½
Germany	2 8 8½	5.80	1 7 4½	54.40	4 8½
France	2 12 11	4.90	1 11 7¾	59.70	6 1¼
Belgium ³	2 12 1¼	5.90	1 9 8¼	56.90	4 9¼

* All groups.

† Groups having incomes of £169 and under and families of more than four members.

‡ Groups having incomes of £200 and under and families of more than four members.

On these figures New Zealand bears very favourable comparison. The weekly expenditure on food per head is lower than that of any other country compared, with the exception of Australia (£200 and under income group). The average percentage of expenditure on food on average income is also lowest with the exception of Australia.

11. The general conclusion arrived at by your Commissioners has been already indicated; the standard of living has risen very considerably; but it has risen because of the growing surplus of income left after paying the "cost of living" as defined in Chapter I. As Professor Segar stated (page 307), "the question of the suggested causes of the increased cost of living is quite distinct from that of a higher standard of living. In the former question we are concerned mainly with the increased cost of what are classed as the necessaries of life, in the latter with increased capacity per individual to purchase. The first depends on the prices of commodities; the second also depends on these, but further also on wages and the size of the family. It is thus the standard of living that is dependent in part on the prices of commodities rather than the reverse."

12. One other point deserves passing mention. The standard of living may not have risen equally for all classes, and if so the changes in the various standards will react on relative prices in different ways. The extent to which this has occurred in New Zealand can be only a matter of opinion in the present state of our statistical survey. If, given a certain amount of money and credit, the general standard of comfort is raised, prices must fall, not rise, because that change implies a greater production of goods and services to be exchanged against the same amount of money as before. But if the standard changes more for one class than for others, that will generally mean higher prices for the articles it demands than for those demanded by the other classes. If the standard of comfort has risen to a higher degree for the wage-earning class, that would partly explain the rise in price of the goods so demanded relative to that of other goods. Layton is of opinion that in England the wealthier classes have benefited more during the last twenty years than other classes; but the data for such an estimate do not exist in New Zealand.

General conclusion.

Standard of comfort of different classes.

CHAPTER VI.—INFLUENCE OF THE PRICE OF LAND.

Question 7 : To what extent, if any, has the rise in the price of land, during the past twenty years, contributed to the rise in the price of commodities ?

1. The majority of the witnesses examined stated that the rise in the price of rural lands which has occurred during the last twenty years has not increased the prices of the principal necessities of life produced by the farmer, as the prices for commodities are fixed by those ruling in the foreign markets to which New Zealand exports. The opinion of the Commission concurs with this statement. The total price of the factors of production is determined chiefly by the value of the commodities that are produced by their agency, and the price of land is no exception to the general rule. The produce of land is high not because land is dear, but land is dear because produce is high, and farmers compete for its use in order to get the benefit of the high prices. Rural lands.

2. The same principle applies to urban lands. The growth of population in our towns has led to keen competition for advantageous sites for business purposes, and the rental values of such sites have risen. The rents paid vary with the differential advantages of the several sites, and their amounts depend upon the extent of profitable business done by the occupiers of the shops, warehouses, factories, or offices on the sites. It cannot be said, generally speaking, that these site-rents directly affect the cost of living by increasing the price of the goods produced or sold in the premises erected on them. For the price of these goods is governed by the relation of supply to demand, and the price in the long-run just covers the expenses of producing that part of the supply which is produced at the greatest disadvantage. Every other part of the supply gives a surplus above its cost of production, which includes the normal rate of profits, and it is this surplus that constitutes the fund out of which rent is paid to the owner of the site. Rent is therefore a result and not a cause of the selling-price. It does not affect the demand, and it cannot affect the supply, because, if the price were lower, that part of the produce which alone provides it would still be produced. Of course, this line of reasoning does not apply to that part of the rent of business premises that may fairly be assigned as interest on the landlord's capital invested in the buildings and other improvements; this "profit" rent is a part of the expenses of producing all the supply, and therefore any increase in it tends to raise prices; but such increase may be independent of increases in site values only. Urban lands.

3. There is, however, one way in which the increase of rural-land values may slightly affect the cost of goods produced or sold in the towns. If land on the edge of expanding towns is suitable for agriculture, it will not be built upon unless it yields at least the agricultural rent, and if agricultural rent rises greatly over all the country, on account of the demand for the food products of the land, the prices of goods manufactured in the towns may be raised through the consequent limitation of their field of production. But this factor can have had little detrimental influence in New Zealand. Land suitable for several uses.

4. The increase in the price of land thus brought about by the higher price of its products has added to the total wealth of the community, but there is good reason for believing that this increase of land-values is creating a class of people divorced from the active cultivation of the soil, who devote a large proportion of their wealth to the pursuit of pleasure and luxury; and this tends to the investment of capital in unproductive and anti-social industries—an evil perhaps more marked in other classes of the population than the landowners and farmers. There are other indirect ways in which the prices of land have added to the cost of living—*e.g.*, by the creation of a class of speculators whose existence and whose gain depends on transfers of properties at continually increasing prices. Modes of using the wealth obtained.

CHAPTER VII.—INFLUENCE OF THE FOREIGN DEMAND FOR NEW ZEALAND PRODUCTS.

Question 8 : What effect has the demand for New Zealand products beyond the Dominion had on the prices of such commodities ?

1. The demand of the world generally for the products of New Zealand has steadily increased, and the local supply has endeavoured to keep pace with it. This is shown by the trend in the quantities of our staple exports from the land.

Increasing demand for New Zealand products.

TABLE 41, SHOWING EXPORTS OF NEW ZEALAND PRODUCTS : QUANTITIES FOR THE PERIOD 1890-1911.

—	Wheat	Butter.	Cheese.	Frozen Meat.	Wool
	(Calendar Year).				(Calendar Year).
	Bushels.	Cwt.	Cwt.	lb.	lb.
1890	4,467,026	34,816	40,451	100,934,756	102,817,077
1891	1,454,973	39,430	39,770	110,199,082	106,187,114
1892	2,460,774	53,930	41,493	97,636,557	118,180,912
1893	2,619,398	58,149	46,201	100,262,453	109,719,684
1894	228,904	60,771	55,655	114,827,216	144,295,154
1895	14,568	57,964	76,743	127,018,864	116,015,170
1896	453,123	71,353	71,372	123,576,544	129,151,624
1897	72,167	99,002	77,683	157,687,152	135,835,117
1898	10,090	96,801	68,711	173,798,576	149,385,815
1899	2,901,676	136,086	69,440	208,972,624	147,169,497
1900	2,867,069	172,583	102,849	206,621,072	140,706,486
1901	2,301,092	201,591	104,294	208,045,264	146,820,079
1902	194,671	253,998	74,746	239,518,384	160,419,023
1903	71,700	285,106	74,780	266,408,800	155,128,381
1904	815,535	314,360	84,526	214,253,648	144,647,376
1905	967,151	305,722	88,562	189,356,608	139,912,737
1906	61,199	320,225	131,206	226,856,784	154,384,568
1907	1,374	328,441	236,833	263,738,496	171,635,595
1908	1,385	229,971	280,798	237,473,936	162,518,481
1909	1,419,217	321,108	400,607	288,131,648	189,683,703
1910	1,294,328	356,535	451,915	297,269,952	204,368,957
1911	1,254,557	302,387	439,174	252,063,280	169,424,811

TABLE NO. 42.

The values have also increased, as the following table will show :—

Calendar Year.	Wool.	Gold.	Frozen Meat.	Butter and Cheese.	Agricultural Produce.	Manufactures.	Other New Zealand Produce.	Total.
	£	£	£	£	£	£	£	£
1891 ..	4,129,686	1,007,172	1,194,724	236,933	894,467	420,357	1,516,765	9,400,094
1892 ..	4,313,307	951,963	1,033,377	318,204	1,035,637	367,677	1,345,703	9,365,868
1893 ..	3,774,738	915,921	1,085,167	354,271	716,546	345,636	1,365,164	8,557,443
1894 ..	4,827,016	887,865	1,194,545	366,483	317,655	224,958	1,266,626	9,085,148
1895 ..	3,662,131	1,162,181	1,262,711	378,510	326,029	188,702	1,409,889	8,390,156
1896 ..	4,391,848	1,041,428	1,251,993	411,882	572,355	198,081	1,309,749	9,177,333
1897 ..	4,443,144	980,204	1,566,286	553,122	495,175	197,601	1,360,735	9,596,267
1898 ..	4,645,804	1,080,691	1,698,750	539,466	410,677	253,805	1,695,795	10,324,988
1899 ..	4,324,627	1,513,180	2,088,856	713,617	913,678	378,066	1,867,716	11,799,740
1900 ..	4,749,196	1,439,602	2,123,881	969,731	1,230,565	549,342	1,992,932	13,055,249
1901 ..	3,699,103	1,753,784	2,253,262	1,121,091	1,532,386	425,142	1,905,692	12,690,460
1902 ..	3,354,563	1,951,426	2,718,763	1,369,341	1,045,986	755,232	2,302,288	13,498,599
1903 ..	4,041,274	2,037,832	3,197,043	1,513,065	744,845	823,358	2,480,775	14,838,192
1904 ..	4,673,826	1,987,501	2,793,599	1,565,946	559,243	896,362	2,125,310	14,601,787
1905 ..	5,381,333	2,093,936	2,694,432	1,613,728	428,280	882,960	2,408,861	15,503,530
1906 ..	6,765,655	2,270,904	2,877,031	1,901,237	270,542	988,264	2,766,713	17,840,346
1907 ..	7,657,278	2,027,490	3,420,664	2,277,700	162,967	1,073,702	3,163,337	19,783,138
1908 ..	5,332,781	2,004,799	3,188,515	1,954,601	265,730	572,327	2,575,777	15,894,530
1909 ..	6,305,888	2,006,900	3,601,093	2,744,770	976,170	504,952	3,323,163	19,462,936
1910 ..	8,308,410	1,896,318	3,850,777	3,007,348	481,522	649,828	3,749,960	21,944,163
1911 ..	6,491,707	1,815,251	3,503,406	2,768,974	412,815	537,995	3,251,750	18,781,898

This demand is not a demand for New Zealand products as such, but generally for products which New Zealand is specially fitted to produce and in the supply of which she has several dangerous competitors. Should these succeed in placing these products on the world markets in suitable qualities at a lower price than the cost of production in New Zealand, the demand for those exported from New Zealand would fall away, and the Dominion generally would suffer, even though foodstuffs for a time might be lower in price to the local consumer.

2. New Zealand's chief market is the United Kingdom, and it is interesting to note the extent to which we contribute to her supplies of foodstuffs in comparison with competing countries. New Zealand's contribution to Home markets.

The following table* states the quantity of frozen mutton and lamb (in carcasses) imported into the United Kingdom since the trade commenced, and summarizes the principal sources of supply and the leading ports of delivery :—

TABLE NO. 43.

Year.	Australia.		New Zealand.		South America.			Other Countries.	Totals.	New Zealand's Supply as a Percentage of the Total.
	London.	Other Ports.	London.	Other Ports.	London.	Liverpool.	Other Ports.	U.K. Ports.		
1880 ..	400	..	..	..	..	..	..	..	400	..
1881 ..	17,275	..	..	..	..	..	..	..	17,275	..
1882 ..	57,256	..	8,839	..	..	..	..	..	66,095	13.37
1883 ..	63,733	..	120,893	..	17,165	..	..	..	201,791	59.91
1884 ..	111,745	..	412,349	..	108,823	..	..	..	632,917	65.15
1885 ..	95,051	..	492,269	..	190,571	..	..	..	777,891	63.28
1886 ..	66,960	..	655,888	..	331,245	103,454	..	30,000F	1,187,547	55.24
1887 ..	88,811	..	766,417	..	242,903	398,963	..	45,552F	1,542,646	49.68
1888 ..	112,214	..	939,231	..	169,282	754,721	..	..	1,975,448	47.54
1889 ..	86,547	..	1,068,286	..	167,936	842,000	..	..	2,164,769	49.35
1890 ..	207,984	..	1,533,393	..	124,413	1,072,118	..	10,168F	2,948,076	52.01
1891 ..	334,684	..	1,894,105	..	160,340	950,797	..	18,897F	3,358,823	56.39
1892 ..	449,488	55,250 L	1,505,377	34,228 L	166,508	1,081,353	..	17,818F	3,310,022	46.51
1893 ..	636,917	..	1,821,595	36,003 L	109,808	1,263,915	..	16,425F	3,884,663	47.82
1894 ..	939,360	..	1,947,609	10,650 L	171,802	1,199,585	43,428	11,675F	4,324,109	45.29
1895 ..	969,943	35,560 L M	2,412,331	..	142,038	1,360,968	112,789	19,438F	5,053,067	47.74
1896 ..	1,565,360	77,883 M	2,211,895	..	245,573	1,392,700	154,007	..	5,647,418	39.17
1897 ..	1,338,964	68,453 M	2,703,845	..	161,744	1,771,542	188,185	..	6,232,733	43.38
1898 ..	1,238,653	10,000 M	2,784,101	..	201,895	1,935,365	260,077	..	6,430,091	43.30
1899 ..	1,189,563	15,038 L	3,250,100	..	239,703	1,805,646	369,369	..	6,869,419	47.31
1900 ..	906,766	37,158 L	3,157,060	..	271,432	1,773,381	288,024	..	6,433,821	49.07
1901 ..	1,194,157	32,401 L	3,234,119	..	342,525	1,952,625	338,955	..	7,094,782	45.58
1902 ..	648,929	75,368 L C	3,668,061	..	411,913	2,081,128	334,455	.. US	7,219,854	50.81
1903 ..	449,090	28,947 L	4,566,257	17,503 C	650,004	2,141,469	326,964	.. NA	8,180,234	56.03
1904 ..	413,322	37,001 L	3,695,088	190,143 w	746,096	1,831,149	360,456	..	7,273,255	53.42
1905 ..	1,190,584	177,854 L C	3,479,757	224,809 w	1,102,282	1,697,367	403,561	..	8,276,214	44.76
1906 ..	1,339,677	392,651 w	3,818,506	329,782 w	932,986	1,582,606	403,684	..	8,799,892	47.14
1907 ..	1,762,047	575,884 w	4,353,088	444,279 w	1,002,403	1,607,520	405,306	..	10,150,527	47.26
1908 ..	1,214,753	616,493 w	3,833,012	401,146 w	1,435,137	1,681,620	469,257	..	9,651,418	43.87
1909 ..	1,583,928	1,094,910 w	4,587,217	447,886 w	1,258,007	1,641,430	453,774	.. NO	11,067,152	45.50
1910 ..	2,634,274	1,585,534 w	4,842,959	564,515 w	1,095,555	1,753,166	505,041	..	12,981,044	41.66
1911 ..	2,330,572	1,281,707 w	4,513,457	709,038 w	1,126,303	2,400,959	598,347	..	12,960,383	40.22
Totals	25,239,007	3,198,092	74,277,104	3,409,982	13,326,392	38,077,547	6,015,679	169,973	166,713,776	46.60

L—Liverpool. M—Manchester. C—Cardiff. L M—19,560 Liverpool, and 16,000 Manchester. L C—68,558 Liverpool and 6,810 Cardiff. F—Falkland Islands. U S—United States additional 49,924 (chilled). N A—North America additional 53,577 (chilled). W—West Coast Ports (Liverpool, Cardiff, Bristol, Glasgow, Manchester). N—Natal additional 189. O—Orange River Colony additional 40.

* Weddel's Twenty-fourth Annual Review of the Frozen-meat Trade, 1911.

The following table gives the quantities of butter imported into the United Kingdom for the twelve months ended 30th April, 1912 :—

TABLE No. 44.

					Tons.	Per Cent.
Denmark	..	..	..	..	83,339	40·13
Australia	..	..	..	..	38,221	18·41
Siberia	..	..	..	..	31,422	15·13
Sweden	..	..	..	..	17,709	8·53
New Zealand	..	..	..	..	14,720	7·09
France	..	..	..	..	7,971	3·84
Other countries	..	..	..	..	14,272	6·87
Total	..	..	..	..	207,654	100

The imports of cheese into the United Kingdom were,—

TABLE No. 45.

				Canada.	New Zealand.
Year ending 30th June, 1908	..	..	..	81,428	13,152
„ 1909	..	..	..	76,402	16,572
„ 1910	..	..	..	79,661	22,651
„ 1911	..	..	..	76,457	20,256
Year ending 30th April, 1912	..	..	..	72,495	23,644

The following table gives the exports of butter (in tons) from the three principal countries in the Southern Hemisphere during the last three years :—

TABLE No. 46.

			1909-10.	1910-11.	1911-12.
Argentine	..	..	2,716	416	160
Australia	..	..	29,252	44,656	32,246
New Zealand	..	..	16,609	16,956	17,147

In comparing the above figures it is necessary to point out that the Argentine quantities are for years ending 1910 and 1911. The 1912 figures include only the months of January to March, inclusive. In regard to Australia, the period included in each year is from the 1st July to the 30th April, and in the case of New Zealand from the 1st May to the 30th April. The Argentine for the present is not an important factor in the world's supply of butter. Australia shows this year a decrease of 12,410 tons as compared with 1911, whilst New Zealand is practically stationary.

3. These tables afford no indication that the demand for our foodstuffs is decreasing in the United Kingdom. Moreover, there is a probability that further markets may ultimately be available to our producers. Recent reports state that the movement in favour of cheaper meat-supplies continues to gather force in the principal European countries, and frozen meat may now be said to have gained a footing, though a somewhat insecure one, on the Continent. The Italian Government has accepted frozen meat in its army contracts, and Italian buyers imported 12,000 tons of frozen meat last year in spite of the heavy duty; but the importation of meat into Austria-Hungary has been stopped altogether. In France the law admits of the importation of only selected cuts of beef, and insists, in the case of mutton, that the carcasses shall be cut into quarters before passing the Customs; and this restriction must confine the trade to very narrow limits. Since the Swiss elections last year were fought on the cheap-food question, Switzerland has reduced the Customs duty from 25 to 10 francs per 100 kilos, but transit difficulties have been raised by both the French and the Austrian authorities, and these are hampering the trade. So that up to the present we have to rely mainly on the English market as an outlet for our supplies of frozen meat, and in that country the Argentine competition for the lamb trade is steadily increasing; her exports of lambs increased over 150 per cent. between 1910 and 1911. In 1911 her exports amounted to 890,865 carcasses, compared with 352,501 in 1901, which constitutes a fresh record for that country. New Zealand showed only a small increase in

Probable extension of foreign demand.

lamb—viz., 10,877 carcasses (3,427,236, against 3,416,359 in 1910), while there was a decrease of 195,856 carcasses of mutton, or nearly 10 per cent. of her total export, as well as a falling-off of 52 per cent. in beef.

The increasing population of Europe and America, however, with its greater demand for foodstuffs, must lead to higher prices and thus further stimulate production by inducing economies and a greater intensiveness of cultivation as well as the utilization of new land. The aggregate population of Great Britain, Germany, France, Russia, Austria, Italy, and Spain was 33,600,000 in 1380, 46,700,000 in 1480, 59,250,000 in 1580, 73,032,000 in 1680, 109,881,000 in 1780, 285,134,000 in 1880. The present population of Europe and the United States of America is approximately 500,000,000, and is growing fast.

Statistics show that the world's wheat-production during the last ten years has remained almost stationary, whilst the number of consumers of wheat has increased very considerably.

TABLE 47.—SHOWING THE WORLD'S WHEAT-PRODUCTION.

Year.						Bushels.
1902	..	..	..	..	..	3,090,116,000
1903	..	..	..	..	..	3,189,813,000
1904	..	..	..	..	..	3,152,127,000
1905	..	..	..	..	..	3,225,000,000
1906	..	..	..	..	..	3,324,000,000
1907	..	..	..	..	..	3,031,000,000
1908	..	..	..	..	..	3,079,000,000
1909	..	..	..	..	..	3,513,000,000
1910	..	..	..	..	..	3,426,632,000

NOTE.—The figures for the years 1902–9 are from the United States Agricultural Year-book, and for 1910 from the English Board of Agriculture and Fisheries "Colonial and Foreign Statistics."

4. The possibilities before New Zealand as a food-producer may be understood if we compare her present position with that of Great Britain. Given a plentiful supply of labour and capital and appropriate organization of these factors, there is no reason why ultimately New Zealand may not show a rate of production similar to that of Great Britain. Possibilities of New Zealand as a food-producer.

TABLE 48.—COMPARATIVE STATISTICS OF NEW ZEALAND AND GREAT BRITAIN, SHOWING THE LANDS UNDER CULTIVATION AND THE PRODUCTS FROM THE LAND. (New Zealand, area 65,915,520 acres; England and Scotland, area 56,799,994 acres).

	1910–11. New Zealand.	1909. Great Britain (Ireland not included).
Total area in cultivation	16,265,890 acres	32,183,073 acres.
Acreage under corn crops	1,015,822 "	7,023,101 "
Acreage under green crops	713,682 "	3,083,901 "
Permanent pasture	14,536,386 "	22,076,071 "
Unimproved, tussock, &c. (undefined)	23,972,236 "	24,616,921 "
Horses (for agricultural purposes only)	404,284	1,552,993
Cattle	2,020,171	7,020,982
Sheep	23,996,126	27,618,419
Pigs	348,754	2,380,887
Wheat produce	8,290,221 bushels	61,442,375 bushels.
Barley	927,112 "	60,938,561 "
Oats	10,118,917 "	123,025,577 "
Beans	72,150 "	8,937,439 "
Potatoes	141,510 tons	3,674,453 tons.
Turnips and swedes .. ..	..	25,123,550 "
Mangold .. ..	..	9,570,604 "
Hay, all kinds .. ..	..	8,369,451 "

It is not commonly known that Great Britain, with its high density of population, colossal manufacturing interests, and climatic disadvantages necessitating, e.g., stall feeding of cattle in winter, is so highly productive in foodstuffs.

5. The increasing demand for our primary products abroad is reflected in the range of prices. It has not been found possible to get reliable statistics of the average prices paid in London for New Zealand produce over a long period, except Increase of prices abroad.

for butter; but the Commission has selected Sauerbeck's prices for the same products for comparison, inferring that the prices actually paid for New Zealand produce have varied in a manner similar to the variation shown in the table.

TABLE 49.—SHOWING AVERAGE WHOLESALE LONDON PRICES OF CERTAIN COMMODITIES (SAUERBECK).

Year.				English Wheat, per Quarter.	American Wheat, per Quarter.	English Mutton (Middling), per 8 lb.	Butter, Friesland, per hundredweight.	Wool, Lincoln, per pound.
				s. d.	s. d.	d.	s.	d.
1897	..	..	..	30 2	34 6	41	94	9 $\frac{5}{8}$
1898	..	..	..	34 0	37 0	37	95	8 $\frac{3}{4}$
1899	..	..	..	25 8	30 0	41	103	8 $\frac{1}{4}$
1900	..	..	..	26 11	31 6	45	102	7 $\frac{7}{8}$
1901	..	..	..	26 9	30 0	44	105	6 $\frac{7}{8}$
1902	..	..	..	28 1	30 6	44	102	6 $\frac{1}{4}$
1903	..	..	..	26 9	31 0	47	100	7 $\frac{1}{4}$
1904	..	..	..	28 4	33 6	50	102	10 $\frac{1}{8}$
1905	..	..	..	29 8	34 0	51	107	12 $\frac{3}{8}$
1906	..	..	..	28 3	32 6	53	110	13 $\frac{3}{8}$
1907	..	..	..	30 7	36 0	54	108	12 $\frac{1}{4}$
1908	..	..	..	32 0	37 6	52	114	8 $\frac{1}{2}$
1909	..	..	..	36 11	41 6	46	112	9
1910	..	..	..	31 8	36 6	52	114	9 $\frac{7}{8}$
1911	..	..	..	31 8	35 0	49	121	10
Average, 1902-11	..	..	..	30 0 $\frac{1}{2}$	34 0 $\frac{3}{4}$	50	109	9 $\frac{7}{8}$
„ 1890-99	..	..	..	28 0 $\frac{1}{2}$	31 0 $\frac{1}{2}$	41 $\frac{1}{2}$	100	10
„ 1878-87	..	..	..	40 0	43 0 $\frac{1}{2}$	53	116	11 $\frac{3}{4}$
„ 1867-77	..	..	..	54 0 $\frac{1}{2}$	56 0	55	125	19 $\frac{3}{4}$

Compare also the table of prices quoted on p. xxviii, where index numbers of the prices of some of the more important primary products are given for several countries. The general trend over the last fifteen years is upward.

TABLE 50.—SHOWING THE AVERAGE LONDON MARKET VALUES OF NEW ZEALAND DAIRY-PRODUCE.

(Kindly supplied by Mr. D. Cuddie, Dairy Commissioner.)

Year.	Butter. Per Cwt.		Cheese. Per Cwt.	
	s.	d.	s.	d.
1900-01
1901-02
1902-03
1903-04
1904-05
1905-06
1906-07
1907-08
1908-09
1909-10
1910-11
1911-12

Local prices
and
prosperity.

6. The Commission has no doubt that the development of the export trade has been accompanied by a rise in local prices, that the increase in farmers' profits has induced keen competition for the use of land to produce these export commodities, resulting in higher land values and rents, but that it has also been accompanied by greater general prosperity and purchasing-power over commodities in general.

New Zealand
prices and
English
prices.

7. Your Commissioners have considered the allegation frequently made that New Zealand butter and meat are often sold in England at lower prices than those ruling in New Zealand at the same time. After examining the evidence tendered us and the other available material bearing on the point, we are of opinion that, taking the year as a whole, the price of butter is much the same in New Zealand as in England, and that, in regard to meat, the prices are also found to be the same when an accurate comparison is made, and not a comparison between retail prices in

New Zealand, often for special parts of the carcass, and wholesale prices in England for the whole carcass. Any observable differences in the English and New Zealand markets for these commodities, other than those existing at times when supply or demand is subject to sudden changes, are fully accounted for by the costs of transport from the Dominion Home.

8. The opening of British and other markets abroad to New Zealand produce must have disturbed the relative amounts of production in the Dominion. For example, "Wheat, once a predominant commodity in our list of exports, is now grown in quantities little more than sufficient for our own requirements. Of late years we have hovered on the verge of a wheat panic due to local scarcity. A few figures will make the position clearer. From 1880 to 1890 the annual average amount of wheat produced in New Zealand was 8,000,000 bushels; for the nineties the annual average fell to 7,300,000 bushels; and during the first seven years of this century the average has been only 6,700,000 bushels.

Changes in relative production.

As indicating that it is the lower-grade lands that have been abandoned to pastoral purposes, it is almost sufficient to note that during this century the wheat-yield has been the highest on record—viz., 31·6 bushels per acre, against an average of 23·8 for the preceding century."*

The following table shows the variations in regard to New Zealand's wheat crop for the last twenty years, and the average prices and their index numbers, as worked out by Dr. J. W. McIlraith in his "Course of Prices in New Zealand":—

TABLE 51.—NEW ZEALAND WHEAT CROP, YEARS 1892–1912.

Season.	Area under Crop.	Total Yield.	Yield per Acre.	Per Head of European Population, 31st December.	Price per Bushel.	Index Number (3/5=100).
	Acres.	Bushels.	Bushels.	Bushels.	s. d.	
1892–93	381,245	8,378,217	21·98	12·88	2 9¼	81
1893–94	242,737	4,891,695	20·15	7·28	2 5¾	73
1894–95	148,575	3,613,037	24·32	5·27	2 11¼	86
1895–96	245,441	6,843,768	27·88	9·79	3 7¼	106
1896–97	258,608	5,926,523	22·92	8·30	4 3¼	125
1897–98	315,801	5,670,017	17·95	7·78	4 2¾	124
1898–99	399,034	13,073,416	32·76	17·58	2 6¾	75
1899–1900	269,749	8,581,898	31·81	11·34	2 4¾	70
1900–1901	206,465	6,527,154	31·61	8·50	2 5½	71
1901–02	163,462	4,046,589	24·76	5·14	3 6	103
1902–03	194,355	7,457,915	38·37	9·23	4 2	122
1903–04	230,346	7,891,654	34·26	9·48	3 1½	92
1904–05	258,015	9,123,673	35·36	10·64	3 1½	92
1905–06	222,183	6,798,934	30·60	7·70	3 2½	94
1906–07	206,185	5,005,252	27·18	5·51	3 9	110
1907–08	193,031	5,567,139	28·84	5·99	4 7½	135
1908–09	252,391	8,772,790	34·75	9·13	4 1	120
1909–10	311,000	8,661,100	28·00	8·81	3 8	107
1910–11	322,167	8,290,221	25·73	8·27	..	..
1911–12†	215,528	7,261,138	33·69	7·08	..	..

There is no doubt, however, that, if wheat continues to rise in price and if suitable labour can be obtained, more land will be devoted to its production, and the profits derived from the various uses to which land can be put will always tend to equality.

9. To sum up: There is no doubt that, if there were no outside market for New Zealand produce, the supply would greatly exceed the demand, and that prices would fall to an unremunerative level, with the result that the spending-powers of the rural population would be so seriously reduced that the reduction would have a disastrous effect on both the town and the country population alike, and that nothing could avert financial trouble from the whole community, as the products would not be of sufficient value to meet our liabilities.

General conclusion.

* McIlraith, Course of Prices in New Zealand, p. 48.

† Estimated—and probably too low.

CHAPTER VIII.—POPULATION MOVEMENTS.

Question 11: What effect have the movements of the urban and the rural populations had on the cost of living?

Inquiries in other lands.

1. Inquiries into this matter show that similar bodies to the Cost of Living Commission in other lands have expressed the opinion that the movement of so many country people to the cities in various parts of the world has had a very marked effect on the cost of living. The Massachusetts Commission on the High Cost of Living stated that the main factors in restricting supply and enhancing the cost of commodities have been the drain of population from the land, which has decreased the proportion of persons engaged in producing the food-supply; and the exhaustion of natural resources, which has resulted in increased expenses of production and distribution, especially the latter. The Select Committee appointed by the Senate of the United States to make an exhaustive investigation into this subject specified several causes, and amongst the foremost they placed "the shifting of population from food-producing to food-consuming occupations and localities," though this appears somewhat inaptly worded, because the consumers of food are not limited to the towns nor the producers of food to the country. Mr. Mackenzie King, the Canadian Minister of Labour, in summarizing the reasons for the increased cost of living in Canada, held that one of the most potent causes was "the increase in town population, largely through immigration." Though this movement has not been so rapid in New Zealand as in other countries, still it is disquieting to find that for the first time in our history the census returns show that half our population is living in the towns, and that the number of persons engaged in agricultural and pastoral pursuits is not increasing so rapidly as that of the other sections of the community.

Nature and extent of the movement in New Zealand.

2. For the purpose of indicating the growth of the urban population relative to that of the total population, the census returns of the Dominion classify the population into residents in counties and residents in boroughs. The following table shows this distribution of the people for the period since 1881:—

TABLE 52.—SHOWING THE DISTRIBUTION OF THE POPULATION IN COUNTIES AND BOROUGHS AT EACH QUINQUENNIAL CENSUS SINCE 1881.

Census.	Counties.	Boroughs.	Percentage.		
			Counties.	Boroughs.	Shipboard and Islands.
1881	291,238	194,981	59.44	39.80	0.76
1886	327,328	245,612	56.58	42.46	0.96
1891	352,097	270,343	56.18	43.14	0.68
1896	391,735	307,294	55.69	43.69	0.62
1901	417,596	350,202	54.04	45.32	0.64
1906	458,797	424,614	51.63	47.79	0.58
1911	496,779	505,598	49.26	50.14	0.60

Whilst in 1891 56 persons out of every 100 in the population were living in the counties, in 1911 there were only 49. The position is even worse than these figures show; for, first, during the period in question the definition of "borough" has changed so as to exclude all towns of under 1,000, and, secondly, the official "county" population includes several thousands of people living in districts really urban, but not included in the "borough" population—such as the population of Eden County in Auckland, the population of Heathcote and Waimairi, near Christchurch, and Reefton. On the other hand, it may be said that the interests of many of the smaller "boroughs" are predominantly rural, and that their population has little in common, as regards occupations and opportunities of living a healthy outdoor life, with the residents of the large towns. But, after making all due

allowance for this, your Commissioners are of opinion that there is distinctly discernible in the Dominion a tendency on the part of the people to shift from the essentially rural districts to the urban, and that this difference between the natural increase of population and the actual increase in rural districts (that is, the loss due to migration) may become a serious factor in determining the general efficiency of our people.

That the movement may have considerable influence on the cost of living, should it assume large proportions, is suggested by a comparison of the percentage of the total number of breadwinners engaged at different times in the chief food-producing rural industries.

Through the courtesy of Mr. M. Fraser, Government Statistician, your Commissioners are able to present the following interesting tables:—

TABLE 53.—COMPARISON OF BREADWINNERS IN THE CHIEF FOOD-PRODUCING RURAL INDUSTRIES WITH THE BREADWINNERS IN THE TOTAL POPULATION OF THE DOMINION.

Class.	1901.	1906.	1911.*
Total all classes	340,230	399,085	454,118
Agricultural and pastoral (including dairying)— number	85,022	92,565	104,123
Percentage of total breadwinners	24.99	23.19	22.93
Agricultural and pastoral (including dairying, fish and rabbit catching)—number	86,658	94,434	105,959
Percentage of total breadwinners	25.47	23.66	23.33

* 1911 figures are approximate.

Year.	Class.	Employers.	* Own Account.	Wage-earners.	Wage-earners not in Employment.	Relatives assisting, or indefinite.	Total.
1901	Agriculture	13,055	15,480	20,815	736	12,960	63,046
	Pastoral	1,910	1,410	7,867	185	697	12,069
	Dairy-farming	1,546	3,156	1,067	5	3,307	9,081
	Dairy-factory working	25	4	786	9	2	826
	Fish and rabbit catching	77	691	805	28	35	1,636
	Totals, 1901	16,613	20,741	31,340	963	17,001	86,658
1906	Agriculture	15,389	14,721	21,937	741	12,177	64,965
	Pastoral	2,512	1,428	9,021	185	1,880	15,026
	Dairy-farming	2,405	4,767	1,430	14	2,789	11,405
	Dairy-factory working	28	9	1,119	8	5	1,169
	Fish and rabbit catching	71	749	984	32	33	1,869
	Totals, 1906	20,405	21,674	34,491	980	16,884	94,434
*1911	Agriculture	9,027	12,185	19,028	668	7,986	48,894
	Pastoral	5,666	5,197	12,994	229	3,246	27,332
	Dairy-farming	4,538	9,909	4,845	51	7,005	26,348
	Dairy-factory working	46	19	1,456	16	12	1,549
	Fish and rabbit catching	60	882	811	22	61	1,836
	Totals, 1911	19,337	28,192	39,134	986	18,310	105,959
Comparison of totals:—							
1901	..	16,613	20,741	31,340	963	17,001	86,658
1906	..	20,405	21,674	34,491	980	16,884	94,434
1911	..	19,337	28,192	39,134	986	18,310	105,959

* 1911 figures are approximate.

The outstanding features of the movements indicated by these statistics are :—

(1.) The fact that there has been a reduction since 1901 in the relative numbers of those actively engaged in producing foodstuffs in the country. In 1901 this class accounted for over twenty-five in every one hundred breadwinners; and in 1911 for a fraction over twenty-three. The relative increase in the number of breadwinners engaged in occupations other than rural is by no means inconsistent with a rapid rate of increase in the general progress of the community. It indicates, first, that an increasing proportion of the people are devoting themselves to the production of goods and services of a high order, such as the provision of the comforts and harmless luxuries of life, governmental services, the growth of art, science, education, and truly recreative leisure; secondly, it may indicate that labour and directive ability are being set free by the progress of agricultural art and science for application to these other spheres. But your Commissioners are not able to state definitely that such is the position in New Zealand at the present time to the extent of urban increase noticeable in the comparative tables, or that the cost of living will not be raised if the trend shown by the figures quoted is continued. For the pronouncement of a definite opinion on the subject there is need of a more intensive inquiry into all the conditions bearing on the problem than your Commission has been able to make.

(2.) The shifting within the rural occupations themselves from the purely agricultural branch to the pastoral and dairying branches. Whilst the numbers engaged in agriculture have fallen during the last ten years by more than 25 per cent., the numbers employed in the pastoral industry have more than doubled, whilst those in dairying have nearly trebled. The new distribution of labour within the group is also indicated by the available statistics of the production and export of grain, meat, wool, and dairy-produce. (See page liv.)

3. Your Commissioners have given some attention to the causes that have brought about the relative growth of the town population. It is understood, of course, that there is no falling-off in the absolute numbers dwelling in the country, but only a decrease in the rate at which these numbers grow compared with the rate of growth in the town population.

(1.) It is clear that the education system of the Dominion, particularly during the earlier part of the period under review, was generally of such a nature as not to interest the children, even in the country, in the natural objects and the occupations of the countryside. An undue bent was given towards commerce and the Civil Service. Your Commissioners therefore agree with the Education Commission, which reported recently that one of the outstanding weaknesses of the present education system is "the want of facilities for rural training,"* and that "in respect to the great importance of agriculture to the Dominion this subject is not receiving the attention it deserves."† At the same time we recognize that since the introduction of nature-study and agricultural and gardening courses into the primary-school syllabus some attempt has been made to interest country children in their surroundings and in the opportunities which country life affords for healthy, stimulating, and remunerative work. The subject of agricultural education is everywhere regarded as a question of vital importance to the community. In England a good deal is being done to make the education in rural schools more consonant with the environment of the scholars. Dr. James Mills, late president of the Guelph Agricultural College, in a report, points out that the Canadian people have come to the conclusion that courses of study and methods of training should have special reference to the work and surroundings of after-life; that for economic and other reasons it is a great mistake to go on educating the rank and file of our boys from five up to sixteen or eighteen years of age without any direct reference either to the domestic duties or to the principal industries of the Canadian people.

In France, which is in many ways one of the most progressive countries from an agricultural point of view, and in which the increase in the price of foodstuffs has been least marked of all countries,‡ the Minister of Public Instruction declared that "Instruction in the elementary principles of agriculture that can be properly

Causes of the relative increase of urban population.

* Report of Education Commission—E.-12, session II, 1912, p. 6.

† Ibid., p. 16.

‡ See p. xxviii.

included in the programme of primary schools ought to be addressed less to the memory than to the intelligence of the children. It should be based on observation of the every-day facts of rural life, and on a system of simple experiments appropriate to the resources of the school, and calculated to bring out clearly the fundamental scientific principles underlying the most important agricultural operations. Above all, the pupils of a rural school should be taught the reasons of these operations, and the explanation of the phenomena which accompany them, but not the details of methods of execution, still less a *résumé* of maxims, definitions, or agricultural precepts. To know the essential conditions of the growth of cultivated plants, to understand the reasons for the work of ordinary cultivation, and for the rules of health for man and domestic animals—such are matters which should first be taught to every one who is to live by tilling the soil, and this can be done only by the experimental method.”

There is no doubt in the minds of your Commissioners that a reform of our system of agricultural education would be attended by very great benefit to the country and tend to diminish the cost of living.

(2.) Some considerable influence must have been exerted by the increasing demand for labour in the towns for (a) handling the primary products, and (b) official work. There is good reason to believe that the amount of labour involved in the handling of the products of the soil, with our present organization of markets, is greater for a given quantity of produce than the labour employed in growing it. Handling is understood to include, taking meat as an illustration, slaughtering and preserving, fellmongery, the preparation of manures, wool-scouring, tallow-manufacturing, bacon-curing, packing, storing, transport, and the clerical and general work in dealing in and distributing these products. The official work of inspecting and grading the primary products, as well as the expansion of the postal, railway, and other transport services, has required an increasing number of workers, many of whom have been drawn from the country.

(3.) Closely connected with this keener demand for labour in the towns is the higher rate of wages ruling there. There is no doubt that there is a steady tendency towards the equalization of town and country rates of wages, but for many years past the general impression has been that the town offers the worker a greater remuneration than the country. In balancing the advantages of town against country work, the worker takes account not only of the money wages obtained for his own labour, but of the opportunities for making subsidiary earnings, the openings for the employment of other members of the family, and the constancy of employment, all of which appear to him to be greater in the town than in the country.

(4.) Several witnesses stated that the migration of workers to the cities was partially due to the difficulty married men experience in finding accommodation sufficiently near to their work to enable them to live with their families in the country. The Commission is of opinion that this is a serious evil, and warrants the earnest attention of our Legislature. In the list of the remedies suggested we are submitting details of our views on this point. There is no doubt that the scarcity of good house-room is but one element in the lower standard of life for country workers. The opportunities for social intercourse, the variety of amusements, the manifold means of recreation, and other social advantages of town life have a strong attraction for the ordinary man. But perhaps the heaviest burden of the disadvantages of country life is borne by the women; to mention only one special disability, in the isolation of country life, women are exposed to greater danger, expense, and difficulty at the time of child-bearing than are those whose husbands' occupations enable them to live in town. “The routine work of women on the farm,” says the report of the recent Country Life Commission of the United States of America, “is to prepare three meals a day. The regularity of duty recurs regardless of season, weather, planting, harvesting, social demands, or any other factor. It follows, therefore, that whatever general hardship, such as poverty, isolation, lack of labour-saving devices, may exist on any given farm, the burden of these hardships falls more heavily on the farmer's wife than on the farmer himself.” The Commission found

that while in a general way the American farmer was never more prosperous or better off than he is to-day, agriculture is not commercially as profitable as it is entitled to be, considering the labour and energy that the farmer expends and the risks he assumes, and that the social conditions in the open country are far short of their possibilities. The leading specific reasons for this condition are stated to be lack of good training for country life in the schools; the disadvantage or handicap of the farmer as against the established business systems and interests, preventing him from securing adequate returns for his products; lack of good highway facilities; the widespread continuing depletion of soils, with the injurious effect on rural life; a general need of new and active leadership. It is true that the standard of life in the country in New Zealand has improved greatly during the last fifteen years, especially in the older-settled districts, but there is still an urgent necessity for raising it higher. Proposals in this direction we submit later in this report.

(5.) During the last few years the migration from the country has been increased by the number of retired country dwellers who have come to live in the towns.

(6.) During the last twenty years there has been noticeable a tendency [for certain small rural industries, such as milling and smith-work, to shift into the towns. This has resulted from the greatly increased facilities for transport and the economies that accompany the concentration of manufactures at the local centres of population.

(7.) Another cause is the difficulty of obtaining land in suitable areas and localities on advantageous conditions.

Its effects in
New Zealand.

4. (1.) In estimating the effects that this population movement has had in New Zealand, your Commissioners would express the opinion that the movement of the rural population to the cities has tended to increase the rents of houses and land to the urban population.

(2.) It has also increased the difficulty of obtaining skilled farm labour in the country. Several witnesses stated that they had been compelled by the scarcity of farm labour to abandon wheat-growing, and they intended to try grazing or dairying instead, while others claimed that even the development of dairying was being checked by this cause.

(3.) Prices in New Zealand of our exported products are fixed mainly by the London markets, but the lessening of the amount of wheat grown all over the world must tend to raise the price of wheat in the London markets.

(4.) The effect of the relative increase in the city population has not been so marked in New Zealand as in other countries, and the cities appear to have been able to absorb the workers up to the present; but it is to be feared that unless steps are taken to check this movement the same ill effects may be expected as have been experienced in other parts of the world.

(5.) In many parts of the world the effects of the rural exodus are arousing serious fears. King Edward, at the opening of the English Parliament shortly before his death, called attention to the necessity for legislation by which a larger number of the population might be attracted to and retained on the land. The Right Hon. Sir Horace Plunkett, at a meeting of the British Association for the Advancement of Science, stated that a growing apprehension of the effect of the rural exodus and urban concentration upon national well-being has produced an urgent desire to save the country from the town, by making agricultural industry more remunerative and by brightening life upon the farm. "It does not appear," he said, "to have been considered how far the ethical and physical health of the modern city has been due to the constant influx of fresh blood from the country. At present, the town makes an irresistible appeal to the spirit of enterprise and to the growing craze for excitement; but sooner or later, if the balance of trade in this human traffic be not adjusted, the raw material out of which society is made will be seriously deteriorated, and the national degeneracy will be properly charged against those who failed to foresee the evil and treat the cause. Physical degeneracy, and the harassing prospect of employment in the towns, a prospect that soon every nation will have a huge derelict population, not merely unemployed but unemployable, have forced the problem of rural life over the threshold, aye, into the very forefront of practical politics."

(6.) Finally, your Commissioners would point out that the greater concentration of the population in towns has tended to raise prices by increasing the velocity of circulation of money or the rate at which money is turned over by the people. This velocity has also been accelerated by the improvements in transport, mailing, and the telegraph and telephone systems, and these have been expedited by the urbanization of the people, which has also probably helped to regularize payments and to extend the use of bank deposits, both of them factors tending to raise prices.

5. There is, moreover, very little doubt that the enhanced food-prices in America and Europe that are said to have resulted from the relative decrease of food-producers have indirectly tended to increase the cost of living in New Zealand. Higher prices have been obtained in foreign markets by New Zealand producers of wheat, meat, and dairy-produce, and these higher prices are reflected in the local prices obtained for the same commodities. Though this may have tended to raise the cost of living in the city, at the same time it has increased the purchasing-power of its country customers, and so may have retarded the drift of the rural workers to the towns.

Influence of
movements
abroad on
New Zealand.

6. Unless inventions greatly economizing labour are made in the rural industries the migration into the towns must be checked as soon as the effect on the prices of food is sufficiently marked to attract fresh capital and labour into those industries, when the rise in the cost of living should be retarded. In the opinion of the Commission the time is not distant in New Zealand when it will become more profitable to grow increasing supplies of foodstuffs.

CHAPTER IX.—MONOPOLIES.

Question 5: To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?

1. The definition of the terms "monopoly," "combine," and "trust" is given as follows:— Definition.

"Monopoly," according to Webster's Dictionary, means "the exclusive power, right, or privilege of selling a commodity, or dealing in some article, or of trading in some market, or sole command of the traffic in anything however obtained."

"Combine" is an association of traders for the purpose of buying or selling commodities in concert. Combinations may be classified according as they deal with the purchase or sale of commodities.

"Trust": Economically, the term "trust" is applied to a class of syndicates which have established a partial or total monopoly in certain industries by securing the ownership of a sufficient proportion of the instruments of production to enable them to control prices.

"Commercial trust," as defined by the Commercial Trust Act of New Zealand, 1910, means 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.

2. It will be realized at once that the question to be answered covers an immense field for investigation, and owing to the limited time at our disposal we were pre- Trusts in New
Zealand.

cluded from dealing with it as fully as its importance deserves. It is also impossible from the evidence to measure the extent, as expressed in percentages, to which trusts, monopolies, and combines have raised prices in New Zealand, but there is no doubt that some prices have been appreciably raised through the operations of these bodies. The evidence that the Commission has been able to collect proves conclusively that trusts, monopolies, and combines operate extensively in the commerce of this country.

This restraint of trade in the Dominion has only become acute during recent years. In the United States of America and other countries it has proved to be the greatest curse of modern civilization, enabling unscrupulous individuals to amass immense fortunes at the expense of the people. Under free and competitive trade the best and most economical methods of distribution from the producer to the consumer will succeed, and the whole community will benefit.

An isolated, highly protected, and sparsely populated country like New Zealand, so far distant from the world's markets, especially lends itself to the manipulations of trusts and combines. It is a comparatively easy matter for a few wealthy individuals in any given industry or business to secure control of the output, and by slightly raising prices to levy secret taxation on the whole community.

Trade combinations in America were in the first instance adopted for the purpose, amongst other things, of eliminating unnecessary expenses in the cost of manufacture and distribution, and had this been the sole object of such combinations the consumer would have benefited, as all improved services such as labour-saving machinery, cheaper transport, railage, postal, cable, telegraph, and banking facilities are directly beneficial to the whole community. But the operations of these associations and combinations in New Zealand as disclosed by our investigations have had an exactly opposite effect, for their avowed object is to corner supplies and increase prices to the detriment of the people.

While the common object of these associations is so to regulate industry that it may become more profitable to those in whose interests it is regulated, the Commission must not be understood to condemn all form of combination, as, for instance, a combination of traders who buy in concert in order to obtain maximum discounts, cheaper transportation, and other legitimate objects of a like nature, such benefits being passed on to the consumer. But what appears to your Commissioners to be particularly reprehensible is the practice common in New Zealand of combinations in different branches of trade not merely fixing selling-prices, but fixing penalties for breaches of the agreement to sell as arranged, or bringing pressure to bear on suppliers to refuse supplies to independent traders who do not conform to their selling conditions.

3. Acting upon legal advice, individual members of the Merchants' Association of New Zealand refused to give evidence. The Commission has definite proof that the members of this association have banded together for the purpose of restraining trade in their own interests, and boycotting independent traders. Where they have succeeded in securing control of imported and locally produced commodities their operations have been followed by increased prices. In no single instance have they reduced the price of any commodity to the public. They have obtained control and fixed higher prices for at least the following commodities, viz: Sugar, matches, cocoa, Keiller's marmalade, Colman's mustard, Colman's starch, Keen's spice, Keen's blue, Robinson's groats and barley, oatina, gerstena, Neave's food, Mellin's food, Edmond's baking-powder, sapon, Levers' soaps, Reckitt's polishes, local starch, soap, candles, proprietary teas, Highlander milk, tobacco, cigarettes, and certain brands of cigars.

It was proved to the satisfaction of your Commissioners that the Merchants' Association are bringing constant pressure to bear upon local, British, and foreign suppliers to refuse supplies to independent traders who refuse to join the "ring." As an instance of their methods the following letters are quoted. It should be explained that these letters were at first given to the Commission in confidence, but that that embargo was subsequently removed.

DEAR SIR,—

64 Cannon Street, London E.C., 25th August, 1911.

We have to-day had a call from Mr. Harold Beauchamp, president of the Merchants' Association of New Zealand. He is also chairman and managing director of W. M. Bannatyne and Co. (Limited), and president of the Bank of New Zealand. The object of his call was to hand us copy of the rules and regulations of the Merchants' Association of New Zealand (Incorporated), and to ask us to consider the policy of joining the association, which means that we should oblige ourselves to refuse to supply any firms who "cut" our prices, and that we should agree to fixed minimum rates—say, for the 1s. and 6d. sizes, 9s. 9d. and 5s. 6d. respectively, less 2½ per cent., six weeks' credit. He states that the landed costs are 8s. 10½d. and 4s. 10½d., that the present selling-prices recommended by the association are 9s. 3d. and 5s. 3d. respectively, less 2½ per cent. with six weeks' credit, but that a firm (Fairbairn, Wright, and Co.), quote these lines at 9s. and 5s. net respectively. We explained that while we were in sympathy with the aim of the association—that is, to stop useless cutting—we were, on the other hand, anxious that if minimum prices were agreed upon they should be reasonable, and not unnecessarily high. Mr. Beauchamp stated that if his association were appointed distributing agents for Jeyes' fluid they would regulate this in a way that would be found satisfactory to all parties. We shall be glad to have your views on the matter. No doubt you know the association. The headquarters are 153 Featherston Street, Wellington.

Yours faithfully,

For Jeyes' Sanitary Compounds Company (Limited),

Mr. A. C. Nottingham, Christchurch, New Zealand.

WM. PLANNER, Secretary.

DEAR SIR,—

Bank of New Zealand, London, 17th October, 1911.

Recently I had the pleasure of seeing you and discussing certain business matters on behalf of the Merchants' Association of New Zealand, of which I am the president. Subsequently you advised that you had written to your representative, Mr. Nottingham, with a view to bringing about a better condition of affairs than now obtains in New Zealand with respect to the sale of your manufactures. That this is necessary is emphasized by the advices I have just received from the secretary of the above association. Writing to me under date 26th August, he says, *inter alia*, "I have pleasure in enclosing you copy of letter received by the Dunedin Association from Mr. Nottingham, the representative of Messrs. Jeyes. A copy of this letter was distributed to all the associations, and the Christchurch Branch has replied to-day as follows:—

"*Jeyes' Fluid*: Your letter of 25th July, enclosing copy of letter sent to the Dunedin Association by Mr. Nottingham, was read at the meeting, and I am directed to say that Mr. Nottingham's letter is tantamount to misrepresentation, as instead of the merchant to whom he refers ordering half a tank, it has frequently been the case that Nottingham has had an order for half a tank and come to the aforesaid merchant asking him to take the other half, which he has done as a favour, though not actually requiring it. It is hoped that Mr. Beauchamp will represent the case to Jeyes, and, failing any satisfactory arrangement eventuating, that he will be able to arrange for some other brand for distribution by the associated merchants."

"The position," the secretary of the Merchants' Association adds, "will be readily appreciated by yourself, and it is very desirable that some amicable arrangement should be arrived at. This particular line, no doubt, has a large sale throughout New Zealand, but, as regards the members of the association, it is one of those lines which they are not anxious to sell, owing to the cut prices at which Messrs. Fairbairn, Wright, and Co. sell. It is not considered that the association has been treated even courteously in this matter, as several letters were addressed to Mr. Nottingham relative to the subject, and no reply was received. The two Christchurch members of the executive were therefore asked to see Mr. Nottingham, and the paragraph relative to their visit is enlightening."

I do not propose to send a copy of Mr. Nottingham's letter, as my correspondent says, "It is understood, of course, that Mr. Nottingham's letter is not to be used in a matter prejudicial to him."

I would, however, in conclusion, observe that it seems to me that, in the interests of all concerned, it would be desirable for you to instruct Mr. Nottingham to adopt a little more of the *suaviter in modo* style, and less of the *fortiter in re*, in his negotiations with my association, which comprises at least 96 per cent. of the merchants in New Zealand.

As I am leaving London in the course of a few days, I regret I shall not have an opportunity of calling and discussing this matter with your good self.

Yours faithfully,

HAROLD BEAUCHAMP.

The Secretary, Messrs. Jeyes (Limited), 64 Cannon Street, E.C.

[Extract from Mr. Nottingham's Letter to Jeyes.]

DEAR SIR,—

11th December, 1911.

I am duly in receipt of yours of the 27th October, enclosing copy of a letter received from Mr. Harold Beauchamp. The contents of this communication surprised me.

I must confess at the start I am at a loss to understand what Mr. Beauchamp means by "bringing about a better condition of things than now obtains in New Zealand with respect to your manufactures." As far as I can judge, the only "better condition of things" is increased sales, and it is for you and you only to decide, after reference to my account for, say, the last seven years, whether or not you are satisfied with the progress. That really is the position, and when I have said this it seems superfluous to proceed further. However, having decided to write fully, I would ask you to kindly excuse the length of this letter.

With regard to Beauchamp's remarks at the foot of the page referring to the half-tank orders, I have merely to give you the exact figures. As explained before, I never accept assertions—facts and figures are what I go upon. The firm alluded to is ——— :—

On 9th November, 1908, you shipped a tank to me : half was for ———, and half for my stock. 22nd March, 1909, one tank : half for ———, and half for my stock. 24th August, 1909, one tank : half for ———, and half for my stock. 6th December, 1910 : half for ———, and half for ———. 25th April, 1911 : half for ———, and half for my stock. You will see at once that instead of my letter being a misrepresentation, it is perfectly true.

Later on Mr. Beauchamp states that it is not considered I have treated the association courteously, as several letters were addressed to me, and no replies were received. This is incorrect. I have received the following letters :—

One from Mr. Adley, secretary of the Christchurch Merchants' Association, dated 25th April. I was at the time confined to the house with influenza. My accountant replied giving Mr. Adley that information, and stating that I would interview him on my return to business. This I did, and we had a very long and serious conversation, but no decision was come to.

On the 20th July last I received a letter from the Dunedin Association. I replied that day, stating that I would go into the matter, and write them fully at a later opportunity, which I did the following day. My letter suggested to them that they, the merchants, discussed the question of prices, and came to some understanding between themselves. That is the extent of the correspondence.

With regard to the Merchants' Association, I think the influence of this association is very much overestimated. Possibly you do not appreciate that in all the centres in New Zealand we have large retail establishments who do their own importing—in fact, within five minutes' walk of my own office there are six retail shops, each one of which annually imports far greater value than the largest wholesale merchant, and I am erring on the moderate side when I say that four out of the six even carry twice as much stock as our largest wholesale distributor.

I have had a talk with ———, and suggested a scale of prices drawn out by the other merchants. He flatly declined to sell on the terms proposed, stating that he is not particular about the matter, and that if we prefer not to supply him with Jeyes' fluid, he is quite willing after his forward orders come to hand to drop it altogether.

After reading these few remarks, you will no doubt weigh the matter over and give me definite instructions as to what I am to do. It has been my idea all along to make the sale of Jeyes' fluid profitable to the retailer, and reasonable to the public at the same time, and it is in consequence of following out this plan that our sales have increased so much.

When you first appointed me your agent I sat down and thought out a scheme. Please bear in mind that at that time Jeyes' fluid was, as far as the general public were concerned, an unknown quantity—Condy's fluid everywhere. In furtherance of my scheme I visited all the chief centres in New Zealand, with the object of opening up business with the merchants : result, my trip was a failure, the merchants declined to buy, owing to there being no demand.

I then thought out another scheme—namely, to ignore the wholesale importer (he would not look at Jeyes), and approach our large retail establishments, tempting them with good prices. My ideas took on—*vide* increase of sales. After a time I saw that the large retailers were placed in a better position than their smaller brethren, and I thought the time opportune to introduce a system of combination of smaller men purchasing Jeyes' fluid in wholesale quantities, and splitting the shipments up amongst themselves—thus letting them reap the same advantages as their larger competitors. The larger retailers have never once raised any objection to this. That my ideas were good ones is proved by the output. After a year or two the merchants became alive to the fact that Jeyes' fluid was on the market, and naturally they wanted to have a "cut in."

I thought possibly it would be as well to let them do some of the distributing, but in reason I could not see my way to desert the friends who helped me at the outset, and therefore I reserved to myself the right to continue supplying these people, and that really is the sore point with Mr. Beauchamp and his friends. ——— during all this time purchased from me very substantial parcels, and therefore it would hardly seem fair to now turn round and cut off their supplies, besides it must not be forgotten that ———'s business is worth to us (with one exception) as much as any other four buyers in the colony put together.

When our friend Beauchamp talked about 96 per cent. of the merchants belonging to the association, the statement might have impressed you somewhat ; but when you consider that, for instance, in Christchurch we have only four grocery distributors (Jeyes is here a grocers' line) belonging to his association, one naturally cannot help discounting his remarks. However, nothing like figures. One of the aforesaid four merchants for years past has only purchased Jeyes' fluid by the dozen. Another, since 9th November, 1908, only imported five half-tanks, and the remaining two last year got through about 750 dozen between them.

With regard to Wellington, Mr. Beauchamp's headquarters, I have, in addition to the older firms and retailers, a good connection there through a young man who was in my employ for twelve years. He left me to start a small business for himself, and it is needless to say we have worked together. Beauchamp's purchases in comparison to this lad's are not worth a second thought.

The position is this : The New Zealand merchants can try their level best, but they are powerless to stop large retailers doing their own importing on wholesale lines ; and as the retailer is the man who comes into direct communication with the public, it is to him we have to look to push our sales.

The remarks in Beauchamp's letter *re* arranging for some other brand of disinfectant is nothing more nor less than so much idle talk. I have got Jeyes' fluid on the market, and as long as the public can buy it at a reasonable rate, I would ask, what chance has another maker to come in ? None whatever. Increase your prices, and then there is the opportunity, but not without.

P.S.—I observe that Mr. Beauchamp assumes for the nonce the role of adviser in regard to the way in which I should conduct my business ; but if I might presume to differ from one so gifted in Latin quotation, I should like to say my experience is that the "*suaviter in modo*" as salesmen are usually the failures, while the "*fortiter in re*" get the business.

When thinking of New Zealand, always remember that the entire population, including that of both Islands, is less than some of the towns in England.

These letters throw an interesting light on the methods that have been pursued to secure control of commodities imported into this country. Nor is this an isolated instance ; for at about the time of Mr. Beauchamp's visit to London several of the Home suppliers became peculiarly active in the attempt to stifle competition. The correspondence is quoted in full on pages 120 and 121 of the evidence. Writing to Messrs. Laughtland, Mackay, and Co., of 50 Lime Street, London, on the 4th August, 1911, James Keiller and Sons (Limited), say, "We have recently been compelled to take steps to prevent the persistent cutting of our marmalade and conserves in New Zealand, and with this end in view have effected an understanding with the Merchants' Association of New Zealand by which we decline to accept indents, either direct or through London indent agents, for other than members of the association." Van Houten and Zoon, writing on the same date (4th August), to the same London house, say, "Members of the wholesale trade out there [New Zealand] are complaining to us that this firm [Fairbairn, Wright, and Co.] has adopted a policy of cutting prices to the detriment of the trade generally, and we have been approached with the object of getting the firm in question to adopt the ruling prices for Van Houten's cocoa instead of underselling." The procedure outlined in these letters has been developing for some considerable time, and it seems to us that unless immediate steps are taken our trade and commerce may eventually pass into the hands of a few firms able to levy tribute from the consuming public.

As a further illustration of the boycotting operations of this association in New Zealand we would draw your attention to the letter of the British Empire Trading Company (Limited), (9th October, 1911), to Messrs. Fairbairn, Wright, and Co., of Christchurch, refusing without a valid reason an order worth approximately £1,000 (see page 121). Similar treatment was accorded to Messrs. Brewer, Fulton, and Co., of Wellington, when the British Empire Trading Company refused an order of £180 spot cash for goods (see evidence, page 394). Mr. Fulton states distinctly that this refusal on the part of the British Empire Trading Company to supply him with tobacco followed on a refusal by the associated merchants to supply. He says, "We were cut off for no reason at all by the associated merchants as far as we know." The inference, it seems to us, to be drawn from the correspondence and other evidence is that Messrs. Brewer, Fulton, and Co. were being boycotted by the Merchants' Association, and that the Merchants' Association exercised pressure on the Tobacco Company to induce it to refuse supplies.

Similar treatment was accorded to Cuthbert Bowyer, Christchurch (page 145), H. B. Low, Christchurch (pages 88 and 89), J. J. Westgarth, Christchurch (page 92), J. W. Hall, merchant, Auckland (pages 258, 259, and 260, questions 12 to 16 inclusive). In this last case the correspondence clearly indicates that the firm of Messrs. T. H. Hall and Co., merchants, Auckland, were refused supplies on the usual merchants' terms by the Union Soap, Oil, and Candle Company on the ground that they refused to join the Merchants' Association.

4. While, as already stated, your Commissioners cannot definitely measure the extent to which prices have been raised by the operations of the various branches of this association, voluminous evidence was tendered us clearly showing that prices have been raised to the public immediately the association secured the control of various commodities. This evidence mainly emanated from master grocers, most of whom had been in business for many years, and were thus able to speak with some authority on the matter. In each of the four centres visited these grocers positively affirmed that, as a result of "scaling" or "tariffing" goods, the prices were raised to the consumer. Robert Wilson, grocer, Dunedin, says (see pages 20, 21, and 22), "I think the framing of the tariffs has a lot to do with putting up the prices in the general grocery line," and, further, "The retailer must buy from these people

[i.e., the Merchants' Association], and they can frame whatever tariff they wish." In reply to a question, Mr. Wilson also stated that he was sure that the association artificially raised the prices of certain articles. Sinclair Peden, another Dunedin witness, stated that if he were allowed to deal directly with the producers in England he could buy and sell cheaper (see question 17, page 32). The following extract from this witness's evidence (page 33) also deals with this point:—

"33. *Mr. Fairbairn.*] The chief purpose of the Commission is to find out the causes that have led to the increased cost of living. Can you say that the operations of the Merchants' Association in regard to tariff lines has increased the cost of living on certain necessities of life?—Yes. As I have already stated, I think, in nearly every case of a line tariffed by the merchants, the wholesale price has advanced, and the retail price has had to advance accordingly.

"34. Do you know of any single instance where the Merchants' Association have reduced the price of any line?—I am not aware of any."

Evidence corroborating these statements was also received from Messrs. H. B. Low (page 88), J. J. Westgarth (page 92), and C. Bowyer (page 145), of Christchurch; A. Bolton (page 377), and J. F. Turnbull (page 456), of Wellington; D. Reid (page 345), and T. B. McNab (page 341), of Auckland. Sworn statements of these witnesses, who are reputable men of some standing in the community, cannot be lightly brushed aside. Your Commissioners know of no other cause for this rise in price other than the operations of the Merchants' Association.

Another equally deplorable state of affairs is that certain favoured large retailers, able to buy many of the necessities of life on exactly the same terms as the wholesale merchants, instead of passing on the saving to the public, retail the goods at the same prices as the smallest of their competitors, who have in many instances to pay 15 per cent. more for the same goods through the Merchants' Association, and who are debarred the opportunity of buying from the same source in the same quantities as the favoured ones.

Hollow-ware.

5. It must not be assumed that these operations have been confined to one trade or one line of business. The ramifications are widespread. George L. Cull, wholesale hollow-ware manufacturer, of Christchurch, came before the Commission and stated that during the last three or four years a combination had been entered into between his firm and certain hardware-merchants in order to fix retail selling-rates, and that the effect generally had been to increase the prices to the retailer by 20 per cent., ensuring also a profit of 20 per cent. to the wholesaler. These hardware-merchants have retail departments, and are therefore buying galvanized hollow-ware at 20 per cent. less than their retail competitors. In order to carry out this arrangement the prices have been increased to the general public by 25 per cent.

SUGAR.

Sugar.

6. From investigations made by the Commission we find that the capital of the Colonial Sugar-refining Company in 1895 was £1,700,130; in 1896 it was £1,702,000; in 1906, £2,200,000; in 1908, £2,500,000; in 1909, £2,850,000; and in 1911, £3,000,000. As far as could be ascertained from the records we examined, this accretion to capital is due to transfers from profits. In order to ascertain definitely whether the company has been making excessive profits, the Commission endeavoured to obtain a statement of the profits for the last ten years, but was unable to procure it. But the profits for the six months ending 31st March, 1912, were in Australia £120,602; in Fiji and New Zealand, £105,000—a total of £225,602, out of which the company paid an interim dividend of 5 per cent. (equal to 10 per cent. per annum), and a bonus of 5s. per share, equal to $1\frac{1}{4}$ per cent., or $2\frac{1}{2}$ per cent. per annum, and carried forward £38,102 out of that half-year's profits. On this basis their profits for a year's trading would be equivalent to £451,204 per annum, or 15·04 per cent. per annum on the present capital.

The evidence before the Commission proves that the Sugar Company have accorded preferential buying conditions to the Merchants' Association, and to favoured retail firms who buy through them, by which the company gives a larger discount to members of this association than to independent traders who may buy in much larger quantities, but who will not join the association. The object is to stifle com-

petition in distribution, and guarantee definite profits to wholesale dealers who are members of the association, as against other outside merchants. Could these outside traders buy on the same terms as these favoured individuals, the price of sugar would probably be materially reduced to the public.

MEAT.

7. From evidence given to the Commission, it is affirmed that combination exists in various parts of New Zealand, fixing the retail prices of meat. It was alleged that the master butchers fixed their selling-rates, and put up a bond, generally fixed at £25, to observe fixed rates or forfeit this amount. The most direct evidence on this point was given by a Palmerston North witness named Erle Hampton (page 479), who is in business as a master butcher. In answer to questions this witness confessed that he had signed the agreement fixing prices, and that he had given his promissory note providing for payment of a penalty of £25 if he did not observe the selling-rates. This evidence was corroborated to some extent by R. S. Abraham, stock-auctioneer (page 465), of the same place, who stated that he knew there were fixed selling-rates, and that a bond was signed to ensure their observance. This witness doubted, however, whether the bond could be legally enforced. Meat.

In regard to the chief centres the evidence tendered before your Commissioners was not so conclusive, although there was evidence that a somewhat similar condition of affairs obtained at Auckland and at Dunedin. In these towns, however, there appeared to the Commission to be strong competition from retail butchers outside the association sufficient to keep the price within reasonable limits. There was no evidence in these towns that there was anything to prevent new businesses opening up—in fact, these witnesses went further and stated that there was nothing to prevent an outsider starting in competition with themselves, and selling at lower rates, if he thought undue profits were being made.

FISH.

8. Very conflicting evidence was given in regard to the supply and sale of fish. The outstanding characteristic appears to us to be the haphazard and unsatisfactory method of dealing with this important section of our food-supply. This phase of the matter, however, is dealt with in another section of the report. There does not appear to be any effective combine or monopoly in regard to the sale of fish. In Dunedin and Auckland your Commissioners found that the catch of the fishermen was limited to raise or steady prices. In Dunedin, T. J. McCutcheon, fish-hawker, stated (see pages 57-8, question 1), “The prices have gone up simply owing to the fact that these workers, both line and seine fishermen, have awakened to the fact that by combination they can control the market and raise the price.” This witness further added that he bought the fish at auction and that this market was free and open, and that generally fish was kept so low in price that the public would buy. Mr. F. J. Sullivan, wholesale fish-merchant, of Dunedin, affirmed (pages 7 and 8) that the market for the sale of fish was open and competitive. The practice above mentioned, of the fishermen limiting the catch, was confirmed by this witness (question 54, page 8). In Auckland the evidence of Mr. Garnaut, fisherman (page 356, question 5), showed that the fishermen fixed the wholesale price to the dealers. Fish.

The Commission regards the practice of fishermen limiting the catch as inimical to the best interests of the industry, and that an enlightened selfishness would lead to its abandonment. It was shown that the earnings of the men reached as much as £10 per head for fish caught during the week (Sullivan, page 9, question 60). This practice and the high cost of distribution are responsible for the fact that fish as a common article of diet is beyond the reach of the bulk of the population.

SHIPPING AND COAL.

9. That a monopoly exists in the carriage by sea of coal from the West Coast ports is undoubted; and apparently the shipping companies that have effected the monopoly have each clearly defined “territory” on which the others do not trespass. Our investigations, necessarily incomplete owing to the limited time Shipping and Coal.

at our disposal, did not discover the nature and the terms of the arrangement that apparently exists between the Union Steamship Company on the one hand, and three smaller companies—viz., the Maoriland Company, the Anchor Company, and the Canterbury Shipping Company—on the other. But it seems clear that some arrangement does exist whereby these three smaller companies have allotted to them by the Union Company a specified portion of the carriage of coal. Mr. F. F. Munro, of Westport, has, in the opinion of the Commission, made out a strong *prima facie* case for further investigation.

Three important questions naturally suggest themselves on a consideration of the evidence of Mr. G. Joachim, managing director of the Westport Coal Company, and Mr. F. F. Munro: (1) The nature of the understanding between the shipping companies mentioned above; (2) the nature of the understanding between the shipping companies engaged in the carriage of coal and the coal companies; (3) the effect of these understandings on (a) the price of coal, (b) inward freights to Westport and Greymouth, (c) employment at the mines.

To show the necessity of inquiry on the lines above suggested we quote from correspondence supplied to us that passed between the general manager of the Union Steamship Company and the chairman of directors of one of the coal companies whose mines are situated on the West Coast:—

Extract 1, from Union Steamship Company to coal company: “I gather that you propose to confine your shipments principally to Wellington and Lyttelton, but may send occasional cargoes to other ports to which our vessels run. I understand that you would be prepared to confine your shipments to our steamers to Wellington and Lyttelton, but while we do not stipulate that the whole of your shipments to other parts should be confined to our vessels we could not undertake the responsibility of carrying the main supplies and practically provide tonnage to keep your mine going if the effect of this was to introduce fresh shipping interests which would compete with our company in its general trade. From experience, we think you will find it an advantage to rely mainly on one shipping organization to lift your output and keep the mine going, but we shall not take exception to your shipping coal by the shipping companies now trading to the West Coast—viz., Anchor Line, Canterbury Steamship Company, and Maoriland Company, *provided it is understood that Wellington and Lyttelton shipments are restricted to us, and that to such other parts as our steamers trade we shall receive preference.*”

Extract 2, from coal company to Union Steamship Company: “I should like the question of other ports more fully defined, as your clause referring to preference does not convey to my mind a very clear idea as to how such an arrangement would work out in practice. For instance, assume that a buyer in Auckland arrange with one of the companies you name to carry coal from Westport, which we would supply f.o.b., what would the position be, on the lines suggested by your company?”

Extract 3, from Union Steamship Company to coal company: “*With regard to preference that I ask for to ports other than Wellington and Lyttelton, what we intend to convey is that as we understand you will be relying on us to furnish tonnage to keep the mine going you will not encourage f.o.b. sale, and if you were loading one of our steamers at Westport you would not at the same time supply coal f.o.b. unless our steamer was fully loaded. With reference to your shipping coal by other steamers, in order that a wider interpretation should apply, we are agreeable that you should be free to ship by other coastal companies now trading in New Zealand.*”

Extract 4, from coal company to Union Steamship Company: “The correspondence regarding the subject of freights contained in your letters was duly considered by our directors, and it was decided to accept the arrangements therein set out for the term of two years.”

The arrangement therein set out was apparently the best arrangement the coal company could secure, and your Commissioners must not be understood as in any way reflecting on its action in making the best terms possible for the carriage of its product. Nor are we in a position to say what subsequent “arrangements” it made on the expiry of the period during which the contract was to hold good. But it is a fair deduction to draw that, competition being successfully stifled in the carriage of coal, there is a constant danger that the public will be charged a higher

rate of freight than the service is legitimately worth. Even if the excess were only small, say, 1s. per ton, this would mean an annual contribution of at least £40,000 that the users of coal would pay into the coffers of the shipping monopoly.

Whether the remedy suggested by Mr. Munro—viz., to insist on f.o.b. quotations at the port of loading—would be effective, and what effect such a provision would have on the output of our mines and the regularity of employment therein, we are not prepared on the evidence before us to say.

Mr. Joachim (page 6, question 27) says, “We cannot keep the mines going on casual steamers. It is essential in the interests of the workmen and also to keep the cost of production down to keep the mines regularly going. We have had very few idle days in the year. I do not think there is a mine in Australasia in which the employment is so regular as in ours, and that is so because of our freight arrangements.”

10. A phase of the working of the shipping monopoly on freights was also emphasized by Messrs. Munro and Gunson (Auckland)—viz., the power it possesses to discriminate in freights between the various ports of New Zealand as compared with the freights between Australia and New Zealand to the disadvantage of the latter's internal trade. Mr. Munro (page 390, question 15) instanced the case of a cargo of coal being carried from Newcastle to Napier half a crown cheaper than the quotation of a similar cargo from Westport to Napier, and Mr. Gunson (Auckland, page 327, questions 18 and 19) drew attention to the fact of the high coastal rates due to monopoly, the freight, for instance, on chaff from Australia to Auckland being 15s. per ton as against 22s. 6d. per ton from Lyttelton to Auckland. “There is only the Union Company to carry it from Lyttelton, all opposition that comes along being squashed.”

11. Freight rates on imports from the United Kingdom: The system of freight rebates practised by certain shipping companies for the greater portion of the carrying trade from the United Kingdom to New Zealand amounts practically to a complete monopoly in that trade. For the year ending 30th September, 1911, the importation from abroad (not including Australia) to the port of Wellington amounted to 239,715 tons. This indicates the increased cost to the public which followed the recent increase of inward freights from 2s. 6d. to 5s. per ton on measurement goods.

This monopoly enables shipping companies to discriminate between Continental and British goods, and to charge a higher rate on the latter. Through Continental freight charges from Hamburg and Antwerp to New Zealand main ports are, in many instances, much lower than from London to New Zealand. From private inquiries made by the Commission, and verified by the inspection of documents, the differential rates between the British and Continental classifications are as follows, viz. :—

	British Classification.		Continental Classification.	
	s.	d.	s.	d.
Bottles	30	0	23	6
Chinaware	37	6	29	6
Glassware	37	6	29	6
Chairs	42	6	29	6
Guns	62	6	39	0
Mirror plate glass	57	6	42	6
Cutlery, spoons, and forks	62	6	39	0
Electroplated ware	62	6	39	0
Rough measurement	45	0	39s. and 40s.	
Fine measurement	62s. 6d. and 65s.		39s. and 47s. 6d.	

“British classification” is the scale of freight charges fixed by the New Zealand Shipping Company and the Shaw-Savill Company, and are now ruling. Within the last twelve months freights were advanced 2s. 6d. per ton on glassware, earthenware, chinaware, and hollow-ware, and 5s. per ton on both fine and rough measurement. Yet they carry goods from foreign ports at the Continental classification rates, which included the cost of transit from Hamburg and Antwerp to London. The explanation given to the Commission in Christchurch was that the New Zealand Shipping Company and the Shaw-Savill Company had to meet the competition of

subsidized German vessels to Australian ports, and that the Continental classification rates were arrived at by adding the transshipping charges from Australia to New Zealand to the through subsidized rates from Hamburg to Australian ports. Freight charges on bottles, glassware, and chinaware add fully 50 per cent. to the invoiced value, consequently the preferential rates given to foreign as against British suppliers more than nullifies the advantages given to British manufacturers under the preferential Customs tariff.

The imports from Germany for the year 1910 totalled £398,308, from the United Kingdom £10,498,771. So that the New Zealand shipping companies are penalizing their best customers in order to foster the trade of Great Britain's keenest competitor. The volume of shipping from Antwerp and Hamburg to all New Zealand ports is only 5 per cent. of that from all British ports, and, as subsidized vessels trading to Australian ports are run at a loss, the policy of the New Zealand shipping companies means giving a subsidy to Continental shippers to the manifest disadvantage of the British manufacturer, and at the expense of the New Zealand public, who pays this subsidy by the higher freights charged from British ports, and thus saves the foreign shippers the cost of subsidized freights on the goods shipped to New Zealand.

BUTTER AND EGGS.

Butter and
eggs.

12. There are no reliable statistics showing the actual quantity of butter used for consumption in New Zealand, but it may be fairly estimated that two-fifths of the total amount manufactured in the Dominion is locally consumed. In some quarters there is a strong belief that local winter supplies are controlled by speculators in order to obtain higher prices from the public. The Customs tariff gives a protection of 20 per cent., which would make it possible for holders of winter supplies to corner the local market and inflate prices to local consumers. The value of butter to the producer is regulated by the English market price, which practically fixes the price of butter-fat. In June and July of 1911, retail prices were 1s. 5d. and 1s. 6d. per pound for factory butter for the North and the South Island respectively. It is desirable that the public should be protected from the possibility of local combines fixing unduly high prices for local requirements. But it should be pointed out that, as a result of the drought and other unfavourable conditions during the 1911 summer throughout the whole of the Northern Hemisphere, and especially in dairying countries, New Zealand produce found a ready market at high values. Never before, perhaps, in the history of the industry have prices risen to so high a level, and been maintained through our export season. Butter reached 136s. to 137s., and cheese 76s. to 76s. 6d. So far as the investigations of the Commission have gone, however, there is nothing to show that there has been any very systematic or successful exploitation of the public by "cornering" the supply of this necessary article of daily consumption. The complaint that is sometimes made that overexportation leads to an undue inflation of prices, by shortening supplies during certain seasons of the year, is not well grounded. The uncertainty of our climate makes it difficult for dealers to gauge accurately the probable supply, and a sudden change in the weather during the late autumn may have the effect of reducing supplies almost to the vanishing-point, and thus make it necessary to draw upon reserves in store at a much earlier date than anticipated.

In Auckland complaints were made that the wholesale prices for butter and eggs by the merchants were below those actually ruling in the market, and were calculated to mislead the settlers when disposing of their produce. Mr. Schmitt pointed out the following: "In connection with eggs I may say that today's price in the *Herald* newspaper is 1s. 4d. per dozen—the wholesale quotation. That is what the shopkeeper gives the farmer. On Friday last a sale of eggs at auction realized 1s. 9d. to 1s. 10½d. a dozen. To-day's price for eggs is 1s. 8d. to 1s. 9d.: that can be got for them. What I want to point out is that the price of 1s. 4d. is absolutely misleading. That misleading statement does not only occur now and again, but it is a misleading statement which occurs repeatedly. The misleading price of eggs is misleading to the farmer—that is to say, it leads him to accept 1s. 4d. for his eggs in the country when in reality the price is 1s. 8d., 1s. 9d., or 1s. 10d." (see page 281, question 26).

Thomas Donald McNab, grocer, also says, "There are two or three wholesalers and two or three retailers who fix the price every Saturday morning. One firm will ring up the other and ask what is the price" (page 341, question 2); and in reply to the question, "Is it within your knowledge that while eggs were quoted at 1s. 3d. by the auctioneer, 1s. is stated to be the selling-price?" this witness said, "Oh, it might be; I was asked from a wholesaler 1s. 7½d., although eggs were supposed to be 1s. 3d. . . . I have known grocers give 10d. for eggs which they sold for 1s. 6d. to the consumers (page 341, questions 9 and 13).

Other witnesses pointed out that in Auckland there was often a difference of 4½d. per pound between the wholesale price quoted for prime dairy butter and the wholesale price of factory butter, and they said this was a bigger margin than the circumstances warranted. The statements thus elicited seem to point to the need of more reliable and accurate information being supplied to the newspapers, as this is the only medium by which farmers who reside far from the centre can gain information regarding the selling-value of their products; and if these reports are incorrect they are thereby placed at a very great disadvantage.

FLOUR.

13. The flour-milling industry in New Zealand is in the hands of forty mills, of which number thirty are acting in concert, and ten are outside the association. The trade is divided about equally between the associated millers and the outside millers, consequently there has never been a wholly successful monopoly, and hence prices have not been unduly high. But that the ever-present danger exists of a complete monopoly being organized and the usual methods of monopolistic control adopted is very evident from the evidence of Mr. Gardner, flourmiller, of Cust (page 104, questions 27, 28, 29), who stated that within a week after he withdrew from the association the association cut down prices with the object, of course, of driving him out of the trade. Mr. F. Williams, baker, of Christchurch, showed what might happen under the circumstances mentioned above. He was outside the Master Bakers' Association and was selling bread cheap for cash over the counter when the Master Bakers' Association, in concert with the Flourmillers' Association, blocked his supplies of flour for at least a year, and forced him to import Manitoba and Australian flour from Sydney, as he could not obtain New Zealand flour from the outside millers at a price low enough to enable him to compete successfully with the Master Bakers' Association (page 179, questions 86 to 103).

TIMBER.

14. Timber, like most other commodities, has advanced in price during the period covered by our investigations, the rise being most marked during the last ten or fifteen years. The rise, variously estimated at from 15 per cent. to 200 per cent., is not uniform throughout the Dominion. An examination of the evidence will show that the prices in Wellington have been least subject to the upward tendency. The rise is due to many causes—(a) Increased demand; (b) growing scarcity of supply; (c) increased cost of production due to a small extent to increased wages; (d) a higher standard; while the policy of the State in granting only small areas for milling has not warranted a large initial outlay of capital on plant sufficient to effect economies of production on a large scale, and thus counteract the forces that result in higher prices.

These causes, however, have been general in their operation. Increased demand, scarcity of supply, increased wages-cost, and a better-grade article are factors making for increased price to the consumer in Wellington as well as in Christchurch and in Auckland. In Christchurch and Auckland, however, evidence was tendered to the effect that prices were arranged by associations of timber-merchants. Mr. Goss, one of the associated merchants in Christchurch, admitted that the selling-rates of timber were fixed by meetings in conclave of timber-merchants; that, although there was no written agreement, there was an understanding (question 13, page 107). These merchants have a uniform price for timber (questions 22 and 37, page 107). Mr. Rowe, builder and contractor, of Auckland, speaking in regard to the Waikato (question 2, page 349), says, "You do not pay the individual man but pay the Sawmillers' Association; the bill always comes

from the one office." He further adds, "The mills are all in one association; you pay the association for the timber no matter what Waikato man you got the tender from." In Wellington, on the other hand, there is no association or understanding among merchants. Mr. Hutchen, of Stewart and Co. (question 5, page 383), says that there is no understanding to keep up prices. There was some time ago, but the merchants broke through in some cases, and each establishment now sells at its own price.

This evidence leads your Commissioners to the conclusion that in Auckland and Christchurch, at any rate, a combination among timber-merchants is a factor in raising prices higher than they otherwise would be had the same trade conditions obtained as in Wellington.

WAX MATCHES.

Matches.

15. The latest return of factory statistics (Department of Labour Annual Report, 1911, pages 34 and 65) gives the following particulars relating to match-factories, viz.: Wellington—Persons employed, 19 males, 104 females; wages paid, £7,561. Dunedin—Persons employed, 12 males, 68 females; wages paid, £3,741. Totals—Persons, employed, 31 males, 172 females; wages paid, £11,302.

The Customs revenue on imported wax matches was, in 1891, £15,880; in 1892, £14,997; in 1895, £12,163; in 1900, £4,462; in 1905, £4,260; in 1910, £6,283. The average rate of duties on wax matches is 50 per cent. *ad valorem* (i.e., plaids invoiced 1s. 10d. to 2s., duty 1s. per gross; No. 4 oblong tin vestas in 1901 were invoiced at 8s. 6d., duty 4s. 6d. per gross). As the population since 1891 has increased about 60 per cent. and the spending-power of the community has about doubled in the same period, a uniform duty of 20 per cent. *ad valorem* would produce about £20,000 in revenue annually.

The size known as No. 4 tin, containing about 140 matches, are now listed at 15s. 6d. per gross for maximum wholesale purchases. In 1901 the English invoice price for Bryant and May's was 8s. 6d.; duty, 20 per cent.; freight and other charges would make the landed cost about 11s. 6d. per gross, so that the public could be supplied at 1s. 3d. per dozen instead of the present ruling price of 1s. 8d. It is generally admitted that the employment offered in industries of this nature is dangerous to health unless ventilation and cleanliness are rigidly enforced, and that it offers no prospect for future advancement; female workers seem disinclined to take up this employment as a means of earning a livelihood, and it is one of the least desirable of any industries established in the Dominion. It would pay the authorities to pension off all the employees, giving them the present wages earned—i.e., £11,302. The revenue from imported matches would produce at least £20,000 a year, and the public would have better matches at much lower prices than those ruling at present.

The match industry in New Zealand is a monopoly, a combine, and a trust, inasmuch as the two factories have scaled their prices at the dictation of the Merchants' Association, and the largest concern, the Bryant, May, and Bell Company, is a trust corporation largely controlled by American shareholders.

16. The problem of how best to deal with trade combinations that unreasonably restrain trade in their own interests has been pressing for solution for some time; and the experience of the world shows that the trouble is most acute in those countries that have high protective tariffs. But the abolition of all barriers to trade does not entirely protect the community as the history of the movement in England shows. (See "The Trust Movement in British Industry," H. W. Macrosty). The experience of America does not make us too sanguine as to the benefits to be derived from legislative action. The forms of combination are manifold, and it is impossible to foresee and to provide beforehand for all cases of agreements in restraint of trade.

As far as can be judged, however, the Commercial Trusts Act, taking into account the short time it has been in force, has been successful in protecting the public in respect of the commodities to which it applies; and its extension to cover all industry is strongly recommended by the Commission.

CHAPTER X.—TARIFF.

Question 6 : What has been the effect on prices of the tariff reduction ?

1. The peculiar difficulty incidental to the study of dynamic economics—namely, the impossibility of isolating phenomena that it is desired to study in detail—is exemplified, especially in dealing with the effect on prices of tariff reductions. *A priori* a reduction in Customs duty should result in a reduction of the price paid by the consumer, provided all other factors in fixing price remain constant. General principles.

The period under consideration, however, more especially the last fifteen years, has been a period of rising prices the world over, due to causes which have been discussed in other portions of the report, but which cannot be neglected here. Chief among these causes may be mentioned (a) the relative change in the circulating-medium as compared with commodities generally ; (b) increased demand for food-stuffs ; (c) shortage of supplies ; (d) the operation of trade combinations that secure the control of certain commodities and regulate the price in their own interests ; (e) increased cost of production, due to increased cost of raw materials, higher wages, and transportation. Period one of rising prices.

2. The Customs tariff of New Zealand was in the first instance adopted for the purpose of raising revenue. Later it was used as a means of affording protection to local industries from outside competition. The important changes which have taken place since 1896 are indicated in the following table :— Tariff remissions.

TABLE No. 54.

	Rates of Duty.		
	1896.	1900.	1907.
Currants and raisins	2d. lb.	1d. lb.	Free.
Other dried fruits	2d. „	2d. „	„
Mustard	2d. „	2d. „	„
Unground spices	2d. „	2d. „	„
Acid, tartaric	1d. „	1d. „	„
„ citric	15 per cent.	15 per cent.	„
Sugar, molasses, and treacle	$\frac{1}{2}$ d. lb.	$\frac{1}{2}$ d. lb.	„
Blue	2d. „	1d. „	1d. lb.
Candles	2d. „	2d. „	1 $\frac{1}{2}$ d. „
Infants' foods	20 per cent.	15 per cent.	Free.
Matches, plaids, 100's	1s. 2d. gross	1s. gross	1s. gross.
„ flat pocket, 100's	1s. 9d. „	1s. 4d. „	1s. 4d. „
„ oblong, No. 4's, tin	5s. „	4s. 6d. „	4s. 6d. „
Patent and proprietary medicines	40 per cent.	15 per cent.	20 per cent.
Sarsaparilla	25 „	15 „	20 „
Rice	6s. cwt.	Free	Free.
Kerosene	6d. gallon	„	„
Tea	4d. lb.	2d. lb.	„
Infants' boots (Nos. 0 to 6)	22 $\frac{1}{2}$ per cent.	22 $\frac{1}{2}$ per cent.	„
Boots, shoes, and slippers	22 $\frac{1}{2}$ „	22 $\frac{1}{2}$ „	23 per cent. to 100 per cent.
Motor-cars	20 „	20 „	Free.
Soda, bicarbonate and carbonate	1s. cwt.	1s. cwt.	„

The Customs Duties Amendment Act, 1909, imposed a surtax of 1 per cent. on the amount of duty payable under the existing tariff on tobacco, cigars, and cigarettes, and 2 $\frac{1}{2}$ per cent. on the amount of all duty payable on all other dutiable goods. This surtax took effect on the 24th November, 1909, and terminated on the 31st March, 1911. Effect on prices.

Prices fell as result.

3. A comparison of the tables given in Chapter IV, page xliii, throws an interesting light on the question. We must point out, however, that the figures must not be taken as conclusive proof that reduction in the duty on any particular article has been passed in its entirety to the public.

	England. Average Rise in Prices, 25 per cent.	New Zealand. Average Rise in Prices, 7 per cent.
Tea.. .. .	- 3 per cent.	+ 4.80 per cent.
Sugar]	- 1 ..	- 17.72 ..
Kerosene	+ 27 ..	- 30.89 ..
Currants .. . . .	.. ..	- 19.31 ..
Rice	+ 19 ..	- 23.78 ..
Soda	+ 35 ..	- 12.12 ..

NOTE.—This table shows that while prices rose in England 25 per cent. prices in New Zealand rose 7 per cent., and that in England, while the prices of kerosene and soda rose above the average, rice less than the average, and tea and sugar actually fell, in New Zealand the prices of all articles except tea fell considerably, and that tea did not rise as high as the average. It should be borne in mind that the table covers a period before and after the tariff reductions of 1907.

Except where controlled by combinations.

4. It is to be regretted that the statistical material does not exist to complete the table for every article affected by the reductions that took place in 1907, nor had the Commissioners time to compile the information themselves. It must also be remembered that the prices given are wholesale: whether a similar fall took place in retail prices we are not able to say; but it is reasonable to suppose that even if the fall was not so marked it was still considerable.

A time of rising prices, as has been pointed out by Layton ("Study of Prices," 93), affords a favourable opportunity for monopolists to hold up the price of any given commodity and make considerable profits, and this has been done in New Zealand, as shown in Chapter IX. Remissions of duty in some instances on articles controlled by the Merchants' Association did not reach the public. For example, the invoiced prices of Colman's mustard and Neave's food have not changed in twelve years, and although there has been a tariff reduction of 2d. a pound in mustard and 15 per cent. in Neave's food the retail selling-price as fixed by the merchants and manufacturers has remained stationary.

The remission of ½d. per pound in sugar was not followed by an equivalent reduction in the price of locally manufactured confectionery, nor did the remission of duty on cream of tartar (1d. a pound English, 1½d. a pound French) produce an adequate reduction in the price of Edmond's baking-powder. Where trading-conditions are open and competitive the reductions in duties have reached the public.

Boots and shoes.

5. In the Official Year-book for 1911, page 277, reference is made to alterations in the Customs tariff of 1907, enumerating, among other articles placed on the free list, children's boots, Nos. 0-6 (this remission affects children only up to three years old). The succeeding paragraph refers to the articles upon which increased duties were imposed, but no reference is made to the enormously increased duties on boots, shoes, and slippers used by the working-classes, which previously carried a duty of 22½ per cent. *ad valorem*.

The following estimates indicate the increase of duties in the 1907 tariff, viz. :—

BOYS' AND GIRLS' FROM THREE TO TEN YEARS OLD (NOS. 7 TO 1 INCLUSIVE).

(Duty, 6d. per pair and 15 per cent. *ad val.* Preferential, 3d. per pair and 7½ per cent. in addition.)

	Duty.	
	British.	Foreign.
Shoes or boots invoiced 1s. per pair ..	8d.—66⅔ per cent.	1s.—100 per cent.
" " 1s. 6d. " ..	9d.—50 ..	1s. 1½d.—75 ..
" " 2s. 6d. " ..	11d.—37 ..	1s. 4½d.—55 ..
" " 3s. 6d. " ..	1s. 1½d.—32 ..	1s. 8½d.—48 ..

YOUTHS' AND GIRLS' FROM ELEVEN TO FIFTEEN YEARS OLD (SIZES 2 TO 5 INCLUSIVE).

(Duty, 1s. per pair and 15 per cent. *ad val.* Preferential, 6d. per pair and 7½ per cent. in addition.)

	Duty.	
	British.	Foreign.
Shoes or boots invoiced 2s. 6d. per pair ..	1s. 5d.—57 per cent.	2s. 1½d.—85 per cent.
" " 3s. 6d. " ..	1s. 7½d.—45 ..	2s. 5¼d.—67½ ..
" " 5s. " ..	1s. 10d.—37 ..	2s. 9d.—55 ..

YOUTHS' SIXTEEN YEARS OLD, AND MEN'S, SIZE 6, UPWARDS.

(Duty, 1s. 6d. per pair and 15 per cent. *ad val.* Preferential, 9d. per pair and 7½ per cent. in addition.)

	Duty.	
	British.	Foreign.
Shoes or boots invoiced 5s. per pair	2s. 4d.—47 per cent.	3s. 6d.—70 per cent.
„ „ 6s. „	2s. 6d.—42 „	3s. 9d.—63 „

IMPORTED BOOTS AND SHOES WORN BY THE WEALTHY CLASSES.

	Duty.	
	British.	Foreign.
Ladies, invoiced 15s.	1s. and 15 per cent.—3s. 6d. and 23 per cent.	24 per cent.
Men's, invoiced 20s.	1s. 6d. and 15 „ —4s. 9d. and 24 „	36 „

The latest census returns for 1910 give the following particulars relating to boot and shoe factories, viz.: Number of factories, 74. Hands employed—Male, 1,359; female, 913: total, 2,272. Wages paid—Male, £154,044 (average, £113 4s.); female, £43,549 (average, £47 7s.). Leather used—Local, £190,396; imported, £86,854. Total cost all materials, £334,880. Boots, shoes, slippers, &c., manufactured, £604,872 (not including leggings or other products). Value of land occupied, £61,602. Value of buildings, £74,751. Value of machinery and plant, £90,704.

Statistics of boot trade.

The value of imports for 1910 was £250,456: add duty received £71,987, and cost of importation (15 per cent.) £37,568, gives a landed cost amounting to £360,011, which amount, together with the value of local manufactures (£604,872), shows the cost of boots locally produced and imported to be £964,883. When wholesale and retail profits are added, the approximate annual cost per head of the population is about 30s., without repairs—a heavy charge to the breadwinners of large and growing families, where children are still at school.

The cost of wages in production is one-third of the total cost of a pair of boots, and the Commission have evidence showing that a pair of boots locally made and retailed from 28s. to 30s. only cost to produce 12s. 9d. (wages 5s. 1d.).

From the evidence collected, supported by exhibits, fraudulent boots and shoes made up with composition insoles faced with canvas and backed up with cardboard, with cardboard heels, are being sold to the public. There is some conflict in the opinion of experts as to the strict definition of “shoddy.” In boot-linings, linen of good quality is considered a good substitute for leather.

Branding.

6. For the purpose of estimating the whole number of workers employed in State-protected industries, and the extent of protection afforded to each separate industry, the Commission have compiled the following statement from the last returns available:—

Extent of protection in New Zealand.

TABLE 55.—WORKERS EMPLOYED IN STATE-PROTECTED INDUSTRIES, 1910.

	Hands employed.		Rates of Duty.
	Male.	Female.	
Ham and bacon curing	210	14	2d. lb.
Fish curing and preserving	103	3	2d. „
Condensed milk	38	20	25 per cent.
Biscuit-factories	379	208	2d. lb.
Fruit-preserving and jam	174	137	25 per cent. and 2d. lb.
Sugar-boiling and confectionery	304	267	2d. lb.
Baking-powder factories	18	7	20 per cent.
Colonial wine	50	1	6s. gallon.
Coffee and spice	66	54	3d. and 2d. lb.
Sauces, pickles, and vinegar	115	104	4s., 3s., and 6d. gallon.
Soap and candles	215	23	5s. cwt., 1½d. lb.
Glue	13	2	1½d. lb.
Sausage-skins	151	..	3d. „
Woodware and turnery	304	..	20 per cent.
Paper-mills	87	29	5s. cwt.
Paper bags and boxes	18	82	7s. 6d. cwt. and 25 per cent.
Lime and cement	280	..	2s. barrel.
Monumental masonry	117	1	25 per cent.
Glassworks	14	..	20 „
Electroplating	17	..	20 „
Tinware-factories	469	4	25 „
Iron and brass foundries	1,814	24	20 „

TABLE 55.—WORKERS EMPLOYED IN STATE-PROTECTED INDUSTRIES, 1910—*continued*.

	Hands employed.		Rates of Duty.
	Male.	Female.	
Heel and toe plates	9	1	22½ per cent.
Engineering-works	1,846	22	20 "
Rangemaking	230	..	20 "
Spouting and ridging	158	1	25 "
Lead-headed nails	6	..	20 "
Musical instruments	11	..	20 "
Toy-factories	29	..	20 "
Picture-frame makers	33	1	20 "
Basket and perambulator	121	27	25 "
Cork-cutting	4	..	10 "
Lapidaries	4	..	..
Billiard-table	25	..	20 per cent.
Rubber stamp	5	..	20 "
Ammunition	26	104	Gun, 25s. (1,000); rifle, 20 per cent.
Brush and broom	99	55	25 per cent.
Cutlery	3	..	20 "
Cycle-factories	436	16	20 "
Saddling and harness	514	30	20 "
Whip-thong	4	..	20 "
Portmanteau	45	19	25 "
Tanning, fellmongery, and wool-scouring	1,334	2	Part free, 1d. to 4d.
Block and pump	1	..	20 per cent.
Sail, tent, and oilskin	97	66	20 per cent. and 5 per cent.
Furniture and cabinetware	1,435	93	25 per cent.
Venetian-blind	33	2	25 "
Mattress-factories	52	1	25 "
Wool, rug, and mat	10	9	20 "
Varnish	13	1	2s. gallon.
Ink	3	1	2s. "
Starch	20	5	2d. lb., 80 per cent.
Chemical-works	103	75	..
Hæmatite paint	5	..	..
Sheep-dip .. .. .	..	..	Free.
Matches	29	177	Approximately 50 per cent.
Blacking	3	8	20 per cent.
Woollen-mills	715	834	20 "
Flock-mills	12	1	10 "
Shirtmaking	25	374	25 "
Corset and belt .. .. .	..	11	25 "
Clothing and waterproof	375	1,539	25 "
Boot and shoe.. .. .	1,518	688	From 23 per cent. to 100 per cent.
Hat and cap	83	154	25 per cent.
Hosiery	30	344	25 "
Rope and twine	195	..	20 "
Returns not included	308	133	..
Grain-mills	534	6	£1 per ton = 10 per cent.
	15,497	5,780	

The following industries are not included in the foregoing returns, as only a small proportion of the numbers employed obtain any protection from the Customs tariff, viz. :—

TABLE No. 56.

	Males.	Females.
Breweries	720	11
Aerated-water factories	563	23
Sawmills, sash and door	9,098	13
Printing and bookbinding	3,238	660
Coach building and painting	1,465	..
Tailoring establishment	1,233	1,764
Dressmaking and millinery	18	3,021
	16,335	5,492

Printing and bookbinding, coachbuilding, and sash and door factories are only partially affected, the others very slightly by protected tariffs. A total of 3,000 would be a liberal estimate, which added to the total numbers on the previous estimate gives 24,277 as the approximate number of workers engaged in State-protected industries, less than $2\frac{1}{2}$ per cent. of the total population of the Dominion, which with dependants would be equal to 5 per cent.

From the latest statistics classifying the occupations of the people in the Dominion, the following extracts are made of the numbers engaged in occupations which are not protected by the Customs tariff, viz. :—

TABLE No. 57.

Professional—Government, defence, law, religion, health, science, literature, civil and mechanical engineering, education, artists, musicians, social	32,716
Domestic—including gardeners, coachmen, hairdressers	44,267
Commercial—banking, brokery, insurance, commerce, &c.	65,764
Transport and Commerce—Railway, tramway, coastal, marine service, postal, telegraph	36,433
Industrial—Persons engaged in connection with all manufactures in the Dominion	133,555
Less those engaged in protected industries	24,277
	109,278
Agricultural—Agriculture, fisheries, water-supply, mines, quarries	130,580
Indefinite—Pensioners, annuitant, independent means.. .. .	10,803
Dependants	554,002
Less dependants on those engaged in protected industries (say)	26,000
	528,002
Occupation not stated	348
	958,191

7. Our great primal industries—viz., wool, frozen meat, gold-mining, coal-mining, flax, kauri-gum, butter, cheese, &c.—directly and indirectly provide employment for the bulk of our population, and are the real sources of our prosperity. The value of the products of these industries is determined by the London market, and our producers have to compete with the cheap labour of India, Russia, France, and the Argentine. Highly protected local industries means that the farmer, gold-miner, coal-miner, flax-miller, gum-digger, and all people employed outside protected industries, including the operators in such industries, must pay more for their living. It also means that the British public, who alone provide us with a free and open market for our exportable products, are treated as aliens and prevented from sending their products into the Dominion on the same terms as they admit ours. If the British Government adopted the same attitude to New Zealand and put a duty on New Zealand meat, grain, butter, cheese, and wool, in order to protect the British farmer, the position would be parallel to our attitude in placing high duties on their manufactures. The burden of protection.

The plea that by protecting local industries the money is kept in the country is a fallacy, as the quantity of locally manufactured raw material would otherwise be shipped abroad and return the same value. The only real justification is in providing employment for the people; but it has already been shown that only 5 per cent. of the population are affected. Labour-saving machinery is continually supplanting skilled labour in all industries, and the average wages earned in protected industries prove that other and more profitable channels for employment are open. The best method of helping all industrial pursuits is by actively developing close settlement on the land, which means increased production and increased scope for industrial enterprise.

CHAPTER XI.—LABOUR LEGISLATION.

Question 9 : What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life ?

Summary of
labour
legislation.

1. The labour legislation of New Zealand has been summarized in the preface to the "New Zealand Labour Laws" (5th edition) by the Chairman of this Commission when Secretary for Labour. The handbook and summary are complete to the end of 1908. Since that date the following Acts and amendments have been passed, introducing new or modifying existing provisions :—

- (1.) The Coal-mines Amendment Act, 1909, prohibiting the medical examination of any person employed or applying to be employed in a coal-mine.
- (2.) The Workers' Compensation Amendment Act, 1909, striking pneumoconiosis out of the list of diseases which are deemed by the principal Act to be personal injuries by accident arising out of and in the course of employment.
- (3.) The Factories Amendment Act, 1910, providing that the occupiers of factories shall keep wages and overtime books open to an inspection by Inspector of Factories, and giving information relating to each employee's work, age, hours of employment, and wages paid. It also fixes the hours of employment in laundries, whether employers or not.
- (4.) The Shops and Offices Amendment Act, 1910, which makes hotels and restaurants "shops" for the purposes of the Act, fixes the number of hours of employment per week of male and female employees, and holidays to be granted, and requires a wages and time book to be kept.
- (5.) The Mining Amendment Act, 1910, abolishing the medical examination of gold-miners employed or applying to be employed in a mine, giving the miners the right to appoint check-weighmen when they are paid according to weight of material, and making it an offence on the part of the owner and agent not to afford check-weighmen so appointed reasonable facilities for checking weights; increasing the amount of compensation payable to injured workmen or their representatives.
- (6.) The Industrial Conciliation and Arbitration Amendment Act, 1910, giving power to unions to amend registered names without affecting their entity as industrial unions, and giving greater power to the Arbitration Court to waive technical irregularities.
- (7.) The Coal-mines Amendment Act, 1910, increasing compensation payable for death or injury of coal-miners, and providing for suitable sanitary arrangements, dressing and changing rooms, &c.
- (8.) The Industrial Conciliation and Amendment Act, 1911, providing that industrial agreements may be made, under certain circumstances, into awards; that awards may be made in the first instance to apply to more than one industrial district; that Dominion awards may be made in certain cases. It further provides for new procedure to be followed when no settlement is arrived at by Councils of Conciliation; new procedure for appeals from decision of Magistrate to Court of Arbitration when amount involved is over £5; and for three-monthly periodical sittings of the Court in the four chief centres.
- (9.) The Mining Amendment Act, 1911, amending provisions of existing Mining Acts, and making it lawful for the Public Trustee to apply any part of the Gold-miners' Relief Fund for the relief of miners who either before or after the commencement of the Act have been or are incapacitated for work owing to pneumoconiosis contracted

while working in a coal-mine in New Zealand, or for the relief of a family of any such miner who has died or who dies either before or after the commencement of the Act.

- (10.) The Workers' Compensation Amendment, 1911, which extends the definition of "worker" to any person whose earnings do not exceed £260 per year, which provides for compensation to partial dependants of a sum reasonable in proportion to the injury, which makes irrebutable the presumption that wife and children (legitimate or illegitimate) are dependent on a worker at the time of accident causing his death, which provides for the payment of medical and surgical expenses up to £1.
- (11.) The Workers' Dwellings Act, 1910, providing a new scheme of purchase by workers of land and dwelling from the State by means of a deposit of £10 and weekly or other instalments over a period of 25½ years. Precautions are taken to prevent speculation. Under this system workers are enabled to secure their own houses by means of what really is only a fair rent, considerable saving being effected in interest, cost of land, low legal charges, and economy in building effected by erecting the dwellings in groups.

2. The effect of this legislation, much of it not peculiar to the Dominion, has been an improvement in the general environment of the workers, giving them better sanitary conditions, shorter hours, greater freedom from worry due to necessary risks of employment, and the abolition of sweating. Whether their efficiency has increased in output per man as a result cannot be definitely decided from the evidence, nor do the available statistics throw light on the point. General effects.

But what is undoubtedly true is that in some trades the labour-cost of production has increased. An illustration from the coal trade is found in the evidence of Mr. Joachim (managing director of the Westport Coal Company (Limited)). Efficiency.

STEAM COAL IN TRUCKS AT FOOT OF DENNISTON INCLINE: AVERAGE COST OF PRODUCTION PER TON.

	s.	d.
1891-1900	7	2.25
1901-1910	8	1.87

PRICES OF WESTPORT HOUSEHOLD COAL FOR THE PERIODS 1891-1900 AND 1901-10.

	s.	d.
Wellington—		
1891-1900	36	0
1901-1910	34	0
Christchurch—		
1891-1900	37	0
1901-1910	34	0
Timaru—		
1891-1900	38	6
1901-1910	37	0
Wanganui—		
1891-1900	40	0
1901-1910	37	0

3. The labour-cost of production of the second ten-yearly period shows an increase of nearly a shilling per ton, while during the same period the price of coal to the consumer has been considerably reduced. In answer to questions put by the Chairman this witness asserted that the effects of the awards of the Arbitration Court had been to increase wages, but in spite of that the wholesale price of coal had been reduced during the second ten-yearly period as compared with the first ten-yearly period by no less than 5 per cent. Mr. Joachim's explanation of this phenomenon, is as follows: In answer to a question (No. 4, page 5) he stated as follows:— Effect on profits and prices.

The Chairman: Has that increase in wages affected the price charged for coal?—*Mr. Joachim:* No, it has not. The company so far has borne the increase out of their own pockets.

Question 6: Can you explain how it is that you have been able to pay increased wages and yet be able to sell coal at a cheaper price?—We have made less profits. In times past when business was better we provided better output plant and made better facilities for delivering, and we have been gradually eating up those advantages by the increased cost of labour.

Question 9: Are the retailers paying more for Westport coal than they were previously?—I do not know how it is with outside places, but in Dunedin the price is 20 per cent. less retail than it was ten years ago. That has been accomplished by distributing the coal ourselves and taking the profit which used to go to the middleman and giving it to the consumer.

Indeed, one may go further and state that the necessity to preserve profits threatened by the conditions imposed by labour legislation generally has been a factor in stimulating the introduction of up-to-date machinery and improved methods, and has thus tended directly for efficiency.

Mr. G. T. Booth, iron-merchant and manufacturer (page 211, questions 39 and 40), was emphatic on this point:—

Question 39: Has the increase in wages been counterbalanced by the introduction of improved methods?—Oh, yes; we have been forced to that.

Question 40: What has been the relation between the two—has the improved method been stimulated by the increase in the cost of labour?—Oh, undoubtedly; it would have come by ordinary pressure of competition, but more gradually. There is no doubt that high wages stimulate the development of labour-saving machinery, as has been the case in America.

This legislation has on the whole encouraged, on the one hand, the formation of workers' unions, whose operations, by securing higher wages and better conditions, have added to the cost of production except where increased efficiency has followed. On the other hand, it has been met by combinations of masters and employers bent on meeting increased cost of production by increased prices. As a general rule it may be said that price is determined by the relation of supply and demand. There is also another factor, under modern conditions, that has a great share in determining prices: "It is that in many cases the producers do not wait on demand to declare itself, but tempt demand" (Smart, "Studies in Economics," p. 46). "The merchant comes in close contact with demand. His function is threefold—(a) to follow the expressed wish of consumers as given in orders; (b) to interpret and anticipate the wish of customers by ordering and holding stocks; (c) and to tempt the wish of consumers" (ibid. p. 266).

Now, this tendency to tempt demand by lowering prices may have been checked by the trade combinations referred to; but, except as dealt with under Chapter IX of the report, there is no evidence before your Commissioners to show that pressure is exerted by them to prevent any attempt being made to challenge their position, and consequently it is reasonable to assume that prices generally have not been arbitrarily inflated as the result of labour legislation.

Our staple products.

4. It is difficult indeed to see how labour legislation can affect the prices of our staple products which are fixed in the world's market in competition with those of other countries. This phase of the question has been elaborated in Chapter VII of the report.

The relation of prices to the production of gold must not be overlooked in considering this question, and the conclusions arrived at in Chapter IV of the report must be remembered here.

It is a matter of some difficulty to decide whether the increase in prices preceded or followed the increase in wages. The experience of the coal trade supports the latter, the experience of the boot trade the former, view.

No indefinite rise in wages and prices possible.

5. It seems to your Commissioners, however, that the original upward impetus was due to the development of the freezer and the bridging of the distance between New Zealand and the world's market by more rapid communication. But it is of great importance to decide whether the rise in prices and of wages can go on indefinitely. The problem is discussed at some length by Layton ("An Introduction to the Study of Prices," Appendix C):—

It is often asserted that a rise in wages is only a move round a vicious circle, the argument being put thus: starting with a rise of wages achieved, let us say, as the result of a strike, the increased wages-bill will add to the cost of production, and so raise prices; if the rise becomes general the cost of living will increase and diminish the purchasing-power of wages; this will produce a renewal of the discontent among the working-classes, and result, perhaps, in a further demand, culminating in a strike for still higher wages. This view is apparently supported by the result of the recent advance in wages in the transport trades, for many of the shipping companies have announced their intention

of raising freight-rates, while in the case of the railway companies it is proposed that legislation should be passed which will admit of their more readily raising freight-rates above the level fixed by the Act of 1894.

But before discussing this argument the same vicious circle may be traced starting from any other point on its circumference—as, for example, when a monopoly raises prices—a case more likely to become important in the United States of America than in this country. Under the protection of a tariff a number of the trusts are formed which raise the price of their products above the level in the open market; the rise of prices raises the cost of living, produces unrest among the working-classes, and eventually a rise of wages; the increase in the wages-bill cuts into the anticipated profits of the trusts, which on the score of increased costs of production attempt to raise prices still further, and probably demand a higher tariff. If this is secured the whole process begins again, and, just as when the rise started in wages, seems to involve an indefinite upward movement of prices.

The discussion of monetary theory in Chapter IV will, however, have shown that such a continuous upward movement could not occur without a steady expansion of the circulating-medium, and the demand will probably be—if the experience of the United States may be taken as a guide—for both gold and credit money. If gold were not readily forthcoming, the country concerned would make a heavy call on the world's gold resources, banking reserves in all countries would run low, and prices in the open market tend to fall. In the country with the tariff the price-level might conceivably be established at, say, 20 per cent. above the level in the world's market if the tariff were a 20-per-cent. one; but in the country without the tariff the level could not long remain above that of the open market. Thus the conception that strikes, tariffs, or trusts can produce an indefinite movement of prices is seen to be limited by the elasticity of the circulating-medium, and although the train of events may happen, as suggested, for a time, the strain to the credit and banking system will produce a reaction which will eventually establish a lower level of prices.

But will everybody be no better off than before as a result of such changes? A moment's thought will show that the argument assumes that the total-distribution of real wealth between employers and employed, and between monopolists and the general public, is fixed by economic laws which do not permit any change in the relative income of those classes. If this was so, it is indeed true that no one would be ultimately better off for a rise in wages or profits, for the change of the income of one class would spread itself all round the circle, while the general level would remain high or be reduced to its former position, according to whether the period happened to be one in which the world's gold-supply was increasing or not. But in practice this assumption is very rarely proved, and it is certainly never proved except over a very long period of time. A section of the community which secures a bigger income is usually able to do so at the expense of some other class.

An industry would, in fact, be securing for itself a larger share of national income at the expense of various other income-receivers. If all the claimants to a share of the national dividend were equally able to make their claim effective no one would be able in this way to increase his share measured in commodities and services; but any rise of wages or profit would react in the way suggested above on the general level of prices. As distribution is at present determined, the actual effects of a rise in wages depends on the "squeezability" of the employers profits on the one hand, and on the "squeezability" of the general public on the other. Recent advances in wages have probably been secured for the most part at the expense of those who have hitherto profited by the rise in prices, and must be regarded as a consequence rather than a cause of rising prices.

6. The total membership of registered unions on the 31st December, 1910, was—Industrial, 57,091; employers, 4,262—in all about 6 per cent. of the population. Adding those dependent upon members of unions, after allowing for the large proportion of single male and female workers, 10 per cent. would be a liberal estimate of the total population directly concerned in securing arbitration awards, so that 90 per cent. of the people are subject to such awards without representation. This appears to be a serious weakness, and calls for adjustment, as there is always the danger of mutual agreements being entered into between the two parties concerned, imposing unjust increases in the cost of living, not only to the 90 per cent. of the people who are not represented, but to all members of unions who are not parties to a particular dispute. (See Recommendation 5 (d) Chapter XIII to deal with this difficulty.*)

Arbitration
Court
awards.

It is a common opinion that the increased cost of living is due to increased wages. In many instances where the Commission investigated the effect of increases of wages it was found that the employers increased the prices to the public far beyond the increase granted.

Wages and
prices.

* See reservation by Mr. Tregear, p. xvi.

CHAPTER XII.—CAUSES.

Question 12 : What causes generally have brought about the increased cost of living ?

Causes.

Some of the causes have been easy to detect and to isolate, but it has often been difficult to disentangle and measure the effects of special causes. The chief factors that have caused the rise in the cost of living in New Zealand appear to us to be :—

1. The increased supply of money, including gold and credit, and the increased velocity of circulation, all of which appear to have outstripped the increase in the volume of goods and services exchanged against them.

2. The increased cost of production of farm-products, and the increased demand, both locally and abroad, for foodstuffs produced in the country.

3. Rural depopulation abroad and the slackened rate of production of foodstuffs in countries such as the United States, which have hitherto exported a large proportion of the amount produced therein.

4. Local combinations, monopolies, and trusts, commercial and industrial, which both raise prices directly to the consumer and tend to discourage initiative and self-reliance.

5. The diminishing of the natural fertility of the soil and of the natural resources of most countries abroad, such as is suggested in New Zealand by the increasing cost of manuring and timber-getting.

6. The relatively higher increase in the cost of distribution owing to—

(a.) Increased transportation charges ;

(b.) The excessive numbers of those engaged in the work of distribution ;

(c.) The duplication of distributing-agencies.

7. The national waste involved in—

(a.) Extravagant living, as evidenced by excessive devotion to luxury, sport, and unwise recreation ;

(b.) Lack of economy in local and national governmental services ;

(c.) Wasteful domestic methods employed by the great mass of the people ;

(d.) Rapid changes of fashion, particularly in regard to clothing and boots ;

(e.) Generally, the devotion of an increasing proportion of wealth to non-productive uses.

8. Increased taxation, both local and national.

9. The operation of protective tariffs and trusts abroad in raising the first costs of imported articles.

10. The New Zealand protective tariff, especially as regards taxation on the necessaries of life.

11. The failure to attain that national efficiency which can be secured only by the operation of a well-considered and properly co-ordinated scheme of education—general, industrial, commercial, agricultural, and domestic.

12. The higher standard of life. The period under review has been signalized by many remarkable improvements in methods of production, and by a general advance in the quality of things produced. The incomes of the people in all grades have increased in amount and in purchasing-power. This has enabled them not only to maintain the old standard of living at its increased cost, but to raise the general national standard of life far above what it was. Recently there are signs that it is becoming increasingly difficult to maintain this new standard.

NOTE.—Irrespective of Nos. 1, 2, 3, 4, these causes are not enumerated in order of importance.

CHAPTER XIII.—REMEDIES.

Question 13 : What steps should be taken with a view to reducing the cost of the necessaries of life ?

On this subject your Commissioners submit the following remarks :—

1. The first essential in the study of any social problem is correct diagnosis of the case. All the facts that are related to the subject must be examined and their mutual relations and the degree of importance of each ascertained. The Commission has learned by experience the inadequate assistance which is afforded by the available official statistics of the Dominion, and is of opinion that the Government should extend the work of its Statistical Department. An economic survey of the Dominion is urgently needed; for until we have available trustworthy statistical descriptions of the national resources, of the productive powers of the people, of the organization of the markets, of price and wages changes, of the way in which the national income is distributed, of the modes and amount of consumption, &c., any economic legislation is but a leap in the dark, and our industries are deprived of knowledge which is as necessary for their successful development as a plentiful supply of labour and capital. The Commission therefore recommends :—

Improvement
of New
Zealand
statistics.

(a.) That the Government Statistician should have full control of the collection and publication of all statistics so as to secure uniformity of definition, of methods of collection and presentation generally, in order to render proper comparisons possible and to minimize the risk of fallacious reasoning from them. In 1902 a permanent Bureau to deal with all statistics was established in the United States of America, and the Secretary of the Department of Commerce and Labour, referring to the advantages of such an office, reported as follows: "The Census Bureau is a purely statistical office, employing a body of experts whose main business it is to study statistics and statistical methods with a view to their improvement and perfection. To this work they give their undivided attention, and it is reasonable to believe that a steady improvement in the character of official statistics will result from the concentration in such an office of as much of the statistical work of the Department, no matter what its immediate character, as can be centered there without interference with the administrative duties of the other Bureaux."

(b.) That, in order to facilitate the above-mentioned improvement of the statistics of New Zealand, the Statistician's Office should form a separate department, and the status of the Government Statistician raised accordingly, with powers sufficient to procure the necessary information. The Commission has carefully considered this important question, after taking the evidence of the Government Statistician, and believes that if this recommendation were carried out, it would enable the office to co-operate more readily with all other Departments, by each of which it could be treated as if it were a Statistical Branch. There should be a considerable increase in the permanent staff and a higher standard of qualification insisted upon, so that more and more regard should be had to the quality of the statistics produced rather than to the quantity. Another reason for increasing the permanent staff in number and efficiency is that the Government Statistician should be freed from much of the personal detailed work which he now has to do, so that he may devote more time generally to improve the statistics and methods, and to studying the methods and statistics of other countries.

- (c.) That, in order to ensure that the best technical methods and devices applicable to New Zealand shall be used in the collection and presentation of the Dominion's statistics, the Government Statistician should be allowed a period abroad in which to study the statistical methods employed in countries like the United States of America, which have long recognized their importance.
- (d.) That, in order to ensure that the statistical inquiries shall be directed into those channels which specially require investigation, and that the results shall be presented to the public in such a way as to make them most useful in all social and economic studies, there should be created an Advisory Board of Statistics, consisting of say, five members representing (a) agricultural and pastoral interests, (b) industrial interests, (c) commercial interests, (d) the labour interest, and (e) the lecturers and professors of economics in the University colleges respectively. This Board should meet about four times a year, to advise the Government Statistician and to map out the lines of investigation necessary for completing a statistical survey of the Dominion that may be regarded as authoritative.
- (e.) That the more responsible offices in the Statistical Department should be filled only by men who have gone through a recognized course of training in statistical method and economics in the University colleges.
- (f.) That the Government should offer a scholarship for post-graduate research in social economics, similar to the scholarships now awarded for research in industrial sciences. New Zealand offers a vast and promising field for economic research, but hitherto it has been worked chiefly by occasional visitors from abroad; and as no political or social policy can be regarded as enlightened which is not in harmony with principles deduced from a scientific study of the facts, and as the main questions in New Zealand are and must continue to be chiefly economic, we feel it is time that the Government took steps to encourage the growth of a sound economic study of the facts bearing upon our national development.

Supply of
money.

2. Perhaps the most general cause of the increased level of prices, and therefore of the increased cost of living, is the fact that the supply of money has been outstripping the volume of trade.* The Commissioners are fully alive to the disadvantages that result from the instability in the present standard of value, and are aware of proposals to reform it; but the problem is so vast, the dangers of ill-considered experiments have been exemplified so often in history, and the money-standard of one country is so intimately connected with that of the others with which it trades, that we are not prepared with the time and evidence at our disposal to make any recommendation on this subject further than to advise that steps should be taken to secure the representation of New Zealand on the proposed International Commission on the Cost of Living, one of whose chief functions will be to consider the influence of money-systems on the level of prices, and to advise if possible a better medium of exchange.

Education.

3. There is a close connection between education and the cost of living. We must educate ourselves to produce at the lowest cost in human effort, and to consume only those things that tend to increase the healthy pleasures of life. Most important of all is the character of the general education given in the primary schools—first, because it is given at the most impressionable age, and, secondly, because the great majority of the people never receive any other formal education. It is therefore a matter of regret that at this stage more attention is not devoted to a description of the chief facts of social and economic life. In our system of government we proceed on the assumption that every adult man and woman is an expert in politics, and political questions are and must ever become more and more

*See reservation by Mr. Fairbairn, p. xevi.

economic ; but we make no provision to ensure that the assumption shall be founded on fact. In the primary and secondary schools a more prominent position should be given to non-contentious economics. Children should be taught, *e.g.*, to understand and describe the industries of their district, the way in which the work is divided up and performed, the reason why such industries are followed, why certain prices are paid, and the chief features of local government. The study should be developed at greater length in the secondary schools proper, but it is only at the University stage that any excursion should be made outside the study of facts into that of opinions. But the advantage that would be derived from such a course of instruction in the schools would be the awakening of an intelligent interest in the subject in the pupils which would stimulate them to further study after they had left school. An example of the use of such a study to business men may be cited from a subject in the sphere of our own investigations :—

From a practical point of view the most serious problem revealed by this historical and statistical study [*i.e.*, of money] is the problem of stability and dependability in the purchasing-power of money. We find that this purchasing-power is subject to wide variations in two ways : (1) It oscillates up and down with the transitional periods constituting credit cycles ; and (2) it is likely to suffer secular variations in either direction according to the incidents of industrial changes. The first transition is connected with the banking system ; the second depends largely upon the money metal. Study of economics.

One method of mitigating both of these evils is the increase of knowledge as to prospective price-levels. As we have seen, the real evils of changing price-levels do not lie in these changes *per se*, but in the fact that they usually take us unawares. It has been shown that to be forewarned is to be forearmed, and that a foreknown change in price-levels might be so taken into account in the rate of interest as to neutralize its evils. While we cannot expect our knowledge of the future ever to become so perfect as to reach this ideal—*viz.*, compensations for every price-fluctuation by corresponding adjustments in the rate of interest—nevertheless every increase in our knowledge carries us a little nearer that remote ideal. Fortunately, such increase in knowledge is now going on rapidly. The editors of trade journals to-day scan the economic horizon as weather-predictors scan the physical horizon ; and every indication of a change in the economic weather is noted and commented upon. Within the past year a certain firm has instituted a statistical service to supply bankers, brokers, and merchants with records, or business barometers, and forecasts based thereon, with the avowed object of preventing panics. Yet it is probably in regard to the fundamental mechanism by which such forecasts are based that there is the greatest need of a wider diffusion of knowledge. The range of the ordinary business man's theoretical knowledge is extremely narrow. He is even apt to be suspicious of such knowledge, if not to hold it in contempt. The consequences of this narrowness are often disastrous, as, for instance, when, in pursuance of the advice of New York business men, Secretary Chase issued the greenbacks, or when the ill-advised legislation to close the Gold-room was enacted. And it is not altogether in unusual predicaments such as those brought by the Civil War that the business man's limitations in knowledge react injuriously upon him. Every day he is hampered by a lack of understanding of the principles regulating the purchasing-power of money ; and in proportion as he fails to understand these principles he is apt to fail in production. The prejudice of business men against the variability of, and especially against a rise of the rate of, interest probably stands in the way of prompt adjustment in that rate and helps to aggravate the far more harmful variability in the level of prices and its reciprocal the purchasing-power of money. The business man has, in fact, never regarded it as a part of the preparation for his work to understand the broad principles affecting money and interest. He has rather assumed that his province was confined to accumulating a technical acquaintance with the nature of the goods he handles. The sugar-merchant informs himself as to sugar, the grain-merchant as to grain, the real-estate trader as to real estate. It scarcely occurs to any of them that he needs a knowledge as to gold ; yet every bargain into which he enters depends for one of its two terms on gold. I cannot but believe that the diffusion among business men of the fuller knowledge of the equation of exchange, of the relation of money to deposits, of credit cycles and of interest, which the future is sure to bring, will pay rich returns in mitigating the evils of crises and depressions which now take them so often unawares. (Fisher : "The Purchasing-power of Money," page 321.)

As to the importance of industrial education we cannot do better than quote from Professor W. T. Mills's evidence (page 476) :—

The most important item in the common welfare of any country is the matter of its schools. Industrial training, including training in all of the industrial undertakings likely to prove practical in New Zealand, should be provided through the education system and made compulsory upon all of the youths. To permit a generation of young New-Zealanders to come to the years of service without technical training in order to make that service the most available possible is the most serious item in keeping back the standard of living, and in lowering the possible purchasing-power of the consumers. Further, the schools should be particularly organized and equipped for the purpose of giving technical training to all adult workers. In the State of Wisconsin, United States of America, the State University is the most important factor in the industrial and commercial life of its people. One-seventh of the total annual revenue of the State is devoted to the University alone. The manufacturing companies provide the time, their manufacturing plants, and pay regular wages to their employees, while the University uses the plants for industrial training. In several American cities and in a number of Euro-

pean cities the trade-unions and the school authorities are co-operating, and in many instances all apprentices are required under the terms of the apprenticeship to give portions of every week to special work in the technical schools. Where the technical schools open their doors to adult workers it has the additional advantage that it is everywhere given the enthusiastic support of labour organizations, because, instead of making the school the agent to train men to displace men already employed, it provides the opportunity of training for those already employed—quite a different matter.

Domestic
education.

There is no doubt that the cost of living would be materially reduced if a proper system of general training in domestic economy were instituted. The woman who knows how to purchase to the best advantage and to make the most of the nutritive elements in the food she prepares for consumption will make her husband's weekly income go twice as far as that of the housewife who, *e.g.*, buys meat without knowing what part of the animal it comes from, and how it compares with the cut from other parts, and who so handles it in cooking that more than half its nutritive value is lost, not to speak of the waste of substance. The Commission was frequently told that many women do not know how to shop to advantage. We hold that the instruction now given in many schools in cookery, laundry-work, hygiene, physiology, and needlework should be made general, and carried to a higher degree at our day technical schools. At each of these it is hoped there will be established a hostel like that at Christchurch, at which girls from a distance could board, and which could be used for the purpose of training the girls of the school and the neighbourhood in practical household management. These schools, too, should be made free to the people in the country. We endorse what has been said by the Education Commission in favour of consolidating rural schools, and we also regret that better facilities are not provided for the conveyance of pupils to secondary and technical schools in the large centres.

Agricultural
education.

One of the problems requiring close attention is the institution of a good general system of education in agriculture. Production cannot keep pace with demand unless our farmers are educated in the principles underlying their avocation, which demands, perhaps more than any other, a thoroughly systematized and scientific training. Agriculture will be for generations the main sources of our wealth, and the gain to New Zealand would be immense if our agriculture were made scientific.

Functions of
education.

We have still to mention what is perhaps the most valuable function of education—to guide the citizen in forming his standards of life. The extravagance and lavish display that mark our times ought to disappear with a system of education that paid some attention in the elementary schools to the ideal of social service, of "economic chivalry" and the formation of habits of life that will ensure a wiser use of wealth. "It would be a gain if the moral sentiment of the community could induce people to avoid all sorts of display of individual wealth,"* and this sentiment can be created only by giving the citizen, through his early education, an insight into the real meaning of society and the State. Ideals of consumption would benefit, and the standard of life be raised not only by reason of better selection of things that can be bought with money, but because of the greater capacity for producing and enjoying those things that cannot be bought with money. "When the necessaries of life are once provided, every one should seek to increase the beauty of things in his possession rather than their number or their magnificence. An improvement in the artistic character of furniture and clothing trains the higher faculties of those who make them, and is a source of growing happiness to those who use them. But if, instead of seeking for a higher standard of beauty, we spent our growing resources on increasing the complexity and intricacy of our domestic goods, we gain thereby no true benefit, no lasting happiness. The world would go much better if every one would buy fewer and simpler things, and would take trouble in selecting them for their real beauty; being careful, of course, to get good value in return for his outlay, but preferring to buy a few things made well by highly paid labour rather than many made badly by low-paid labour."†

The Commission therefore recommends:—

- (a.) The inclusion in the primary-school syllabus of a definite course of simple descriptive economics, to be correlated with that instruction in local history and local geography; and the development of more systematic courses of economics in the secondary schools.

* Marshall, *Econ. of Ind.*, p. 83.

† *Ibid.*, p. 84.

- (b.) The extension of education in domestic economy to as large a proportion of the population as possible.
- (c.) The formulation of a complete scheme of agricultural education in connection with rural high schools.
- (d.) The endowment of research scholarships in agriculture at the agricultural and University colleges.
- (e.) The extension of the system of technical education in the principles and practice of trades.
- (f.) That those who have passed through a definite course of technical education shall receive special consideration in wages rates and the general conditions of apprenticeship.
- (g.) That a closer connection should be established between the administrative side of government and the political science and economic departments of our University, by encouragement of officers to attend the courses provided by the latter, and by utilizing the services of trained graduates in governmental work and in reports on special subjects at home and abroad.
- (h.) That no effort be spared to improve the education of the people, as it is the most powerful agent in the endeavour to improve the conditions of life.
- (i.) That steps be taken to secure expert advice for parents in choosing avocations for their children by means of local boards.

4. Your Commissioners are of opinion that an amendment to the Commercial Trusts Act is necessary and should be widened to embrace all commerce, and include the following additional provisions:—

Commercial
Trusts Act.

- (1.) That it is illegal for any combination of traders to arrange selling-prices to the retail trade or the public with a direct or indirect penalty to any trader refusing to do so. (Note: This would not prevent traders in any business mutually arranging to sell at uniform prices, without obligation or penalty to any one refusing to do so.)
- (2.) That every person commits an offence who makes it a condition of sale that the goods are to be resold at prices fixed by the vendor. (Note: This would not prevent a vendor from arranging a scale of prices for large and small quantities, but it would establish the principle that the purchaser has an unrestricted right to his own property. It would encourage a number of retail distributors to co-operate in buying maximum parcels, and thus be in a position to sell cheaper to the public.)
- (3.) The term "agent" requires stricter definition, as it is now used to defeat the spirit of the Act. Individual members of the Merchants' Association of New Zealand are called "agents," to secure them special discounts in the sale of oatina and gerstena, which would otherwise be illegal under the Commercial Trusts Act.
- (4.) The Act should contain a provision giving power to the Governor in Council to gazette prohibitions to any selling-conditions cunningly devised to defeat the spirit of the Act where the public interests are prejudiced.

5. That a permanent Board of Industrial and Social Investigation, with full powers to call for persons and papers, should be set up, with the following functions:—

Board of
Industrial
and Social
Investigation.

- (a.) To investigate all complaints under the Commercial Trusts Act preliminary to judicial proceedings being taken.
- (b.) To investigate all complaints that monopolies, trusts, or rings are establishing themselves.
- (c.) To report the results of their investigations to the Minister of Commerce, who shall immediately publish such findings.
- (d.) To investigate and report to the Arbitration Court on any matters submitted to it by that Court with regard to any point in practical or theoretical economics arising out of an industrial dispute.

- (e.) To advise on the probable effects of any suggested change in the fiscal or financial policy of the country which may be submitted to it by the Government for investigation.
- (f.) To arrange for the collection and regular publication of such market reports as shall be useful to the public of New Zealand.
- (g.) Generally, to advise the Government on any matter affecting the industrial and economic condition of the people.

NOTE.—(1.) It should be observed that this Board is merely an advisory body, and its main function—and one on which the Commission lays great stress—is eliciting the facts of a given problem, and pronouncing an expert opinion upon these for the information of the public and the use of the Government.

(2.) It is essential that the Board should be representative of the various classes of the people, and should contain at least two expert economists.

(3.) If the Government sees fit to adopt this recommendation, the Commission thinks that the Advisory Board to the Government Statistician mentioned in Recommendation No. 1 (d) might be constituted of a committee of the permanent Board of Investigation.

Tariff.

6. *Customs Tariff and Protection** :—The Commission, after close inquiry, is of the opinion that highly protected industries have increased the cost of living to 95 per cent. of the people, and that the duties, especially on the common necessities of life, should be abolished. They recognize, however, that the encouragement given by the Government has induced many of these industries to operate in New Zealand, and that it would almost amount to confiscation if the protection afforded were suddenly abolished, but they believe it is in the best interests of the community as a whole that no further encouragement be given in the form of protective duties. It is their opinion that a system of bounties is more satisfactory in every way, which would give all the encouragement necessary to help any useful industry into active being. The Commission recommends that the following alterations be made in the present tariff, viz :—

- (a.) That the duties on the necessities of life, including (i) all food-stuffs, (ii) the most important commodities used by the primary producers be removed, provided that both classes of duties are dealt with concurrently.

Failing the adoption of recommendation (a), the Commission recommends—

- (b.) Confectionery and biscuits, 2d. the pound, should be altered to 20 per cent. *ad valorem*.

(The present tariff of 2d. gives 100 per cent. protection on cheap confectionery and biscuits, and only 15 per cent. on expensive goods.)

Boots : Present tariff should be altered to 20 per cent. *ad valorem*.

Timber : That the duty on timber be abolished.

Starch : The present duty, 2d. the pound = 80 per cent., should be altered to 20 per cent.

Cartridge, gun : Present duties, 40 per cent. to 60 per cent., should be altered to 20 per cent.

Fish (potted or preserved), now 2d. the pound, should be free.

Fish (salted), now 10s. the hundredweight, should be free.

Condensed milk, now 25 per cent., should be free.

Matches : All matches, wax and wood, should be 20 per cent., and the preferential tariff be abolished. A 20-per-cent. tariff would produce about £20,000 in revenue, and, as the whole wages paid to workers in these industries is £11,302, it must be evident that a 20-per-cent. tariff is more than ample protection for this industry.

- (c.) All imported and locally made boots, shoes, and slippers containing composition insoles should be branded "Composition," and if containing cardboard should be branded "Cardboard." Any vendor selling such goods unbranded should be liable to a heavy penalty. Imported

* See reservation on p. xvii, by Mr. Tregear.

goods of this nature unbranded should be liable to seizure and destruction by the Customs officials. The brand "Guaranteed leather" should not be permitted unless the articles are exactly as described.

- (d.) The duties on boots, shoes, and slippers, if retained, require amending, and a uniform *ad valorem* tariff substituted for the present one, which penalizes the masses and deals lightly with the wealthier classes.

7. *Land and Rent.*—(a.) That in the opinion of the Commission such a land policy is required as will break down land-monopoly in town and country. We believe that this will be best accomplished by such a taxation of land-values as shall secure to the State a portion of the value created by the State whilst guaranteeing to the landowner the full fruits of his own industry, and to ensure to the community the most economical distribution of the fund thus built up.*

Land
taxation.

(b.) To overcome the lack of housing for families in the country districts the Commission suggests,—

Rural
housing.

- (i.) The provision of small holdings sufficiently large to enable the holder and his family to live independent of outside employment if necessary.

Small
holdings.

- (ii.) The extension of village settlements in proximity to towns.

Village
settlements.

The Commission believes that these remedies will tend to relieve (a) unemployment in the cities; (b) shortage of labour in the country; will (c) increase the productivity of land; (d) and raise the physical and ethical standard of the nation.

In this connection we would quote from a summary of the advantages of small holdings as set forth by the British Commission on Small Holdings, 1906: "Small holdings, and even allotments, increase the number of people who are working in the open air with their heads and their hands: they give to the agricultural labourer a stepping-stone upwards, prevent him from being compelled to leave agriculture to find some scope for his ambition, and thus check the great evil of the continued flow of the ablest and bravest farm lads to the towns. They break the monotony of existence, they give a healthy change from indoor life, they offer scope of variety of character and for the play of fancy and imagination in the arrangement of individual life; they afford a counter-attraction to the grosser and baser pleasures; they often enable a family to hold together that would otherwise have to separate; under favourable conditions they improve considerably the material condition of the worker; and they diminish the fretting as well as the positive loss caused by the inevitable interruptions of their ordinary work."

(c.) The Commission recommends that the workers' homes schemes should be extended for the purpose of coping to some extent with the increasing rents paid in the cities.

Workers'
Dwellings
Act.

(d.) The Commission recommends that, in the interests of settlement and the profitable use of land, the Government should pass a Compulsory Utilization of Lands Act providing that all persons who own land shall, after a stated time, show that the land is being properly utilized for *bona fide* settlement, such penal conditions to be imposed as shall give effect to the foregoing legislation.

Utilization of
land.

(e.) The Commission recommends that the Government should give country settlers every facility for obtaining (i) better communication, including good roads, freight-trolley lines, and telephone services; (ii) maternity nurses; as these things are all calculated to make rural life more desirable and rural industries more efficient.

Encouraging
country
settlers.

8. *Immigration.*—In the opinion of your Commissioners New Zealand is an under-populated country. We have vast areas of valuable land lying idle and unproductive. The lands which are already in occupation are not producing all that is possible for them to produce. We have mineral resources only partially developed, and many of our manufacturing industries are hampered and checked in their growth from want of workers. This want appears to be growing more acute every day, and the evidence tendered on this point to your Commissioners was most convincing.

Immigration.

* See reservations on pages xvii and xviii, by Dr. Hight, Mr. Fairbairn, Mr. Hall, and Mr. Leadley.

This points to the need for a systematic and energetic policy to secure the right class of immigrants. The success of the Sedgwick scheme of boy immigration warrants a like scheme being continued. We feel sure that during the spring a large number of carefully selected boys could be readily placed with New Zealand farmers in good homes, with great benefit to themselves and to the Dominion.

The assisted-immigration scheme for adult labour is also favoured by your Commissioners. At the same time they recognize that great care must be taken in the selection so as to bring in new labour to the Dominion which will be readily absorbed.

For the effective carrying-out of these proposals your Commissioners are of opinion that the immigration-work should be undertaken by a special branch of the Labour Department, which should act in conjunction with the High Commissioner's Office and the British Labour Exchanges.*

Transport.

9. *Transport*.—The Commission recommends,—

(a.) That all railway rates differentiating between imported and local goods of the same classification, especially those on timber, coal, and machinery, should be abolished.

(b.) That one of the first duties of the Permanent Board of Industrial and Social Investigation should be the investigation of the whole of the intercoastal, intercolonial, and overseas transport services.

(c.) That steps be taken to give a trial to the motor-trains which are being used so successfully in Europe, America, and Australia, for the purpose of encouraging city workers to live in rural and suburban districts, and thereby reduce the rentals paid in the cities.

Municipaliza-
tion of
markets and
services.

10. *Municipalization of Markets and Services*.—The Commission is of opinion,—

(a.) That municipal markets should be established for the sale and distribution of the following articles: (i) Fruit and vegetables; (ii) fish; (iii) dairy-produce, eggs, poultry, honey, &c.; and

(b.) Suggests that the Permanent Board of Industrial and Social Investigation should take steps to get an authoritative report on the municipalization of the supply of (i) bread and (ii) milk.

Money-
lending and
bailments.

11. *Money-lending and Bailments*.—(a.) From private inquiries made there is reason to believe that an element of deception exists in small money-lending transactions. A typical illustration is where a borrower obtains £10 for one month and is charged £1 for the accommodation, which is represented to be 10 per cent., whereas the true rate of interest charged is 120 per cent. per annum. The Commission recommends that, in all money-lending transactions, the rate of interest, computed at the *annual rate* should be embodied in the document confirming the loan; so that the borrower may understand the exact rate of interest he is paying for the accommodation.

(b.) The Commission also recommends that all bailments and documents of sale, and instruments by way of sale or mortgage must show the rate of interest computed annually. The rate of interest must be calculated upon the *actual* prompt-cash value of the goods at time of purchase.

Weights and
measures.

12. *Weights and Measures*.—In Chapter II, page xxiii, particulars of packed goods tested by an officer of the Health Department are enumerated, showing that many commodities in everyday use are sold in short measure and under weight—viz., butter, tea, coffee, jam, marmalade, cream cheese, baking-powder, Highlander milk, dried milk, pepper, flavouring-essences—and in Mr. Greville's evidence, page 448, other items also appear, including biscuits. The Commission therefore recommends that provisions similar to those now in operation in Great Britain should be added to the regulations under the Sale of Food and Drugs Act, ensuring the purity and correct weight and measure of all foodstuffs retailed to the public; and providing that all packages containing food-products should bear a label stating distinctly the net weight or measure of the contents.

* See reservations by Mr. Robertson and Mr. Veitch, p. xcvi.

13. In respect to the amendment of the Commissions of Inquiry Act: Your Commissioners are unanimously of the opinion that section 2 of the Act should be amended to widen its scope. This section provides at present for Commissions reporting "upon any question arising out of the administration of the Government, or of the working of any existing law, or regarding the necessity or expediency of any proposed legislation, or concerning the conduct of any officer in the public service." As some doubt was expressed as to the validity of the powers of the Commission, we recommend, in order to remove all doubt, that section 2 should be made wide enough to cover any similar inquiry in the future.

Commissions
of Inquiry.

The Commission wish to place on record their sense of the admirable manner in which the secretary, Mr. J. W. Collins, has discharged his duties. The Commissioners feel that the concise and systematic way in which the secretary prepared the work for them during the short recess greatly expedited the compilation of the finding. The complete analysis of the evidence prepared by him proved invaluable, and assisted greatly in weighing and sifting the evidence expeditiously.

Secretarial
duties.

In witness whereof we have hereunder set our hands and seals, this thirtieth day of August, in the year nineteen hundred and twelve.

EDWARD TREGGAR.
A. FAIRBAIRN.
EDWIN HALL.
JAMES HIGHT.
GEO. W. LEADLEY.
W. G. McDONALD.
J. ROBERTSON.
W. A. VEITCH.

MINORITY REPORTS.

RESERVATION No 1., BY MR. TREGEAR.

I disagree with the statement in Chapter XI, page lxxxv (paragraph 6), that 90 per cent. of the population are subject to awards of the Arbitration Court without representation, since the Judge and members of the Court who deliver the award represent the whole people of the Dominion.

EDWARD TREGEAR.

RESERVATION No. 2, BY MR. FAIRBAIRN, ON RECOMMENDATION No. 2 (p. lxxxviii).

Re question 10: "What influence, if any, has the value of gold had on the cost of living?" I do not agree with the finding that the increased output of gold is the *principal* cause for the increased cost of living; it is my opinion that the most important influencing factor is the enormous increase of the world's population. The world's production of gold since 1883 compared with Jevons and Sauerbeck's index numbers of prices for the United Kingdom is as follows, viz.,—

	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
Gold-output (tons) ...	148	155	155	160	157	164	175	177	182	197	224	270	290	300
Index number of prices	109	101	96	92	91	93	96	96	96	91	91	84	81	80
	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.
Gold-output (tons) ...	350	425	454	377	390	425	481	500	577	618	631	666	702	712
Index number of prices	81	85	91	100	93	92	92	93	96	103	107	97	90	104

This comparison shows that gold, with the exception of four years, has steadily increased in production over the whole period of twenty-eight years, and that prices in the United Kingdom have not yet reached the same level as 1883, although in the interim variations of 25 per cent. have taken place. The estimated gold-circulation in the United Kingdom in 1910 was £113,000,000, and has only varied 11d. per capita since 1892, while the bankers' clearances in London was £13,525,000,000 in 1909, as against £5,794,000,000 in 1880, a clear indication of the replacement of international credit transfers for gold.

I prefer to answer the question in the following terms: Prosperity in New Zealand is indicated by the increased value of its exportable products. This condition of trade is beneficial to the community as a whole, as it induces increased production, employment for labour, and higher wages, but people with fixed annuities are met with a reduced purchasing-power for their incomes and a consequent increase in the cost of their living. In times of depression, the purchasing-power of money increases in volume so that people with fixed incomes live cheaper than in times of prosperity.

Gold is subject to the same laws of supply and demand as other commodities (at present one sovereign will purchase 2 cwt. of potatoes, six months ago it would purchase 5 cwt.), and its purchasing-power is constantly changing in sympathy with the rise and fall in the market values of all commodities. In itself, gold is the universal standard of value, and it is necessary for banking institutions to maintain a sufficient reserve of bullion, in proportion to their liabilities, in order to give stability to the country's finances, and avert the possibility of a financial panic, which chiefly arises from unfavourable seasons or overproduction and glutted markets.

In primitive civilization metallic tokens were found necessary as mediums of exchange, and within the last century it was not unusual to find merchants trading in foreign countries using coined money exclusively to transact business. As the world is now constituted with overlapping international interests in ownership, investments, and highly developed commerce, a system of wide-world credits has been established, eliminating the use of coined money for the purpose of foreign exchange. Modern banking provides rapid facilities for the exchange of international credits, and all large transactions involving payments for our exports, imports, and internal trade are handled without the use of either metallic coinage or bank notes of issue, and so long as banking institutions are

managed on sound principles these operations are conducted with absolute security to the individual and the country.

The use of coined money and bank-notes is almost entirely local; there are no statistics showing the amount of gold and silver in circulation in the Dominion; the note issue on the 31st March last was £1,708,890. Assuming that the metallic money in circulation amounts to £1,300,000, the aggregate bank-notes and coined money in circulation would be approximately £3,008,890—about £3 per head of the population. This indicates the limit of such money necessary for the internal trade of New Zealand, as no one would store a considerable amount of money when they can obtain interest on deposits, at short call, at the savings-banks, and find safe investments for large sums in other directions. The aggregate annual trade of New Zealand—*i.e.*, exports, imports, and internal—with all its ramifications between the producer and consumer, for which equivalent values must be paid, cannot be less than £200,000,000. The metallic coinage and bank-note issue found necessary to handle this business represents $1\frac{1}{2}$ per cent., so that the great volume of the country's business is transacted per medium of free paper issue—*viz.*, cheques, bills of exchange, &c.

The world's increased output of gold enriched all countries of production, and gold is one of the Dominion's important industries; but the prosperity during the last fifteen years can be directly traced to the improvement in cool-storage. Without this development the world's increase of gold would have left New Zealand in a worse position, as imported commodities would have cost more, exports would not have increased, and internal values would have depreciated.

ANDREW FAIRBAIRN.

RESERVATION No. 3, BY MR. TREGEAR, ON RECOMMENDATION No. 6.

In regard to Recommendation No. 6 (tariff), I do not consider that the Commission has had time or opportunity to investigate properly a subject so vital to the interest of thousands of New Zealand's industrial workers as the abolition of protective duties in the tariff. Therefore I do not concur with the recommendation.

EDWARD TREGEAR.

RESERVATION No. 4 BY DR. HIGHT, ON RECOMMENDATION No. 7 (a).

Whilst admitting the general theoretical principle applied in this recommendation, I wish to emphasize the absolute necessity of very careful consideration before the policy outlined therein is given effect to, so that (1) there shall be no discouragement to settlement and production through the rate of increment-tax being fixed so high as to leave the land-owner no means of recompensing himself for the losses incurred by him in bad years out of his income received in good times, (2) the valuation shall be made by an authority whose tenure of office is quite independent of political conditions, and (3) a portion of the unearned increment in other incomes than those derived from the ownership of land should also accrue to the State through taxation. The two conditions mentioned in the recommendation itself I also regard as essential in a practical scheme.

JAMES HIGHT.

RESERVATION No. 5, BY MR. FAIRBAIRN, MR. HALL, AND MR. LEADLEY, ON RECOMMENDATION No. 7 (a).

We regret we cannot agree to Recommendation No. 7 (a), *re* the land policy, for the following reasons:—

- (a.) The difficulty of determining what proportion of any increased land-values are created by the community.
- (b.) There are other forms of community-created values that are better able to bear increased taxation than those associated with rural lands.

- (c.) We believe that some of the advocates of this form of taxation propose to make further demands, and that these demands are calculated to place pioneer settlers in the position that any increased land-values may be claimed by the State, while any fall in values would have to be borne by the individual.
- (d.) We also believe that agriculture is already bearing more than its fair share of public taxation, and the ever-increasing demands on the industry are prejudicial to the entire community, tending as they do to deter the pioneers from bringing the backblocks into cultivation, and thus to retard the increase of our exports.
- (e.) When a settler tests virgin soils and demonstrates that some are extremely fertile he enhances not only the value of his own lands, but also the value of the adjoining Crown lands, and he is therefore fairly entitled to all the increased land-values that may accrue from his expenditure of capital and labour.
- (f.) The goodwill of an hotel and city trader's business also includes a community-created value, and is dependent on presence of population.

GEO. W. LEADLEY.
A. FAIRBAIRN.
EDWIN HALL.

RESERVATION No. 6, BY MR. ROBERTSON AND MR. VEITCH, ON RECOMMENDATION
No. 8.

While we recognize the advantages of increasing the useful population of New Zealand, and by means of systematic immigration if necessary, we feel that under existing conditions it would be unwise to further increase the already large volume of immigration, as evidenced by the heavy bookings by every Home steamer arriving in our ports. Judging also by the large number of departures, we do not appear to be offering sufficiently good prospects to our own population to induce them to remain here.

In our opinion a land policy is urgently required which will enable our own population to have easy access to land for occupation and use. This would tend to relieve any congestion in the labour-market, and make more openings, with better prospects, in the manufacturing and distributing industries for which the large majority of our immigrants are best suited.

J. ROBERTSON.
W. A. VEITCH.

SUMMARIES OF FINDINGS.

CHAPTER I.—THE COST OF LIVING IN NEW ZEALAND.

Question 1: Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten than during the previous ten years?

1. The difficulties involved in defining the term "cost of living" are described.
2. Definition of "cost of living" and "standard of living."
3. Enumeration of the goods that constitute necessaries.
4. General method of measuring changes in the cost of living.
5. Description of the available information necessary before we can measure the extent of the change in the cost of living, and classification of such information as it exists in New Zealand.
6. The leading principles to be observed in combining and interpreting this information.
7. Description of the method of obtaining index numbers and of their uses, both of wholesale and retail prices.
8. The relative importance of the different commodities in the consumption of the people.
9. Description of the method of making up a representative or standard budget of consumption and estimating its total cost at the prices of different years.
10. A summary of McIlraith's Index Number of Wholesale Prices for New Zealand from 1861 to 1910.
11. Index of wholesale food-prices in New Zealand, 1890–1911. There is a rise of 20 per cent. between the triennial period 1894–96 and the year 1911. The rise has been more marked after 1901 than before. Since 1901 the rise has been 15 per cent. The rise would have been slightly greater but for the remission of certain import duties. Comparing 1894–98 with 1906–10 we find that the following important foodstuffs rose higher than the average level of prices: wheat, barley, beef, mutton, lamb, bacon, butter, and cheese—some of them very much higher. Tea, coffee, flour, and oats rose less than the average. Only sugar, rice, and currants fell.
12. The increase in the cost of living as measured by changes in these important foodstuffs is estimated to be 21 per cent. during the last seventeen years. In arriving at this result the commodities have been weighted according to their relative importance in consumption. If we take the years 1911 and 1912 into account, the rise will exceed 21 per cent. If retail prices are taken into account instead of wholesale and other items in consumption besides food, the cost of living in Auckland from 1904–6 to 1910 increased about 23 per cent. A similar comparison for Christchurch based on retail prices of food only between 1904–5 and 1910–11 shows an increase of 20 per cent. The cost of living as measured by rent and food has increased at a more rapid rate during the last fifteen years in Auckland than in Christchurch.
13. After analysis of the evidence tendered to it, and as far as possible making allowance for the change in the quality of the articles consumed, especially house-room, and for the fact that the "living" whose cost is measured is living at a uniform standard throughout the period, the Commission finds that the cost of living over the whole Dominion between the middle and later nineties and the present day must have increased by at least 16 per cent.; but the decrease in the size of the average family since the beginning of the period and the higher average income of the period must have tended to diminish the proportion which food is of the total expenditure, and therefore to reduce the real rise to a little below that figure. Again, it is to be noticed that the influence of the rise in the standard of comfort has carefully been eliminated in arriving at this estimate.

CHAPTER II.—CHANGES IN THE PRICE OF PARTICULAR COMMODITIES.

Question 4: In what special direction has the increase, if any, been most marked—(a) rent, (b) food, (c) clothing, (d) lighting and fuel, (e) household necessaries, (f) medical attendance, &c., (g) education?

(a.) Rent: The increase is about 20 per cent. over the last fifteen years for houses of the same style and quality. The causes of the increased rents referred to. A fair proportion of the workers own their own houses.

(b.) Food: Cost of food amounts to nearly 35 per cent. of the total expenditure. The prices of foodstuffs have risen very much more than the average level of prices.

(c.) Clothing: Clothing has increased about 20 per cent. The cheaper boots have increased in price at a higher rate than the better class of boots. The increase in price in the poorer classes is as high as 66 per cent.

(d.) Lighting has decreased about 27 per cent., fuel has increased about 5 per cent. A comparative table of gas-prices is given.

(e.) Household necessaries: Prices of these are much the same as they were eighteen years ago. Full particulars of changes are given in the report. Many articles of food are short in the reputed weights and measures.

(f.) Attendance: The wages of domestic servants have at least doubled. Medical attendance has not increased in price.

(g.) The direct cost of education is very much cheaper than it used to be.

CHAPTER III.—COMPARISON WITH OTHER COUNTRIES.

Question 2: Has that increase, if any, been more marked in New Zealand than in other English-speaking countries.

1. A direct comparison is impossible.
2. The general level of prices has risen less since 1890 in New Zealand than in any other country of which we have reliable records.
3. The New Zealand price-level has not risen to anything like the degree observable in most other countries between the average of the period 1890–99 and the year 1910.
4. A continuing upward movement has been shown by prices abroad in the years 1911 and 1912.
5. The comparatively slow rise in the general level in New Zealand is due partly to the smaller degree in which materials have risen here than abroad.
6. Our course of food-prices has lagged behind that of all the other countries except the United Kingdom and France, but has shown some abrupt movements during the last ten years, due partly to tariff changes. In so far as the cost of living is measured by the wholesale prices of food the New Zealand cost has not increased to the same extent as the cost in America, Canada, and Germany.
7. The New Zealand food-prices move in sympathy with those of the United Kingdom.
8. Tables are given showing the comparative course of prices in New Zealand and other countries of some of the most important foods produced in New Zealand.
9. There is a greater contrast between the course of the prices of materials in New Zealand with that in other countries than was exhibited by the comparison of food-prices.
10. The slower rate of rise in the case of materials is probably due in part to the high prices ruling for them during the nineties in New Zealand.
11. Tables are given of index numbers of prices in New Zealand and abroad of coal, iron, wool, and petroleum for the last twenty years.
12. The difficulty of comparing wholesale and retail prices is referred to, and a comparative table of such prices is given for the United Kingdom, France, Germany, and the United States of America.
13. Retail prices in New Zealand are contrasted with retail prices in the United States, England, Germany, and France, as ascertained in the Board of Trade inquiry.

14. The rise in the cost of living due to the increase of the prices of the articles in the uniform schedule of living has been considerably less in New Zealand than in the United States, Canada, and Germany, and appears to have been approximately the same as in the United Kingdom, but higher than in France.

CHAPTER IV.—INFLUENCE OF THE GOLD-SUPPLY.

Question 10: What influence, if any, has the value of gold had on the cost of living?

1. The price of any article is a statement of its relation to standard money. Therefore prices may vary with causes affecting either standard money or the articles compared with it. The general level of prices varies according to variations in the amount of legal tender money in circulation, the velocity with which it circulates, the amount of credit money in circulation, the velocity of its circulation, and the volume of trade. If any one of these factors changes in magnitude, a change in the general level of prices results. The amount of credit money in the country is always dependent on the amount of money proper, though the ratio of the one to the other may change. If the supply of money or of credit money, or the velocities with which they circulate, increase (other things equal) there is a rise in the general level of prices.

2. The period since 1895 has been marked by a rising price-level and by the depreciation of gold measured by commodities and services in general. During that period the amount of money proper in New Zealand has increased considerably, as have the other factors in the equation of exchange. The volume of trade, it appears, has not increased sufficiently to overtake the increase in the supply of money.

3. The depreciation in the purchasing-power of money which has been a chief factor throughout the world since the middle nineties has been accompanied by, and is chiefly the result of, a greatly increased rate of gold-production. This is indicated by statistical tables.

4. The close connection between the production of gold and the general level of prices is illustrated by reference to the history of prices during the nineteenth century.

5. There is reason for believing that the world's gold-supply will not long continue at its present rate of increase.

6. But even when the output of gold begins to diminish we cannot expect lower prices at once, because the influence of gold on prices does not depend on whether the output is itself increasing or diminishing, but really on the quantity of gold in circulation relatively to other factors. The rise in prices may continue for some ten or fifteen years, by which time we may be near the final era, under the present monetary system, of falling prices.

7. There has been a great increase in the amount of credit money in circulation in New Zealand between 1890 and 1911. Reference is made to a recent investigation into the degree in which the factors in the equation of exchange have changed during the last fifteen years in the United States of America. The money in circulation nearly doubled, its velocity increased considerably, the volume of trade doubled, the credit money nearly trebled, its velocity increased by about 50 per cent., and the general level of prices rose about 66 per cent.

8. The Commission is of opinion that the increased gold-supplies of the world have assisted both directly and also indirectly through credit money to raise the general level of prices, and the rise in the cost of living is partly the effect of this rise in general prices.

9. But the prices of all goods and services do not increase at once and uniformly.

10. If the prices of some things do not change in proportion to the increased gold-supply, those of all other things must rise higher than in proportion—in other words, while the general level of prices is determined by the operation of the five factors in the equation of exchange, the prices of goods relative to one another is largely determined by the conditions of demand and supply.

11. In the United Kingdom, comparing 1894-98 with 1906-10, we find the more important foodstuffs—such as sugar, beef, mutton, flour, wheat, butter, pork, and bacon—rising less than the average, but in New Zealand these articles (with the exception of sugar, rice, and flour) rose more than the average, particularly the meats and dairy-produce. If we take into account the considerable rise in rent, it is therefore clear that the cost of living in New Zealand has risen much more than the increase in the supplies of gold and of money generally would explain. But the country has been more than compensated; for while the goods we export have risen about 40 per cent. the goods we import have risen only some 3 or 4 per cent., and have therefore come into the Dominion in a rapidly increasing volume.

CHAPTER V.—THE STANDARD OF LIVING.

Question 3: To what extent is the increased cost of living, if any, the result of a higher standard of living?

1. The improvement in the standard of living must not be confused with a rise in the cost of living. The difference is pointed out.

2. A rise in the standard of living may be proved to exist by references to changes in wages and other incomes, the consumption per head of the proportion of necessaries and luxuries, comparison of relative amount spent on rent, food, clothing, and other things, and comparisons of amounts of deposits in savings institutions.

3. Statistics of consumption show that the standard of living has increased very considerably.

4. People now consume almost twice as much per head in volume as they did during the period 1887-91.

5. The increase in volume of consumption has been attended by a rising marriage-rate, fewer births per marriage, a diminution of the size of the average family, and a falling bankruptcy rate. Though the consumption of liquor has increased, it has increased only by about 7 per cent. as against the increase of 100 per cent. in the consumption of commodities in general.

6. Description of the different modes in which the increase in the standard of living has manifested itself.

7. Wages and prices have pursued almost parallel courses for the greater part of the last twenty years; the rise in wages has been sufficient not only to preserve the old standard of living at the increased prices, but to add considerably to the comforts and common luxuries consumed. During the last two years the accelerated rise in the prices of food has made it more difficult to maintain this higher standard.

8. Other countries show similar movements. The case of England.

9. The case of France.

10. It is probable the outlay on food in New Zealand is now a smaller proportion of the total expenditure of the wage-earning classes than it used to be. The relative outlay on other items than bare necessaries of life is very much greater. Comparison of relative expenditure on housing, food, clothing, light and fuel, and other items in New Zealand and Australia, and the United States, Germany, United Kingdom, France, and Belgium.

11. The general conclusion is that the standard of living has risen very considerably, but it has risen because of the growing surplus of income left after paying the cost of living as defined in Chapter I.

12. It has not been possible to estimate exactly the degree to which the standard of living has increased for the several classes in the community.

CHAPTER VI.—INFLUENCE OF THE PRICE OF LAND.

Question 7: To what extent, if any, has the rise in the price of land, during the past twenty years, contributed to the rise in the price of commodities?

1. The rise in the price of rural lands has not increased the prices of the necessaries of life produced by the farmer. The produce of land is high not because land is dear, but land is dear because produce is high.

2. The same principle applies to urban lands: the site-rents paid in the cities are dependent on the selling-price of the goods sold; these rents do not determine the selling-price.

3. But the increase in the value of agricultural land may have made it more difficult to procure suitable sites in the cities for some industries, and so may have tended to restrict production and raise prices.

4. The wealth obtained by some people from the increase of land-values is often devoted to the pursuit of pleasure and luxury. Capital thus spent is invested in unproductive and antisocial industries. This evil is more marked in classes other than landowners and farmers. Land-bargaining has brought in "speculators."

CHAPTER VII.—INFLUENCE OF THE FOREIGN DEMAND FOR NEW ZEALAND PRODUCTS.

Question 8: What effect has the demand for New Zealand products beyond the Dominion had on prices of such commodities?

1. The world demand for New Zealand products has steadily increased, and our export quantities and values have increased in response.

2. Tables are given showing the extent to which New Zealand contributes to the food-supply of the United Kingdom. Her percentage of the mutton and lamb supply appears to be falling.

3. But generally the demand for our foodstuffs is increasing in the United Kingdom, and there is a probability that further markets may ultimately be available to our producers. The increasing population of Europe and America must lead to higher prices of food. The world's wheat production during the last ten years has remained almost stationary, whilst the number of consumers of wheat has increased very considerably.

4. The possibilities of New Zealand as a food-producer are shown by a comparison of her present position with that of Great Britain.

5. The general trend over the last fifteen years of the prices obtained for New Zealand products in the London markets is upward.

6. The development of the export trade has increased local prices, but has brought about greater general prosperity.

7. As a general rule New Zealand produce is not sold in the London markets at a lower price than in the local markets.

8. The opening of British and other markets to New Zealand produce has disturbed the relative importance of certain commodities to the producer in New Zealand—*e.g.*, some wheat lands have been abandoned to pastoral purposes. Variations in New Zealand's wheat crop for the last twenty years are described.

9. If there were no outside market for New Zealand produce the supply would greatly exceed the demand, prices would fall to an unprofitable level, and the reduction would have a disastrous effect on both town and country population alike.

CHAPTER VIII.—POPULATION MOVEMENTS.

Question 11: What effect have the movements of the urban and rural populations had on the cost of living?

1. Similar inquiries abroad have supported the opinion that the drift of population into the towns has had a marked effect on the cost of living.

2. In 1881, 59 persons out of every 100 in the population of New Zealand were living in counties, and 40 in boroughs. In 1911 the corresponding numbers were 49 and 50. In 1901, out of every 100 breadwinners in the population 25 were actively engaged in producing foodstuffs in the country; in 1911 this number had fallen to 23. This different distribution of the breadwinners may indicate only an increasing production of goods of a high order and the improvement of agricultural methods. Within the rural occupations since 1901 those engaged in agriculture have decreased by more than 25 per cent., those in the pastoral industry have more than doubled, whilst those in dairying have nearly trebled.

3. The causes that have brought about the relative growth of the town population are—(1) The unsuitable nature of the education in country districts; (2) the increasing demand for labour in the towns for (*a*) handling the primary products, and (*b*) official work; (3) the higher rate of real wages (including hours of labour

and constancy of employment) in the towns; (4) the difficulty married country workers meet in finding suitable housing accommodation, and the lower standard of life in the country compared with the town; (5) the immigration into towns of retired country dwellers; (6) the shifting of certain small industries into the towns; (7) the difficulty of obtaining land in suitable areas and localities on advantageous conditions.

4. Results in New Zealand: (1) Increased house and land rents in the towns; (2) relative scarcity of skilled agricultural labour, and the retardation of the agricultural and dairying industries; (3) the cities appear to have been able to absorb the increase of population up to the present; (4) fears that the rural depopulation abroad may increase the price of foodstuffs in the world markets and therefore in New Zealand; (5) apprehension for the national well-being through the drying-up of the fountain whence the cities draw their supplies of health and vigour; (6) tendency to increased prices through increased velocity of circulation of money, the regularizing of payments, and the extension of banking deposits.

5. Enhanced food-prices abroad, said to be due partly to rural depopulation abroad, have indirectly tended to increase the cost of living in New Zealand; but have had a great effect in making New Zealand prosperous and raising the standard of comfort of her population.

6. Migration into the towns must shrink if foodstuffs continue to rise in price.

CHAPTER IX.—MONOPOLIES.

Question 5: To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?

1. The terms "monopoly," "combine," "trust" defined.

2. Not able to measure exactly influence of trusts on prices, but appreciable in regard to some commodities. Influence growing in recent years. New Zealand in special danger of being exploited by combinations fixing selling-prices, imposing penalties on traders, and boycotting independent traders.

3. Merchants' Association refused to give evidence, but it was proved to satisfaction of Commissioners that it has secured control and fixed higher prices for about thirty articles in common use. In no case has price been reduced as a result of the combination. The method adopted to obtain control is illustrated by the correspondence that took place between (a) Mr. Harold Beauchamp, President of the New Zealand Merchants' Association, and the manufacturers of Jeyes' fluid and the New Zealand agent; (b) by the letters of Van Houten and Zoon and James Keiller and Son to Messrs. Laughland, Mackay, and Co., London; (c) that a boycott existed is shown by the refusal of the British Empire Trading Company to supply at least two New Zealand firms although orders were accompanied with cash, and by the treatment accorded Cuthbert Bowyer, H. B. Low, J. J. Westgarth, and J. W. Hall.

4. The evidence of a number of witnesses of repute proves the association raised prices on certain lines.

5. Manufacturers have combined with the association to raise prices, as illustrated by the evidence of G. L. Cull and the buying-conditions imposed by the Sugar Company, which refuses maximum discounts to all but members of the New Zealand Merchants' Association.

6. The capital of the Colonial Sugar Refining Company is shown for several years. It increased from £1,700,130 in 1895 to £3,000,000 in 1911. The profits in a year's trading (basis 1911-12) equal 15·04 per cent. on present capital. Larger discounts are given to favoured retailers and Merchants' Association than to independent traders who buy in large quantities and who will not join the association.

7 and 8. In regard to meat and fish no monopoly exists, though unsuccessful attempts have been made to fix prices.

9. Our coastal trade is controlled by a combine, the predominant partner being the Union Steamship Company. The keystone of the monopoly is the coal-carrying trade. Correspondence that passed between the Union Company and a coal company proves that the former insisted on getting preference and stipulated that f.o.b. sales were to be discouraged before contracting to carry the output, the reason given being that the company would not carry the main bulk of the coal if the effect was to introduce fresh shipping interests which would compete with it in its general trade.

10. Discrimination shown by shipping monopoly in freight-rates between Australia and New Zealand and between ports in New Zealand itself. Typical rates are quoted.

11. Another shipping monopoly has secured control of the Dominion's import trade, and by a system of secret rebates unjustly discriminates against British goods in favour of Continental goods, and thus directly defeats the policy of the Legislature as expressed by the preferential tariff.

12. Although it has been alleged at various times that butter has been "cornered," the Commission found no evidence in support of a systematic exploitation, but a danger exists that under the shelter of the 20-per-cent. Customs tariff speculators may be able to control supplies and inflate prices. At Auckland, butter and egg prices are fixed by merchants below those actually ruling in the market, and are calculated to mislead settlers.

13. Neither flour nor timber has ever been successfully controlled for any length of time, but attempts have been made in both instances to monopolize.

14. Statistics concerning the match industry are quoted. This industry is held by the Commissioners to be a monopoly, a combine, and a trust.

15. Method of dealing with monopolies by legislative action. Amendment of the Commercial Trusts Act suggested.

CHAPTER X.—EFFECT OF TARIFF REDUCTIONS.

Question 6: What has been the effect on prices of the tariff reduction?

1. The period during which tariff reductions have taken place has been one of rising prices.

2. A list of the important tariff remissions is given.

3. Table of comparative numbers given, which shows that in New Zealand prices of articles placed on free list fell considerably during this period of rising prices.

4. Where combinations secure control, prices are prevented from falling.

5. Increase of duties on boots and shoes by the 1907 tariff, also statistics of boot industry. Fraudulent boots and shoes are being sold to public.

6. Estimate of whole number of workers in State-protected industries, and amount of protection afforded to each.

7. Our great primal industries are the real sources of our prosperity, and all people employed outside protected industries bear the burden of this protection.

CHAPTER XI.—EFFECT OF LABOUR LEGISLATION.

Question 9: What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?

1. Summary of labour legislation is to be found in "New Zealand Labour Laws" (fifth edition) complete to the end of 1908. The Commission has continued the summary to end of 1911.

2. The general effect of this legislation has been improvement in environment of workers. Whether increased efficiency has resulted the evidence does not show, but labour cost of production has increased.

3. Has this extra cost come out of profits, or been passed on to the public? In some instances the former—*e.g.*, coal; in other instances it has stimulated the introduction of better machinery and methods—*e.g.*, boot trade and iron trade.

4. This legislation is unable to affect the prices of our staple commodities which are fixed by the rates ruling in the world-market.

5. But neither prices nor wages can go on rising indefinitely, and a halt would have been called before this had our medium of exchange not been elastic. (Layton, "Introduction to the Study of Prices," Appendix C, quoted.)

6. The awards of the Court of Arbitration affect the whole community, although approximately ninety per cent. of the people are not represented before the Court. (Reservation made by Mr. Tregear.)

CHAPTER XII.—CAUSES.

Question 12: What causes generally have brought about the increased cost of living?

Some of the causes have been easy to detect and to isolate, but it has often been difficult to disentangle and measure the effects of special causes. The chief factors that have caused the rise in the cost of living in New Zealand appear to us to be,—

1. The increased supply of money, including gold and credit, and the increased velocity of circulation, all of which appear to have outstripped the increase in the volume of goods and services exchanged against them.

2. The increased cost of production of farm-products, and the increased demand, both locally and abroad, for foodstuffs produced in the country.

3. Rural depopulation abroad and the slackened rate of production of foodstuffs in countries such as the United States, which have hitherto exported a large proportion of the amount produced therein.

4. Local combinations, monopolies, and trusts, commercial and industrial, which both raise prices directly to the consumer and tend to discourage initiative and self-reliance.

5. The diminishing of the natural fertility of the soil and of the natural resources of most countries abroad, such as is suggested in New Zealand by the increasing cost of manuring and timber-getting.

6. The relatively higher increase in the cost of distribution owing to—

(a.) Increased transportation charges;

(b.) The excessive numbers of those engaged in the work of distribution;

(c.) The duplication of distributing-agencies.

7. The national waste involved in—

(a.) Extravagant living, as evidenced by excessive devotion to luxury, sport, and unwise recreation;

(b.) Lack of economy in local and national governmental services;

(c.) Wasteful domestic methods employed by the great mass of the people;

(d.) Rapid changes of fashion, particularly in regard to clothing and boots;

(e.) Generally, the devotion of an increasing proportion of wealth to non-productive uses.

8. Increased taxation, both local and national.

9. The operation of productive tariffs and trusts abroad in raising the first costs of imported articles.

10. The New Zealand protective tariff, especially as regards taxation on the necessaries of life.

11. The failure to attain that national efficiency which can be secured only by the operation of a well-considered and properly co-ordinated scheme of education—general, industrial, commercial, agricultural, and domestic.

12. The higher standard of life. The period under review has been signalized by many remarkable improvements in methods of production, and by a general advance in the quality of things produced. The incomes of the people in all grades have increased in amount and in purchasing-power. This has enabled them not only to maintain the old standard of living at its increased cost, but to raise the general national standard of life far above what it was. Recently there are signs that it is becoming increasingly difficult to maintain this new standard.

NOTE.—Irrespective of Nos. 1, 2, 3, 4, these causes are not enumerated in order of importance.

CHAPTER XIII.—REMEDIES.

Question 13: What steps should be taken with a view to reducing the cost of the necessaries of life?

1. Improvement of New Zealand statistics:—

- (a.) That the Government Statistician should have full control of statistics.
- (b.) That his office should form a separate department.
- (c.) That he should be allowed to travel abroad.
- (d.) That an advisory board of statistics should be created.
- (e.) That the more responsible offices should be filled by men who have gone through a recognized course of training in statistical methods and economics.
- (f.) That the Government should offer a scholarship for post-graduate research in social economics.

2. Supply of money outstripping trade: The Commission has no recommendation to make at this stage, further than to advise that steps should be taken to secure the representation of New Zealand on the proposed International Commission on the Cost of Living.

3. Education:—

- (a.) The inclusion in the primary-school syllabus of a definite course of simple descriptive economics and the development of a more systematic course in the secondary schools.
- (b.) The extension of education in domestic economy.
- (c.) The formulation of a complete scheme of agricultural education.
- (d.) The endowment of research scholarships in agriculture.
- (e.) The extension of the present system of technical education.
- (f.) That those who have passed through a definite course of technical education should receive special consideration in wages rates, &c.
- (g.) That a closer connection should be established between the administrative side of government and the political science and economic departments of the University.
- (h.) That no effort should be spared to improve the education of the people.
- (i.) That steps be taken to secure expert advice for parents in choosing avocations for their children.

4. Additional provisions suggested for the Commercial Trusts Act.

5. Board of Industrial and Social Investigation: That a permanent Board of Industrial and Social Investigation should be set up with full powers to call for persons and papers. Several of its functions are defined in the Report.

6. Customs tariff and protection:—

- (a.) Abolition of the duty on all foodstuffs and on the necessaries of life used by the primary producers.
- (b.) Failing this, the reduction of certain duties and the abolition of others are recommended.
- (c.) That all imported and locally made boots containing composition or cardboard should be branded "composition" or "cardboard."
- (d.) That duties on boots, shoes, and slippers, if retained, should be amended, a uniform *ad valorem* tariff to be substituted for the present one.

7. Land and rent:—

- (a.) That such a land policy is required as will break down land-monopoly in town and country; a system of taxation of land values is suggested. (See reservations of four Commissioners.)
- (b.) (i.) The provision of small holdings; (ii.) the extension of village settlements.
- c.) That the workers-home scheme should be extended.

(d.) That the Government should pass a Compulsory Utilization of Lands Act.

(e.) That the Government should provide country settlers with better facilities for obtaining (i) communication ; (ii) maternity nurses.

8. Immigration: The Commission states the need for a systematic and energetic policy of immigration, and the continuation of a similar scheme to that of the Sedgwick plan. The assisted immigration scheme for adult labour is also favoured. The immigration work should be undertaken by a special branch of the Labour Department, to act in conjunction with the High Commissioner's Office and the British Labour Exchange.

9. Transport :—

(a.) That differential rates shall be abolished.

(b.) That the permanent Board of Industrial and Social Investigation should inquire into the whole of the marine transport services.

(c.) That steps be taken to give a trial to motor-trains.

10. Municipalization of markets and services :—

(a.) The Commission is of opinion that municipal fish, fruit, and dairy-produce markets should be established.

(b.) The Commission suggests that the permanent Board of Investigation should take steps to get an authoritative report on the municipalization of the supply of (i) bread, (ii) milk.

11. Money-lending and bailments: The Commission recommends :—

(a.) That in all money-lending transactions the rate of interest computed at the *annual rate* should be embodied in the document confirming the loan.

(b.) That all bailments and documents of sale or mortgage must show the rate of interest computed *annually*.

12. Weights and measures: The Commission recommends that provision should be made to ensure the purity and correct weight and measure of all food-stuffs retailed to the public.

13. That the Commissions of Inquiry Act should be amended to widen the powers of Commissions of Inquiry.

Reservations :—

No. 1, by Mr. Tregear, on Chapter XI, p. lxxxv (par. 6).

No. 2, by Mr. Fairbairn, on Recommendation No. 2.

No. 3, by Mr. Tregear, on Recommendation No. 6.

No. 4, by Dr. Hight, on Recommendation No. 7 (a).

No. 5, by Messrs. Fairbairn, Hall, and Leadley, on Recommendation No. 7 (a).

No. 6, by Messrs. Robertson and Veitch, on Recommendation No. 8.

MINUTES OF PROCEEDINGS.

WELLINGTON.

FRIDAY, 31ST MAY, 1912.

THE members of the Commission met on Friday, 31st May, at the office of the Hon. the Minister of Labour (Mr. G. Laurensen), who welcomed the Commission to Wellington, introduced the members and secretary to each other, and gave a general outline of the Government's wishes in regard to the Commission's work. The Hon. the Minister reported the resignation of Mr. John Ross, of Dunedin, from the Commission, and stated that Mr. Leadley, who had been appointed Chairman, would also be unable to attend the sittings for a fortnight. He, the Minister, had therefore decided to ask the Commission to appoint its own Chairman, and later he would advise the Commission as to the Government's intention in filling the vacancies.*

The Minister and members of the Commission present—Messrs. Andrew Fairbairn, Edwin Hall, W. G. Macdonald, John Robertson, M.P., Edward Tregear, I.S.O., and William A. Veitch, M.P.—met in room F, old Parliamentary Buildings, and Mr. Laurensen took the chair.

On the motion of Mr. Fairbairn, seconded by Mr. Robertson, it was unanimously decided to appoint Mr. Tregear as Chairman.

The Hon. Mr. Laurensen then withdrew from the meeting.

After a short discussion it was resolved that the Commission leave for Christchurch the next day, proceed to Dunedin by the first express on Monday, and open its sittings at Dunedin at 11 a.m. on Tuesday. After completing business at Dunedin, that Christchurch, Auckland, and Wellington be visited in turn.

The secretary was instructed to telegraph to the following witnesses *re* giving evidence at the Dunedin sitting: President and secretary, Trades Council; secretary, Agricultural and Pastoral Association; agent, State Coal Depot; secretary, Employers' Association; secretary, Chamber of Commerce; provincial secretary, Farmers' Union; manager, Taieri and Peninsula Dairy Company; fish-merchant, and secretary, Trawlers' Union; secretary, Tailoresses' Union; manager, Westport Coal Company.

The Commission rose at 12.45 p.m.

SATURDAY, 1ST JUNE, 1912.

The Commission met at 11 a.m., there being present Messrs. Tregear (Chairman), Hall, Macdonald, and Veitch.

Questions in regard to procedure were discussed, and the Commission rose at 12.40 p.m.

DUNEDIN.

TUESDAY, 4TH JUNE, 1912.

The Commission met at 11 a.m. at the Arbitration Court room, Supreme Court Buildings.

All the Commissioners were present.

The Commission was read by the Chairman.

The Chairman announced that the proceedings would be open to the Press and the public.

The following witnesses were examined on oath: Messrs. Steve Boreham, George Joachim, F. J. Sullivan, and M. O'Donnell.

WEDNESDAY, 5TH JUNE, 1912.

The Commission met at 10.30 a.m. at the Arbitration Court room.

All the Commissioners were present.

The following witness was examined on oath: F. J. Gunn.

W. C. McGregor, barrister and solicitor, attended, and stated that the following witnesses had been advised by him not to give evidence, although subpoenaed to do so: Messrs. H. K. Wilkinson (representing Rattray and Co.), W. Scoullar and Co., R. Wilson and Co., Mackerras and Hazlett, and Neill and Co.

The Commission adjourned at 11.20 a.m. to go into committee.

The Commission resumed at 12.10 p.m.

The following witnesses were examined on oath: John E. McManus, Francis Keenan, T. Scurr, R. W. Wilson, J. Ross, A. Mathewson.

* Mr. G. W. Leadley joined the Commission on the 17th June; Dr. James Hight on the 10th June.

THURSDAY, 6TH JUNE, 1912.

The Commission met at 10 a.m. at the Arbitration Court room.

All the Commissioners were present.

The following witnesses were examined on oath: A. E. Beissel, A. Washer, W. M. Roberts, W. A. Bowling, H. L. Young, S. Peden, A. Lowrie, and M. J. Forde.

FRIDAY, 7TH JUNE, 1912.

The Commission met at the Arbitration Court room at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: C. T. Munro, W. D. Mason, T. O'Byrne, J. T. Paul, M.L.C., A. B. Mercer, R. Breen, J. W. Munro, W. H. Warren, T. Smith, D. A. Aitken, W. Grey, J. Clarke, J. Begg, J. W. Timlin, T. J. McCutcheon, and J. Buchan.

SATURDAY, 8TH JUNE, 1912.

The Commission met at the Arbitration Court room at 9.30 a.m.

All the Commissioners were present.

No evidence being forthcoming, the Commission adjourned at 10 a.m., and left for Christchurch at 11.15 a.m.

CHRISTCHURCH.

MONDAY, 10TH JUNE, 1912.

The Commission met at the Provincial Council Chambers, Government Buildings, Christchurch.

Dr. J. Hight, Professor of History and Economics, took his seat with the other Commissioners.

All the Commissioners were present.

The following witnesses were examined on oath: W. H. Bowater, F. G. M. Britten, H. W. Heslop, Effie Julia Margaret Cardale, Augusta Elise Wilson, C. H. Ensor, P. J. De la Cour, Sarah Saunders Page, Ada Wells, Elizabeth Best Taylor, and W. B. Bray.

TUESDAY, 11TH JUNE, 1912.

The Commission proceeded to Sydenham at 9.30 a.m. and inspected the settlement of workers' dwellings there, in company with Mr. J. Lomas, Superintendent of Workers' Dwellings.

The Commission met at 11 a.m. in the Provincial Council Chambers.

All the Commissioners were present.

George Harper, barrister, &c., appeared on behalf of Messrs. T. H. Green and Co. and Benjamin Limited, and stated he had advised these merchants to respectfully decline to give evidence.

The following witnesses were examined on oath: G. Dixon, W. Murray, E. T. Reece, R. Allen, H. H. Barlow, D. Redpath, W. Minty, H. B. Low, E. J. Newman, J. Maher, J. Westgarth.

WEDNESDAY, 12TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

The following witnesses were examined on oath: A. Smith, A. C. Nottingham, W. Williams, M. J. O'Brien, C. P. Agar, H. A. Campbell, W. R. Gardner, W. Goss, E. W. Waller, D. Jones, G. F. Simpson, J. N. Du Feu, and G. F. Traverra Rowe.

THURSDAY, 13TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

George Harper, barrister, &c., representing Mr. T. Kincaid, grocer, appeared before the Commission, and stated that he had advised his client not to attend and give evidence.

The following witnesses were examined on oath: T. H. Strahan, D. G. Sullivan, and M. Murphy.

Mr. J. A. Flesher, solicitor, appeared for Mr. A. D. Ford (of Ford and Mirams, indent agents), who, on his advice, declined to give evidence. Mr. Flesher stated that his clients were the Canterbury agents of a North Island firm against whom an action was being brought for a breach of the Commercial Trust Act. The Chairman excused Mr. Ford from attendance for the reason given.

The following witnesses were examined on oath: C. Chambers, J. C. Andersen, C. Lafferty, Jane Mitchell, E. Kennedy, F. W. Ricketts, G. Callender, R. Allen, and J. H. Howell.

FRIDAY, 14TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present.

The following witnesses were examined on oath: J. S. Wilson, R. E. Cowper, C. Bowyer, G. L. Cull, H. Oakley, W. H. Hagger, J. S. Myers, W. A. D'orridant, R. C. Bishop, J. A. Pannett, and E. T. W. McLaurin.

SATURDAY, 15TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

Charles Lafferty, boot-dealer, made a correction in his evidence given on the 13th instant.

The following witnesses were examined on oath: C. E. Hampton, H. V. Free, R. Evans, and T. Brown.

C. Bowyer supported his evidence, given yesterday, by reading several letters referred to in his previous statement.

MONDAY, 17TH JUNE, 1912.

The Commission met at 10 a.m. at the Provincial Council Chambers.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

Mr. G. W. Leadley took his seat with the other Commissioners.

The following witnesses were examined on oath: F. F. Jolly, H. Hunter, H. O. Gill, F. H. Steel, F. Williams, F. Blakeway, G. Scott, W. Stephen, G. Sheat, J. Thornton, T. R. Leithead, F. Feaver, E. J. Newman, and C. Taylor.

Mr. O. J. T. Alpers, solicitor, appeared on behalf of W. Pearce, coal-merchant, and stated that his client refused to give evidence.

TUESDAY, 18TH JUNE, 1912.

The Commission met at the Provincial Council Chambers at 10 a.m.

All the Commissioners were present with the exception of Messrs. W. G. Macdonald and W. A. Veitch, M.P.

The following witnesses were examined on oath: T. B. Crawshaw, F. L. G. Jolly, A. W. Jamieson, G. T. Booth, J. Keir, W. T. Lill, and J. S. Scott.

Mr. G. Harper appeared on behalf of Mr. F. A. Cook, and stated that he had advised Mr. Cook to decline to give evidence.

The following witnesses were examined on oath: A. Mander, P. S. Pavitt, and G. B. Nelson.

AUCKLAND.

THURSDAY, 20TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, Auckland, at 2 p.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: A. Withy, J. Flanagan, J. E. Makgill, A. Sanford, and W. P. Black.

FRIDAY, 21ST JUNE, 1912.

The Commission met at 10 a.m. at the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: D. H. Lusk, T. Miller, F. Maskell, P. Virtue, W. F. Stewart, Emily Gibson, D. J. McGowan, and J. M. Carpenter.

A. G. Coles, boot-manufacturer, declined to give evidence, stating that he had none to give. He stated he would have no objection to giving his reason privately to the Chairman.

The following witnesses were examined on oath: R. H. McCallum and C. Taylor.

SATURDAY, 22ND JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witness was examined on oath: J. W. Hall.

C. Taylor, ex milk-retailer, corrected and supplemented his evidence given on the previous day.

The following witness was examined on oath: A. Ross.

The Commission went into committee at 11.45 a.m., and adjourned at 12.50 p.m.

MONDAY, 24TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: J. W. McIlraith, LL.B., Litt.D., J. T. Reid, and R. Salmon.

Mr. Smeeton, grocer, attended, but, under legal advice, refused to give evidence.

The following witnesses were examined on oath: A. Schmitt, E. Phelan, J. B. Tonar, and A. Rosser.

TUESDAY, 25TH JUNE, 1912.

The Commission met at 10 a.m. at the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: E. C. Banks and G. L. Peacocke.

Dr. Bamford, barrister, &c., appeared on behalf of John Schischka, merchant, and L. D. Nathan and Co., merchants, and stated that he had advised his clients to refuse to give evidence.

The following witnesses were examined on oath: F. G. Ewington and H. Green.

G. Hutchison, grocer, appeared, and was excused from giving evidence on account of ill health.

The following witness was examined on oath: W. Ranstead.

E. C. Banks was recalled and further examined.

The Commission adjourned at 1 p.m. until 9.30 a.m. on Wednesday, on account of, and as a mark of respect to, the late Sir John Logan Campbell.

WEDNESDAY, 26TH JUNE, 1912.

The Commission met at 9.30 a.m. at the Government Buildings, Albert Street.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: J. W. Wiseman, H. W. Segar, G. Winstone, A. C. Caughey, S. Wing, G. George, and A. Kent.

THURSDAY, 27TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 9.45 a.m.

All the Commissioners were present with the exception of Mr. W. G. Macdonald.

The following witnesses were examined on oath: W. M. Evans, H. N. Bagnall, A. G. Tooley, J. H. Gunson, T. Bell, T. Long, G. C. Garlick, and A. Tooman.

A. J. Entrican, merchant, attended, and refused to give evidence, as, being a member of the Merchants' Association, he was involved in a law-case now pending. The Commissioners excused witness on this ground.

E. Langguth, general merchant, also refused to give evidence.

The following witnesses were examined on oath: E. W. Allison, G. Court, H. Goldstein, M.D., and J. Gallagher.

H. Banfield, secretary, Carpenters' Union, attended, and stated that his union had instructed him to decline to give evidence.

The following witnesses were examined on oath: W. Richardson and A. M. Carter.

FRIDAY, 28TH JUNE, 1912.

The Commission met at 9.45 a.m. in the Government Buildings, Albert Street, Auckland.

All the Commissioners were present with the exception of Messrs. W. A. Veitch, J. Robertson, M.P.s, and W. G. Macdonald.

The following witnesses were examined on oath: W. E. Sill, T. D. McNab, E. A. Craig, W. J. Holdsworth, D. A. Headley, J. W. Garrett, D. Reid, P. J. Nerheny, and J. Rowe.

J. W. Hall, wholesale grocer, was sworn, and supplemented his evidence given previously.

The following witnesses were examined on oath: F. W. Arns, H. Banfield, W. H. Murray, J. Slator, W. H. Whitehead, S. C. Macky, and M. Garnaut.

SATURDAY, 29TH JUNE, 1912.

The Commission met at the Government Buildings, Albert Street, at 10 a.m.

All the Commissioners were present with the exception of Messrs. W. A. Veitch, J. Robertson, M.P.s, and W. G. Macdonald.

The following witnesses were examined on oath: G. Davis, W. F. Bines, A. Crumb.

T. Bell, manager, Union Soap, Oil, and Candle Factory, was sworn, and given an opportunity by the Chairman to send further evidence by sworn affidavit later.

The following witnesses were examined on oath: W. B. Leyland and A. Nixon.

WELLINGTON.

TUESDAY, 2ND JULY, 1912.

The Commission met at the old Parliamentary Buildings at 11 a.m.

All the Commissioners were present with the exception of Mr. W. A. Veitch, M.P.

The following witnesses were examined on oath: W. A. Boucher and W. J. Birch.

The Commission met in Committee at 2.30 p.m. and resumed at 4.30 p.m., when Mr. W. A. Boucher supplemented his evidence given during the morning, by making a confidential statement to the Commission.

WEDNESDAY, 3RD JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: W. Maddison, J. Trevor, T. Quinlivan, N. Fernandos, A. Bolton, C. J. Ward, J. Hutchen, E. Collie, J. Mitchell, W. W. Jones, C. W. Howard, and M. J. Reardon.

THURSDAY, 4TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: F. F. Munro, D. Moriarty, G. L. Fulton, D. Carmody, D. Currie, H. G. Hill, D. P. Matthews, and W. Ferguson.

W. A. Blair, solicitor, appeared on behalf of Mr. G. H. Scales, shipping agent, and apologized for his absence, Mr. Scales having left for England that morning.

The following witnesses were examined on oath: H. J. Simpson and W. A. Kellow.

FRIDAY, 5TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present.

The following witnesses were examined on oath: F. P. Wilson, J. Lomas, R. W. McVilly, G. L. Marshall, E. C. Jack, and A. Leigh-Hunt.

Mr. Levi, solicitor, appeared on behalf of Mr. Brooks, local manager of the Dresden Piano Company, and stated that his client felt that he could not give evidence as the directorate was located in Dunedin. The Commission excused Mr. Brooks from attending.

The following witnesses were examined on oath: J. Charlesworth, D. J. Cameron, and C. W. Halse.

SATURDAY, 6TH JULY, 1912.

The Commission met at the old Parliamentary Buildings at 10 a.m.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

C. J. Reakes, Director of Live-stock and Meat Division of the Department of Agriculture, was sworn and examined. (The evidence was taken, in part, in camera).

The following witness was examined on oath: T. B. Goddard.

The Commission went into Committee, adjourning at 12.40 to 2.30 p.m., and finally adjourned at 4.15 p.m.

MONDAY, 8TH JULY, 1912.

The Commission met at 10 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: F. F. Munro, F. W. T. Rowley, W. Temple, F. T. Moore, C. K. Wilson, M.P., W. A. Flavell, A. J. Bishop, S. Richardson, J. Hutchison, R. S. Alward, F. Townsend, A. Longmore, and M. Fraser.

TUESDAY, 9TH JULY, 1912.

The Commission met at 9.45 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: S. S. Brown, E. Bull, W. Simm, F. W. B. Greville, W. Brunskill, G. Aldous, W. T. Young, C. Cathie, W. H. Millward, and A. E. Donne.

Mr. C. P. Skerrett, solicitor, appeared on behalf of Mr. J. G. W. Aitken (of Messrs. Aitken, Wilson, merchants) to make an explanation for the latter's non-appearance. The Chairman declined to allow Mr. Skerrett to give reasons or make any statement. Mr. Skerrett protested against this ruling on behalf of his own client Mr. Aitken, and also on behalf of Mr. Tripe, the solicitor for New Zealand for the Merchants' Association, and for Mr. Gold, the secretary for the same association.

WEDNESDAY, 10TH JULY, 1912.

The Commission met at 9.45 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Mr. G. W. Leadley.

The following witnesses were examined on oath: J. F. Turnbull, C. E. Fenton, E. D. Barber, J. Wall, F. W. Manton, F. Meadowcroft, Sing Kee, R. S. Abraham, C. C. Odlin, A. A. Gellatly, J. Kierby, J. Fairway, and John Varcoe.

W. E. Gwillim, Dairy-produce Grader, tested two samples of butter (1) as to weight, (2) as to moisture-content. Several parcels of New Zealand and English candles were also tested as to weight.

The following witness was examined on oath: D. K. Pritchard.

THURSDAY, 11TH JULY, 1912.

The Commission met at 10 a.m. at the old Parliamentary Buildings.

All the Commissioners were present with the exception of Messrs. G. W. Leadley and W. A. Veitch, M.P.

The following witnesses were examined on oath: J. Dawson, W. J. Comrie, G. Allport, D. K. Pritchard, W. T. Mills, E. Hampton, J. P. Frengley, M.D., M. J. Casey, F. Pilkington, and E. Bull.

The Commission adjourned at 4 p.m. until Monday, the 12th August, 1912, so as to allow of the evidence being printed and indexed. The Chairman (Mr. Tregear) and the Secretary were empowered by the Commission to take charge of the Commission's work during the recess.

MONDAY, 12TH AUGUST, 1912.

The Commission met at 10 a.m. at the Parliamentary Buildings. Messrs. Hall, Robertson, and Veitch were present.

The Commission went into Committee on the report.

TUESDAY, 13TH AUGUST, 1912.

The whole of the Commissioners met at 10 a.m., with the exception of Mr. Tregear, who was unwell.

Mr. G. W. Leadley was appointed Acting-Chairman.

The Secretary reported that during the recess the whole of the evidence and exhibits had been printed, indexed, and distributed to Commissioners.

Committees were set up to consider the drafting of the report.

On account of ill health Mr. Tregear was excused from attendance at the Commission's room, Parliamentary Buildings, and it was decided that the Committee acting with him should meet at his private residence.

From the 13th to the 24th August the Commission was engaged in Committee, considering its report.

Intimation was received from the Hon. the Minister of Labour that the time for reporting was being extended to the 30th August.

The final printing and passing of the report was left in the hands of the Chairman and Secretary.

FRIDAY, 30TH AUGUST, 1912.

The Commission met at 10 a.m., Messrs. Tregear (Chairman), Veitch, and Robertson being present.

The Commissioners absent signified in writing their approval of the report.

The report was finally adopted, and it was resolved to present it to the Hon. the Minister at 10 a.m. This was accordingly done, and His Excellency's commissions returned.

SUMMARY OF EVIDENCE.

SECTION I.—FOOD AND GROCERIES.

- A. BREAD: Master bakers; union secretary.
- B. BUTTER: Dairy-produce merchants; butter-manufacturers.
- C. FISH: Fish-merchants; fish-auctioneers; fishmongers; fish-curers and hawkers; fishermen; Secretary Marine Department; Wellington City Council (fish destroyed); imported salted fish, duty.
- D. FLOUR: Flour-millers.
- E. FRUIT: Fruit-auctioneers; fruiterers; Assistant Director, Orchards; market-gardener.
- F. MEAT: Stock-auctioneers; meat-company representatives; master butchers; stock-dealer; Director, Live-stock Division.
- G. MILK: Dairymen.
- H. GROCERIES: Merchants (*re* cocoa and biscuits); merchants' associations (*re* scaled goods); wholesale merchant; New Zealand Farmers' Co-operative Association; general grocers; Master Grocers' Association.
- I. SOAP AND CANDLES: Manufacturers.
- J. FOOD GENERALLY: Dr. Frengley (*re* Sale of Foods Act); regulations *re* adulteration, short weights, &c.

A. BREAD.

- KENT, ARCH., Master Baker, Auckland (26/6/12; p. 323)—
Re method of fixing bread-prices—Average delivery by carters—*Re* Co-operative Association reducing bread-prices—Object of association—Prices, cash and delivered, the same.
- KELLOW, W. A., Master Baker, Wellington (4/7/12; p. 405)—
Re retail prices of bread, 1893 to 1912—Prices not regulated by association of bakers—*Re* Australian, Canadian and New Zealand flour—Cost of delivery estimated 1½d. per loaf—Little loss by bad debts.
- WILLIAMS, F., Master Baker, Christchurch (17/6/12; p. 177)—
Re carters deliver on average 120 to 140 loaves a day—Cost of delivery has increased—Prices of bread increased due to increased cost of everything excepting flour—Bread delivered at 6½d. and 6d., and for cash over counter 5d. per 4 lb. loaf—*Re* masters' association—Prices not fixed—Weight of dough 2 lb. 3 oz. for small loaf and double for large—Municipal bakery with well organized delivery would cheapen bread—*Re* Flourmillers' Association and boycotting—Flour-supplies stopped for twelve months—Flour got from abroad.
- MUNRO, J. W., Master Baker, Dunedin (7/6/12; p. 50)—
Re price of bread regulated by association—Association non-effective at present—Cost of distribution ¼d. more than manufacturing cost—Cost of establishing municipal bakery Dunedin, £40,000—Would cheapen cost—Wages increased to bakers 5s. last ten years—Millers' Trust ineffective.
- WILSON, J. S., Secretary Bakers' Union, Christchurch (14/6/12; p. 141)—
Re wages and general conditions of bakers—Men more efficient—*Re* weights of dough before baking—*Re* labour cost of producing bread ¼d. to ¾d. a loaf—*Re* delivery—Number of loaves handled by a carter—Wages of £2 5s. too low to ensure decent living—Rent principal increase—*Re* masters' association.

B. BUTTER.

- McGOWAN, D. J., Dairy and Produce Merchant, Auckland (21/6/12; p. 248)—
Re dairy-produce increased 15 per cent. in ten years—Quantities exported from Auckland—Local competition with butter keen—Average wholesale prices London and Auckland—Range of retail prices—*Re* increased cost of making butter—Factors are increased land-values, rent, rates, taxes, and labour—*Re* winter storage—Labour cost of production of butter—If labour doubled would not make any appreciable difference in price of butter.
- HILL, H. G., Dairy-produce Merchant, Wellington (4/7/12; p. 400)—
Re prices paid for butter (wholesale), 1st April, 1911, to 30th June, 1912—Local market competitive—Quantity exported and consumed locally—Loss on butter business—English prices—Favour abolition duty on Australian butter—Causes for high prices of butter—Prices not fixed by merchants—Glen Oroua contract prices not included in main return—*Re* other goods handled, bacon, biscuits, &c.—Butter-supply to grocers not restricted.
- AGAR, C. P., Secretary Taitapu Dairy Company, Christchurch (12/6/12; p. 99)—
Re factory co-operative concern among farmers—Wages do not affect butter-prices—Supplies local trade mainly—Surplus, if any, sent Home—Butter-fat prices and retail prices of butter—Butter last winter retailed at 1s. 6d.—No combine—Competition rife—Farmers butter 1½d. to 2d. per pound less—Factory butter costs ¾d. per pound to put up in pats—*Re* storing butter and keeping-qualities—Rise in price of butter-fat due to increased land-values—Increased cost of running factories due to better methods employed—Pasteurization, &c.
- BEISSEL, A. E., Manager Dairy Supply Company, Dunedin (6/6/12; p. 24)—
Re T. and P. Farmers' Co-operative Society—2,000 members wholesale and retail milk and butter suppliers—Prices of butter—Highest and lowest—Prices of milk—Summer and winter—Competition keen—Butter—fat prices—Cheese—Outside markets—Stored butter.

C. FISH.

SANFORD, A., Fishmonger, Auckland (20/6/12; p. 228)—

Buys wholesale from fishermen—Fish increased in price 50 per cent.—Surplus fish frozen—Trawling in Hauraki Gulf stopped—Mostly line fishing done—Fish bundles 2s. to 2s. 6d.—Prices fixed by fishermen—Retail competition keen—Delivery or distribution charges very high—11d. out of 1s.—Delivery advanced at least 50 per cent. to cost—Railway service inadequate—No proper facilities provided.

FERNANDOS, N., Fish-merchant, Wellington (3/7/12; p. 377)—

Re fish bought from fishermen at established prices—Trawling does not pay—Retail prices—Surplus fish smoked and put into freezer—Prices unusually high at present—Re fish auction—Open to public—Freights on railway too high—Rents and rates on shop very high.

NEWMAN, E. J., Fish-salesman, Christchurch (11/6/12; p. 90)—

Re wholesale fish merchant and auctioneer—Where fish are bought from—Prices vary tremendously—No ring among fishermen—Groper sold mainly 1½d. to 8d. per pound wholesale—Railway facilities inadequate—Prices of founders and fish sold by cash—Auctioneers will sell single fish—Fish destroyed, 15 cwt. in twelve months—Wellington and Christchurch prices similar.

SULLIVAN, F. J., Fish-merchant, Dunedin (4/6/12; p. 7)—

Re fish—Wholesale and retail—Distribution—Fish in public demand.

ALWARD, R. S., Manager New Zealand Trawling Company, Wellington (8/7/12; p. 440)—

Re wholesale and retail dealers—Company selling at a loss—Balance-sheet produced; loss £414 in Wellington—No combination or understanding as to prices.

STRAHAN, T., Fishmonger, Christchurch (13/6/12; p. 124)—

Re prices of fish increased owing to small and irregular catches—Market open—Auctioneers buy surplus and freeze it—How local fish are obtained—Freezing steadies prices—Difference between retail and wholesale prices about 25 per cent.

BUCHAN, J., Fish-curer, Dunedin (7/6/12; p. 58)—

Re railway freights on fish—Complains that they are excessive.

MCCUTCHEON, T. J., Fish-hawker, Dunedin (7/6/12; p. 57)—

Re fishermen limiting catch so as to raise prices—Hawkers buy at auction—Rabbits and retail prices.

GALLAGHER, J., Fisherman, Auckland (27/6/12; p. 336)—

Owner of oil-launch—Fish sold to dealers—Auctioning not favoured—Retailers profits small—Re trawler fishing—Cause of recent strike of fishermen—Better prices of fish secured by exporting to Australia—Government regulations and inspection harassing.

GARNAUT, M., Fisherman, Auckland (28/6/12; p. 356)—

Re retail prices of fish increased 200 per cent.—Fish scarcer and fishermen's expenses greater—Fishermen fix wholesale prices—Competition among retailers keen—Prices (quoted) secured by fishermen—Government regulations restrictive.

NIXON, ADAM, Engineer, Auckland (29/6/12; p. 362)—

Re trawler fishing—Fishermen control prices—Re stoppage of trawling by Government.

D'ORRIDENT, W. A., Fisherman, Christchurch (14/6/12; p. 155)—

Re Christchurch being practically a private market—Sales restricted to few buyers—Auctioneers buy and freeze fish—Methods explained—For five months average return to fishermen ½d. a pound—Retail prices 3d. and 4d. a pound—Auctioneers should sell to public and not be allowed to purchase fish themselves—Re train facilities—Should be extended.

KEENAN, F., Fisherman, Dunedin (5/6/12; p. 17)—

Re launch fishermen—Catch restricted—Commission charges 10 per cent.—Freights too high.

ALLPORT, G., Secretary Marine Department, Wellington (11/7/12; p. 473)—

Re regulations governing trawling and fishing generally—Advocates Municipal fish-markets—Tables showing quantity of fish exported 1909–10–11—Fish destroyed to keep up prices—Better statistics re fish under consideration.

CASEY, M. J., Chief Clerk, City Engineer's Office, Wellington (11/7/12; p. 484)—

Re fish destroyed and sent to destructor—Last year 257 tons stale fish sent—Fruit destroyed average about 100 tons a year.

REID, J. T., Printer's Broker, Auckland (24/6/12; p. 278)—

Re Scotch herring industry—Customs duties 10s. per hundredweight—Duty exceeds value of fish—Urges reduction to 3s. a barrel.

D. FLOUR.

VIRTUE, P., Flour-miller, Auckland (21/6/12; p. 243)—

Re flour-milling industry—No monopoly—Importance of industry emphasized—Danger of removing industry—Commonwealth's tariff quoted—New Zealand could not compete in world's market with wheat—Profits of millers very low—Present wheat prices—Encouragement given to industries in Australia—Competition with Southern Millers' Association.

SIMPSON, G. F., Flour-miller, Christchurch (12/6/12; p. 116)—

Not a member of the association—Present prices of wheat-products—No profits at present—Australian flour preferred.

HAMPTON, C. E., Flour-salesman, Christchurch (15/6/12; p. 162)—

No knowledge of Flour Trust—Bakers work on small profits.

GARDNER, WM. R., Flour-miller, Christchurch (12/6/12; p. 102)—

Home and foreign stock-jobbers cause prices of wheat to rise and fall mainly—Local conditions, e.g., area under crop, &c., affect prices first, then foreign influences—Wheat-areas in New Zealand, 1910, 1911, and 1912—Decreased area in 1912 due dearth of labour—No combination between miller and baker re flour-prices—Re increased cost of milling—Higher wages and shorter hours not counterbalanced by improved machinery—Re Flourmillers' Association and prices—Prices of wheat and flour from 1903 to 1912 inclusive—Profits over eighteen years never less than £1 per ton clear, now it is 4s. 8d.—Association regulates prices and output—Railway charges on flour—Bad debts average ½ per cent. on association's turnover of approximately £750,000—Re maintaining the association and means of breaking up a monopoly

—*Re* flour duty—Abolition would mean wiping out industry—*Re* wages harvesting-work—Thirty mills associated approximately and ten outside the association—Association output 3,500 tons monthly—outside mills about same—If mills all associated price would increase £1 per ton—*Re* Australian plants, and freights to New Zealand—Same charge practically from Australia to New Zealand as between Lyttelton and Auckland, namely 9s. per ton.

ALLEN, R., Flour-miller, Christchurch (13/6/12; p. 138)—

Member of Flourmillers' Association—Competition keen at present—*Re* Australian and New Zealand flour—Former makes more bread—Capacity of New Zealand mills double requirements—Output quoted of all mills—Present profits 2½ per cent. on turnover—Objects of association to prevent overlapping and avoid bad debts, &c.—*Re* Australian flour and dumping—*Re* removal of duty—Opposes this for reasons given.

E. FRUIT.

TONAR, J. B., Manager, Waitemata Fruit-growers Co-operative Society, Auckland (24/6/12; p. 285)—

Re objects of association—Sells for anybody—Bidding free and open—Some growers grade fruit badly—Delivery charges very high—Vegetable-market supplied by Chinese—Society is encouraging better system of packing and grading—*Re* export of fruit—Shipment to South America realized poor price—Fruit should be sold in lighter weights, *i.e.*, smaller quantities—Good deal of fruit sold privately—Members of association number 300.

TOOMAN, A., Fruit-auctioneer, Auckland (27/6/12; p. 331)—

Fruit-packing greatly improved—In auctioneers and retail prices there is an average difference of 20 per cent.—Prices very low this year—First-class fruit in short supply—*Re* Tasmanian apples—Most retail sales are sixpenny-worth—Charges on apples exported.

MITCHELL, J., Fruit-auctioneer, Wellington (3/7/12; p. 384)—

No combination among fruit-merchants—Prices for apples at auction quoted 19s. 7d. and 19s. 11d.—Low prices due to glut or condition of fruit—Cold storage advocated.

TOWNSEND, F., Fruit-auctioneer, Wellington (8/7/12; p. 440)—

Re advising growers as to state of market—Object of Auctioneers' Association—Competition existing—*Re* imported fruit and reason for fixing reserved prices—Distinct loss experienced on this business—*Re* exposing fruit auctioned—No compulsion to buy at auction—Price secured for vegetables—Refunds for inferior fruit—Mr. Simpson's evidence challenged—Bidding for fruit open to any one—Imported fruit not necessary if trade better organized—Commission charged 7½ per cent. on fruit, &c., sold—Apples and retail prices—Average profit of retailers about 25 per cent.—All soft fruits very cheap in season.

EVANS, W. M., Fruiterer, Auckland (27/6/12; p. 324)—

Re retail trade—Difference of prices between grower and retailer 25 to 100 per cent.—Regulation should fix size of cases—Practice of "topping" prevalent—Rates and taxes increase, also rent—75 per cent. local-grown fruit should not be marketed—Hobart apples preferred.

KEE, SING, Fruiterer, Wellington (10/7/12; p. 464)—

No ring among Chinese—Competition ruling—Apple-prices quoted.

JONES, W. W., Secretary Fruiterers' Association, Wellington (3/7/12; p. 385)—

No ring amongst buyers and retailers of fruit—Landlord gets all the profit—Hours very long—Very few paying businesses—Object of Retailers' Association—Retail prices of fruit—Advocates municipal market—"Topping" prevalent.

SIMPSON, H. J., Fruiterer, Wellington (4/7/12; p. 406)—

Retail prices of apples—Market free and open—Auctioneer fixes prices of imported fruit—Trade not flourishing with retailers—Dishonest packing of fruit and vegetables.

BLAKEWAY, F., Fruiterer, Christchurch (17/6/12; p. 180)—

Fruit-prices vary little—All fruit bought at auction—Bidding free and open—*Re* hawkers and Chinese competition—Unfair and harmful—*Re* apples and plums—Retail prices, &c.

FEAVER, F., Fruiterer, Christchurch (17/6/12; p. 191)—

Fruit mainly cheaper and present prices reasonable—Retail prices quoted—Growers do not always get fair prices—Chief increase costs in business are wages, rent, and rates—Hawkers not affected business.

MUNRO, C. T., Fruiterer, Dunedin (7/6/12; p. 38)—

No combine *re* fruit-selling—*Re* methods of sale through auction—Retail prices of apples—Auction prices fixed on imported goods—Cost of distribution 25 per cent. to retailer.

BOUCHER, W. A., Assistant Director Orchards, &c., Agriculture Department, Wellington (2/7/12; p. 362)—

Fruit industry flourishing—Number of trees planted—Fruit too dear to consumer—Distribution-expenses too high—Wholesale and retail prices given—Suggestion to send fruit through post—Proposal was under way—Cool-storage will also cheapen fruit and prolong season—Growers not sufficiently kept in touch with the market-conditions—Californian methods advocated and described—Whole industry wants organizing better—*Re* operations of Orchard and Garden Pests Act—Apples imported worth £56,000—Export of apples in experimental stage—Care in selection of fruit essential to success.

MYERS, J. S., Market-gardener, Christchurch (14/6/12; p. 153)—

Land-values increased 75 per cent., labour 50 per cent.—Auction prices secured for cabbages 8d. to 13d. per dozen—In one instance 2s. 2d. for 10 dozen—Returns for peas, potatoes, apples, &c.—Advocates opening up public market—Distribution-charges at present simply waste—*Re* milk supply—Wholesale and retail prices—Municipal management required—*Re* coupon system grocery trade, prize values exaggerated.

F. MEAT.

ABRAHAM, R. S., Stock-auctioneer, Palmerston North (10/7/12; p. 464)—

Re F. T. Moore's statements—Auctioneers and meat companies not in combination—Member of Retail Association, Palmerston North—Prices fixed by agreement—All retailers under promissory note not to sell—Cold-storage steadies prices.

MILLWARD, W. H., Chairman, Directors Gear Meat Company, Wellington (9/7/12; p. 453)—

Retail prices of meat 1890 and 1912—Cost of distribution analysed—Charges equal almost 1d. per pound—Returns for fore and hind quarter of beef and mutton—Abattoir charges—Local prices fair.

- MURRAY, WM.**, General Manager Christchurch Meat Company, Christchurch (11/6/12 ; p. 78)—
Re wholesale prices—Fluctuated very much—Meat exported, thirteen to sixteen million carcasses—Local consumption almost negligible—No trusts or combines—Retail shops being reduced and done away with—Freezing-charges ex ship, 1½d. pound—Sheep, 1d.—Tendency for labour to give less work for a given wage.
- GARRETT, J. W.**, Butcher, Auckland (28/6/12 ; p. 345)—
 Prices fluctuating over eight years—Trading is free and open—No bond binding retailers.
- REID, D.**, Butcher and Grocer, Auckland (28/6/12 ; p. 345)—
Re Merchants' Association and "scaled" groceries—Auckland Butchers combine—Meat prices fixed Penalties imposed—Bond of £25—Witness conducts cash trade—Sells meat cheaper by 1d. per pound—Retail prices quoted—Wholesale buying methods—Attempts to boycott at auction.
- SALMON, ROBERT**, Master Butcher, Auckland (24/6/12 ; p. 279)—
 No material rise in meat-prices in ten years—Bad debts equal 1 to 2½ per cent.—Labour cost increased 25 to 30 per cent.—Wholesale prices of beef lower—Mutton prices quoted wholesale and retail—Present wages quoted paid to shopmen—Abattoir charges and railway freights.
- WING, SAMUEL**, Manager Hellaby's, Auckland (26/6/12 ; p. 320)—
 Meat prices, wholesale and retail, 1903–1912 reduction shown and not members of association—Control of twenty-six shops—Prices not fixed—Competition keen—Wages increased 20 per cent.—Abattoir charges—Railway service satisfactory.
- BARBER, E. D.**, Master Butcher, Wellington (10/7/12 ; p. 458)—
 Local meat as high-class as that exported—Abattoir charges—How meat is purchased wholesale—Retail prices given for 1902 and 1912—Cost of distribution equals 0.96d. per pound—Local prices on bed-rock—Prices not fixed by Retailers' Association.
- HAMPTON, ERLE**, Master Butcher, Palmerston North (11/7/12 ; p. 479)—
Re meat-buying Palmerston North—Butchers associated—Prices fixed by agreement—Bond fixed £20—Penalty for breaking—Promissory note payable on demand—Breach of Commercial Trust Act—Retail meat prices Palmerston North—*Re* abattoirs privately owned—Not satisfactory—One butcher outside association.
- MATTHEWS, D. P.**, Butcher, Wellington (4/7/12 ; p. 403)—
 Does not belong to local association—Prices 1d. per pound lower—Association regulates prices—Wholesale prices of beef—Wholesale market for meat-buying open—Association prices fair—*Re* delivery expenses.
- DIXON, G.**, Butcher, Christchurch (11/6/12 ; p. 76)—
 Marked increase meat-prices—Wages of butchers—Home markets control local prices—Local retail prices for cash—Cost of delivery 1d. per pound—Abattoir charges—No combine or monopoly—High prices of stock responsible rise in price rural land.
- SMITH, THOMAS**, Master Butcher, Dunedin (7/6/12 ; p. 52)—
 No combination—Buying open—Prices of mutton and beef, retail and wholesale—Wages of men—Efficiency of men satisfactory.
- STEEL, F. H.**, Master Butcher, Christchurch (17/6/12 ; p. 175)—
 Prices not increased last twenty years despite high wages paid—Home market regulates local prices, beef excepted—Quality of local mutton not up to Home standard—*Re* abattoir expenses and charges—Cost of running shop ½d. per pound—Master Butchers' Association does not regulate prices—Witness's turnover very large—Charge for delivery ½d. pound over cash price—Wholesale prices of beef, 28s. to 30s.
- MATHEWSON, A.**, Butcher, Dunedin (5/6/12 ; p. 23)—
 Method of buying meat—Retailers at lowest prices in Dunedin—Cash only—His firm not in any combination—No evidence to give *re* existence of any ring—Delivery expenses ½d. per pound.—Wholesale prices of beef.
- SILL, W. E.**, Secretary, Butchers' Union, Auckland (28/6/12 ; p. 338)—
 Wages increased 15 to 20 per cent.—Wages nothing to do with meat-prices—Home markets fix prices—Locally sold meat inferior in quality to exported meat—Meat-prices fixed by association—Effect of competition on meat-prices—Scale showing prices 1909 and 1911 fixed by association—*Re* wholesale buying—Cheaper than Christchurch—Delivery charges ½d. extra over cash—*Re* operations of association—Only one butcher outside combine—Ignorance of meat-buyers—Difficulty of teaching children in domestic-economy classes as to selecting good and bad meat—Average weight of meat delivered daily.
- MOORE, F. T.**, Live-stock Dealer, Wellington (8/7/12 ; p. 433)—
Re combine of meat companies in North Island—Operations explained—Meat companies and auctioneers acting together—Auctioneers fix fictitious values—Favours nationalization of meat industry—*Re* bankers and small traders.
- REAKES, C. J.**, Director Live-stock Division, Agriculture Department, Wellington (6/7/12 ; p. 426)—
 Considerable improvement in standard quality of stock—Keen demand for dairy cows—Land speculation and "paying" value—Labour difficulty a general complaint with farmers—Farmers' children not unduly affected by dairy-work—Dairy cow, census 1911—Butter-fat average returns—Meat exported and retailed locally compared—Local meat sold equally as good as that exported—*Re* bacon industry—Loss in curing, &c.—Cost of distribution discussed—Poultry industry being fostered—Scarcity of labour—Remedies and difficulties discussed.

G. MILK.

- TAYLOR, CORNELIUS**, ex-Dairyman, Auckland (21/6/12 ; p. 255)—
 Cost of milk delivery 2½d. per gallon—Systematic delivery not possible under private control—Municipal or Government control of industry too expensive—Wages of carters—Milk-consumption average 1 quart per week per individual—Effect on children's health—Prices arranged by association—Cost of producing milk summer and winter—Quality of milk sold good—Wholesale milk prices, 8d. and 7d. per gallon—Employees must not enter into competition—Agreement explained.
- KEIRBY, J.**, Dairyman, Wellington (10/7/12 ; p. 467)—
Re wholesale and retail prices of milk—English rates quoted.
- MAHER, JAMES**, Milkman, Christchurch (11/6/12 ; p. 91)—
 Milk 4d. winter and 3d. summer—No combine among milk-proprietors—Unfavourable towards municipal control—Land rates very high—Bad debts very rife.

H. GROCERIES.

- MEADOWCROFT, F., Agent Cadbury's Cocoa, Wellington (10/7/12 ; p. 462)—
 Bournville cocoa not controlled by Merchants' Association—Retail selling-conditions fixed—*Re* bonuses on large orders—Systems of discounts explained.
- CRAWSHAW, T. B., Accountant, Aulsebrook and Co., Christchurch (18/6/12 ; p. 194)—
 No knowledge of combine in biscuit trade—Different discounts rule in different districts—Rule of trade responsible—Details refused in regard to this practice—*Re* protective tariff and English biscuits—Better class of biscuits demanded by the New Zealand public—Association practically defunct—Not formed to restrain trade.
- ROWE, G. F. T., Accountant, Fairbairn, Wright, and Co., Christchurch (12/6/12 ; p. 118)—
Re sugar and control of prices—Correspondence to Government from Fairbairn, Wright, and Co. read—Full details of operations of Merchants' Association—Tariff of prices for Colman's goods before and after "scaling"—Infants' food prices—Merchants retained duty—*Re* tobacco, soap, cocoa, marmalade—Correspondence with firms quoted—Galvanized hollow-ware "scaled"—Letters relating thereto.
- NOTTINGHAM, A. C., New Zealand Representative, Jeyes' Sanitary Compound Company, Christchurch (12/6/12 ; p. 95)—
 Represented Jeyes' Company seventeen years—Prices same for fifteen years—Merchants Association tried to tariff Jeyes, and increase selling-price—Pressure brought on his principals in London by president of the association—Attempt unsuccessful—Correspondence sent to New Zealand—Clothing little dearer over seventeen years, but food not increased in cost.
- PILKINGTON, F., Manager, Fairbairn, Wright, and Co., Wellington (11/7/12 ; p. 484)—
Re Varcoe's evidence—Selling below tariff rates—Scott's Emulsion referred to—Wholesale and retail prices fixed—*Re* starch—Merchants' Association and outside merchants' prices and discounts—Letter read from White Swan manufacturers.
- FULTON, G. L., General Merchant, Wellington (4/7/12 ; p. 393)—
Re operations of Merchants' Association—Correspondence *re* matches, tobacco, and Edmonds' baking-powder read—*Re* penalty of £100 for breach of scale rates—Rule quoted—Operations of butter ring—Names of Wellington Merchants' Association.
- JAMIESON, A. W., Acting-Manager New Zealand Farmers' Co-operative Association, Christchurch (18/6/12 ; p. 204)—
 List showing grocery prices, 1894, 1900, 1905, 1910, and 1911—Increases and decreases—*Re* bacon, cheese, and butter prices—Profits on bacon small—Causes of increased prices of groceries—Crockery, furniture, &c.—Prices vary—Tendency to be cheaper—Extended credit system—Policy of Farmers' Co-operative Association—Reasonable prices fixed—Prices more stable as the result of establishment of association—Tariff remissions have benefited consumers—*Re* monopolies—Association member of Retail Grocers' Association—Certain prices fixed by retail association—Nothing binding on Co-operative to observe such prices—Monopoly fix prices contrary to association's policy.
- HEADLEY, D. A., Grocer, Auckland (28/6/12 ; p. 344)—
Re egg market—Handles 2,000 dozen weekly—Newspaper price generally low—*Re* "scaled" goods—Discounts on quantities of matches.
- M McNAB, T. D., Grocer, Auckland (28/6/12 ; p. 341)—
Re egg prices—Fixed by ring—Names of firms quoted—Producers' prices depressed—Range of prices from producer to consumer quoted—Egg contracts for southern firms—*Re* "scaled" grocery goods.
- BOLTON, A., Grocer, Wellington (3/7/12 ; p. 377)—
 Operations of Merchants' Association *re* "scaled" goods—Matches, brooms, salt, biscuits, starch, pepper, Sunlight soap, candles, baking-powder, tobacco, &c.—Short-weight butter and excess of moisture—Duty should be removed—*Re* house-rents—Comparison with Old Country—Rent here overshadows all other expenses—Full list of tarified lines and wholesale prices—Short weights in jam and pepper—Condensed milk (New Zealand) "scaled"—Protective duties should be abolished to prevent "scaling," especially off flour, matches, starch, candles, corn brooms, soap, and biscuits—Retailers' profits very low—Cutting rampant.
- TURNBULL, J. F., Grocer, Wellington (10/7/12 ; p. 456)—
 Wellington Merchants' Association and control of prices—All prices advanced of "scaled" goods—*Re* matches, marmalade, brooms, tobacco, starch, sugar, butter, kerosene, biscuits, mustard, &c.—Short weights of packed goods—Moisture in butter—Town tariffs or country tariffs—Country storekeepers supplied by merchants at cheaper rates—City shops pay 10 per cent. more for groceries and 10 per cent. more for biscuits than country shopkeepers.
- VARCOE, JOHN, Grocer, Wellington (10/7/12 ; p. 468)—
 "K" jam not "scaled"—Tariff ruling on certain lines—*Re* supplies stopped by Fairbairn, Wright, and Co.—Reason given, selling too cheap.
- BOWYER, C., ex Grocer and Draper, Christchurch (14/6/12 ; p. 145)—
Re Merchants' Associations methods—Boycotting supplies—Objects of association mainly to fix prices for their own benefit—Correspondence produced.
- LOW, H. B., General Grocer, Christchurch (11/6/12 ; p. 88)—
 Market not free and open for grocery-purchases—Excessive charges of wholesale merchants—*Re* "scaling" goods—Advantages in buying large quantities—Prices compared in a large and small way—*Re* sugar—Highlander milk, mustard, Neave's Food, Bournville cocoa, &c.
- WESTGARTH, J. J., Builder and ex-Grocer, Christchurch (11/6/12 ; p. 92)—
Re purchasing supplies of groceries—Methods of merchants—Supplies stopped owing to selling lower than other retailers—Later joined association and agreed to conform to selling-prices—Prices sometimes too high and gave unfair profit—Building-material increased in price four times in eighteen months—Present price of red-pine quoted.
- PEDEN, S., Master Grocer, Dunedin (6/6/12 ; p. 32)—
Re tarified goods—Selling-prices fixed, and "dearer"—Sugar, manufacturers' profits big—Competition would cheapen groceries if free and open—Local association formed to prevent cutting—Dried fruit no cheaper with duty off—Tinned fish and duty paid.

- ROBERTS, WILLIAM. M., Master Grocer, Dunedin (6/6/12; p. 28)—
Re operations Merchants' Association—Prices fixed—Majority of lines tariffed—Names of merchants in local association—Unfair trading—Selling at cost—Could buy 10 per cent. to 15 per cent. cheaper if market free—Purposes of local Master Grocers' Association.
- WILSON, R. W., Grocer, Dunedin (5/6/12; p. 20)—
Re "scaled" goods—Merchants' Association methods—Matters growing worse—Free competition desirable.
- MERCER, A. B., Secretary Master Grocers' Association, Dunedin (7/6/12; p. 46)—
Re meetings of master grocers and merchants—Re operations of Merchants' Association—Re Grocers' Mutual Protection Association.

I. SOAP AND CANDLES.

- BELL, THOMAS, Manager Oil, Soap, and Candle Company, Auckland (27/6/12; p. 328)—
Prices for soap fixed at certain rates—Company associated with Merchants' Association—Certain discounts given on proprietary lines only—Retail prices also fixed—Duties on imported soap—Re T. H. Hall and Co.—As this firm not member of Merchants' Association, would not get discounts—Considers fixing retail prices justifiable.
- HALL, J. W., Merchant, Auckland (22/6/12; p. 258)—
Correspondence with Union Oil Soap and Candle Company read—Supplies of soap, candles, &c., stopped—Presumably not a member of Merchants' Association—Wholesale and retail grocery profits not improperly high.
- BULL, E., Manager, New Zealand Candle Company, Wellington (9/7/12; pp. 446 and 484)—
Re candles—Prices are not controlled by Merchants' Association—Reduction in prices due to decline in cost of paraffin wax—Re weights of candles—16 oz. net always given by his firm—Present duty 1½d. on imported candles—Re Burmah candles and black labour—Prices for candles very low, 5½d. and 5d. per pound—Trade is perfectly open—Re wax prices since 1909.
- MANTON, F. W., Candle-manufacturer, Wellington (10/7/12; p. 461)—
Re candles and short weights—Bulk trade previously done in 15 oz. candles—Since competition started prices reduced to consumers—Figures re fluctuations in price—Re duty on paraffin wax.
- FRENGLEY, J. P., M.D. and Medical Secretary Department of Health, &c., Wellington (11/7/12; p. 480)—
Effect Sale of Foods and Drugs Act and regulations—Foodstuffs analysed—New regulations proposed—Their purpose—Re food-adulteration—Labelling proposed—Re milk-supply—Municipal control—Difficulty in distribution—Re purchase of food and humbug—Re margarine and local manufacture—Butter defined—Foodstuffs destroyed—Re short-weights of packet and tinned goods.

SECTION II.—CLOTHING AND BOOTS.

- A. BOOTS: Boot-manufacturers; boot-retailers; boot operatives.
 B. CLOTHING AND DRAPERY: Manager, woollen-mill; clothing-manufacturers; drapers and clothiers.

A. BOOTS.

- BRUNSKILL, W., Boot and Shoe Manufacturer, Wellington (9/7/12; p. 448)—
Materials greatly increased in cost—Extra cost of labour and materials counterbalanced by efficient machinery—Re trade in hides—Pays to export—Considers retail profits fair—Re branding boots—Local-made boots as good as imported—Increased protection urged—Factories in New Zealand manufacturing comparatively cheap boots—Retailled at 12s. to 15s. per pair—Duty off slippers agreed to.
- PRITCHARD, D. K., Bootmaker, Wellington (10/7/12; p. 469)—
*Certain classes of imported boots preferred—Samples produced locally made goods—English and New Zealand wages, &c., compared—Branding boots—Suggests branding for quality only—Co-operation of operatives advocated—Statistics re industrial growth—Favours *ad valorem* duty—Middleman's profit 50 per cent. and over.*
- WARD, C. J., Boot-factory Manager, Wellington (3/7/12; p. 381)—
Materials advanced 33 per cent.—Wages increased but boot-prices not affected—Men more efficient and turning out better-class work—Leather-prices increased from 10½d. to 14½d. per pound in ten years—Labour-cost in making boots—Re tariff—Some lines should be admitted duty-free—Labour-conditions in England and New Zealand—Branding of boots—Foreign names used by manufacturers—Free trade in boots would close up every New Zealand factory—No trouble to secure female labour—Importations equal quantity manufactured by firms.
- ALLAN, R., Managing Director, Skelton, Frostick, and Co., Boot-manufacturers, Christchurch (11/6/12; p. 80)—
Boot-prices increased—Due mainly cost of raw materials—Sole-leather increased 60 per cent., uppers 40 per cent.—Labour-cost increased also—Fashion and prices—No combine—Competition open and free—English and foreign specialization—Re tariff—Duty must be maintained—Local wages—Labour-cost and production, one-third—Cost of children's boots—Scarcity of female labour—Quality of New Zealand boots—Amalgamation of plants—Re boot-importers and local manufacture.
- DELACOUR, P. J., Boot-manufacturer, Christchurch (10/6/12; p. 64)—
No combination boot-manufacturers—Cost of manufacture locally and abroad—Tariff charges—Recommends removal of duty on boots under certain value—Wages and leather increased—Re cheap imported slippers and duty.
- O'BRIEN, M. J., Boot-manufacturer, Christchurch (12/6/12; p. 98)—
Boot-prices increased chiefly due cost of material—Leather-prices increased 14 to 16 per cent.—Re using foreign brands—High-priced boots bear foreign brand.
- HOLDSWORTH, W. J., Boot-retailer, Auckland (28/6/12; p. 343)—
*Effect of boot tariff—Slippers and evening shoes heavily taxed—Association does not regulate prices—Retail prices quoted—Profits not high—Duty on children's boots—Should be remitted on special lines—*Ad valorem* duty preferred—Nugget polish a "scaled" line—Raw material greatly increased in cost—Fashion turned trade upside down—Prices on up grade.*

- MILLER, THOMAS, Boot-retailer, Auckland (21/6/12; p. 237)—
 Boot and shoe prices increased—Effect of Customs tariff on imports—Classes of boots affected by tariff—
 Children's shoes and slippers heavily taxed although not manufactured locally—Duty on evening shoes
 increased from 22½ to 115 per cent.—Cheap boots completely shut out by present tariff—*Re* rents and
 returns received for household property—Fish—prices high, due to cost of distribution—Advocates
 Government monopoly of fish trade.
- DU FEU, J. N., Boot-retailer, Christchurch (12/6/12; p. 117)—
 Rent of shops too high—Retail profits about 25 per cent.—*Re* brands—Some classes of boots not increased
 in price over twenty years—Advocated reduction of duty on cheap boots and slippers—English boots
 can be sold cheaper than locally made ones despite duty and other charges—Increase in duty is followed
 by local manufacturers raising prices.
- LAFFERTY, CHARLES, Boot-retailer, Christchurch (13/6/12; p. 131)—
Re shoddy boots imported and sold—Samples produced—Branding German goods—No combination among
 retailers to fix prices—Approves idea of training girls to distinguish qualities of boots and other goods
 in domestic training course—Women more easily gulled with shoddy than men—*Re* laces and wholesale
 prices.
- THORNTON, J., Boot-retailer, Christchurch (17/6/12; p. 189)—
 Increase in cost of boots due to better article required—Competition open—Trade, with witness, mainly with
 imported boots—Foreign brands on locally made boots do not deceive retailer—Rates and rents increased
 enormously.
- HUTCHISON, J., Boot-machinist, Wellington (8/7/12; p. 438)—
Re export duty on hides—Best hides are exported—Industry should be fostered in New Zealand—Prejudice
 against New Zealand boots falling off—Now thoroughly well made—Boots should be branded if made
 of shoddy—Retailers do not know what they are buying, *i.e.*, colonial or imported boots—Better boots
 in demand—Trade should be run by State—Defence Department's contract for Territorial boots—
 Efficiency of men not falling off—Average wages 53s. 6d. for full week's work—Advocated retention of
 duties—All classes of boots can be made in New Zealand.
- WILLIAMS, WILLIAM, Boot-trade Employee, Christchurch (12/6/12; p. 96)—
 Vice-president New Zealand Federated Boot Trade Workers—Living more expensive all round—Boot-prices
 increased—New machinery and specialization reduced cost of labour—Wages on £1 boot (retail) 1s. 6d.
 —Retail profits unduly high—Instance given—English and Dominion wages compared—Foreign brands
 on locally made boots—Retailers are dominant factors in local trade—Labour cost of making boots
 analysed.

B. CLOTHING AND DRAPERY.

- LEITHEAD, T. R., Manager, Kaiapoi Wollen-mills, Christchurch (17/6/12; p. 190)—
 Wool not increased in price in recent years—Manufacturing cost same as ten years ago—Improved machinery
 responsible and can be set against increased wages—Labour needs satisfied at present.
- KING, F. M., Clothing-manufacturer, Auckland (21/6/12; p. 241)—
 Wholesale trade only—Prices increased 15 to 20 per cent.—Labour chiefly responsible—Cost of making cloth-
 ing quoted—Average earnings of workers compared—Efficiency of employees falling off—*Re* cost of
 protection in flour, clothing, and boot industry.
- CATHIE, C., Clothing-manufacturer, Wellington (9/7/12; p. 452)—
 Better class of goods now sold, consequently prices higher—No combination among manufacturers—Labour
 has increased from 20 to 25 per cent.—Cotton goods greatly increased in cost—Higher standard responsible
 for dearer living—Labour shortage acute.
- DONNE, A. E., Secretary, Wellington Woollen-manufacturing Company, Wellington (9/7/12; p. 455)—
 Labour cost increased 20 per cent., materials 12½ (trimmings)—Better styles and quality demanded—Labour
 shortage acute—Market free and open—Methods of manufacture greatly improved—Minimum wages
 exceeded.
- MINTY, WILLIAM, Factory-manager, Kaiapoi Clothing Company, Christchurch (11/6/12; p. 86)—
 Labour charges considerably increased—Since 1902 37½ per cent. in wages journeymen, male operatives
 10 per cent.—No difficulty securing hands—Efficiency of labour deteriorating—Labour represents half-
 cost factory-made clothing—Introduction of labour-saving machines reduced cost of product.
- ROSS, JOHN, Clothing-manufacturer, Dunedin (5/6/12; p. 22)—
 Cost of clothing increased—Woollen goods manufactured slightly higher than twenty years ago—Made-up goods
 increased 10 per cent. to 20 per cent.—No association to fix prices.
- CAUGHEY, A. C., Draper and Clothier, Auckland (26/6/12; p. 319)—
Re drapery and clothing prices—Increased prices small compared with previous years—Cost of men's clothing,
 better qualities required—No combination in restraint of trade—Rents, wages, land-values increasing.
- COURT, GEORGE, Draper, Auckland (27/6/12; p. 335)—
 Tweed suits increased in cost in five years 10 per cent.—Drapery increased generally 10 per cent. in five years
 —Superior articles in demand—Fashion more studied—Rents chief cause of rise in living.
- GILL, H. O., Draper, Christchurch (17/6/12; p. 175)—
 Cheaper class of drapery sold now—People satisfied with poorer quality goods—Business expenses increased—
 Absolutely free wholesale market.
- SIMM, WILLIAM, Manager, Drapery Company, Wellington (9/7/12; p. 447)—
 No appreciable rise in drapery prices—Character of trade changed—Better quality and style demanded—
 Pay of assistants not advanced but conditions improved—Public benefits by tariff remissions.
- FREE, H. V., Draper, Christchurch (15/6/12; p. 163)—
 Drapery not increased generally—Increase mostly in articles of luxury—Ready-made suits not in demand—
Re tariff and its effect—Wages and expenses increased generally—Effect of increased wages on prices
 equals 1 to 2 per cent.—Very few bad debts.
- RICKETTS, F. W., Draper's Assistant, Christchurch (13/6/12; p. 131)—
 Drapery, especially locally made articles, and luxuries increased in price—Articles of necessity not increased
 much—Woollen goods increased 10 to 15 per cent.—Silks 5 to 10 per cent.—Effect of tariff reductions.

SECTION III.—BUILDING AND RENT.

- A. BUILDING: Manager, timber company; timber-merchants; sawmillers; architects; builders; carpenters; union secretary; brick and tile manufacturer; timber combine (Wanganui).
 B. RENT: Land and estate agents.

A. BUILDING.

- LEYLAND, W. B., Manager Timber Company, Auckland (29/6/12; p. 360)—
 Increased cost of timber explained—Figures *re* prices and wages given—Average cost of erecting artisans' dwellings—Local timber rates increased—Figures given and other expenses also quoted—Oregon timber duty should be abolished—Freight rates and effect on farmers.
- BOWATER, WILLIAM H., Sawmiller, &c., Greymouth (10/6/12; p. 58)—
 Export of timber from West Coast 50 to 60 million feet per annum—Several mills arrange prices—Prices have considerably increased—Wholesale prices of timber quoted—Increased cost due to increased wages—Railway freights, royalties, and accident insurance—Steamer freights—Output per man less—White-pine trade nearly whole output goes to Australia.
- HUTCHEN, J., Timber-merchant, Wellington (3/7/12; p. 383)—
 No increase in timber-prices over twenty years ago—Prices of O.B. red-pine—Kauri much dearer—No local ring—Competition ruling.
- ODLIN, C. C., Timber-merchant, Wellington (10/7/12; p. 466)—
 Prices of timber quoted 1908 and 1912—Duty on Oregon timber should be removed.
- GOSS, WILLIAM, Timber-merchant, Christchurch (12/6/12; p. 106)—
Re timber prices and causes of increase—Due mainly extra cost of getting it—Timber-merchants associated—Prints and publishes prices after being fixed at a meeting—No control over timber-suppliers—Increased cost of labour not met by improved machinery—Rates and taxes increased—Quality of timber better to-day than formerly—Rating system on unimproved values criticized.
- WALLER, E. W., Timber-merchant, Christchurch (12/6/12; p. 108)—
 Timber trade not prosperous as competition too keen—His firm in association—Plenty of ways of getting timber outside association—Sawmill charges increased 15 per cent., freight 19 or 20 per cent., railage and wharfage 4 per cent., cartage 20 per cent., wages 12½ to 15 per cent.—House much better built and better material used.
- SLATER, JAMES, Architect and Engineer, Auckland (28/6/12; p. 352)—
 Building-cost increased 33 per cent. in ten years—Materials increased immensely—Labour cost equals half cost of total—Auckland brick prices very high—Men's efficiency fallen off.
- CHARLESWORTH, J., Architect, Wellington (5/7/12; p. 425)—
 Timber-prices increased 5 or 10 per cent.—Bricks are 50s. per thousand—Labour increased about 5 per cent.—Not noticed any falling-off of the efficiency of building-trade workers—Better type of building required—Prices of land excessive.
- TEMPLE, W., Architect, Workers' Dwellings, Wellington (8/7/12; p. 431)—
 Timber-prices increased 5 per cent. in five years—Materials generally, bricks, &c., increased 5 per cent.—Workers' dwellings scheme—Comparative cost of building in different centres of same class of house—Cost of labour and material given—*Re* builders' discounts—Architects acting as commission agents—Architects' fees—Efficiency of men improved in five years.
- MCCALLUM, R. H., Builder, Auckland (21/6/12; p. 352)—
 Building-materials doubled in cost in twenty years—Wages increased 25 per cent.—Output less—Men less efficient and not as smart—Men lazier and more inclined to luxury—Cross-examined on figures submitted—*Re* brick buildings and increased prices—Sawmillers' Association a combine—Price-lists all agree.
- ROWE, JOHN, Builder and Contractor, Auckland (28/6/12; p. 349)—
 Timber-prices considerably increased—Statistics given 1898, 1899, 1900, and 1910—Accounts all paid through association—Rents increased by 1s. week owing to enhanced site-values—Oregon and jarrah should be duty-free—Brick prices cheaper in Dunedin and Sydney—Advocates State taking over industry—Carpenters' efficiency less—Cost of house building in 1891 £280, in 1912 a similar house would cost £347—Plumbers', painters', and carpenters', wages then and now—Men should be classified and wages paid accordingly—Increased export duty on kauri urged.
- TREVOR, J., City Councillor, Builder, &c., Wellington (3/7/12; p. 374)—
 Timber increased 10 per cent. to 15 per cent. in ten years—Unskilled labour 12 per cent. to 15 per cent.—Skilled labour has not risen so much—Five-roomed house ten years ago would cost £300, to-day £450—Sanitary arrangements much better now—Workers not so efficient as formerly—Prices of bricks detailed—Now 50s. a thousand—Prices arranged by three manufacturers—Bricks can be bought from outsiders—Workers do 20 per cent. less work than few years ago.
- TAYLOR, CHARLES, Builder, Christchurch (17/6/12; p. 193)—
 Timber-prices 1894 and 1912, 9s. 3d. and 15s. 3d. respectively—Style of houses greatly altered—Men's efficiency fallen off—Timber-market open and competitive.
- BANFIELD, H., Organizing Secretary, Carpenters' Society, Auckland (28/6/12; pp. 352 and 356)—
 Carpenters' wages increased slightly—Better-class work done now—Carpenters' labour in £350 cottage about £35.
- O'BYRNE, THOMAS, Union Secretary, Timber Workers, Invercargill (7/6/12; p. 41)—
 Increased price timber mainly due demand—Increased 200 per cent. in fifteen years—Fifteen men will produce 4,000 ft. timber daily—Advocates State control timber industry—*Re* Oregon timber and duty—Housewives' Union—Coal—Land-prices—Very high—Speculation.
- CRUMB, ALBERT, Brick and Tile Manufacturer, Auckland (29/6/12; p. 359)—
 Bricks—Prices quoted—To-day 46s. 6d. a thousand—Prices fixed by agreement—No bond—Quality of Auckland bricks poor—Wages of men increased—Output not so good per man as formerly—Men not so efficient—Wages paid in excess of award equals 1s. 6d. extra.
- FENTON, C. E., Joiner, Wellington (10/7/12; p. 457)—
Re Machine Framing Company—Timber contract broken on account of action of timber-merchants combine—Mill now idle—New method meant saving of material, in cost of labour, and better job.

B. RENT.

- EWINGTON, F. G.**, Land and Estate Agent, Auckland (25/6/12; p. 298)—
Land-values Auckland and district greatly increased in value—Workmen's rents dearer by 20 to 25 per cent. over 1902—Higher prices of land and building-material mainly responsible—Advocates extending railway system and opening up more land.
- GELLATLY, A. A.**, Land Agent, Wellington (10/7/12; p. 467)—
Land in Wellington greatly increased—Slightly receded last five years—Rents on various tram sections—Rents average 15 per cent. reduction last five years.
- LONGMORE, A.**, Land and Estate Agent, Wellington (8/7/12; p. 442)—
Rents on down grade during last five years—Land-values in suburb drop—Ground values too high in city—City sales quoted.
- HISLOP, H. W.**, Land Agent, Christchurch (10/6/12; p. 61)—
Marked increase land-values in Christchurch in last ten to fifteen years—Increase depends on locality—Rent of house cheaper than purchasing—Over £1 per week rental value—Rating on unimproved value not affected prices but cause more subdivision—Tenants less careful with rented houses than formerly and demand more comforts—Hot and cold water, sewer-connections, &c.
- BOWLING, W. A.**, Land Agent, Dunedin (6/6/12; p. 30)—
Re land-prices—Increase mainly fashionable quarters—Distinct increase all round.
- SCURR, THOMAS**, Land and Estate Agent, Dunedin (5/6/12; p. 19)—
Re rents—Not materially increased.
- WASHER, A.**, Land Agent, Roslyn (6/6/12; p. 27)—
Re rents—Increased 20 per cent. to 30 per cent., ten to fifteen years—Land-values increased 200 per cent.—Materials, house building, increased 25 per cent.—Labour cost heavier.
- YOUNG, HERBERT**, Land Agent, Dunedin (6/6/12; p. 31)—
Land-values increased 100 per cent. in some localities in five years, 200 per cent. in ten years—Rents, Mornington, &c.—Increase in materials, &c., equals £25 or £30 for four-roomed house.

SECTION IV.—COAL, AND FUEL AND LIGHT.

A. COAL: Chairman, mining company; coal-merchants (wholesale); coal-dealers (retail); coal combine (Westport).

B. FUEL AND LIGHT: Gas companies; coke; oil (kerosene); electric light.

A. COAL.

- ALISON, E. W.**, Chairman Directors, Taupiri Coal-mines, Auckland (27/6/12; p. 332)—
Wholesale prices of coal, 1907, 1908, 1909—Discounts given according to quantity taken—Wages of miners quoted, 1903, 1910—Considerable increase granted, hours reduced—Not possible to supply coal to small consumers—Company's trade in Auckland confined to dealers.
- CRAIG, E. A.**, Carrying and Coal Merchant, Auckland (28/6/12; p. 342)—
Spasmodic increase in carrying-cost—Labour legislation reduced margin of profits—Labour-cost increased—Output decreased—Men slowing down—Reasons given for rise in cartage rates of 6d. per ton—*Re* freights coastal and intercolonial—Flour from Victoria 10s. to 12s. 6d., and chaff 15s. to 17s. 6d. per ton—Newcastle coal 9s. 6d. a ton to Auckland—Prices for Taupiri coal fixed by dealers—Selling-prices quoted, 1900, 1906, 1908, 1910, 1912, for Taupiri coal—Profits very low, equal 6½d. per ton—State could not compete—Extravagance and high standard of living of workers responsible for present affairs—Pleasure first—Loyalty to employers follows.
- WINSTONE, G., jun.**, Coal-merchant, Auckland (26/6/12; p. 316)—
Cost of distribution increased considerably—Items given—Wages increased, but men not so efficient—Socialistic teaching responsible—Association of coal-dealers—Fixed fair price for fair article—General objects of association outlined—Wholesale prices of coal—214 members of association—Excessive freights on railways—Huntly prices quoted 1900—Wellington and Auckland prices compared—Prices in Auckland bound to rise—Newcastle coal and Taupiri coal—Demand 50 to 1 in latter's favour—Statement *re* average quantity of coal delivered by carter.
- FLAVELL, W. A.**, Branch Manager, Coal Company, Wellington (8/7/12; p. 437)—
Re Westport Coal and Union Steamship Company—Cost of screening Westport and Newcastle coal compared—Retail price 34s. a ton cash, wholesale 25s.—Delivery-charges heavy.
- JOACHIM, GEORGE**, Manager Coal Company, Dunedin (4/6/12; p. 5)—
Re Westport coal—Prices retail—Freights—Union Steamship Company—Household expenditure.
- BINES, W. F.**, Coal Dealer and Carrier, Auckland (29/6/12; p. 358)—
Coal prices fixed by association—*Re* efficiency of men—Less work turned out nowadays—Cost of coal to merchants, 23s. 3d. net—To dealers, 24s. 9d. net—Dealer delivers tariff rate 31s. per ton—Twelve years ago prices were 24s. per ton.
- CARPENTER, J. M.**, Coal-merchant, Auckland (21/6/12; p. 250)—
Retail charges for coal—Taupiri charges, 1902, 1905, 1908, 1909—Difference of 4s. a ton between yard price and selling-price to-day—Objects of association of coal-merchants—Prices fixed—Wholesale merchants members of this association—Prices for various quantities—Causes of increased cost of coal—Details of cost of handling given—Coal weighed before sold to public.
- BROWN, S. S.**, Timber, Coal, and General Merchant, Wellington (9/7/12; p. 444)—
Costs of coal detailed ex wharf to consumer—How coal is sold—Thirty-two dealers in Wellington—Prices of Westport coal in 1906—Retail business not paying—*Re* bad debts—Details given.
- QUINLIVAN, T.**, Manager, State Coal Depot, Wellington (3/7/12; p. 376)—
Business increasing steadily—Increased in six years from 14,000 to 28,000 tons output—Coal-prices, 1906 28s., 1912 29s., in city—All trade on cash basis—Local association in existence twelve years—Demolished by Westport Company—Delivery-charges increased.
- BROWN, THOMAS**, Managing Director, T. Brown (Limited), Coal-dealers, Christchurch (15/6/12; p. 168)—
Increased prices of coal due to labour-cost and inefficiency of men compared with previous years—Cost of discharging coal-trucks and of delivering coal quoted—*Re* short weight of coal—All weighed before delivery.

- REDPATH, D.**, Coal-merchant, Christchurch (11/6/12; p. 85)—
Retail prices coal (Newcastle only)—Increased from 34s., 1900, to 37s. per ton delivered, 1912—Prices regulated by Coal-merchants' Association—Not binding—Wholesale buying open to any dealers—Raillage charges, quarter-ton charges—Different coal-prices compared.
- GUNN, F. J.**, State Agent, Dunedin (5/6/12; p. 11)—
Coal—Retail prices, &c.—Retail Dealers' Association—Harbour dues.
- MUNRO, F. F.**, Shipping Agent, Westport (8/7/12; pp. 388 and 429)—
Combination of coal-owners with shipping companies—Union Steamship Company and other shipping companies have arranged freights—Outsiders cannot get coal freights (on Newcastle and Westport coal)—*Re* State coal and order for 1,000 tons—Coal not supplied—Consumers pay more for coal than they should owing to want of competition in freights—Coal-measures hampered in development—Industrial unrest caused—Remedy suggested—Letters and documents put in.

B. FUEL AND LIGHT.

- STEWART, W. F.**, Secretary Auckland Gas Company, Auckland (21/6/12; p. 246)—
Balance-sheet handed in—Gas prices 4s. 3d. net—Discounts given to large users—Prices since 1892—Reserve funds and capital—Market value of shares—*Re* coal-suppliers and comparative cost with Wellington prices—Coke sold to one contractor.
- FERGUSON, WILLIAM**, Managing Director Gas Company, Wellington (4/7/12; p. 404)—
Re gas prices 1891, 1896, 1905, 1912—Cost of coal delivered at works quoted for years 1901, 1906, 1911—Wages of workmen increased—Ratio of expenditure to income equals 1891 65.2 per cent., 1911 74.66 per cent.—Gas produced per ton of coal 12,000 cubic feet—Cost of living increased considerably—*R* subscriptions—Serious matter of expenses.
- RICHARDSON, S.**, Tramways and Electrical Engineer, Wellington (8/7/12; p. 437)—
Cost of current (1900) 9d., 1912 7d.—Municipal control since 1907—Average cost of lighting five-roomed house 1900, 7s.; 1912, 4s.—Metallic filament lamp responsible—Wage-bill considerably increased—Coal-bill, 1912—Delivered, &c., 18s. net—Water-power should further decrease cost.
- BISHOP, R. C.**, Secretary Christchurch Gas, Coal, and Coke Company, Christchurch (14/6/12; p. 158)—
Capital of company £200,000, shareholders 350—Dividend last year, 10 per cent.—Wages increased in ten years 25.16 per man—Gas cheaper—Rates now 5s. 9d. and 4s. for power—Coke and tar prices, &c.—Details of manufacturing-cost not disclosed—Cost of gas to consumers, typical dwellings of workers taken—Average 10½d. per house per week—Mantels, burners, and upkeep maintained free of expenses to consumers—Dates of reduction in gas-prices from 1888 to 1909 given.
- CHAMBERS, C.**, Manager Vacuum Oil Company, Christchurch (13/6/12; p. 129)—
Prices of oil for fuel, &c., regulated by foreign market—Competition free—No agreement with merchants—Wholesale selling-prices fixed—Retail prices open.
- SCOTT, J. C.**, Christchurch City Electrical Engineer, Christchurch (18/6/12; p. 214)—
Charges for electric light—Average rate 6d. to 3½d. per unit for light, 3d. to 2½d. for power—Wages increases 1906, 1907, 1908, 1910, and 1911—Coal-prices increased—Balance-sheet supplied—Lake Coleridge scheme.
- TIMLIN, J. W.**, Accountant Electric Light Department, Dunedin (7/6/12; p. 57)—
Ruling prices for gas—Net price 5s. per 1,000 ft.—Electric light and power charges—Cost to residential consumers—Average 4s. 2d. to 4s. 5d. per month—Cost of fitting electric light £1 a point—£10 for five-roomed house—Electric light cheaper than kerosene.

SECTION V.—FURNITURE AND HARDWARE.

- A. FURNITURE: Furniture-manufacturers; furniture-retailers; Furniture Union Secretary.
B. HARDWARE: Hardware-merchant; hollow-ware-manufacturers; range-manufacturer.

A. FURNITURE.

- GARLICK, G. C.**, Furniture Warehouseman, Auckland (27/6/12; p. 330)—
Cost of furniture has risen considerably owing to wages cost—No combination amongst retailers—No definite information *re* rise in wages or materials—*Re* bailments and tariff—No information to give.
- BISHOP, A. J.**, Cabinetmaker (wholesale), Wellington (8/7/12; p. 437)—
Prices of timber. 1892, 1901, 1907, 1912, quoted—All timbers used by cabinetmakers greatly increased in cost—Furniture much plainer—Hence no increase in price—Bevel-plate and silver-plate glass decreased 50 per cent.
- COLLIE, E.**, Furniture-maker, Wellington (3/7/12; p. 383)—
Timber-prices increased 10 per cent.—Furniture styles completely changed—Better and cheaper now—Men do more work than they used to do although hours less—*Re* bailments—Practice described—Time-payment system beneficial.
- HALSE, C. W.**, House-furnisher, Wellington (5/7/12; p. 426)—
Time-payment system—About half business done on this basis—Deposit one-third generally—Bailments executed—Advantages of system.
- ATKINSON, W. S.**, Furniture Warehouseman, Christchurch (17/6/12; p. 183)—
Re time-payment system—No very definite information—Increased prices due to extra cost of timber—Rise in twelve years equal 57½ per cent.—Labour increased, upholstering 22½ per cent., furniture 7½ per cent.—Timber-prices given 1900 and 1912—*Re* hollow-ware and increase in prices—39 per cent. in cheap lines—Linoleums and floor coverings increased 12½ per cent.—Those goods "scaled" to the best of his knowledge.
- JOLLY, F. F.**, Manager, Furniture Warehouse, Christchurch (17/6/12; p. 170)—
Furniture-prices cheaper in New Zealand than in Adelaide—*Re* time-payment system—5 per cent. added on cash cost—Bailments taken generally—Housekeeping expenses higher in New Zealand than in Adelaide, especially in groceries, fuel, meat, and clothing.
- MANDER, A.**, Furniture-salesman, Christchurch (18/6/12; p. 215)—
No increase in prices—Due to improved machinery and greater output—Time-payment system—Custom explained.
- MORIARTY, D.**, Secretary, Furniture Union, Wellington (4/7/12; p. 391)—
Wages of tradesmen—Pay increased and hours reduced—Average earnings £3—Auckland and Wellington wages compared—House-rent in Wellington principal increase in cost of living—Tradesmen very efficient—Despite less hours output the same—*Re* rattan goods and foreign competition.

B. HARDWARE.

- REECE, E. T., Secretary, Reece and Sons, Hardware-merchants, Christchurch (11/6/12; p. 79)—
Hardware prices decreased—No combine—Prices sometimes raised on verbal understanding owing to rise English market—Free competition in trade—Hollow-ware advanced 25 per cent.
- CULL, G. L., Wholesale Hollow-ware-manufacturer, Christchurch (14/6/12; p. 147)—
Increased cost of hollow-ware 20 per cent.—Wages increased 12½ per cent.—*Re* selling conditions—Selling-rates fixed—Consumer pays 25 per cent. more—*Re* Fairbairn, Wright, and Co.—Refusal to supply hollow-ware unless conditions conformed to—Four manufacturers in Dominion—Plant sufficient to supply Australasia—Tariff 25 per cent. *ad valorem*—Cross-examined *re* purpose of association by Mr. Fairbairn.
- OAKLEY, H., Wholesale Hollow-ware-manufacturer, Christchurch (14/6/12; p. 150)—
Journymen's wages 10s. 8d. per day—Rate unfairly high—English wages low to girl employees—*Re* increased prices of hollow-ware—Cross-examined *re* alleged combine—Profits of distributors guaranteed—Merchants' Association do not dictate selling-prices.
- SCOTT, GEORGE, General Engineer and Range-maker, Christchurch (17/6/12; p. 181)—
Ranges not increased in cost although labour and raw material risen—Men's efficiency not fallen off—Casual labour not so efficient—*Re* effect tariff—Retail prices stoves £4 all over New Zealand—Equipment improved—English and New Zealand labour methods compared—Selling methods—Biscuit—*Re* discounts in different towns—No positive information to give.

SECTION VI.—PRIMARY PRODUCERS (FARMING).

- A. FARMING: Practical working farmers; produce-merchants; Director, Dairy-produce Department; secretaries of farmers' unions, &c.; Inspectors, *re* accommodation provided; Apiarist, *re* honey.

A. FARMING.

- BANKS, E. C., Farmer, Matamata (25/6/12; p. 291)—
Land-values increase 40 per cent. in eight years—Runs dairy farm—*Re* labour shortage and wages paid—Bolstered-up wages in cities affecting farm labour—Share milking and profits—Prevailing system in district one-third share to workers—Rates of earnings given equal £400 per year for eight months work with free house—Cost of bacon-curing—Average prices for pigs—Cost of education not increased.
- FLANAGAN, J., Farmer, Auckland (20/6/12; p. 220)—
Re land-values and causes of high values—Labour in short supply—Uncertainty of markets affects employment of labour—Articles produced for local consumption greatly vary in price—Meat and butter not much variation, due to world-wide market—Present selling-prices of land quoted—*Re* returns for chaff—Farm labourers taking up land—Agricultural Department's statistics no use on account of delay in publication—Country labour short on account of strong demand in cities for men—Cross-examined *re* labour difficulty—Cost of producing oats for chaffing given in detail.
- LUSK, D. H., Farmer, Auckland (21/6/12; p. 232)—
Term "living" defined—Cost not increased—Whole trouble higher standard style ruling—Effect of trusts on prices small—Differences between producers' and consumers' prices—Co-operation urged—Land-prices do not affect the prices of foodstuffs locally consumed—Foreign markets a factor in speculating prices—Local prices raised owing to export trade—*Re* labour legislation and its effect—Influence of the value of gold very slight—*Re* tariff remissions—No appreciable effect on prices—Rents increased but not foodstuffs, clothing—Immigration, effect of, on local prices—Unproductive or idle land owned by Government and private persons—Land available at £1 to £5 per acre—Cost of living in towns increased owing to demand for luxuries—Movement of population—Migration of country workers to towns deplored—Country losing its wealth-producing labour—Sedgwick's scheme approved—Prospect of country workers excellent—*Re* increased cost of timber and causes of.
- MACKY, S. C., Ex-farmer, Auckland (28/6/12; p. 353)—
Flour and wheat quotations 1891 to date—Australia and New Zealand wheat and flour prices compared—Farm-products, 1901 and 1907—Effect of Arbitration Act—Advocates abolition of protective duties.
- MAKGILL, J. E., Farmer, &c., Waikato (20/6/12; p. 223)—
Dairy-farmer—Land-values increased over 50 per cent.—Wages paid to rural workers—Meat quotations, Auckland, 1903, 1907 to 1912 inclusive—Labour of children on dairy farms—Does not affect health—Butter-fat prices—Share milking—Milkers receive two-fifths—Earnings quoted covering nine years—Freight charges on wheat to Great Britain.
- RANSTEAD, W., Farmer, Auckland (25/6/12; p. 300)—
Re dairy farms—Land-values increased—Due London prices—If prices fall disaster will ensue—Most farms heavily mortgaged—Struggle to make ends meet—Life very attractive and independent—Operations of co-operative dairy association and bacon company—*Re* Native land untaxed—Advances to settlers scheme raised land-values.
- ROSS, ALEX., Farmer, Lower Waikato (22/6/12; p. 261)—
Land-values increased 100 per cent.—Engaged in beef-raising—Industry more profitable than formerly—Dairy-farming discussed—Labour difficulty hampers industry—Pig-raising—Great many farms are mortgaged—Deposits on purchase from 20 to 30 per cent.—Children's work on dairy farms—Cost of living in country not increased appreciably—Cause of increased cost in cities—Better markets abroad raising local prices—City dwellers more given to luxury and amusement—Artificial protection no use—Flour duty should be swept away.
- BIRCH, W. J., Farmer, Marton (2/7/12; p. 365)—
Re depreciation of gold—Protective duties—Groceries, some cheaper than ten years ago—Tariffed goods increased in cost—Duty on timber (hardwood, &c.) unfair to farmers—*Re* increased wages—Rates compared over ten years—Sheep and cattle prices, 1902 to date—Land increased in value 50 to 100 per cent.—Increased cost of production due to increased cost of labour—Land mostly subject to mortgages—Standard of living—Ignorance of women in regard to cooking—Evil effects resulting—Waste, illness, drink—Increased land-values due increased value of products outside New Zealand mainly—Farm labourers' conditions improving—*Re* community-created values—Prices realized for sheep, and cost of raising same.
- CAMERON, E. J., Farmer, Wairarapa (5/7/12; p. 425)—
Foodstuffs not increased appreciably—Increased wages equals 25 per cent. last eight years—Plenty of work for labour—Land-values very high—Due to skill of farmers in breeding good stock—Favours Sedgwick experiment being extended.
- MARSHALL, G. L., Farmer, Marton (5/7/12; p. 418)—
Re mutton prices—From producer to consumer the prices rise 100 per cent.—*Re* bacon, potatoes, and onions, considerable increase in cost owing to dearth of labour—Labour inefficient and hard to secure—Savings of farm labourers and prospects—No special demand for labour in winter—Shortage during December, January, and February.

- WALL, JAMES, Farmer, King-country (10/7/12; p. 460)—
Re sheep-farming—Expenses of running farm—Cost of rearing wethers—Difficult to assess.
- WILSON, C. K., M.P. and Farmer, King-country (8/7/12; p. 434)—
Re increased charges for timber—Enormous expense incurred—Living very dear in backblocks—Want of proper roads—Fruit and transit charges—Latter very high—Potatoes and blight—Meat-prices—Prosperity of meat companies—Store cattle dealer—Sheep country not increased in value to same extent as dairy land—Impossible to bring down meat-prices—Cost of rearing sheep—Stock mostly sold by private contract.
- EVANS, R., Farmer, Kaiapoi (15/6/12; p. 165)—
Re land-values—Near Christchurch prices have fallen—Sixty miles north land-values increase 50 per cent.—Increase due meat and butter export—Cost of distribution too high—Labour-shortage affecting production of wheat—Cost of living not increased generally during last twenty years—Earnings of threshing-mill workers—Average 67s. 6d. per week—*Re* Sedgwick's scheme—Hours of farm labourers eight per day besides looking after horses.
- ENSOR, C. H., Farmer, Christchurch (10/6/12; p. 69)—
Re land-prices and increased cost of living—Christchurch City and unimproved values 1891 and 1911—Prices of rural land do not affect prices of foodstuffs—World's markets affect selling-prices meat, grain, &c.—Cost of distribution responsible increase cost of living—Town and rural population—To reduce cost of living consumers should start co-operative stores, eliminate waste, and crush out middlemen—Assistance should be given to workers to make homes in rural districts—Prices of mutton, various periods—Farmers content with 2½d. per pound—Acreage of crops decreasing—Labour aggregation in towns responsible—Farmers willing to give land for nothing for homes.
- JONES, D., Farmer, Christchurch (12/6/12; p. 109)—
 Land-prices show fair increase—Dairying-land has risen more than cropping-land—No single article increased in cost owing to rise in price of land, question of London markets solely responsible—*Re* wheat-prices—Return from 40 bushels of wheat analysed (a) into flour, bran, pollard, &c., (b) into bread—Farmer does not get fair share compared with baker—*Re* export of wheat and cause of decreasing supply sent away—Insufficiency of labour whole problem—*Re* wages and savings of farm labourers—*Re* potato crop—Enormous quantities destroyed owing labour-shortage—*Re* pigs—Bacon prices rising—Shortage boy labour responsible—Favours Sedgwick boy scheme—*Re* fruit-prices—Auction prices very reasonable—Causes for town workers not following farm employment discussed—Not enough accommodation—Room for a good deal of improvement—Farmers making better provision every day—*Re* housing problem and application of existing legislation to country districts—*Re* erecting such dwellings at Templeton with 2 acres of land—Would save 37½ per cent. on present cost of living in cities—*Re* mutton prices obtained by farmers—Average a little over 1½d. per pound—Distribution charges too high—Personal expenses—Boots increased 90 per cent.—City land-prices not so high as reported—Capital obtainable on easy terms last ten years—*Re* taxation and methods adopted by valuers—Unimproved value cannot possibly be fixed equitably—Tax on capital value preferable—*Re* wheat and oat areas—Further evidence in explanation of falling-off in exports.
- LILL, W. T., Farmer, Ashburton County (18/6/12; p. 212)—
Re land-values increased from 30 to 100 per cent.—Taxation increased 150 per cent.—Sheep cheaper to grow than grain—Wheat-areas decreasing through lack of labour—Wheat industry most valuable and beneficial—Effect of milking on child-labour—Unfair taxation on improvements—Farmers' mortgages taxed—Boots and clothing chief increase—Food cost not increased to farmers—*Re* freights and charges on imported farm-implements.
- PANNETT, J. A., Farmer, Chairman of Directors, Farmers' Co-operative, Christchurch (14/6/12; p. 161)—
 Clothing increase 10 to 15 per cent. in fifteen years—Very little increase other lines—His association reduced cost to consumers by co-operation and good management—6,000 shareholders—*Re* land-values, improved methods of farming and high prices of commodities obtained abroad responsible for increase in land-values—*Re* labourers' accommodation, room for improvement—Immigration suggested to meet labour shortage.
- SHEAT, GEORGE, Farmer, Dunsandel (17/6/12; p. 184)—
 Land increased in price 300 per cent. to 450 per cent.—How land-values are fixed—On selling-values mainly—Values of land do not affect cost of food produced—*Re* lambs an average price is secured—Also wool, meat, and wheat—Cross-examined *re* land-values—Improvements not allowed for—Shortage of labour acute—Potatoes rotting in the ground for want of digging—*Re* effect of increased interest—Speculation responsible for fictitious values—Practice deplored—*Re* workers' pay and conditions—Farmers' desire intense cultivation—Room for a thousand workers—Threshing-charges have increased—*Re* accommodation for farm labourers—Conditions greatly improved—Workers' homes suggested in localities where work is assured.
- BEGG, JAMES, Farmer, Clinton (7/6/12; p. 56)—
 Cost of living not increased to farmers and agricultural workers—Agricultural labourers' conditions immensely improved—*Re* wool-prices over twenty years—Farmers going in for more luxurious living.
- CLARKE, JOHN, Farmer, Clinton (7/6/12; p. 54)—
 Crippled by shortage of labour—Cost of living in country districts not increased—Prices obtained for stock—Beef, mutton—Openings for agricultural workers at good wages all year round—Wages 27s. 6d. to 30s.—Land-values increased too much—Farming not so payable now as twenty years ago.
- GREY, WILLIAM, Farmer, Milburn (7/6/12; p. 53)—
 Shortage of labour affecting crop-growing—Favours Sedgwick boy scheme and immigration—*Re* acreage under crop—Wages of farm hands—Great shortage of men—Plenty of work—Farmers would go in for dairying if labour available.
- MASON, W. D., Farmer, Middlemarch (7/6/12; p. 40)—
 Farmers fairly treated by stock agents—*Re* butter and prices of butter-fat—*Re* auction prices of beef.
- GUNSON, J. H., Grain-merchant and Member Harbour Board, Auckland (27/6/12; p. 326)—
 Term "cost of living" defined—Prices of grain and produce fluctuate according to supply and demand—Prices high at present—No marked increase over fifteen years' period—General cost of living increased—Rents chief factor—Favours protection on produce—Cereals and root crops—Labour scarcity not affected potato crops—Removal of duty on butter would not affect dairy trade—Wheat freights coastal and from Australia—Coastal freights too high—Due to monopoly (Union Steamship Company)—Instability of free-trade—Flour and import duty—Freight on chaff from Victoria and Lyttelton.

- CUDDIE, D.**, Director, Dairy-produce (Agricultural Department), Wellington (4/7/12; p. 397)—
Re dairying industry—Factory system responsible for development of trade and better produce—Low prices not likely to recur—Demand for milk and butter increasing all over world—European demand increasing enormously—Figures *re* Germany—High land-values increase cost of production—Farmers not making much profit—Local prices of butter not likely to be lower—Unless land-values decline there will not be much decrease in cost of production—Improvement of dairy herds necessary—Would ensure high return to farmers with lower price to consumers—*Re* salted butter—*Re* butter-fat tests—Average production 180 lb. to 185 lb. fair estimate—Cost of keeping cows £8 per head on £30 land-value—*Re* labour shortage—Export of butter and prices obtained—Dairy cows in 1910 total 800,000—*Re* duty and its abolition.
- JACK, E. C.**, Secretary Farmers' Union, Wellington (5/7/12; p. 420)—
 Farm labourers' conditions much improved—Wages increased 20 per cent.—Cost of boots and rents of workers increased in country—Serious aspect of labour-shortage—Lesser production of foodstuffs—Immigration advocated—Average wages paid in rural industry—Return on capital decreasing—Land and high prices—Taxation would lower wages—Fertility of land showing backward tendency.
- SCHMITT, A.**, Secretary, Farmers' Union, Auckland (24/6/12; p. 280)—
 Land-values increased 50 to 100 per cent. in ten years—Labour-conditions—Shortage of farm labour—Scheme of small hamlets suggested—Farmer's return on potato crop—*Re* egg-market and misleading quotations of merchants—Butter-market controlled by same merchants—Produce-auctioneering rates—Valuation of land—Allowance for improvements inadequate—*Re* wages and general conditions of farm workers.
- HUNT, A. LEIGH**, Manager, Farmers' Distributing Company, Wellington (5/7/12; p. 421)—
 Return over twelve years of prices of potatoes, onions, cheese, butter, &c.—*Re* bacon shrinkage—Fruit-prices not increased—Auction buying free and open—Vegetable prices at auction—Public-market buying not likely to be successful—People will not carry parcels—Fastidiousness in buying butter, potatoes, &c.—Board and lodging cost not increased—Fare improving and charges low—Cost of living increased generally last ten years—Entirely due to higher standard of living—Rents have increased but food-cost increased little if at all—Clothing increased—Tobacco and short weights—Union Steamship Company a monopoly—Kerosene reduced in price—Steps necessary to reduce cost of living—Views outlined.
- CARMODY, D.**, Inspector of Factories, Wellington (4/7/12; p. 396)—
 Farm accommodation—*Re* shearers' and farm labourers' accommodation—Complaints of farmers well founded—Some quarters provided very bad—Room for good deal of improvement—Had Dominion experience—Lack of good accommodation responsible for disinclination of men to accept farm-work—With married couples no children preferred—Canterbury conditions better than other districts.
- HAGGER, W. H.**, Officer, Labour Department, Christchurch (14/6/12; p. 152)—
Re farm labourers' accommodation—In many instances insufficient and unsatisfactory—Conditions required to tempt workers from the cities—Insufficient accommodation described.
- KENNEDY, E.**, Secretary, Canterbury Farm Labourers' Union, Christchurch (13/6/12; p. 129)—
Re farm labourers—*Re* farm-labour shortage—Bad accommodation and low wages responsible—Fair employers have no difficulty in getting men—Hours of labour and working-conditions—Reasons for preferring town life—Prospects of getting land at reasonable rates remote—*Re* State farming and putting produce on market at cost price—*Re* Agricultural and Shearers' Accommodation Act.
- BRAY, W. B.**, Apiarist, Christchurch (10/6/12; p. 74)—
Re honey—Prices of honey not risen—All primary products have risen in price—Wholesale trading methods clumsy—Prices of honey, wholesale and retail—State should run retail shop—Output of honey, 1910 and 1911—Cost of production of honey.

SECTION VII.—DOMESTIC SCIENCE; POLITICAL ECONOMY; STATISTICAL.

- A. DOMESTIC SCIENCE: Technical-school instructors.
 B. POLITICAL ECONOMY: Political economists (five).
 C. STATISTICAL: Government Statistician; Chief Clerk, Labour Department.

A. DOMESTIC SCIENCE.

- GEORGE, GEORGE**, Director Technical School, Auckland (26/6/12; p. 321)—
Re cost of education, books cost 30s. first year—*Re* uniforms—Domestic science course explained—Operatives show less efficiency than formerly—Grading of workmen suggested—Advocates partial free-trade and open market.
- HOWELL, J. H.**, Director, Christchurch Technical College, Christchurch (13/6/12; p. 140)—
Re domestic training—Eighty girls under training, fourteen to seventeen years—Girls do all housework—Special attention given to cost of cooking by gas and coal—Crèche to be established later—Girls are taught mending and making of clothes, and to discriminate between qualities of articles—Fees charged very moderate—Full course takes three years.

B. POLITICAL ECONOMY.

- JOLLY, F. L. G.**, Bank Clerk (B. Com.), Christchurch (18/6/12; p. 196)—
 Cost of living last fifteen years—Measurement cost of living—Fluctuation in level of prices—Influence of accumulation of gold—Rise of credit—Index numbers of cost of living—Graph showing comparative fluctuations of prices of commodities, &c.—Actual cost of living to consumer difficult to estimate—Deficiency of New Zealand statistics—Mathematical calculation supports deductive inquiry—Index number taken from analysis Year-book, figures 1896 to 1910—1896 year equals 100 index numbers for years up to 1910 given (124.5)—List of trades included—Difficulty of estimating actual wages of tradesmen from Year-book figures—Effect of overtime payment—Doctor McIlraith's index number 1896 is equal 96 for commodities and general, witness's index number for 1896 equals 100 for purchasing-power of wages—Combination index numbers for years 1896 and 1910, graph illustrating this put in—Fluctuations in rate of interest not plotted on graph—Influences on prices world-wide—Tendency of fluctuations in wages to lag behind those of prices and *vice versa*—Present prices of commodities highest since 1883—Reference to Hooker's article published by Royal Statistical Society—New Zealand prices not yet responded to world-wide rise—Probability of fall in prices followed by drop of wages—Effect of fluctuations the difference between bank deposits and advances—Steady increase of index number of purchasing-power of wages—Complaint of increased cost of living indicates that standard of living has increased—Difficulty of comparing rents fifteen years ago and to-day—Alterations in Customs duty not taken into account—Dr. McIlraith's numbers sole basis—Exhibit 4 (graph) showing increased prices in New Zealand has been less than in any other country—Effect of appreciation of gold on cost of living—Extent of influence—Written replies submitted, headed "What effect, if any, has the value of gold had on cost of living?" "What effect has the accumulation of large fortunes on the purchasing-power of wages?"

- McILRAITH, J., (Litt. D.), Political Economist and School Inspector, Auckland (24/6/12; p. 264)—
 Author of "The course of prices in New Zealand"—Definition of term "cost of living"—Considerable rise in general level of prices of commodities—Term "rise in prices" and "value of money" defined—Relation of these terms converse to each other—Movements of general level of prices and agencies which determine their level—The principal factors are volumes of money on one hand, and volume of trade on the other—Illustration given—Effect on rising and falling prices—Factors taken into consideration in estimating "money"—Term "money" defined—Five causes affecting level of prices given—Effect of foreign trade on money-circulation—Inter-relationship of countries in trade—Effect of minted gold—Gold-production in New Zealand—Influences that have increased the velocity of money—Effect is to raise prices—Investigations in United States *re* velocity of circulation—Connection between credit money, metallic money, and paper currency—Amount of gold-reserve in Bank of England—Effect of depleting same—Gold-reserves considered necessary in different countries—Influences affecting velocity of circulation of paper money—Effect of increased production on general level of prices—Net result has been a rise—Present prices ten times as high as a thousand years ago—Relative stock of gold at different periods—Effect of gold "discoveries"—Table of gold-production, 1865 and 1910, and effect on prices—Source of information is United States Mint—Present sources of increased gold-supply—Slow rise in prices most desirable—Cross-examined by Mr. Fairbairn *re* growth of credit system—Cross-examined by Chairman *re* international relation and trade—Effect of creation of large fortunes—Effect of "control" and "monopoly"—Benefits of high prices—To Mr. Veitch *re* effect of high land-values—To Mr. Robertson, effect of maintaining a rich class—Expenditure on luxuries—Standard of living and standard of comfort—New Zealand prosperity table, 1880 to 1911—Rise in value of farm-products—Corrected table showing general level of prices in New Zealand—Table showing volume of consumption per head, marriage, birth, and bankruptcy rates, 1880 to 1912—Connection between farm-products and marriage-rate—Table of volume of liquor consumed per head, 1885 to 1910—Effect of labour-saving machinery—Cost of living in Auckland and Christchurch (personal)—These differences taken into account in wages—Reforms necessary in New Zealand statistics—Limitations of Arbitration Court—Customs tariff and benevolent legislation—Difficulty of setting up flexible scale of wages—Necessity of State encouragement of study of economics—Cost of education less than formerly—Effect of labour legislation on prices nil—Rural depopulation in New Zealand has tended to rise rents, &c.—Education of children in dairying districts—Children tend to be drowsy—Economic effect of child-labour on dairy-farming.
- MILLS, W. T., Teacher, Journalist, Political Economist, Wellington (11/7/12; p. 474)—
 Human life supported by expenditure of life in production of means of life—All consumers should be producers and *vice versa*—Cost of production greatly reduced—Power to purchase, relation of prices to services, and of volume of gold and credit to volume of business discussed—Privilege in economic sense discussed—Two general forms of privilege are rents and monopolies—Ways in which prices are determined—Effect of competition and monopoly—Effect of imperfect equipment in production, *e.g.*, in boots and bread—Waste involved by unskilled labour—Importance of services rendered by banks—Effect on prices of commissions, profits, and taxes—Community-created values should be appropriated by the State—Private monopoly and not increased gold-supply is explanation for increased prices in certain directions—Remedies suggested are public appropriation of ground-rents and abolition of all taxes—Difficulties involved—Public support of centralized trading is also necessary—Rational method for controlling business—Wasteful methods should not be "protected"—Importance of education and technical training—Reference to American efforts in industrial education—Necessity of State banks and centralized transportation under Government control—Necessity of raising standard of living—Effect on prices of increased gold-supply and monopoly—Wages advanced slowly but may drop suddenly—Profits quoted more flexible than wages—General principle is that in competitive market prices tend to equal cost of production—Cost of production explained and discussed—Ground-rents discussed—Somers's system of land-valuation explained—Real exchange value is exchange of service for service—Unearned increment discussed—Economics due to great trading enterprises—Monopoly means power to exclusively possess and control—Effect of "freezer" has been to raise prices—Economic changes involve international as well as national co-operation.
- SEGAR, H. W., Professor of Mathematics and Political Economists, Auckland (26/6/12; p. 303)—
 General outline of evidence—Cost of living in New Zealand has increased 20 per cent.—Less than in Canada and the United States—Increase most marked in rent, farm-products, clothing, and fuel—Increased cost of living in other countries quoted—Disagreement with Dr. McIlraith's index numbers—Reasons for disagreement explained—Method of "weighting" has resulted in errors—Omission of certain articles of diet such as milk—Comparative return *re* rents in Auckland, 1896 and 1910—Average increase 51 per cent.—Reference to Labour Department inquiry into cost of living in New Zealand—General agreement with results shown by this inquiry—Table showing estimated increased cost of living in Auckland, 1894 to 1910—Average increase about 24.6 per cent.—Increased cost of clothing about 20 per cent.—High-water mark in rent reached in Auckland in 1912—Impossibility of obtaining perfect index number for commodities in household use—Inquiries *re* cost of living generally limited to working-classes—Relative increase in price of foodstuffs and other commodities discussed—Method of dealing with prices of coal—Increased cost of living *versus* higher standard of living—Effect of monopolies, &c., on prices in New Zealand; also tariff reductions—Rise of price of land due to rise in price of commodities—General effect of high price of land and labour—High cost of labour stimulates use of labour-saving machinery—Increases in farm-land values may be counterbalanced by improved agricultural methods—Relationship of rise in prices and rise in wages discussed—Effect of tariff-reduction—Decrease in cost of production—Effect of tariff-alterations on index numbers—Influence of enhanced land-values on cost of living—Increased cost of living mainly due to great increase in currency as compared with increase in trade—Diagram showing world's gold-supply, 1851 to 1911 (Exhibit No. 11)—Reference to Professor Fisher's volume "The Purchasing-power of Money"—General explanation of credit, currency, &c., and statement *re* world's production of gold—Bank methods and profits—Difficulty of establishing bimetallicism—Community-created value in land—Site-value *versus* gold-value—Increase in prices due to increase in gold-supply and increased credit—Replacement of gold with credit money—Necessity of banking-operations, and source of bankers' profits—Limit of credit—General effects of movement of population—All classes have become wealthier—This makes more labour available for production of luxuries—Possibilities of reducing cost of necessaries of life considered—Suggestion *re* compilation of Government index numbers and encouragement of study of economics and statistics.
- WILSON, F. P., Lecturer on Economics, Wellington (5/7/12; p. 407)—
 Definition of "cost of living"—Rise in price of agricultural produce—New Zealand index numbers compared with other countries—Pastoral products, index numbers show considerable rise—Index numbers quoted also for beverages and foodstuffs—Combined index numbers quoted—*Re* rents and absence of proper data—Results obtained from personal investigations 1894-5 and 1911—Rent increased approximately 30 to 35 per cent.—Return *re* commodities in general use from Year-book—Comparison of retail and wholesale prices (McIlraith)—Table given—Wages—Increased earnings of males and females in New Zealand industries—Index numbers quoted—Information *re* adult workers inconclusive owing fault of statistical records—Rise in wages greater than rise in wholesale prices and about equal to the rise in retail prices—Cause of high prices classified—Economists' views—Gold-production from beginning of nineteenth century—Effect on prices—Velocity of circulation—Depends on habits of people and distribution

of population—Urban and rural spending compared—Banking deposits and effect on level of prices—Volume of trade—Effect on price-level—Mr. Macdonald, "Is labour a commodity?" Question discussed—New Zealand statistics deficient—Advisory Board suggested—Dr. McIlraith's figures reliable—Rise in cost of living may be really a rise in the standard of comfort—*Re* "money" statistics—Reason for difference of food-prices, United Kingdom, Germany, and Canada—United Kingdom free-trade condition mainly responsible in her case—France's position due to large population on small holdings—Land-prices not contributed to prices of commodities—Effect of relative decrease of number of food-producers to number of food-consumers—Table of comparative prices in New Zealand, England, Germany, France—*Re* rent: lowest rent enters into price of commodities produced—In the city minimum rent enters into price of goods sold—Greater comparative rent may be spread over greater turnover—Fall in birth-rate indicates higher standard of comfort—Beneficial effects of banking-operations—Increased rents due to increased output of gold, to concentration of population, to increased demand for limited supply of land and to "monopoly"—Adjustment of wages to output of gold—Desirability of wealth being spread about—Marginal and differential rents discussed—Statement *re* rent and retail prices.

C. STATISTICAL.

FRASER, M., Government Statistician, Wellington (8/7/12; p. 443)—

Re methods of collecting New Zealand statistics—Legislation quoted—Statistics of office and its development—Statistics of other Department—Scope extending—Control of statistics—Collection and publication—*Re* data for Commission such as this—*Re* "Census of Production"—Difficulties in the way of collection—*Re* criticism of New Zealand statistics—English Government used New Zealand figures—*Re* Official Year-book figures *re* wages and prices.

ROWLEY, F. W. T., Chief Clerk, Labour Department, Wellington (8/7/12; p. 431)—

Tables showing number of persons employed in manufacturing industries in New Zealand to be completed shortly—Sample return produced—*Re* movements of population—Statistics *re* effect of labour legislation—Wages and hours fixed by Arbitration Court awards—Factory statement handed in—Tables showing expenditure on public buildings and savings-bank deposits handed in.

SECTION VIII.—MISCELLANEOUS.

ADVERTISING EXPENSES; AGRICULTURAL-IMPLEMENT MANUFACTURING; DRINK TRAFFIC; FREIGHTS; LEATHER GOODS; MEDICAL ATTENDANCE, ETC.; SINGLE TAX; TOBACCO.

A. ADVERTISING EXPENSES: Representatives of *Press*.

B. AGRICULTURAL-IMPLEMENT MANUFACTURING: Manufacturers.

C. DRINK TRAFFIC: Temperance advocates.

D. FREIGHTS: Railway Department; New Zealand Shipping Company; carrier; Union Steamship Company.

E. LEATHER GOODS: Wholesale and retail saddler.

F. MEDICAL ATTENDANCE: Doctor of medicine; dentist.

G. SINGLE TAX: Lecturer.

H. TOBACCO: Merchant; retailer.

A. ADVERTISING EXPENSES.

NELSON, G. B., Advertising Department, Christchurch *Press*, Christchurch (18/6/12; p. 217)—

Rates for advertising—Prices the same as *Lyttelton Times*—Increased prices charged as circulation grows—Cost of living increased generally.

PAVITT, P. S., Advertising Clerk, Lyttelton Times Company, Christchurch (18/6/12; p. 216)—

Advertising rates—Rates uniform between two daily papers—No increase in fifteen years excepting in contract rates—Line advertisements 1s. 6d. per line—Auctioneers receive 25 per cent. on advertisements given in.

B. AGRICULTURAL IMPLEMENTS.

BOOTH, G. T., Iron-merchant, Christchurch (18/6/12; p. 209)—

Wages since 1906 show average advance of 14 per cent.—Competition among manufacturers free and open—No protective tariff—30 per cent. protection asked for—Farmers' implements increased 10 to 15 per cent.—Cost of materials used 25 per cent. greater than twenty years ago—Class and quality of goods manufactured specially suit New Zealand conditions—Freight charges equal 20 per cent. on cost imported article—Steel parts imported—*Re* influence of labour legislation on prices—Contributing cause only—Wages would have been as high to-day without legislation.

KIER, JAMES, Managing Director, P. and D. Duncan (Limited), Christchurch (18/6/12; p. 211)—

Cost of agricultural implements slightly increased in recent years—No combine—Prices of standard lines uniform with all manufacturers—List showing increased cost of material used—Wages increased 50 per cent. since 1898—New Zealand and Australian prices compared—*Re* effect of labour legislation—Apprentices hard to secure except for engineering department.

C. DRINK TRAFFIC.

COMRIE, REV. W. J., Chairman, New Zealand Alliance, Wellington (11/7/12; p. 472)—

Re inefficiency of persons caused through drink—Asylum and gaol inmates—Rotoroa Island—Money spent on drink unproductive—Liquor traffic one of serious causes high cost of living—Effect of prohibition on rent.

DAWSON, REV. J., General Secretary, New Zealand Alliance, Wellington (11/7/12; p. 471)—

Drink bill in 1911 in detail—Customs returns *re* liquor imported, &c.—*Re* convictions for drunkenness—Cost of prisons—Salvation Army refuges for drunkards in Hauraki Gulf.

D. FREIGHTS.

MCVILLY, R. W., Chief Clerk, New Zealand Railways, Wellington (5/7/12; p. 415)—

Re Railway freights on food-supplies, 50 to 400 miles, 1908 and 1912 rates compared—Freight charges on coal, Auckland—Taupiri—Differential systems of freight—Reasons for using Newcastle coal.

CALLENDER, GEORGE, Secretary, New Zealand Shipping Company, Christchurch (13/6/12; p. 136)—

Re increased charges for freights from and to London—Outward and inward freights raised—Labour charges mainly responsible—Effect of frozen-meat trade—Freights are arranged with other companies—All charges alike—Freights quoted on frozen meat and butter—Continental classification of goods—World's tonnage in short supply.

SMITH, A., Carrier, Christchurch (12/6/12 ; p. 93)—

Prices of cartage decreased during recent years due to competition—*Re* motor traction and horse traction—*Re* Latter cheaper in every way up to five miles—No waste from competition—Wages and materials increased—Wages and hours quoted—Rents and taxes increased from £40 to £220—Increased luxury and increased standard of living back of agitation *re* high cost of living.

AITKEN, D. A., Assistant General Manager Union Steamship Company, Dunedin (7/6/12 ; p. 53)—
Evidence confidential.

E. LEATHER GOODS.

WISEMAN, J. W., Wholesale and Retail Saddler, Auckland (26/6/12 ; p. 302)—

15 to 20 per cent. rise in cost of raw materials—Due to demand for hides in outside markets—Labour increased 15 to 20 per cent.—Free market for leather-buying—Boy-labour in short supply—Labour legislation beneficial—No appreciable effect on workers—Unfavourable towards export duty on hides.

F. MEDICAL ATTENDANCE.

GOLDSTEIN, H., M.D., Auckland (27/6/12 ; p. 335)—

Re payment for attendance on friendly societies' members—Rates have not increased—Running-expenses much increased in recent years—*Re* maternity charges—More disease and illness and appears to be increasing—Increases in rents per annum very striking—Working-classes more comfortable and independent—Children less healthy—Luxurious living responsible.

CARTER, A. M., Dentist, Auckland (27/6/12 ; p. 338)—

Dentistry completely altered in twenty years—Prices are lower if anything—Standard of work better—Work of dental hospital explained—*Re* treatment of school-children—Children's teeth have become worse—*Re* Due more to diet than climatic conditions.

G. SINGLE TAX.

WITHEY, A., Journalist and Lecturer, Auckland (20/6/12 ; p. 218)—

Parable on Customs taxation—Working-man's tax through Customs 3s. 6d. in the pound—Local-rating system on unimproved values—Effective in lowering wages and reducing number of houses—Cost of production : tributes of landlord, rates, and taxes—Figures quoted—Land speculation and monopoly—Effect of land taxation of 1d. in the pound—Table showing charges on imported goods from manufacturer to consumer.

H. TOBACCO.

ALDOUS, GEORGE, Tobacconist, Wellington (9/7/12 ; p. 449)—

No competition between tobacco-manufacturers—Tobacco trade controlled—Prices tariffed—Absolutely impossible to buy from outside manufacturers—Retail prices not increased much—Wholesale prices increased about 3d. per pound—*Re* weights stick tobacco.

BARLOW, H. H., Tobacco-merchant, Christchurch (11/6/12 ; p. 84)—

No increase tobacco, &c.—Duty not altered last ten years—Now 3s. 6d. tobacco. 7s. cigars and cigarettes per pound—Poor man pays biggest duty—Advocates *ad valorem* duty—Retail profits small.

SECTION IX.—GENERAL.

A. GENERAL EVIDENCE (covering numerous headings, mainly *re* rent, increased living-expenses, wages, country labour difficulty, workers' dwellings, rules of unions of employers, servant difficulty, Customs tariff, &c.) : Secretaries, workers' unions ; journalist ; married woman ; land and commission agent ; boardinghouse-keepers ; labourers ; carpenters ; Secretary for Labour ; domestic service ; tariff notes.

A. GENERAL.

ARNS, F. W., Secretary, General Labourers' Union, Auckland (28/6/12 ; p. 350)—

Re farm labourers' conditions—If wages and accommodation better and employment more regular, men would rush work—Rent question chief trouble—Average rent general labourers 14s. 6d.—Labour Department report read—*Re* slum conditions—Unionists not advised to shirk work.

DAVIS, GEORGE, Secretary, Drivers' Union, Auckland (29/6/12 ; p. 356)—

Re wages drivers—Struggle to live on earnings—Award rates 44s., 48s., and 50s., according to number of horses—*Re* increased charges put on by employers—*Re* merchants and prosperity of grocery firms.

GREEN, H., Representative, Waterside Workers' Union, Auckland (25/6/12 ; p. 298)—

Re food-prices generally—Increases of cost detailed—*Re* bread, flour, potatoes, meat, bacon, milk, coal, &c.—Wholesale and retail prices coal quoted—Advocates municipal control of fish-market—*Re* bricks and increased cost of building—Land-values and rents, Auckland suburbs—*Re* wages brickyard employees, and output.

BAGNALL, H. N., Tea and Coffee Merchant, Auckland (27/6/12 ; p. 324)—

Retail prices grocery, &c., 1894-98 and 1912—Prices practically same—Time-payment system commended—*Re* Savings-bank deposits—Statistics given.

BLACK, W. P., Journalist, Auckland (25/6/12 ; p. 231)—

Increased cost of living due to waste in distribution—Increase in land-values—Rent chief increase—Efficiency of labour—More discrimination used in selection of men for printing trade—Most men nowadays are efficient—Increased cost of printing due to demand.

GIBSON, EMILY, Married Woman, Auckland (21/6/12 ; p. 247)—

Re house-rents—Doubled in twenty years—Prices of coal fixed by combine—*Re* fish, bread, bricks, drapery, groceries, and education—*Re* butter and milk prices.

NERHENY, P. J., Contractor and Commission Agent, Auckland (28/6/12 ; p. 347)—

Return *re* rents—Increases not marked over twenty years—Labour cost of building—Increase 10 per cent. in thirteen years—Men's efficiency not fallen off—Amendment of Arbitration Act suggested to regulate prices—Coal and firewood prices, 1899 and 1900—*Re* suburban-land values—Figures quoted.

- LONG, THOMAS, Secretary Workers' Union, Auckland (27/6/12 ; p. 329)—
Rents chief burden—*Re* coal and retail prices, 1904 and 1912—Coal-dealers Association close corporation—
Wages of brewers and aerated-water employees inadequate to live upon—*Re* scarcity of labour on farms
—Poor accommodation, long hours, and wages low responsible.
- PEACOCK, G. L., Land and Estate Agent, Auckland (25/6/12 ; p. 294)—
House-rents increased in urban and suburban areas considerably—Causes of same—State control of coal-supply
urged—General standard of living increased—Education costs less than formerly—Increased cost of
farming land has not influenced food-prices—London market fixes prices—Effect of Advances to Workers
Act has been to increase selling-values—Farmers paying too much for land—Really working for the
landlord—Tenants depending on good times solely—*Re* rating of unimproved values.
- PHELAN, E., General Secretary, Timber Workers' Union, Auckland (24/6/12 ; p. 283)—
Workers' wages increased 6 per cent. in ten years—Worst paid in New Zealand—Accommodation provided at
sawmills very poor—Better methods of dealing with timber at mill—Cost of getting timber from bush, &c.
Figures quoted on 40,000 ft. output—Kauri royalties—Men more efficient—Large percentage paid over
award rates—Price of timber regulated by association of timber-merchants—Land more valuable cleared
than timbered.
- RICHARDSON, W., Journalist, Auckland (27/6/12 ; p. 337)—
Grocery lines never cheaper—Wheat-growing going out—Gambling evil rife—Smokers extravagant—Drinking
and love of pleasure increasing—Thriftiness declining—Workers dodging work.
- ROSSER, A., Workers' Union Secretary, Auckland (24/6/12 ; p. 286)—
Increased cost of living due mainly to rent-charges—Practice of employers increasing cost of goods after
awards given criticized—Instances cited *re* drivers and brickmakers, &c.—Merchants (grocery) in com-
bination—Prices fixed for eggs, butter, &c., by newspaper announcements—Taniwha soap—Scott's
Emulsion and other "scaled" lines—Names of merchants given who control eggs and butter prices—
Return *re* wages and rents paid in June, 1912—Land-values responsible for high rents—Work of co-opera-
tive bakery—Scarcity of labour in country districts—Causes and remedies.
- WHITEHEAD, W. H., Boardinghouse-keeper, Auckland (28/6/12 ; p. 353)—
Cost of foodstuffs increased over sixteen years—Fish-prices controlled—Not dearer than formerly—Vegetables
dearer, but potatoes fluctuate—Rates increased from 15s. to 18s. and 20s. for boarders—Profits not
increased.
- GREVILLE, F. W. B., Editor, *New Zealand Dairyman*, Wellington (9/7/12 ; p. 447)—
Three main causes for increased cost of living—Causes detailed—*Re* short weight in packed goods—Increases
in land-values, instances cited—Losses on butter through ignorance—Butter and cheese prospects—
Articles weighed net and gross weight.
- GWILLIM, W. E., Dairy-produce Grader, Wellington (10/7/12 ; p. 469)—
Re weights of butter purchased locally—Butter tested for moisture-contents—Weights of candles tested with
and without packing.
- FAIRWAY, JAMES, ex-Restaurant-keeper, Wellington (10/7/12 ; p. 468)—
Food articles increased in cost last six years—Items given—Rent increased 50 per cent.—Fish and oysters
much dearer.
- GODDARD, T. B., Labourer, Wellington (6/7/12 ; p. 429)—
Rent most marked increase—*Re* prices of land and State coal—General opinion given only.
- HOWARD, C. W., Market-gardener, Wellington (3/7/12 ; p. 386)—
Re auction prices for market-garden supplies—Non-payable industry.
- LOMAS, JOHN, Secretary for Labour, Wellington (5/7/12 ; p. 414)—
Re employers' unions and rules fixing prices—Sample rule read—Sedgwick scheme successful on the whole—
Concession of 25 per cent. to workers proceeding to work by rail—Present position Workers' Dwellings
Act explained—Houses erected and ruling rents.
- MADDISON, W., Carpenter, Wellington (3/7/12 ; p. 370)—
Hospital returns *re* food-cost—Comparison with Labour Department figures—Mr. Justice Higgins's definition
of living standard—Items necessary to provide decent living—Efficiency and driving of workers—Over-
competition and effect on prices—Rents—Average return of 100 workers—Causes of high rents—Land-
values and unearned increment—The profits of bank institutions and Stock Exchange.
- REARDON, M. J., Union Secretary, Wellington (3/7/12 ; p. 387)—
Scarcity of country labour—Delusion and a snare—Casual labourers' conditions—Rent main burden—Organi-
zation of work for casual labour—Extension of technical education—Food-qualities and short weights.
- YOUNG, W. T., Secretary Seamen's Union, Wellington (9/7/12 ; p. 450)—
Wages returns compiled from Year-book 1892 to 1909—Prices of provisions—Wages of seamen and overtime
—Return *re* s.s. "Maori" *re* fares—Effect of recent increase of 5 per cent.—Union Company's profits
Re butter and operation of ring—Coal prices—Marine freights on same—Advocated State steamer service
and trade—Factory statistics quoted 1896, 1906, and 1911—Brick prices, Sydney prices compared—
Workers' families feeling pinch of high prices—Taxation on food on family incomes unfair—*Re* "Lusitania"
royalties—Flour trusts—Rents in Wellington enormous.
- ANDERSEN, J. C., Civil Servant, Christchurch (13/6/12 ; p. 130)—
Statistical information supplied *re* wages over eighteen years compiled from Government returns—Returns
re imports and exports—Houses (size and occupation of) were also put in.
- BRITTEN, F. G. M., Surgeon, Christchurch (10/6/12 ; p. 61)—
Re prices at Te Puke—Bread, meat, and steamer freights—land-values increased 80 to 100 per cent.
- CAMPBELL, H. A., Representative, Canterbury General Labourers' Union, Christchurch (12/6/12 ;
p. 101)—
Increased prices due entirely to land-speculation—*Re* land-prices in Taranaki—90 per cent. of farms mort-
gaged—*Re* land speculators and State interference—*Re* labour difficulty on farms—Lack of suitable
accommodation the chief difficulty.
- CARDALE, E. J. N., Secretary, Coal and Blanket Fund, Christchurch (10/6/12 ; p. 66)—
Cost of blankets varied very little—Cost of coal increased steadily—Bread, potatoes, meat, boots, milk, and
drapery have all increased in price.

- COWPER, R. E., Representative, General Labourers' Union, Christchurch (14/6/12 ; p. 143)—
Re pelt-workers and wages—Output increased by 40 per cent., wages 22½ per cent.—General labourers' conditions—Average earnings—Right to Work Act advocated—State farms also—*Re* technical training of unskilled workers—Taxation of economic rent urged.
- HUNTER, H., Representing Canterbury Drivers' Union, Christchurch (17/6/12 ; p. 172)—
 Award wages quoted—Wages in 1900 and 1902 considerably lower than in 1912—Very few drivers receiving more than minimum wage—Present average earnings 8d. per hour only—Employers raised charges—Rates given—Workers efficient—Country workers' accommodation—If conditions made better, workers would prefer country work—Suggests giving workers 10 acres of land and home—Casual workers' conditions in the city not improved over fifteen years—Quarry-owners in combination—Prices are uniform.
- MURPHY, M., ex-Secretary, Canterbury Agricultural and Pastoral Association, Christchurch (13/6/12 ; p. 128)—
 Prices of commodities quoted over series of years—Methods of living compared—Present rate of living extravagant—*Re* workers' dwellings for farm labourers—Scheme suggested—Country life should be made more attractive.
- PAGE, S. S., Married Woman, Christchurch (10/6/12 ; p. 72)—
 Cost of living increased considerably, especially necessities—Milk, butter, meat, woollen goods, rent, boots, education, attendance—Believed in co-operation, especially working land on co-operative system.
- SULLIVAN, D. G., President, Canterbury Trades and Labour Council, Christchurch (13/6/12 ; p. 125)—
 Household items (various), 1893 to 1912—Prices quoted—Workers are speeded up, and require higher standard of comfort—Development of machinery and scientific management requires more energy on part of workers—Confident that cost of living increased in Christchurch—Specially affects low-paid unskilled labour—Their condition during winter deplorable—Lack of organization affects their advancement—*Re* country work—Conditions not attractive enough—City life preferred—Skilled and unskilled workers' wages compared—Gap greater in England than New Zealand—*Re* statistics—Better data wanted—State competition necessary to reduce cost of living—Whole of people would benefit instead of few.
- TAYLOR, MRS. E. B., Secretary, Crèche and Kindergarten Association, Christchurch (10/6/12 ; p. 74)—
 Prices had gradually increased during past twenty years—Particularly bread, butter, meat, potatoes, milk, bacon, and cheese—Boots, woollen clothing, drapery, &c., also increased in cost—Girls should be compelled to learn domestic science.
- WELLS, ADA, Married Woman, Christchurch (10/6/12 ; p. 72)—
 Prices of mutton, beef steak, butter, milk, fish, boots, coal, potatoes, bread, fruit, and vegetables all increased in price last twenty years—Standard of living improved—Nursing expenses increased—Education dearer—Domestic-science course should be made compulsory in public schools—Advocates State market for fish, meat, &c.
- WILSON, MRS. A. E., Married Woman, Christchurch (10/6/12 ; p. 67)—
 Household expenses five heads—Weekly cost £2 9s. 9d.—Fruit dearer—How household budgets were obtained.
- BOREHAM, STEVE, Labourer, Dunedin (4/6/12 ; p. 1)—
Re meat, butter, clothing, coal, fish, rent, and wages.
- BREEN, ROBERT, Union Secretary, Dunedin (7/6/12 ; p. 48)—
 Representative Trades and Labour Council—*Re* increases of wages to unionists—Meat slaughtered 1910–11—Carters' wages, waiters, cooks, &c.—Rents, milk, and bread.
- FORD, M. J., Journalist, Invercargill (6/6/12 ; p. 36)—
 Member United Labour Party—*Re* Housewives' Union and milk, meat, &c.—Bread and coupon system—Bakers in combination—£25 bond—*Re* co-operative workers and prices—Ames shovels—Rents increased 30 per cent.—Land syndicates.
- LOWRIE, ALEX., Journalist, Invercargill (6/6/12 ; p. 34)—
Re rents—Increased considerably—Groceries increased 10 to 15 per cent. during ten years—*Re* potatoes, meat, coal, all increased—Coal-merchants' Association a combine—Milk—Fruit—Fish—Land-values—Rural increased 100 per cent.
- MACMANUS, J. E., Labourer, Dunedin (5/6/12 ; p. 14)—
 Increased land-values—Food-prices 1900, 1910, Year-book—Meat-prices 1910, 1912—Furniture, coal, timber, wool, milk, &c.
- O'DONNELL, M., Furniture-dealer, Dunedin (4/6/12 ; p. 9)—
 Produce (potatoes, onions)—Furniture—Time-payment—Rents.
- PAUL, J. T., M.L.C., Journalist, Dunedin (7/6/12 ; p. 43)—
 Evidence on behalf Trades and Labour Council—*Re* wasteful distribution—Milk—Competition means waste—Prices are fixed by product of least efficient machinery—Board of prices should be set up—Appreciation of prices through gold-production—Clothing-manufacturing—Increased wages—Increased production—Page 46 Coghlan's statistics, a correction.
- WARREN, W. H., Carpenter, &c., Dunedin (7/6/12 ; p. 51)—
 Increase of land-values—Increase in seven years in sections, Anderson's Bay, £40 to £150—Due to tram-construction and provision of public utilities.
- TOOLEY, A. G., Caretaker, Grammar School, Auckland (27/6/12 ; p. 325)—
Re purchasing fruit at auction—Condition of fruit varies—"Topping" practised—Present price of apples—Saving by buying at auction equals several shillings weekly—Cost of living increased generally—Bread, butter, milk, increased in price.
- MITCHELL, JANE, Officer in Charge Women's Branch, Labour Department, Christchurch (13/6/12 ; p. 128)—
Re servants' wages—Doubled during last twenty years—Great scarcity of domestics—*Re* immigration—Rates from Great Britain—Work of British Women's Association.
- MACLAURIN, E. T. W., Customs Officer, Christchurch (14/6/12 ; p. 164)—
Re tariff and duties on various goods—*i.e.*, slippers, boots, lining-felt, candles, paraffin wax, and stearine.

GENERAL INDEX.

Name of Witness.	Address.	Occupation.	Evidence mainly re	Page.
Abraham, R. S.	Palmerston N.	Stock-auctioneer	Meat	464
Agar, Charles P.	Taitapu	Secretary dairy company	Butter	99
Aitken, David A.	Dunedin	Assistant general manager Steamship Company	(Confidential)	53
Aitken, J. G. W.	Wellington	Merchant	(Refusal)	455
Aldous, George	Wellington	Tobacconist	Tobacco	449
Alison, E. W.	Auckland	Chairman coal-mines	Coal	332
Allan, Robert	Christchurch	Boot-manufacturer	Boots	80
Allen, Richard	Christchurch	Flour-miller	Flour	138
Allport, George	Wellington	Secretary Marine	Fish	473
Alward, R. S.	Wellington	Manager trawling company	Fish	440
Arns, F. W.	Auckland	Secretary Labourers' Union	General	350
Andersen, J. C.	Christchurch	Civil servant	General	130
Atkinson, W. S.	Christchurch	Furniture-dealer	Furniture	183
Bagnall, H. N.	Auckland	Tea and coffee merchant	General	324
Banfield, H.	Auckland	Carpenter	Building	337, 352
Banks, E. C.	Auckland	Farmer	Farming	291
Barber, E. D.	Wellington	Butcher	Meat	458
Barlow, H. H.	Christchurch	Tobacco-dealer	Tobacco	84
Begg, James	Clinton	Farmer	Farming	56
Beissel, Albert E.	Dunedin	Manager T. & P. dairy supply company	Butter and milk	24
Bell, Thomas	Auckland	Manager soap and candle company	Soap and candles, &c.	328
Benjamin Limited	Christchurch	Merchants	(Refusal)	75
Bines, W. F.	Auckland	Coal-dealer and carrier	Coal	358
Birch, W. J.	Wellington	Farmer	General	365
Bishop, A. J.	Wellington	Cabinetmaker	Furniture	437
Bishop, R. C.	Christchurch	Secretary gas, coal, and coke company	Gas	158
Black, W. P.	Auckland	Journalist	General	231
Blakeway, F.	Christchurch	Fruiterer	Fruit	180
Bolton, A.	Wellington	Grocer	Groceries	377
Booth, G. T.	Christchurch	Iron-merchant	Agricultural implements	209
Boreham, Steve	Dunedin	Labourer	General	1
Boucher, W. A.	Wellington	Assistant Director Orchards, &c.	Fruit	362
Bowater, William H.	Greymouth	Sawmiller, &c.	Timber	58
Bowling, W. A.	Dunedin	Property salesman	Rents	30
Bowyer, C.	Christchurch	Ex grocer and draper	Groceries	145
Bray, William B.	Christchurch	Apiarist	Honey	74
Breen, Robert	Dunedin	Union secretary	General	48
Britten, F. G. M.	Christchurch	Surgeon	General	61
Brown, S. S.	Wellington	Timber, coal, and general merchant	Coal	444
Brown, Thomas	Christchurch	Managing director T. Brown (Limited)	Coal	168
Brunskill, William	Wellington	Boot and shoe manufacturer	Boots	448
Buchan, John	Dunedin	Fish-curer	Fish	58
Bull, E.	Wellington	Manager candle company	Candles	446, 484
Callender, George	Christchurch	Secretary shipping company	Freights, shipping	136
Cameron, D. J.	Wairarapa	Farmer	Farming	425
Campbell, H. A.	Christchurch	Representative Canterbury Labourers' Union	General	101
Cardale, E. J. M.	Christchurch	Secretary Coal and Blanket Fund	General	66
Carmody, D.	Wellington	Inspector of Factories	Farm accommodation	396
Carpenter, J. M.	Auckland	Coal-merchant	Coal	250
Carter, A. M.	Auckland	Dentist	Dentistry	338
Casey, W. J.	Wellington	Chief clerk City Engineer's office	Fish, fruit	484
Cathie, C.	Wellington	Clothing-manufacturer	Clothing	452
Caughey, A. C.	Auckland	Draper and clothier	Clothing	319
Chambers, C.	Christchurch	Manager Vacuum Company	Fuel, light	129
Charlesworth, J.	Wellington	Architect	Building	425
Clarke, John	Clinton	Farmer	Farming	54
Collie, E.	Wellington	Furniture-maker	Furniture	383
Comrie, Rev. W. J.	Wellington	Chairman New Zealand Alliance	Drink traffic	472
Cook, F. A.	Christchurch	Grocer	(Refusal)	215
Court, George	Auckland	Draper	Clothing	335
Cowper, R. E.	Christchurch	Representative General Labourers' Union	General	143
Craig, E. A.	Auckland	Carrying and coal merchant	Coal	342
Crawshaw, T. B.	Christchurch	Accountant, Aulsebrook's	Biscuits	194
Crumb, Albert	Auckland	Brick and tile manager	Bricks	359
Cuddie, D.	Wellington	Director Dairy-produce	Dairy-produce	397
Cull, George L.	Christchurch	Hollow-ware manufacturer	Hollow-ware	147
Davis, George	Auckland	Secretary Drivers' Union	General	356
Dawson, Rev. J.	Wellington	General secretary Alliance	Drink traffic	471
De La Cour, P. J.	Christchurch	Boot-manufacturer	Boots	64
Dixon, Gilbert	Christchurch	Butcher	Meat	75
Donne, A. E.	Wellington	Secretary woollen-manufacturing com- pany	Clothing	455
D'Orridant, W. A.	Christchurch	Fisherman	Fish	155
Du Feu, J. N.	Christchurch	Boot-retailer	Boots	117
Ensor, Charles H.	Christchurch	Farmer	Farming	69
Entrican, A. J.	Auckland	Merchant	(Refusal)	332
Evans, R.	Kaipoi	Farmer	Farming	165

GENERAL INDEX—continued.

Name of Witness.	Address.	Occupation.	Evidence mainly re	Page.
Evans, W. M.	Auckland	Fruit-merchant	Fruit	324
Ewington, F. G.	Auckland	Land and estate agent	Rents	298
Fairway, James	Wellington	Ex restaurant-keeper	General	468
Feaver, F.	Christchurch	Fruiterer	Fruit	191
Fenton, C. E.	Wanganui	Joiner	Timber (combine)	457
Ferguson, William	Wellington	Managing director gas company	Fuel and light	404
Fernandos, N.	Wellington	Fish-merchant	Fish	377
Flanagan, Joseph	Auckland	Farmer	Farming	220
Flavell, W. A.	Wellington	Branch manager coal company	Coal	437
Ford, A. D.	Christchurch	Merchant	(Refusal)	128
Ford, Michael J.	Invercargill	Journalist	General	36
Fraser, M.	Wellington	Government Statistician	Statistics	443
Free, H. V.	Christchurch	Draper	Drapery	163
Frengley, J. P.	Wellington	M.D. and Medical Secretary Department of Health, &c.	General	480
Fulton, G. L.	Wellington	General merchant	Groceries	393
Gallagher, J.	Auckland	Fisherman	Fish	336
Gardner, William R.	Christchurch	Flour-miller	Flour	102
Garlick, G. C.	Auckland	Furniture-warehouseman	Furniture	330
Garnaut, Montague	Auckland	Fisherman	Fish	355
Garrett, J. W.	Auckland	Butcher	Meat	345
Gellatly, A. A.	Wellington	Land agent	Rents	467
George, George*	Auckland	Director technical education	Domestic economy	321
Gibson, Emily	Auckland	Married woman	General	247
Gill, H. O.	Christchurch	Draper	Drapery	175
Goddard, T. B.	Wellington	Labourer	General	429
Goldstein, H.	Auckland	M.D.	Medical	335
Goss, William	Christchurch	Timber-merchant	Timber	106
Green, H.	Auckland	Representative waterside workers	General	298
Green, T. H., and Co.	Christchurch	Merchants	(Refusal)	75
Greville, F. W. B.	Wellington	Editor <i>New Zealand Dairyman</i>	General	447
Grey, William	Milburn	Farmer	Farming	53
Gunn, Farquhar J.	Dunedin	State-coal Agent	Coal	11
Gunson, J. H.	Auckland	Grain-merchant	Produce	326
Gwillim, W. E.	Wellington	Dairy-produce Grader	General	469
Hagger, W. H.	Christchurch	Inspector of Factories	Farm-labourers' accommodation	152
Hall, J. W.	Auckland	Merchant	Soap (combine)	258
Halse, C. W.	Wellington	House-furnisher	Furniture	426
Hampton, C. E.	Christchurch	Flour salesman	Flour	162
Hampton, Erle	Palmerston N.	Butcher	Meat	479
Headley, D. A.	Auckland	Grocer	Groceries	344
Heslop, H. W.	Christchurch	Land agent	Rents, &c.	61
Hill, H. G.	Wellington	Dairy-produce merchant	Butter	400
Holdsworth, W. J.	Auckland	Boot-retailer	Boots	343
Howard, C. W.	Wellington	Market-gardener	Produce	386
Howell, J. H.	Christchurch	Director Technical College	Domestic economy	140
Hunt, A. L.	Wellington	Manager Farmers' Distributing Company	General	421
Hunter, H.	Christchurch	Representative Canterbury Drivers' Union	General	172
Hutchen, J.	Wellington	Timber-merchant	Timber	383
Hutchison, J.	Wellington	Boot-machinist	Boots	438
Jack, E. C.	Wellington	Secretary Farmers' Union	Farming	420
Jamieson, A. W.	Christchurch	Acting Manager N. Z. Farmers' Co-operative Association	Groceries	204
Joachim, G.	Dunedin	Manager coal company	Coal	5
Jolly, F. F.	Christchurch	Manager furniture warehouse	Furniture	170
Jolly, F. L. G.	Christchurch	Bank clerk	Political economy	196
Jones, D.	Christchurch	Farmer	Farming	109
Jones, W. W.	Wellington	Secretary Fruiterers' Association	Fruit	385
Keenan, Francis	Dunedin	Fisherman	Fish	17
Kee Sing	Wellington	Fruiterer	Fruit	464
Keirby, J.	Wellington	Dairyman	Milk	467
Kellow, W. A.	Wellington	Master baker	Bread	405
Kennedy, Edward	Christchurch	Secretary Canterbury Farm Labourers' Union	Farm labourers	134
Kent, Archibald	Auckland	Baker	Bread	323
Keir, James	Christchurch	Managing director P. and D. Duncan (Limited)	Agricultural implements	211
Kincaid, T., and Son	Christchurch	Grocers	(Refusal)	124
King, F. M.	Auckland	Clothing-manufacturer	Clothing	241
Lafferty, Charles	Christchurch	Boot-retailer	Boots	131
Langguth, Eugene	Auckland	General merchant	(Refusal)	332
Leithead, T. R.	Christchurch	Manager Kaiapoi Woollen Mills	Clothing	190
Leyland, W. B.	Auckland	Manager timber company	Timber	360
Lill, William T.	Ashburton	Farmer	Farming	212

* This evidence was not revised by the witness.

GENERAL INDEX—*continued.*

Name of Witness.	Address.	Occupation.	Evidence mainly <i>re</i>	Page.
Lomas, J. ..	Wellington ..	Secretary for Labour ..	General ..	414
Long, Thomas ..	Auckland ..	Secretary Workers' Union ..	General ..	329
Longmore, A. ..	Wellington ..	Land and estate agent ..	Rents ..	442
Low, H. B. ..	Christchurch ..	General grocer ..	Groceries (combines) ..	88
Lowrie, Alexander ..	Invercargill ..	Journalist ..	General ..	34
Lusk, D. H. ..	Auckland ..	Farmer ..	Farming ..	232
Mackerras and Hazlitt (Limited)	Dunedin ..	Merchants ..	(Refusal) ..	14
Macky, S. C. ..	Auckland ..	Ex-farmer ..	General ..	353
Maclaurin, E. T. W. ..	Christchurch ..	Customs officer ..	Tariff rates ..	162
MacManus, John E. ..	Dunedin ..	Labourer ..	General ..	14
Maddison, W. ..	Wellington ..	Carpenter ..	General ..	370
Maher, James ..	Christchurch ..	Milkman ..	Milk ..	91
Makgill, J. E. ..	Waikato ..	Farmer, &c. ..	Farming ..	223
Manders, Andrew ..	Christchurch ..	Furniture salesman ..	Furniture ..	215
Manton, F. W. ..	Wellington ..	Candle-manufacturer ..	Candles ..	461
Marshall, G. L. ..	Marton ..	Farmer ..	Farming ..	418
Mason, William D. ..	Middlemarch ..	Farmer ..	Farming ..	40
Mathewson, Andrew ..	Dunedin ..	Butcher ..	Meat ..	23
Matthews, D. P. ..	Wellington ..	Butcher ..	Meat ..	403
McCallum, R. H. ..	Auckland ..	Builder ..	Building ..	252
McCutcheon, Thomas J. ..	Dunedin ..	Fish-hawker ..	Fish ..	57
McGowan, D. J. ..	Auckland ..	Dairy and produce merchant ..	Butter ..	248
McIlraith, J. ..	Auckland ..	Political economist ..	Political economy ..	264
McNab, T. D. ..	Auckland ..	Grocer ..	Groceries ..	341
McVilly, R. W. ..	Wellington ..	Chief Clerk Railways ..	Freights ..	415
Meadowcroft, F. ..	Wellington ..	Agent Cadbury's ..	Cocoa ..	462
Mercer, Alexander B. ..	Dunedin ..	Secretary Master Grocers' Union ..	Groceries ..	46
Miller, Thomas ..	Auckland ..	Boot-retailer ..	Boots ..	237
Mills, W. T. ..	Wellington ..	Teacher and journalist ..	Political economy ..	474
Millward, W. H. ..	Wellington ..	Chairman of Directors Gear Meat Com- pany ..	Meat ..	453
Minty, William ..	Christchurch ..	Factory-manager, Kaiapoi Clothing Company ..	Clothing ..	86
Mitchell, Jane ..	Christchurch ..	Officer Women's Employment Branch ..	Attendance, domestic ..	133
Mitchell, John ..	Wellington ..	Fruit-merchant ..	Fruit ..	384
Moore, F. T. ..	Wellington ..	Live-stock, &c., dealer ..	Meat ..	433
Moriarty, Daniel ..	Wellington ..	Secretary Furniture-workers' Union ..	Furniture ..	391
Munro, C. T. ..	Dunedin ..	Fruiterer ..	Fruit ..	38
Munro, F. F. ..	Westport ..	Shipping agent ..	Combines ..	388, 429
Munro, J. W. ..	Dunedin ..	Master baker ..	Bread ..	50
Murphy, M. ..	Christchurch ..	Ex-secretary A. and P. Association ..	General ..	128
Murray, William ..	Christchurch ..	General manager meat company ..	Meat ..	77
Myers, J. S. ..	Christchurch ..	Market-gardener ..	Vegetables and fruit ..	153
Nathan, L. D., and Co. ..	Auckland ..	Merchants ..	(Refusal) ..	297
Neill and Co. ..	Dunedin ..	Merchants ..	(Refusal) ..	14
Nelson, G. B. ..	Christchurch ..	Advertising department, <i>Press</i> ..	Advertising ..	217
Nerheny, P. J. ..	Auckland ..	Contractor, &c. ..	General ..	347
Newman, E. J. ..	Christchurch ..	Fish-salesman ..	Fish ..	89, 191
Nixon, Adam ..	Auckland ..	Engineer ..	Fish ..	362
Nottingham, A. C. ..	Christchurch ..	Representative Jeyes S. C. Company ..	Merchants' Association ..	95
Oakley, H. ..	Christchurch ..	Hollow-ware-manufacturer ..	Hollow-ware ..	150
O'Brien, M. J. ..	Christchurch ..	Boot-manufacturer ..	Boots ..	98
O'Byrne, Thomas ..	Invercargill ..	Union secretary timber-workers ..	Timber and general ..	41
Odlin, C. C. ..	Wellington ..	Timber-merchant ..	Timber ..	466
O'Donnell, M. ..	Dunedin ..	Furniture-dealer ..	Furniture ..	9
Page, S. S. ..	Christchurch ..	Married woman ..	General ..	72
Pannett, J. A. ..	Christchurch ..	Farmer and chairman Farmers' Co- operative Association ..	General ..	161
Paul, J. T. ..	Dunedin ..	M.L.C., Journalist ..	General ..	43
Pavitt, P. S. ..	Christchurch ..	Advertising clerk <i>Times</i> Company ..	Advertising ..	216
Peacocke, G. L. ..	Auckland ..	Land and estate agent ..	General ..	294
Pearce, W. J. ..	Christchurch ..	Coal-merchant ..	(Refusal) ..	189
Peden, Sinclair ..	Dunedin ..	Master grocer ..	Groceries (<i>re</i> combines) ..	32
Phelan, E. ..	Auckland ..	General Secretary Timber-workers' Union ..	General ..	283
Pilkington, Frederick ..	Wellington ..	Manager Fairbairn, Wright, and Co. ..	General ..	484
Pritchard, D. K. ..	Wellington ..	Bootmaker ..	Boots ..	469
Quinlivan, T. ..	Wellington ..	Manager State-coal depot ..	Coal ..	376
Ranstead, William ..	Auckland ..	Farmer ..	Farming ..	300
Reakes, C. J. ..	Wellington ..	Director Live-stock ..	Meat ..	426
Reardon, M. J. ..	Wellington ..	Union secretary ..	General ..	387
Redpath, David ..	Christchurch ..	Coal-merchant ..	Coal ..	85
Reece, Edward Thomas ..	Christchurch ..	Hardware-merchant ..	Hardware ..	79
Reid, D. ..	Auckland ..	Grocer and butcher ..	Meat ..	345
Reid, J. Thomas ..	Auckland ..	Printers' broker ..	Fish ..	278
Richardson, S. ..	Wellington ..	Electrical engineer ..	Fuel and light ..	437
Richardson, W. ..	Auckland ..	Journalist ..	General ..	337
Ricketts, F. W. ..	Christchurch ..	Draper's assistant ..	Clothing and drapery ..	136

GENERAL INDEX—*continued.*

Name of Witness.	Address.	Occupation.	Evidence mainly re	Page.
Roberts, W. M.	Dunedin	Master grocer	Groceries (combine)	28
Ross, Alexander	Lower Waikato	Farmer	Farming	261
Ross, John	Dunedin	Clothing-manufacturer	Clothing	22
Rosser, A.	Auckland	Secretary Workers' Union	General	286
Rowe, G. F. T.	Christchurch	Accountant Fairbairn, Wright and Co.	Merchants' Association	118
Rowe, John	Auckland	Builder and contractor	Building	349
Rowley, F. W. T.	Wellington	Chief Clerk Labour Department	Statistics	431
Salmon, Robert	Auckland	Master butcher	Meat	279
Sanford, A.	Auckland	Fishmonger	Fish	228
Scales, G. H.	Wellington	Shipping agent	(Excused)	404
Schischka, —	Auckland	Merchant	(Refusal)	297
Schmitt, A.	Auckland	Secretary Farmers' Union	Farming	280
Scott, George	Christchurch	General engineer and rangemaker	Hardware	181
Scott, J. C.	Christchurch	City Electrical Engineer	Light	214
Scoullar and Co.	Dunedin	Merchants	(Refusal)	14
Scurr, Thomas	Dunedin	Land and estate agent	Rents	19
Seagar, H. W.	Auckland	Professor of mathematics	Political economy	303
Sheat, George	Dunsandel	Farmer	Farming	184
Sill, W. E.	Auckland	Secretary Butchers' Union	Meat	338
Simm, William	Wellington	Manager drapery company	Clothing	447
Simpson, G. F.	Southbridge	Flour-miller	Flour	116
Simpson, H. J.	Wellington	Fruiterer	Fruit	406
Slator, James	Auckland	Architect and engineer	Building	352
Smeeton, Robert	Auckland	Grocer	(Refusal)	280
Smith, A.	Christchurch	Carriers	Distribution	93
Smith, Thomas	Dunedin	Master butcher	Meat	52
Steel, F. H.	Christchurch	Master butcher	Meat	175
Stewart, W. F.	Auckland	Secretary Auckland Gas Company	Fuel and light	246
Strahan, Thomas	Christchurch	Fishmonger	Fish	124
Sullivan, D. G.	Christchurch	President Trades and Labour Council	General	125
Sullivan, F. J.	Dunedin	Fish-merchant	Fish	7
Taylor, Charles	Christchurch	Builder	Timber	193
Taylor, Cornelius	Auckland	Ex-dairyman	Milk and bacon	255
Taylor, E. B. (Mrs.)	Christchurch	Secretary Creche and Kindergarten Association	General	74
Temple, Woburn	Wellington	Architect Workers' Dwellings	Building	431
Thornton, J.	Christchurch	Boot-retailer	Boots	189
Timlin, J. W.	Dunedin	Accountant Light Department	Fuel and light	57
Tonar, J. B.	Auckland	Manager Waitemata Fruitgrowers' Co-operative Society	Fruit	285
Tooley, A. G.	Auckland	Caretaker Grammar School	General	325
Tooman, A.	Auckland	Auctioneer (fruit)	Fruit	331
Townsend, F.	Wellington	Merchant auctioneer	Fruit	440
Trevor, J.	Wellington	City Councillor, builder, &c.	Building	374
Turnbull, J. F.	Wellington	Grocer	Groceries	456
Varcoe, John	Wellington	Grocer	Groceries	468
Virtue, P.	Auckland	Flour-miller	Flour	243
Wall, James	King-country	Farmer	Farming	460
Waller, E. W.	Christchurch	Timber-merchant	Timber	108
Ward, Charles John	Wellington	Boot-factory manager	Boots	381
Warren, William H.	Dunedin	Carpenter	General	51
Washer, A.	Roslyn	Land agent	Rents	27
Wells, Ada	Christchurch	Married woman	General	72
Westgarth, J. J.	Christchurch	Builder and ex-grocer	Groceries	92
Whitehead, W. H.	Auckland	Boardinghouse-keeper	General	353
Wilkinson, H. K.	Dunedin	Manager Rattray and Co.	(Refusal)	13
Williams, F.	Christchurch	Master baker	Bread	177
Williams, William	Christchurch	Boot trade employee	Boots	96
Wilson, A. E. (Mrs.)	Christchurch	Married woman	General	67
Wilson, C. K.	King-country	M.P., farmer	Farming	434
Wilson, F. P.	Wellington	Lecturer on economics	Political economy	407
Wilson, J. S.	Christchurch	Secretary Bakers' Union	Bread	141
Wilson, R., and Co.	Dunedin	Merchants	(Refusal)	14
Wilson, R. W.	Dunedin	Grocer	Groceries	20
Wing, Samuel	Auckland	Butcher	Meat	320
Winstone, G. J.	Auckland	Coal-merchant	Coal	316
Wiseman, J. W.	Auckland	Saddler	Leather	302
Withy, A.	Auckland	Journalist and lecturer	Single-tax	218
Young, Herbert L.	Dunedin	Land agent, &c.	Rent, &c.	31
Young, W. T.	Wellington	Secretary Seamen's Union	General	450

STATEMENTS FROM MEDICAL PRACTITIONERS.

Collins, W. E. (M.B.), Wellington	Page 505.
Mickle, A. F. J. (M.D.), Christchurch	506.
Symes, W. H. (M.D.), Christchurch	509.

MINUTES OF EVIDENCE.

DUNEDIN.

TUESDAY, 4TH JUNE, 1912.

STEVE BOREHAM, General Labourer, examined on oath. (No. 1.)

1. *The Chairman.*] What is your occupation?—I am a general labourer and tradesman sailmaker. I am a member of the Shearers' Union, and am also a blacksmith—in fact, one has to be everything now to earn a living.

2. Is it within your knowledge that the prices of commodities have risen within the last ten years?—Yes; prior to ten years ago you could buy a very good fat sheep for 1s.

3. *Mr. Fairbairn.*] What year was that? The order of reference only goes back twenty years?—I am speaking of from 1891 to 1896. At that time you could buy a fat sheep for 1s.; and they used to take them round Oamaru and almost give them away.

4. *The Chairman.*] What part of the country was this?—Oamaru and all over Otago.

5. Are you alluding to times of drought?—No; and there were as good wages then as now.

6. *Mr. Fairbairn.*] That was the position before the freezer came into existence?—I am coming to that directly. In those years butter could be got at from 6d. to 8d. per pound; that was fresh butter. Potatoes were from 2s. to 5s. a bag—twelve bags to the ton; and bread was 4d. the 4 lb. loaf in those days.

7. You are speaking of town prices?—The prices in Oamaru at that time. I said butter was from 6d. to 1s.; I should have said from 6d. to 8d. If you guaranteed to take it from one farmer all the year round you could get it at 6d. per pound. Our family got it from one farmer in that way at that price. My family never paid more than 6d. per pound for butter. In regard to clothing, I notice no material difference in the price of clothing. I might say that in that direction wages have increased considerably. While there has been an increase in the price of bread, bakers' wages have not increased.

8. Has the difference in the duty on clothing made any difference?—The duty has made no difference to us—the prices are just the same: I have noticed that particularly. There is no difference in the price of clothing, either of tailor-made or slop-made suits: £1 5s. or £1 10s. was the price of a good ordinary man's suit, and the same articles are practically the same price now. Wages have increased in that line. I would like to tell you the wages in those days. The wages in those days was from 8s. to 10s. per day for the general labourer or worker. I was getting £3 a week of forty-eight hours for sailmaking, for which I am now paid £2 8s. per week of forty-eight hours. Shearing was not paid so much. At that time it was 15s. a hundred; now it is £1 a hundred. Harvesting was paid at 1s. 4d. an hour.

9. *Mr. Fairbairn.*] How many hours did you work for £3?—Forty-eight hours, and a half-holiday on Saturdays. The wages were from 1s. to 1s. 4d. an hour for harvesting. That used to be our nest-egg. We get no more for that sort of work now—we do not get as much. Now we will come down to the present time.

10. *The Chairman.*] Can you tell us what the different items you have mentioned are now?—Butter is now never lower than from 1s. to 1s. 6d.

11. *Mr. Fairbairn.*] When was it at 1s. 6d.? Can you give us definite information on that point?—In June of last year.

12. *The Chairman.*] That is, the retail price?—Yes. The farmers' price at the present time is from 4d. to 8d. per pound in the summer. I am speaking of dairy butter. I may instance the Taieri and Peninsula Company. There is practically no butter put on the market now direct from the farmer. It goes through the dairy companies.

13. *Mr. Robertson.*] At what period was the farmer getting from 4d. to 8d. for butter-fat?—In the summer-time. I may say that the farmer anticipates a dividend from the dairy factory, because that is a co-operative factory. The actual price paid out by the dairy factory is 8d.; and the retail price is now 1s. 4d. It ranges in price for the butter in the factory. When there is an abundance of milk and some extra trouble in extracting the butter-fat the price is 4d., and runs up to 8d. When the milk is richer and easier to get the farmer gets more for it.

14. Are those prices for butter-fat paid at the dairy factory?—Yes, for the actual butter-fat made up. The farmer receives that for it direct. I am dealing with the butter as it is packed in the factory ready to be sent to the grocer to sell. The farmer receives from 4d. to 8d. He never receives more than 8d. for the full pound of butter. I do not know what the price is for the butter-fat; but for the quantity of butter-fat that goes to make up a pound of butter he receives 8d.—that is, for the pound of butter.

15. *Mr. Fairbairn.*] Have you any idea what the farmer gets for dairy butter?—The same price as the other. I may say that a man comes to my door and supplies us with butter at 1s. 2d. per pound.

16. That will be handled through a third party?—Yes, it is possible it is, but it is sold all the year round at that. There is very little of that butter on the market. The butter mostly goes through the co-operative factories. I am telling you what he gets from the factory direct.

17. *Mr. Robertson.*] Is the Taieri and Peninsula Company a co-operative company?—Yes; the farmers all participate in the profits of that company.

18. *Mr. Veitch.*] Do you know how much butter-fat it takes to make a pound of butter?—I do not know.

19. *Mr. Robertson.*] I take it you mean that on the output of the factory the farmer gets from 4d. to 8d. per pound on the butter produced?—Yes.

20. *Mr. Veitch.*] You say that the price paid to the producer is from 4d. to 8d. How have you arrived at that conclusion?—I was staying with friends of mine who have a certain quantity of cream delivered. They used to get 10s. a week from the grocer and make 22 lb. of butter. That was in Canterbury, where I saw the returns. From the dairy factory they were getting up to 22s. for the same amount of butter. They were selling the butter-fat too, but that is what they used to get for the butter. I would like to state what I consider to be the cause of the great increase in prices. In my opinion the whole thing amounts to this: There are a lot of foreign agents going through the country at the present time buying up the output of the factories at a certain price. The factories would sooner deal with them. Last year the Taieri and Peninsula Company—I believe this to be a fact—Messrs. Wright, Stephenson, and Co. bought a quantity of butter from them. They could not comply with all the agent's demands, with the result that the Taieri and Peninsula Company did not supply Wright, Stephenson, and Co., but gave them £600. The butter was bought up by the foreign agents for export.

21. *The Chairman.*] You have no proof of that statement?—I positively swear I believe that to be a fact.

22. *Mr. Veitch.*] What was the £600 paid for?—They had to supply Wright, Stephenson, and Co. to the value of £600, but owing to the fact of having already made a bargain with some agents for the whole of their output they were not able to supply Wright, Stephenson, and Co.'s order, who supply the retail grocers and others, and the result was they had no butter to sell to the retailers; and consequently there was a shortage, and up went the price. I am satisfied that the Taieri Company, in order to get out of the bond with Wright, Stephenson, and Co., gave them a cheque for £600. That is one cause. An army of agents are going about the country buying up the farmers' commodities. The wages of these agents have to be provided for. I think the remedy would be to get these men on the land. They are mostly farmers' sons who have not been able to get on the land, and they have been taken up by the auctioneers as commission agents. If these men were on the land and doing farming it would be much better for the lot of us. The cheapest mutton you can buy is at one shop in Dunedin, and they sell mutton at from 3d. to 4d. per pound for loin chops. The general rule of the butchers in Dunedin is to supply chops from the loin at from 4d. to 6d. per pound. The particular shop I am referring to is the Kensington Co-operative Butchery, who supply mutton at the price I have stated.

23. What is the manager's name?—I do not know. Most of the butchers charge 4d. for the front chops, and as you get towards the leg the price is increased to 6d. Beef steak is sold at from 5d., and rump steak at from 8d. to 10d. At the Kensington Butchery the price for rump steak is from 6d. to 8d. That butchery sells comparatively cheaply in all branches.

24. You are trying to draw a comparison between one firm and another?—I know that the Kensington Butchery retails at the prices I have given, and the other butchers do not do so.

25. *Mr. Macdonald.*] Amongst the other butchers is there a price-list?—Evidently there is an understanding.

26. *Mr. Fairbairn.*] Do they all charge the same price?—No.

27. *Mr. Macdonald.*] Then I should not say there was an understanding?—I have mentioned the only exception.

28. Do the other firms supply at a uniform rate?—Yes.

29. Do you think there is an understanding?—Yes, apart from the one firm I have mentioned.

30. *Mr. Robertson.*] Is that firm's business place in the city?—At Kensington, about three-quarters of a mile from the Post-office.

31. *Mr. Veitch.*] Do you think there would be any great difference between the rent that man pays and that paid by the other butchers to warrant the difference in the prices?—I do not think the rents vary much in any part of the city, unless you go to the North-east Valley and Mornington. The rents which the working-man has to pay do not vary much.

32. *Mr. Macdonald.*] Mr. Veitch was referring to business premises?—I am speaking from the working-man's point of view. I know nothing about the business part of the city.

33. Do you think the difference between the prices at which the Kensington Butchery sells and the prices charged by the other butchers is owing to an understanding to keep up prices?—The prices are forced up before the meat arrives at the butcher's shop.

34. You mean that the Kensington Co-operative Butchery buys cheaper than the other people?—He gets it somewhere cheaper, because he sells cheaper.

35. It is an inference, but you do not know that for certain?—It is an inference. He sells cheaper.

36. Do you think that the difference in the price at which he sells and the price at which the other people sell is owing to an understanding on the part of the other butchers to keep up the price?—Yes, most decidedly.

37. He is not in the combination or trust, or whatever you like to call it?—The other butchers have combined, but not for putting up the price abnormally for their own benefit. The price of mutton has already been put up abnormally at Burnside.

38. I asked you before if you thought that the difference in price was owing to an understanding on the part of the other butchers to keep up the price, and you said yes?—Yes.

39. Now you say that is not so, because you say that the price is put up before the meat reaches the shops?—What I wish to convey is this: that the butchers of Dunedin have not combined to put the price up abnormally. It is forced on them; and they have combined in order to get a fair price for themselves. Perhaps they also pay more rent than the Kensington man.

40. *Mr. Fairbairn.*] Can you tell us what is paid for mutton-sheep?—I consider that £1 3s. 6d. is paying too much for a fat wether—that is, dead-weight.

41. Eighty pounds at £1 3s. 6d.—that is, 3½d. is the cost of that mutton on the average. Are you now giving the fair average price at Burnside, or is this a high price?—No, it is the general thing. The agent buys from the farmer at from 10s. to 12s. per sheep, and between the farmers' price and Burnside the price goes up to £1 3s.

42. Cannot you see that there is still an extraordinary gap. If the dead-weight price at Burnside is 3½d. per pound, it is quite clear a man cannot sell mutton at from 3d. to 4d. per pound—unless the man at Kensington is buying through other channels than Burnside—that must be self-evident?—That is the actual price you have given. There are the skins, fat, and all that to be added. He has all that as profit.

43. What is the value of the skin?—From 7s. 6d. to 10s.; then there is about 4s. or 5s. worth of fat.

44. The cost of killing has to be paid for. All the by-products go to the owner of the sheep?—Yes.

45. How much does the killing cost?—About 3d.

46. The skin is worth how much?—There is the wool and hide—from 7s. 6d. to 10s.

47. Is there anything else in the way of by-products?—The tallow, fat, and bone. I should say that is worth from 3s. to 5s.

48. You have given us these figures: 7s. 6d. to 10s. That reduces the cost of the sheep to 9s. 9d. for 80 lb. of mutton—that is, roughly, 1½d. per lb. That is all that man is paying for his mutton: is that so?—Yes; and the charge here is from 4d. to 6d. per pound for chops.

49. *Mr. Hall.*] With regard to the sheep you say were sold so cheap in the early days: were they old broken-mouthed ewes?—No, fat wethers. They were first-class sheep.

50. Were you referring to live sheep or dead sheep?—Sheep ready for the table: the carcase.

51. Was there a drought at that time?—No; I was going over a period of from six to ten years. When we first materially noticed a rise in the price of commodities was when the swaggers were taken off the road, after the advent of Mr. Seddon's Government. I saw first-class mutton sold off the farm, or by the farmer, at from 10s. to 12s. per sheep.

52. *Mr. Fairbairn.*] How long ago was that?—About four months ago, in Canterbury.

53. What would the dead-weight be?—From 60 lb. to 80 lb., at 10s.

54. What would be the value of the pelt, wool, &c.?—About 3s. 6d. to 5s.

55. That would be equivalent to from 14s. to 16s., as against to-day's price for the same sheep, bearing in mind that the skin was worth from 7s. 6d. to 10s. 6d.?—Yes. I may say that I followed that mob of sheep which had been sold by the farmer at from 10s. to 12s. I followed those sheep to Geraldine, and they were sold there alive by the agent at from 17s. 6d. to 19s. 3d. by auction.

56. *Mr. Hall.*] How far had they to drive them?—Six miles.

57. What would be the cost of driving them?—About 10s. for the half-day.

58. How many sheep were there?—154—104 at 12s. and 50 at 10s. per head.

59. What kind of sheep were they?—Crossbred wethers: fat sheep. There were a few ewes amongst them.

60. *Mr. Fairbairn.*] This is something that you can distinctly vouch for?—Yes.

61. *Mr. Macdonald.*] What, in your opinion, created the difference in value in those two days?—The number of agents. There were six agents there, and these agents have to be provided for. Those sheep belonged to the agents or auctioneer.

62. What induced the paying of the higher price in that case?—The agents.

63. *Mr. Hall.*] What month would that be?—About two months ago.

64. Was there any shortage of feed at that time?—No.

65. *Mr. Macdonald.*] The farmer is a simple fellow, and cannot protect himself?—He is satisfied with from 10s. to 12s. For running the sheep for a couple of months on rape and fattening them the auctioneer made the difference between 10s. and 12s. and 17s. 6d. and 19s. 3d.

66. To whom did the auctioneer resell at 19s. 3d.?—In the public auction.

67. *The Chairman.*] Who buys them?—The butcher.

STEVE BOREHAM, recalled.

Witness: I would like to qualify some evidence which I gave this morning. With regard to the sheep which I followed, and which were taken to Geraldine: When I said I followed them I was speaking in a broad sense. They were taken to Geraldine, and I saw them sold at the enhanced price. They were fourteen days on rape before finally sold to a butcher. That has to be added to the price at which they were sold at Geraldine by the second agent.

68. *The Chairman.*] What value would be put on to the sheep?—I think they charge about 6d. per week per head.

69. That would be 1s. on each sheep?—Yes, very comfortably. With regard to the Kensington butcher's shop: Since the Commission adjourned I have made inquiries and have found out that the men running the shop are old shearing-mates of mine. I want to make this statement: that there is a ring amongst the butchers in Dunedin. I have seen their schedule of prices and the names attached to that schedule; and the man at Kensington has refused to sign it.

70. *Mr. Fairbairn.*] You have seen a list of the prices signed by the butchers?—Yes, by all the butchers in the combination.

71. *The Chairman.*] Would it be possible to get a copy of that document?—No, but I propose to bring Mr. Matthewson here to give evidence himself. I wish the trend of my evidence to lead you to understand that I am perfectly convinced that it is owing to the great number of agents going about—

that is the sole cause of the rise in our commodities. Mr. Matthewson, with whom I am dealing, has an agent who buys for a firm in London, and when he is buying for that firm he buys sheep for the Kensington butcher; and the butcher can get them much cheaper than by buying at Burnside. The result is that he can sell cheaper. He pays the same wages to his men.

72. That is the explanation: he is an export agent also?—Yes, he buys directly from the farmer: hence the lower price of his meat. The two men who run the shop at Kensington are prepared to come here and give evidence. The trade of the Kensington shop is a cash trade. The difference to my household expenses is 7s. 6d. a week on meat. Now, we will take potatoes.

73. You said they were 2s. for a bag?—Yes, from 2s. to 5s. That was in the years between 1890 and 1896. Now they fluctuate a little, but they are never much below £10 a ton.

74. *Mr. Fairbairn.*] I saw potatoes quoted in the paper the other day in Christchurch at very much lower than that?—The present rate is £10 a ton here retail. The very best sample at the present time at the railway-siding at Gore is £5 a ton wholesale.

75. What is the railage from Gore?—I could not say.

76. It would not be more than £1 a ton?—I do not know.

77. You say the farmer gets £5 a ton?—Yes. Take the very best sample: they are retailing them at more than £10 a ton, ranging up to £20 a ton for small quantities.

78. *Mr. Veitch.*] What are you paying for small lots?—10s. for a bag.

79. That is 5s. a cwt.: £5 a ton?—They sell them by the sack: twelve sacks to the ton.

80. What is the price of potatoes per sack?—About 18s. per sack. Four years ago potatoes were bought at £4 a ton at the siding at Oamaru, and they were selling in Dunedin at 15s. a sack.

81. That is £7 10s.?—Yes, but there is not 2 cwt. in a sack. There was a demand made for 18s. a sack by retailers, with the result that at the end of the winter seven hundred sacks were thrown away rotten. I may say that there are agents buying potatoes in the ground at from £2 15s. to £3 per ton.

82. *Mr. Hall.*] Do you mean that the men would dig them at that price?—No, the farmer digs them. The agent gets them at the siding at that price. The very best samples at the Gore Railway-station are selling at £5 a ton, and in Dunedin we are paying at the rate of £10 a ton retail. That shows the difference between the producer's price and the price the consumer pays. Now I come to the price of coal. There is no agent in the coal business. Here is a curious thing: While for fine, first-class coal, since the starting of the State coal-mines, the price is normal, yet the price of brown coal, which is the working-man's household coal, has increased from 15s. to 18s. to £1 and £1 4s. per ton. I refer to Green Island and Nightcaps and other lignite coal. I am not dealing with Kaitangata coal: that is a little bit beyond the working-man's coal. Since the starting of the State coal-mine brown coal has increased in price, whereas first-class coal has rather tended to decrease. Steamers, factories, &c., use the better-class coal. The result has been that the lignite-coal proprietors have put up the price of the coal used by the worker.

83. *Mr. Fairbairn.*] It is not usual in such cases to make things dearer: it is rather the other way?—Prior to the starting of the State coal-mine, engines for threshing-mills and shearing-machines, &c., used brown coal.

84. *Mr. Veitch.*] What is the price of brown coal per ton?—Up to £1 4s.

85. Is there a State coal-depot here?—Yes.

86. What is the price of Point Elizabeth State coal?—I do not know.

87. I cannot understand people paying £1 4s. a ton for brown coal when Point Elizabeth State coal is selling at the price it is?—I am talking of the retail business. The bags do not hold 2 cwt. The retail consumer now pays more for brown coal than he had to pay formerly. Now I want to deal with the fish business.

88. *The Chairman.*] You are not a fisherman?—No, but I was secretary of a fisherman's union, and I think I know something about the business.

89. When were you secretary?—Later than eighteen months ago.

90. *Mr. Veitch.*] What are the objects of the Fishermen's Union? Who are the members of the union, to begin with?—The Fishermen's Union of which I was secretary was the Trawler Fishermen's Union. There is another union—the Seine-net Union. This is a union of men who are, practically speaking, employers.

91. Are they the men who own small yachts and who fish with hook and line?—Yes, they use oil-launches. They formed a union and registered under the Arbitration Act. They could not state anything to go before the Court, because they are employers, practically. One of the principles for which the union has held out is that they can send no more than three dozen groper to the market each day—each boat containing two men.

92. Is that in the rules of the union?—No, the rules are registered, but the rules are *ultra vires*. The two or three men at the head of affairs are making use of the fact of their registration for the purpose of getting the other men to join their union. This is one of the effects of the union coming into existence: that the limit of groper that can be sent to the Dunedin market in one day, two men to one boat, is three dozen.

93. *The Chairman.*] Without any question as to weight?—Without any question as to weight.

94. *Mr. Robertson.*] Are they allowed to send any other fish at the same time?—Groper are the principal fish here, and they can catch groper at any time of the year.

95. They would be allowed to send barracouta and other fish, other than groper?—Yes, I think they can send any quantity.

96. *Mr. Veitch.*] Supposing they have caught, we will say, three dozen groper and then go on fishing for barracouta, and they catch one more groper, do they throw it overboard?—No, they keep it back till next day in case it is a bad day: so that the consumer has to be prepared for buying stinking fish.

97. *Mr. Hall.*] Do they ever divide the catch with another boat?—No, but they give it to a man who has no boat at all to send away to another market. They are in tow with a man in Christchurch, and they send fish there.

98. *Mr. Veitch.*] Have they any written arrangement amongst themselves?—Yes.

99. Is there a written agreement, or is there a mutual understanding?—It is more than a mutual understanding. The secretary of the union asks a man if he will join the union, and if he does not join the union he has to pay from 15s. to £1 a case for benzine; whereas if he joins the union he gets the benzine for 10s. a case. That is the inducement for him to join the union.

100. *Mr. Fairbairn.*] Do you mean that the sale of benzine is a trust?—I mean that the secretary of the union deals with one firm, and they give him a commission of 10s. a case for selling the benzine to the fishermen.

101. Benzine is an open market?—You cannot buy benzine at 10s. a case.

102. That is owing to the shortage?—But he can get it at 10s.

103. There is no such thing as a corner in benzine here with the two principal companies. It is an open market?—Yes, with regard to the two companies you refer to, but the secretary of the union delivers benzine at 10s. a case, and that is the inducement to fishermen to join the union.

104. *Mr. Veitch.*] We want something that carries proof with it?—I swear to that fact.

105. *The Chairman.*] How can you swear to that?—I am doing business with a man who wants to drag out of the union. He has instructed me to buy 100 cases of benzine at 10s. a case. I find that it can be got by one person for 8s. 6d.

106. Probably these people bought at 8s. 6d. and are selling at 10s. ?—Yes; but why should they cut off our fish-supply when they are already making a profit in that direction? Now, with regard to rent: Prior to ten years ago, speaking of Oamaru, and just prior to ten years ago in Dunedin, you could get a four-roomed house for 8s. a week. Now you cannot get a house worth living in under 12s. or 13s. a week.

107. *Mr. Robertson.*] You are referring to the same years you mentioned before—from 1890 to 1896?—Yes.

108. *Mr. Macdonald.*] What do you say the rent in Dunedin is now?—When I came here ten years ago the rent of a four-roomed house was 8s.; now the rent has increased to 12s. 6d. a week.

109. The Labour Department's figures do not bear that out: they say 10s. 6d.?—There is a four-roomed house hardly fit for a respectable pig to live in, the rent of which house is 12s. 6d. a week. Evidently the Department knows very little about that. To-day £1 a week is charged for a seven-roomed house.

GEORGE JOACHIM, Managing Director of the Westport Coal Company, examined on oath. (No. 2.)

1. *The Chairman.*] You are manager of the Westport Coal Company?—I am managing director of the Westport Coal Company.

2. Amongst the issues this Commission is asked to consider there is one, No. 9, which says, "What effect, if any, has the labour legislation had on the increase in the price of the commodities of life?" You have been working under several awards of the Arbitration Court, have you not?—Yes.

3. Has the effect of those awards been to raise wages?—Yes.

4. Has that increase in wages affected the price charged for coal?—No, it has not. The company, so far, has borne the increase out of their own pockets.

5. Has there been any rise in the price of coal of late years?—There has been quite recently an increase in the price, but the wholesale price of coal during the last ten years has been 5 per cent. reduced on the ten years previous to that.

6. Can you explain how it is that you have been able to pay increased wages and yet be able to sell coal at a cheaper price?—We have made less profits. In times past when business was better we provided better output plant, and made better facilities for delivering coal, and we have been gradually eating up those advantages by the increase in the cost of labour.

7. The projected advantages you thought you were going to gain you are not now gaining?—We are not.

8. *Mr. Macdonald.*] There has been an upward tendency in the price of coal?—There has been no rise, except within the last few months, so far as I remember, for the last ten years.

9. Are the retailers paying more for Westport coal than they were previously?—I do not know how it is with outside places, but in Dunedin the price is 20 per cent. less retail than it was ten years ago. That has been accomplished by distributing the coal ourselves, and taking the profit which used to go to the middleman and giving it to the consumer.

10. *The Chairman.*] Was the establishment of the State coal-mine service of assistance to you in helping to eliminate the middleman?—I really do not know. We had our retail yards here long before the State established theirs. Possibly competition might have sharpened us up.

11. You would say that if there had been a rise in the cost of living it has not been contributed to in any way by the Westport Coal Company?—Certainly not by the cost of coal.

12. *Mr. Fairbairn.*] If the price of coal is 20 per cent. less now, it must have been dearer to the consumer between 1890 and 1900?—Yes.

13. *Mr. Hall.*] What is the present price of household coal?—£1 15s. per ton to the public.

14. *Mr. Robertson.*] That is by the ton?—Yes; in smaller quantities the price is slightly larger.

15. *Mr. Fairbairn.*] Have you the same facilities for distributing coal in Christchurch as in Dunedin?—Yes; and also in Oamaru, Timaru, and other places.

16. Have you a uniform charge?—No, it depends on freights, and port charges, and handling. In some places we have better facilities for handling than in other places. The coal goes direct from the wharf to the yard in Dunedin.

17. What is the cost to the public at Lyttelton?—I really could not tell you. The notice I got to attend was so short that I was unable in the time to get all the information. I think I am right in saying that the price is reduced in every port in the Dominion.

18. *The Chairman.*] Would you supply us with a statement with regard to the price of coal between 1890 and 1900 and between 1900 and 1910 in the different places in the Dominion?—I will have that statement made up for you. [See Exhibit No. 1.]

19. *Mr. Macdonald.*] Could you have a table made up showing the increase in wages?—Yes.

20. *Mr. Hall.*] What is the price of steam coal?—That varies very much according to the sort of coal that each steamer uses.

21. *The Chairman.*] Will you state that it is the custom of the Westport Coal Company to sell to anybody ready to buy your coal?—Yes.

22. You sell to the public?—We sell to any one.

23. Is there any agreement between you and the Union Company to give the Union Company preference?—We have to give them all our carrying.

24. In regard to the supply of coal?—No, we simply supply them; but we have an agreement for carrying and for the price of selling coal. The rates of freight are fixed at the different ports, and we reserve the right to sell to outsiders, to charter, or do anything else we require. We also own our own steamers, and we give freights to various small companies. Our chief carrying business, however, is done with the Union Company. That company undertakes to provide whatever steamers we require, and to send them wherever we want them to go.

25. *Mr. Fairbairn.*] The same arrangement, I presume, exists between the Stockton and other companies?—The Blackball Company own their own steamers. We have two steamers of our own.

26. When sending in the return, could you include the price of steam coal. We want this for a specific purpose, and if you can let us have it it would be very useful?—If you will be kind enough to frame your questions and send them to me I will answer them.

27. *Mr. Macdonald.*] I come from Westport, where we hear all sorts of rumours, and I have heard it stated that if an outside company comes to the Westport Company and asks for 5,000 tons of coal for distribution in New Zealand the company is not at liberty to sell?—It depends on where the coal is to be taken. Supposing a steamer came into Westport, and we sold it a cargo of coal, it might suit the owner for a particular purpose to sell that coal at a low price in ports where we have our own agencies. That one transaction might suit that owner, but he could not do it regularly, and therefore we say, "Well, if you are going to sell this cargo and compete with us in different ports we won't give it to you." If he will quote us a lower freight for carriage than the Union Company we will consider it. We cannot keep the mines going on casual steamers. It was essential in the interests of the workmen, and also to keep the cost of production down, to keep the mine regularly going. We have had very few idle days in the year. I do not think there is a mine in Australasia in which the employment is so regular as in ours, and that is so because of our freight arrangements.

28. There does not exist free trade in coal?—It does exist, because any man who wants coal we give it to him.

29. You still reserve the right to say whether a man can get a cargo of 5,000 tons for, say, Wellington?—We reserve the right, but I have never refused to quote a price for a cargo that I know of.

30. *Mr. Veitch.*] If a vessel came along and asked for a freight of 5,000 tons, and you thought there was a danger of that cargo underselling you, would you refuse to supply that coal?—I have never done so yet.

31. Is there any arrangement between the Westport Company and any other company or companies for the purpose of regulating the selling-price of coal?—None whatever.

32. *The Chairman.*] There is no understanding between the Westport Coal Company and the Union Company by which you are to give the Union Company preference in regard to coal?—I have said we give the Union Company all our carrying over and above what we send by our own boats. It is understood that they get all the surplus, but we have the right to charter or send by other steamers to where we like. It is a free and open arrangement.

33. *Mr. Veitch.*] Does not the arrangement you have with the Union Company interfere with the business of other coal companies and restrict their operations?—The Union Company, so far as we are concerned, are at liberty to carry for or buy coal from any company they like. With regard to the general question of the cost of living as applied to the household, I may say I keep a very careful account of my own household expenditure, and I have analysed that expenditure for the last ten years. I have taken out the first five years of that period regarding the cost of food, clothing, and wages, and compared them with the following five years—that is, the five years just ended—and I find that the increase in the cost of keeping up the same household has been 8 per cent., whilst the increase in wages—that is, for domestic help—has been 33 per cent.

34. *Mr. Fairbairn.*] That covers the last ten years. Have you a record of the ten years prior to that?—I have not got it with me, but I can look it up for you. The difficulty, however, is that my household for the last ten years was uniformly the same, whilst previous to that time my family at home was larger, and accordingly the comparison would not be so useful.

35. Do you take the total cost of the upkeep of your establishment, or have you gone into the various items?—I took the bills of the grocer, baker, fishmonger, and so on.

36. *Mr. Macdonald.*] The increase in household necessaries has been 8 per cent.?—Yes.

37. What has been the increase in lighting?—I do not think there has been very much difference in that respect. There has been a decrease.

38. What has been the difference in rent?—I do not know anything about that. I own my own house.

39. *The Chairman.*] Have the rates risen?—Yes.

40. Are the rates included in that estimate?—No.

41. *Mr. Veitch.*] Are you employing the same number of servants now as formerly?—Yes.

FRANCIS JOSEPH SULLIVAN, Fish-merchant, &c., examined on oath. (No. 3.)

1. *The Chairman.*] What is your occupation?—I am an importer and exporter.
2. Of fish?—No. I have quite a number of occupations. I import a lot of merchandise, and I export rabbits and rabbit-skins. I suppose I am a commission agent.
3. You do not actually store the commodities?—Yes.
4. You are a merchant?—Yes.
5. Have you had a long experience of the business of selling fish and rabbits?—Since 1889.
6. Have the commodities in which you deal increased in price in that time?—I do not consider they have.
7. *Mr. Fairbairn.*] Are you speaking of the price to the public or to the trade?—With regard to both.
8. You do not think the price has increased to the public in the last twenty years?—That is so, so far as Dunedin is concerned.
9. *Mr. Veitch.*] What is your connection with the fish trade: are you dealing wholesale or retail?—I have been everything, but at the present time I am a trawl-owner.
10. You are really in the wholesale line?—I have been in the retail line, and built Sweeting's two places here, thinking it was in the retail business that all the money was being made. I have had four years' experience of it and have given it up.
11. *The Chairman.*] You were glad to give up the retail business?—Yes.
12. What was the business?—Fish, poultry, &c.
13. Why was it unsatisfactory?—One of the reasons was that when I started there was not all this legislation about labour, and I am too busy a man to be always hunted by Inspectors and officials and also members of the union.
14. *Mr. Veitch.*] With regard to the wholesale price of fish: has there been any marked difference in your experience?—It stands to reason there must be some variation from day to day.
15. Speaking generally, is there much difference now?—No, I do not think there is. I think it is cheaper now than formerly.
16. *Mr. Macdonald.*] Could you give us the price to-day and what fish was sold at ten years ago?—I do not know that we have got those records.
17. Have you any records at all?—We have recent records, and I have a book which goes back to 1875, before my time in the business.
18. *Mr. Veitch.*] Is there any competition in the supply of fish?—There is any amount of competition. The ocean is entirely free to any one to catch fish from to sell.
19. Is the wholesale supply of fish in Dunedin controlled by one firm or combination, or by a number of owners competing against each other to sell their fish?—There are quite a number of sellers. There are two wholesale salesmen here who sell fish. I have two trawlers, and there is another company which has one trawler.
20. Is there any working arrangement between you and the owners of the other trawler?—None whatever. Each boat tries to get as many fish as possible, and get as much as possible for them.
21. *Mr. Macdonald.*] Is there any arrangement to limit the supply?—Not so far as the trawlers are concerned. There is amongst the fishermen who have their own boats and nets. They have a union at Port Chalmers, and these men regulate between themselves what they send up to town. They limit the number of groper, barracouta, red-cod, blue-cod, and so on caught by each boat.
22. *The Chairman.*] Is this within your knowledge?—Yes.
23. *Mr. Macdonald.*] There is a union of fishermen at Port Chalmers who artificially limit the market?—Yes; they arrange amongst themselves.
24. *The Chairman.*] The trawlers deliver the public from this evil?—Nothing of the sort. The trawlers are steamers, and the fishermen have oil-launches. The man with a launch can catch as many or as few fish as he likes. These men formed themselves into a union, and they agree that each boat shall have a limit put on the quantity of fish he is allowed to catch, so as to equalize matters. One man may be allowed twenty dozen of one variety of fish and two dozen of another variety.
25. In the town I live in I have heard it stated that the shores were white with fish thrown overboard. Could you believe that?—Not in New Zealand.
26. *Mr. Fairbairn.*] It was the practice many years ago to throw overboard small fish?—If a fisherman caught small fish which he could not sell, what else could he do with them? That is one of the greatest troubles of the fisherman. If the Government or the public will arrange to take fish at a price suitable to the catcher, well and good; but the trouble is that when fish are most plentiful there is the smallest sale, and the biggest demand is when fish are most scarce. People do not eat as many fish in summer as in winter.
27. There is a bigger demand in winter?—Far bigger; and not only that, but we can reach buyers at places in winter that we could not reach in summer. Another thing is that in recent years I have applied oil-engines to these smaller boats, so that they are enabled to go to fishing-grounds that were, by reason of the distance, closed to them under the old methods of propulsion. Consequently the supply of fish is more even than it was. If the boats catch all the fish each can get they have to find a market for it. These men say, "We want a fair day's wage for a fair day's work."
28. What proportion of fish is caught by the trawlers as compared with that caught by the flotilla of small boats?—That again depends on the seasons. Sometimes we catch great quantities by the trawlers, and at other times we do not get enough to pay expenses.
29. Which supplies the market generally?—The boats catch a different class of fish from that which the trawlers catch. The boats use hook and line. The two classes of fish do not interfere with one another on the market.
30. *The Chairman.*] Do the motor-boats all catch by hook and line?—Yes.

31. When you said you were being harassed by Labour Department officials, did you mean when you were keeping retail shops?—Yes. When I built these places there was no such thing as we have now. We have rules and regulations and restrictions of all sorts now.

32. And you found that if you were to obey all these rules, and so on, you could not make money?—I do not say that; but I am too busy a man to answer all the inquiries and to put up with pinpricks and disputes.

33. Do you think this legislation has added anything to the price of fish?—When you have threats of a summons every day it is time to get out of the business. These men who are now running my places were men who were in my employment, and they formed an arrangement which would not be possible to me.

34. They are working on the co-operative system?—They are working amongst themselves. It is a partnership, and they can work as long as they like.

35. *Mr. Veitch.*] You say there is a combine on the part of the small boats catching fish, and on the part of the retailers, but there is no combine in that portion of the trade in which you are engaged?—There is no combine in the trawling. We catch as many as we can and put them on the market. I do not say there is any combine amongst the retailers.

36. Do you not say they are working together to get over certain difficulties?—I was only talking about the men to whom I let my shops. There are plenty of other fish shops and hawkers, and there are Chinamen too.

37. Do Chinamen sell fish?—Yes. They are a great institution. If people can buy fish at a penny cheaper from Chinamen they will take it.

38. Is that going on?—Yes; but it is not so great now as it was before.

39. Where do they get the fish?—On the open market. They have as much right as any one else to get it.

40. *Mr. Fairbairn.*] Could you give us any idea of the average price of flounders of fair average size spread over the last twelve months?—I could hardly answer that straight off, but I should say that for average-size flounders, taking good, bad, and indifferent, the average price would be about 4s. per dozen. The hotels are being supplied at somewhere about 4s. per dozen. Of course, if a man wants a single fish, and wants it rolled up in paper and sent home to his house on three months' credit and 2½ per cent. discount, and the money to be called for three times before it is paid, he expects to pay only the same rate as the man taking fish by the dozen.

41. I am talking about the general trade?—Family trade in New Zealand is much higher than the class I quoted. Families buy by the shilling's-worth, and have it sent to their homes. They mostly order by telephone. A great many people order who live in Roslyn and Mornington, and they think they are getting a shilling's worth of fish. They are not: they are getting fourpence worth of fish and eightpence worth of service. Any of these people can go to the market and bring their own paper and piece of string, and the auctioneer is quite willing to sell to them.

42. *The Chairman.*] You think it is very desirable to have a market for fish?—It is desirable to have a wholesale market for fish, where fish can be sold to the retailers.

43. But not to have a retail market?—Yes, if you could get the people to go there and pay cash and take the fish home with them. Fish is a perishable commodity, and if the people do not come along and buy it, what are you going to do at the end of the day with what is left over?

44. *Mr. Fairbairn.*] The whole secret is distribution?—Yes.

45. *Mr. Macdonald.*] What particular Government regulations do you object to?—The whole "shooting-match." Before we had this legislation every man and woman in my employment was working for one end, and that was to make a profit for the concern they were employed in. They recognized that a profit had to be made, otherwise they could not get their wages. Since these other matters have been introduced you cannot trust any one of them.

46. *Mr. Veitch.*] That is rather strong, surely?—That is my opinion. I was asked my opinion.

47. *Mr. Macdonald.*—What particular regulation did you find offensive?—I will not say any one in particular: it was the whole lot.

48. *Mr. Robertson.*] Did you find the closing-hour regulation oppressive?—Yes. As soon as a fishmonger sold a fowl he ceased to be a fishmonger, and had to close for the weekly half-holiday. My name is still on the records of the Court as having broken the law in regard to compulsory closing.

49. *The Chairman.*] You desire to run your business in your own way?—Yes.

50. *Mr. Robertson.*] You stated that you had put engines into fishing-boats: have you any interest in these boats which fish with hook and line?—I have until the engines are paid off; after that, none.

51. Do you sell the catch of the hook-and-line men?—No. They are consigned to an auctioneer, and I do not touch them in any way.

52. You have an interest in the boats?—I have a bill of sale, which any one is at liberty to take up from me. While these men are owing me money I hold a bill of sale, but at the same time they can send their fish where they like.

53. Is it open to any member of the general public to go to the market and purchase fish?—Yes.

54. You know of no means of artificially maintaining the price of fish in the market?—None at all, excepting that the fishermen regulate the supply.

55. You mentioned about a limit of two dozen proper for a boat. If that limit was put on, would it mean the limit of fish for that boat?—No; only of that class of fish.

56. *Mr. Veitch.*] Are all the fish caught by the trawlers put on the market, or are any thrown overboard?—None are thrown overboard that are of any value. Dogfish we throw away.

57. *Mr. Hall.*] Is there ever such a surplus of fish as to be able to use them for manure purposes?—Very seldom. Once or twice in my whole career we have caught a larger quantity of fish than we could deal with, for the reason that we could not get the labour to deal with them while fresh. Trawlers are working under an award of the Arbitration Court. The hours are fixed, and the catch, be it large

or small, makes no difference to the pay of the men. We are therefore not going to throw away any fish that can be converted into money. At Home the trawlers are mostly worked on the share system, but we cannot do that here. We tried it here, and for a week the men had a good time. Then there came a bad week and I had to come to the rescue and find coal.

58. *Mr. Fairbairn.*] You say that the men limit the catch in order to regulate the market?—The whole idea is that there are days when there are no steamers in at Port Chalmers. If they did not have some such regulation the lumpers would get into a boat on an off day and there would be a slump in the market for fish.

59. It seems to me that the boats are working into the hands of the trawlers?—It is a different class of fish altogether.

60. *Mr. Veitch.*] How does it pay you to sell all you catch whilst it is necessary for the boats to limit their catch?—I have no control over the fishermen, but I have over my own business. It pays me this way: I have to pay £80 per week expenses, and if I can get £20 worth of fish for nothing I am going to have them. It would be very foolish for me to throw away any fish I can utilize. As regards the other men, they earn very good money. Last week several of the hook-and-line men had been paid £10 per man for fish caught during the week.

61. Can you give us a fair idea of the retail price of fish?—This last week fresh groper was selling at 30 lb. for 7s. 6d. You can go into any of the fish-shops and get groper for 4d. per pound.

62. Flounders?—Average size, say, 3s. a dozen up to 8s. a dozen.

63. Is that an average week?—No, it is a dear week; but the groper is cheap for this time of year.

64. *Mr. Fairbairn.*] Which fish has the largest demand, so far as the public is concerned?—Blue-cod.

65. Which fish do you sell most of?—Groper.

66. What next?—Red-cod.

67. What were red-cod worth last week?—About 10s. a cask, weighing 1½ to 2 cwt.

68. Is that high, normal, or low?—It is about a normal price. Sometimes a cask costs £1, sometimes 5s. The long and the short of the whole thing is this: we are all living at a higher standard than formerly. People who used to be satisfied with ling, and red-cod, and barracouta now want blue-cod, flounder, or soles.

69. *Mr. Macdonald.*] You think the standard of fish-consumption has risen?—Undoubtedly; and more than that, the consumption of fish has risen.

70. *Mr. Fairbairn.*] But groper is still the fish of which most is sold?—Yes.

71. *Mr. Robertson.*] And red-cod next?—Yes, because they cannot get the other.

MICHAEL O'DONNELL, Furniture-dealer, &c., examined on oath. (No. 4.)

1. *The Chairman.*] In what line do you propose to give us your experiences?—I was for thirty years in the produce line.

2. Go back twenty years and let us know what the prices were at that time?—There is no doubt that various commodities were cheaper twenty years ago than they are now; but the conditions were far worse than they are to-day. Wages were very low then; in fact, there was little or no work to do for numbers of men. I know that contracts were sometimes taken at ruinous prices. Many contractors could not pay their men. There was no law to protect the working-man and compel the contractor to pay him. Now that is provided for.

3. You assume that the low price of produce at that time was owing to the bad times?—There is no doubt that more produce was produced than could be consumed, and a good deal went to waste. At the same time, we will say in the winter season, farm-produce would rise and fall according to the crops. It is a question of the season more than anything else. A lot of people do not understand it. For instance, supposing potatoes go up to £10 a ton, they fancy that it is a ring that is causing it. It is simply because they are not in the country very often. I have known cases where potatoes have gone up to £10 a ton, and it would have paid the grower the year before to sell them at £3 a ton. The year before they went up to £10 a ton they had only about 30 cwt. to the acre. In the previous year they had from 8 to 10 tons to the acre. When the crops are very light it takes a great deal more labour to get a sack of potatoes. So far as farm-produce is concerned I cannot see how any Commission can alter the position so far as that affects the market. No one can prevent the farmer from holding his produce back if he likes to hold it back for a higher price. Sometimes farmers grow stuff which it does not pay to sell. The high prices are owing to the scarcity of the article in many cases. I remember about six or seven years ago farmers sending in their potatoes to this market, and they put such high reserves on them that the agents had to stack them in the stores. Victorian potatoes were then sent in to the New Zealand market at a low price. The result was that the locally-grown potatoes had ultimately to be sold at a great sacrifice, as they had begun to grow in the sacks.

4. Do you assert that the higher price of potatoes at the present moment is owing to the scarcity and not to the competition?—I suppose it is owing to the demand. The wholesale price is not very high: it is about £4 per ton.

5. *Mr. Fairbairn.*] What is the weight of a sack of potatoes?—The sacks are of various sizes. There are 4-, 4½-, and 5-bushel sacks.

6. What is the average?—1 cwt. 3 quarters.

7. *Mr. Macdonald.*] What line are you in now?—In the furniture line.

8. *Mr. Robertson.*] How long is it since you retired from produce-dealing?—Five or six years ago; but I take an interest in it still.

9. *Mr. Veitch.*] I would like to get some idea as to what profits are being charged by the middle-man?—The profits were so poor that I did not care to go on with it any longer. There are the carter's wages and cost of horse and cart, and then there are the losses owing to it being a booking business.

10. *Mr. Hall.*] The cost of distribution has increased?—Yes, the cost of handling is very heavy. There are fewer produce-stores in Dunedin now than there were twenty years ago.

11. *Mr. Veitch.*] That might prove that there are large profits, and that there has been a corner for the purpose of making larger profits. Do you know how many firms there are in that line in Dunedin?—Yes, five firms, I think.

12. Do you know of any arrangement between them for the purpose of regulating their business?—None whatever. If you want to get at the cost of living I will tell you how to get at the root of it. Some law should be passed to prevent canvassers from canvassing, and the accursed time-payment system should be done away with. The present line I am in brings me in contact with the system. Then there is the canvassing at private houses for jewellery and sewing-machines on time-payments. The time-payment system is at the root of the whole thing. It leads to want of thrift on the part of the rising generation.

13. *The Chairman.*] There are other articles of produce besides potatoes: take onions?—The consumption of onions is not great, and the cost would not affect a man's expenditure very much. The wet season is the cause of the dearness of onions at present. I may say that as to house-rents, twenty years ago they were much lower than they are at the present day.

14. Do you attribute the rise in house-rents to the value created by the community?—I could not say exactly that. You would not get a man to go into the same house now at the same rent that he would have gone into twenty years ago. The conditions are much better.

15. Would you believe it that in another town there are houses which ten or fifteen years ago let for 15s., and now they want 25s. for them?—I would not dispute that. There was very little employment fifteen or twenty years ago. I am alluding to the time when relief-works were started. Even with the low house-rents and the cheap cost of living twenty years ago very few could pay their way, and many business people were compelled to put up their shutters.

16. *Mr. Veitch.*] Are increased rents due, or are they not due, to the increased land-values?—Residential building-sites have not increased so much as you would imagine. Of course, business-sites are a very different thing.

17. To what extent do you think increased rents are due to increased comfort, and to what extent are they due to increased land-values?—I do not think the increase in land-values has been so great as the increase in comforts—drains, hot and cold water, &c.

18. You think it is more due to the higher standard of living than to land-values?—Yes.

19. *Mr. Hall.*] With regard to potatoes, do you think the restrictions in Australia materially affected the price of potatoes here?—Yes.

20. *Mr. Robertson.*] You spoke about the time-payment system. You are in the furniture trade now. Does not that system prevail largely in the furniture trade?—Yes.

21. Can you give us any idea of how much it adds to the cost of the furniture?—It adds a very great deal. In many cases it increases the cost to an alarming extent. When people come to us wanting furniture on the time-payment system we always help them provided they have the necessaries of life. If they want things that are absolutely requisite we supply them, but if they want luxuries we refuse. It is surprising how much furniture a person can get for £10 or £12. We do not always supply furniture on the time-payment system even if a man is prepared to pay down £10 or £20 cash. We quote for every article what we intend to sell it for cash, and we are supposed to add on 10 per cent. to the unpaid portion. Suppose a man pays £2 on a £10 order we are supposed to add 10 per cent. to the unpaid £8, but in practice we do not often do so.

22. *Mr. Fairbairn.*] If you sold £10 worth of furniture and got £2 in cash you would add on 2s. per £1 to the balance of £8: that would be 16s. What is the method of repayment?—5s. per week.

23. That is, he would have thirty-two weeks in which to liquidate the debt?—Yes.

24. Then you get 30 per cent. instead of a net 10?—I am just giving it to you as it happens with us.

25. *The Chairman.*] Is it not a fact that if they failed in one of the weekly payments you could take the furniture back?—We could, but we have not done so.

26. *Mr. Veitch.*] You say you are supposed to add on this 10 per cent. Why do you say "supposed to"?—It is the trade practice.

27. Under what management is that practice arranged?—I do not know. It is the custom.

28. Is there any arrangement between the furniture-dealers in Dunedin to protect themselves in any way or arrange prices?—None whatever.

29. Is there any furniture-dealers' association?—No. Of course, I would rather sell my stuff at what it is marked at and get my cash than bother with the 10 per cent.

30. *Mr. Macdonald.*] What extra cost does the time-payment system incur to you in the way of book-keeping?—There is extra book-keeping.

31. *Mr. Robertson.*] Are bad debts frequent under that system?—Very.

32. If your furniture was sold on a cash basis would your cash price be lower than it is now when some is sold for cash and some for time-payment?—Very much lower.

33. You have to raise the whole cost of furniture because of the time-payment system?—Yes. One man bought a piano for £35 and was to pay £2 every four weeks. He did so, and when he made his last payment he said, "What about the interest?" We said we would charge him no interest because of his prompt payments, and told him we wished there were more like him. I believe many of those who sell new furniture here would be glad to do the same thing.

34. *Mr. Fairbairn.*] When people sell pianos on the time-payment system do they add 10 per cent?—I think so.

35. A piano is listed at £50 : what are the usual terms of selling it on the time-payment system ?—Some take £1 deposit, and the usual practice is weekly payments of 5s. each ; the payments were more often 5s. a week than 10s., because working-people cannot afford to pay 10s. a week.

36. It is possible for a working-man to have a piano debt hanging over him for five or six years ?—That is so.

37. *The Chairman.*] You have a bailment over the piano. Does not that mean that the piano may be sold to pay the debt on the piano and the surplus be handed over to the buyer ?—No. I believe the law is that if the piano had been paid off with the exception of only £1 and that payment was behindhand, if the dealer were hard-hearted enough he could take the piano back. I do not know of any instance of it happening.

38. *Mr. Robertson.*] Do you know the Russell Street locality ?—I do.

39. That is a residential area. Has there been any rise there in property to any extent in the last ten years ?—I could not exactly say.

40. Nine years ago a dwellinghouse there was rented for 14s. per week, and I am informed that to-day it is rented for 20s. What else would account for that increase than an increase in land-values ?—I repeat what I said before : in many cases land-values have not increased except in regard to choice building-sites.

41. Is there a big demand in Dunedin for five-roomed houses ?—Yes.

42. You would not consider there was an extraordinary demand at the present time ?—They seem to be pretty well taken up. I want one for a customer now and cannot get one. Four- and five-roomed modern houses are hard to get in the city. Land is worth a certain value in the city, and it will not pay the owner of the land to put up a four-roomed cottage when it will carry a seven-roomed house. I think in the matter of rent the demand has a good deal to do with it. You cannot get people to live out of town where rents are cheap. I live at Burke's, and it costs me 1s. 10d. per week for my yearly ticket, but it is impossible to get working-men to go down there even though they get a house for 4s. a week. I know a very good five-roomed house there with a quarter-acre of ground for which the rent is 9s. a week, and the owner had a difficulty in getting a tenant. Burke's is four miles away from town by rail.

43. *Mr. Fairbairn.*] Do you think that wives and mothers of families have a disinclination to live four miles away from the town ?—I honestly believe that our colonial women are not so fond of living out of the town as the people who came out from the Old Country years ago were. I also think that they have not got the same thrift. They do not try to make both ends meet as the old people did, and I think that is at the bottom of the whole difficulty. Travelling to-day does not cost half as much as it did twenty years ago. Twenty years ago the fare to where I live was 1s., second class ; to-day it is 6d. A good many years ago the fare to Port Chalmers was 2s. 6d. ; to-day it is 1s. The same applies in regard to the city trams. In the old days of the cabs we paid 6d. for any distance. Then, again, some years ago there were no sixpenny and ninepenny restaurants in Dunedin.

44. *Mr. Robertson.*] Are you worried by regulations as to conditions of labour and so forth ?—I cannot say that I am. I have a son with me, and even though he is a partner he is not allowed to take night about with me in keeping open. My wife could do so if she wanted to.

45. Do you think that labour legislation has had any effect in increasing prices ?—I suppose it must have had. If wages go up and a man cannot produce the article at a certain figure he must charge more for it. I do not think clothing and boots are dearer to-day than they were twenty years ago.

46. *Mr. Hall.*] Has the rate of board increased in Dunedin in twenty years ?—I do not think so. Twenty years ago tea and kerosene were dearer than to-day.

WEDNESDAY, 5TH JUNE, 1912.

FARQUHAR JOHN GUNN, Dunedin, Manager of the State-coal Department, examined on oath. (No. 5.)

1. *The Chairman.*] You are the local Manager of the State Coal Department ?—Yes.

2. How long have you been in that position ?—Since the depot was opened in July, 1908.

3. Is the business of the State Coal Department increasing ?—Slightly.

4. Can you give us any idea of how much of the output is sold here ?—It varies. During the four years from 7,000 to 10,000 tons per annum have been sold in Dunedin and surrounding districts.

5. Is that entirely house coal, or does it include steam coal ?—Including steam coal.

6. Has there been any reduction in price during the four years ?—There was a reduction in the case of the Westport Coal Company of 3s. per ton two years ago.

7. Has the State Coal price varied ? There was a revision of prices twelve months ago last February, when the rates were increased 1s. per ton. [See Exhibit No. 2.]

8. Was the effect of the State coal-mine opening to reduce the price of coal generally in the district ?—One large colliery reduced its price by 3s. a ton eighteen months after the depot was opened. It may be a fair assumption that the State mine had some bearing on the matter. It is only fair to say that the same company raised its price 3s. a ton on the 1st May this year.

9. So that the prices are practically the same now ?—Yes.

10. The State has not raised its price to any appreciable extent ?—No. There has only been the one rise of 1s. per ton, in February, 1910.

11. Was the rise of 1s. on all qualities of coal ?—Yes. It applied to all grades of household coal.

12. Which coal do you sell here ?—Point Elizabeth.

13. Is Point Elizabeth reckoned the best coal you can put on the market ?—Yes.

14. What other coals are sold in Dunedin by the trade for household purposes?—We have all the local coals, as well as all the West Coast coals and Newcastle.

15. Do you know anything about the brown coals?—I was fourteen or fifteen years in business myself before joining the State Department.

16. Is it to your knowledge that the brown coals have increased in value very much of late?—There has been a rise of 2s. per ton in the last five years. I am speaking from the price-list issued in 1906 by the secretary of the association. It shows the retail price of Green Island Coal, dated the 2nd June, 1906, at 18s. a ton.

17. Is that for ton quantities?—Halves and quarters are in the same proportion. The list issued in April, 1911, the present current price for Green Island coal was 20s.

18. Is Green Island the principal producer of brown coal?—Yes. It comprises the output of three collieries.

19. Is Kaitangata a lignite?—It is a brown coal. It is superior to the Green Island. They are classed as native or brown coals. Kaitangata coal is at present selling at 29s. a ton, and in 1906 it was 28s.

20. *Mr. Fairburn.*] What is the price of State coal?—The best screened is 33s. per ton, unscreened 30s. a ton, and nuts 27s. a ton.

21. Your price is the same as Westport, evidently?—No. Their price is 36s. a ton now. It has gone up 3s. since the 1st May. It is only fair to say that the terms of the association are 1s. per ton discount if accounts are paid by the 20th of the month following delivery.

22. Do you give that discount also?—No, our prices are all net.

23. *Mr. Macdonald.*] I take it that all classes of coal have recently increased in price?—Yes, since 1906. I may say, however, that in one period of my experience as a coal-merchant Westport coal was retailed at £2 per ton here. That would be about twelve years ago.

24. That was before the company had their own depots?—Yes.

25. When did you raise your price?—Sixteen months ago.

26. You have not raised your price since?—No.

27. The cause that affected the Westport Company in May last has not affected you?—The Department has not issued us any instructions in the meantime. No doubt the cost of production is steadily going up.

28. In connection with the State mine?—In connection with all collieries.

29. Is it your opinion that the rise in May was because of the cost of production being greater?—That is my own personal opinion. It is possible the reduction they made eighteen months previously may have had some bearing on their action lately. In other words, I do not think they were justified in making the reduction at the time they did.

30. *Mr. Veitch.*] You mention an association which regulates prices. Who are the members of that association?—The local coal-merchants.

31. Are the Westport Coal Company in it?—Yes. All coal-merchants about here are members of the association.

32. The State Department?—No.

33. Who is the chairman of the association?—The secretary is Mr. P. H. Power. It just deals with the interests of the coal-merchants as a whole. It is nothing of the nature of a ring or anything of that sort. It carries out a quite legitimate function.

34. If I told you that yesterday the manager of a coal company stated that there was no association for the purpose of fixing prices here would you say that that was not correct?—I would not exactly like to say that, but I would say that he made a statement that is not borne out by the facts as I know them. The Westport Coal Company deals in other classes of coal than their own, and it is necessary for them to be a member of the association. I had a number of years' experience of the association prior to joining the State Coal Department, and in my experience there was nothing in the nature of a ring in the association. It is merely to get combined action on the part of all the dealers. Instead of having different prices they fix one price and every one adheres to that.

35. *Mr. Fairbairn.*] Instead of the prices being fixed by competition it is fixed by agreement?—There is no chance of a ring being formed, because if the association unduly charged the public the companies would then start selling to the public.

36. We already have evidence to the effect that the Westport Coal Company by selling direct to the public were able to cut out the middleman and reduce the price 20 per cent. If your statement means anything it means that there is a combination to hold up prices to the public in the interests of the middlemen?—Supposing that the association as a body made rates that were considerable increases on the rates that have been ruling for a number of years, then I would expect the colliery-owners to at once step in. They have the matter in their own hands, and could refuse supplies or deal direct to the public. They prefer to sell wholesale rather than enter the retail trade.

37. Assuming that the local combination made this proposal to each of the companies that supply wholesale, how would the public be protected?—Supposing that they agree amongst themselves to put 2s. a ton on the retail price of coal, and approach the wholesale men and say to them, "Now, if you allow this 2s. to go on the retail price we are willing to pay you 1s. more on the wholesale price": is there anything to prevent that being done?—I do not think there is anything to prevent it being done.

38. That indicates that there is a danger or a possibility of a ring being formed?—During the whole of my experience of the coal trade the association had been in operation, and nothing has occurred that would in any way damage the interests of the public. Of course, I am not an advocate for the association; but as I was a member of it for a good many years, I think I should put the position fairly, and give you the benefit of any knowledge I had of its workings. That was my experience of it.

39. *The Chairman.*] It has not acted in restraint of trade?—That is so. I found that very often we had to fight very hard to get fair terms of trade from the colliery-proprietors, and being combined it gave us strength to get what we could not get as individual firms.

40. Whether it squeezes the colliery-owners or the general public, is it not a combination in restraint of trade?—Outside factors prevent that being done. There are a great many collieries producing coal around Dunedin, and competition is keen amongst the owners themselves, and I think there is very little danger of united action in that way.

41. *Mr. Macdonald.*] Is not the whole object of the association to fix the price of coal by agreement rather than by competition?—That is so.

42. Assuming that this association did not exist, is it not a fact that the retail price of coal to the public would be a good deal lower?—That is rather a difficult question to frame an answer to. It might be that some misguided individual might start out selling coal at a price at which he could not continue, and it would be a question of whether the others would follow suit or give him enough rope to hang himself, figuratively speaking.

43. What is the profit per ton on the retailer's price?—When I was in the trade the difference between the net buying-price and the selling-price was about 7s. 6d. per ton, but out of that 7s. 6d. the dealer had to screen his coal, cart it to his yards, and deliver. The cost of delivering in Dunedin is very high. That amount could be taken as the gross profit on all coals sold in Dunedin.

44. *Mr. Hall.*] If the price was raised would it seriously affect the demand?—I do not think it would. I suppose people would just have to pay up. There is very little wood used here.

45. Is gas used much for cooking?—In summer-time, but we do not notice that it affects our sales to any appreciable extent at other seasons. In a very hot summer the use of gas has affected our coal-sales.

46. How long has this arrangement existed amongst the coal-dealers?—I should think, for fifteen or sixteen years.

47. Prior to that it was open competition?—I could not speak as to that. I have been here about eighteen years, and it has been in existence all that time.

48. Can you tell us the cost per ton at the pit?—No, that does not come before the branch Managers. The General Manager will give that information. There is one point that should be mentioned, and that is the very high harbour dues we pay here as compared with other ports, and which has a bearing on the price of coal. The harbour dues at Dunedin are 3s. a ton, and the Wellington rate is only 1s. a ton. Lyttelton is 8d., Bluff 1s. 6d., Timaru 2s., Oamaru 2s., and Auckland, I think, is 1s. 3d. The Wellington conditions, I take it, are very similar to those of Dunedin. Then, with respect to the West Coast coals, they are charged on the Otago railways a differential rate. We have to pay a higher freight on bituminous coals mined in New Zealand than on brown coals. Clyde is 143 miles from Dunedin, and it would cost, on a minimum of 4 tons, 8s. 2d. a ton for native or brown coal, and for coal mined on the West Coast 10s. 5d. a ton, a difference of 2s. 3d. a ton, although the railway only renders the same service in both cases. The question of the value of the article does not come into consideration in the carrying of produce, and I do not understand why it should do so in the case of coal. The people in the country are really penalized for wanting a better class of coal.

49. Can you suggest a motive for this?—The railway people say it is done in the interest of local collieries: a lower grade of coal.

50. At Clyde?—They have small lignite-pits up there.

51. What is the principal coal used for household purposes in Dunedin?—Brown coal (Green Island and Kaitangata).

52. Does it not mean that if that difference was done away with it would have an affect on the people of Dunedin?—No, it would have no bearing that way, because the mines are so close to Dunedin. It presses very hardly on the people of Central Otago, who want a good coal for the winter.

53. *Mr. Robertson.*] When you were in business what was the price to you of standard coals at the pit-mouth?—I have to depend very largely on my memory for that. I think it would be more satisfactory perhaps if you got the information from some well-established coal-merchant who has the facts at his finger ends.

54. Take 7s. 6d. as the average gross profit per ton; what is the percentage of profit on high-priced coal and, say, on Green Island coal?—Strange to say, the merchant dealers in high-priced coal are on a worse footing than those dealing with the cheaper coals. They seem to have a fixed margin, which to my mind is very unfair. It is unfair to give the same margin on Westport coal costing nearly double that of Green Island. Double the capital is required to deal with the good coals as compared with dealing with the local coals.

WHOLESALE MERCHANTS.

At this stage (11 o'clock a.m.),—

Mr. W. C. MacGregor, barrister and solicitor, appeared before the Commission and said: I appear on behalf of Mr. H. K. Wilkinson, who has been summoned to appear before the Commission at 11 o'clock to-day. Mr. Wilkinson is one of the general merchants here who have been summoned to appear before this Commission and give evidence on certain questions. They have consulted me with the view of ascertaining whether they are bound to appear in answer to their subpoenas and give evidence. I have advised them that, to the best of my judgment, they are not so bound, and accordingly they do not propose to appear and give evidence. I do not make this statement out of any disrespect to the Commission or yourself, sir, but I simply state that these gentlemen advisedly, under my advice, do not propose to appear in response to the summons sent to them, and I think it right to the Commission that I should appear before you at the time the first witness was summoned to be present—that was, 11 o'clock to-day.

The Chairman: What are the names of the merchants for whom you appear, Mr. MacGregor?

Mr. MacGregor: Mr. Wilkinson, manager of Rattray and Co.; the manager of Scoullar and Co., Mackerras and Hazlett (Limited), R. Wilson and Co. (Limited), Neill and Co. (Limited).

The letter sent to the merchants was read by the Secretary, as follows:—

“GENTLEMEN,—

“Cost of Living Commission, Dunedin, 3rd June, 1912.

“The Royal Commission appointed to inquire into the cost of living and other matters are possessed of information to the effect that certain wholesale merchants in New Zealand have entered into a combination for the purpose of controlling supplies, fixing prices for various commodities, and generally restraining trade. The Commission requires your evidence on these points, and you will be served with a subpoena in due course.

“I have, &c.,

“J. W. COLLINS,

“Secretary to Commission.

“To Messrs. J. Rattray and Son, W. Scoullar and Co., R. Wilson and Co., Mackerras and Hazlett, Neill and Co (Limited).”

The Chairman (to Mr. MacGregor): Without pressing you unduly, have you any objection to stating the grounds upon which you advised them not to appear?

Mr. MacGregor: I think it would be rather unseemly for me to appear to argue with the Commission, or you, sir, on the subject. I have simply advised them as a matter of law they are not bound to appear, and accordingly it is not fitting they should appear.

Mr. Veitch: And you state on their behalf they will not appear?

Mr. MacGregor: That is so.

On the motion of Mr. Hall, seconded by Mr. Macdonald, the Commission went into committee.

On resuming,

The Chairman said: The Commission has reported to the proper authorities the refusal of certain witnesses to give evidence, in order that a proper legal course be adopted. In the meantime the Commission will proceed to take other evidence.

JOHN EDWARD MACMANUS, Secretary of the Labourers' Union, examined on oath. (No. 6.)

1. *The Chairman*.] What is your occupation, Mr. MacManus?—Labourer, and I am at the present time secretary of the Labourers' Union.

2. What line of evidence do you propose to lay before us?—I propose to cover as far as I possibly can the scope of the Commission's inquiry. The first question is, “Has the cost of living increased in New Zealand during the past twenty years? If so, has that increase been more marked during the last ten years than during the previous ten years?” I shall deal with one portion of this question when I come to question No. 4. I submit that the cost of living has increased, and in support of that statement I would refer the Commission to the Year-book of 1900. We will take rent. The unimproved value of land alone has increased by £175,000,000. It is obvious, if that is so, if you take 5 per cent., that means £8,875,000 which must be paid in rent on the unimproved value alone. I claim that it has increased to that extent: and, further than that, during the last nineteen years I think the increase has been approximately about £100,000,000—that is, according to the Year-book. The unimproved value has increased during the last five years at the rate of £10,000,000 per annum. That value, combined with the rent, means £18 15s. for every man, woman, and child in the community. That has contributed greatly to the cost of everything. It has hampered industry, in fact. I have taken from 1891 to 1910, covering the whole period, and refer you to page 626 of the Year-book for 1910. Then, take food: the prices in 1900 and 1910 were as follows:—

	1900.		1910.	
	s. d.	s. d.	s. d.	s. d.
Wheat, per bushel	2 6	to 3 0	3 3	to 6 6
Bread, per loaf	0 5	„ 0 6	0 6½	„ 0 8
Flour, per 50 lb.	3 9	„ 4 0	5 3	„ 7 6
Cattle, fat	160 0	„ 180 0	160 0	„ 250 0
Sheep	16 0	„ 20 0	17 6	„ 23 0
Butter, fresh	0 7	„ 1 2	0 10	„ 1 3
Butter, salt	0 6	„ 1 0	0 9	„ 1 3
Eggs	0 8	„ 1 0	0 9	„ 1 3
Potatoes, per ton	50 0	„ 90 0	180 0	„ 260 0
„ per cwt.	4 6	„ 6 0	1 0	„ 14 3

Now I will give the prices of some of the necessaries of life in June, 1910, and the present prices of the same articles. The prices are taken from my own household accounts. 1910: Bacon, 8d. per pound; chops, 3½d. to 4d. per pound; loin pork, 6d. per pound; steak, 4d. per pound; sheep's head, 1½d. Prices in May, 1912: Bacon, 11d. per pound; chops, 5d. per pound; loin pork, 8d. per pound; steak, 6d. per pound; sheep's head, 3d. In November, 1909, I got married, and took a cottage, and furnished three rooms—two 12 ft. by 12 ft., and one 9 ft. by 8 ft. The cheapest I could furnish them at was £40 15s. That did not include a sewing-machine and other essentials, which have since been obtained. I have already had to replace some of the furniture which had become worn out. We had to get an additional mattress and kapoc set, so that it is obvious that the material was not of the best quality.

3. Without wishing to intrude in your private affairs, may I ask if the furniture was paid for on time payments?—Yes.

4. The prices would be higher than for cash?—Yes.

5. *Mr. Fairbairn*.] What would be the difference?—I cannot say. My position is not singular: it is the position of the great bulk of the workers.

6. How long did it take to extinguish that debt?—About eighteen months, in monthly payments.

7. *Mr. Veitch*.] Could you give us an approximate idea of the difference between cash payments and time payments?—No, a business man could do that better.

8. Do you think 10 per cent. would be any way near it?—I would have saved more than 10 per cent. if I could have paid cash. There has been an increase in the price of brown coal from 18s. to 21s. per ton. I understand that that increase is due to the fact that there is an association which mainly controls the light-brown coal, but not the bituminous coal. There was a decrease in bituminous coal from 42s. to 35s. a ton, due to State competition. Then there is this question in the Commission's order of reference: "To what extent is the increased cost of living, if any, the result of a higher standard of living?" As to that, I would say that the people who are affected by the higher standard of living are the wealthy class. Of course, the standard of living depends largely on local conditions.

9. *The Chairman.*] Are the worker's desires larger now than they were years ago—does he satisfy those desires more freely than the worker did, say, twenty years ago: that is to say, he must have better food, more recreation—he must have a larger life than he had twenty years ago?—That is true. Then there is this question in the order of reference: "To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?" I would like, first of all, to refer to timber. I recently went down to Catlin's River, and I learned that they were exacting royalties for the right to cut timber. It is obvious that that has to be passed on to the consumer. This monopoly of land gives the owner the right to charge a man who wishes to use the timber to the extent of £5 per acre. That price has to be passed on to the consumer.

10. You must show us that there has been a rise in the royalties. If the same conditions prevailed twenty years ago as now, there would not be a rise in the matter of royalties?—I understand. Then there is this question: "What steps should be taken with a view to reducing the costs of the necessaries of life?" It is obvious that if you want to find a solution of that question you must first find out the cause of the increased cost. I think the injustice in regard to royalties should be removed. I think the secretary of the sawmillers, whose address is Invercargill, could give the Commission some information in regard to the royalties. He assured me that if 6d. a hundred feet was charged for timber—that is, an extra charge—that would allow for 1s. a day rise in wages to the men; but, as a matter of fact, the price has risen over 2s. 6d. per hundred feet since the duty was placed on timber. I have made inquiries from local timber-merchants, and find that the price of timber has gone up. Then, as to this question: "What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?" In the case of the wool industry, the president of the Chamber of Commerce admitted two years ago that the improved price of the clip for that year amounted to £3 2s. 5d. for sixty sheep, and yet the shearers only received a very small fraction of the increase—about one-fortieth of the improved price, or 1s. 6d. per sixty sheep. It was obvious that any addition on the part of the cost of the shearers' work had been very small indeed. In fact, it had not affected the price at all.

11. *Mr. Macdonald.*] What do you think the price of wool really depends on?—I should think what fixes it to a great extent is the demand elsewhere, and there is also the fact of the price being forced up by monopolies.

12. What monopolies?—Monopolies of buyers for manufacturers directly interested in the business.

13. *Mr. Fairbairn.*] Wool is sold by auction as well as privately. How could there be a monopoly there?—We will assume that the State carried on this enterprise and sold at the actual cost of production to the public inside of New Zealand, or even outside of New Zealand if necessary. The increased cost of living, however, is due to the fact that somebody is getting a big profit. We have, of course, to-day many economical devices in connection with manufactures which should reduce the cost of production, and therefore the public should get the article cheaper if there were no monopoly.

14. What is the shearers' rate at the present moment?—£1 a hundred.

15. In addition to that, what does it cost the station-owner?—I think it is 6d. or a little over per sheep until it gets on to the boat—that is, including shearing. Then, as to meat sheep, the slaughterman has received an increase of about one-fifth of a penny per sheep, and mutton was increased out of all proportion—more than $\frac{1}{4}$ d. per chop.

16. What is the present rate per hundred at the freezing-works?—£1 5s. a hundred. On the other hand, there has been a rise in the price of butter, and labour legislation practically does not affect that industry, and there are no unions and no awards affecting it.

17. *Mr. Robertson.*] Who does the biggest business in milk here?—The Taiari and Peninsula Co-operative Company. I would like to say that in my opinion co-operative enterprise is not going to reduce the cost of living. It may secure to the people in the co-operative industry the full prices that are going. It may throw some of the middlemen out of business, but will not reduce the cost of living. The only thing that will reduce the cost is for the people to run the industry themselves. I stated previously that the price of timber had gone up considerably. I can now submit lists to prove it. Take the 1st March, 1902: Red-pine, $\frac{1}{2}$ in. and under, to 8 in. wide, per 100 ft. superficial, 6s.; at the present time, red-pine scantling and rough timber, 8 in. by 1 in., 14s. 6d. The minimum rate quoted at the present time is 14s. 6d. It varies up to 18s. In 1902 the dearest class under the heading of red-pine—that is, tongued and grooved, and lining, was 12s.; at the present time lining and tongued and grooved is 15s. Here is another list showing a difference of about 1s. in 1903.

18. *Mr. Macdonald.*] One price-list is that of Macpherson and Co. (Limited), and the other is that of McCallum and Co.?—Yes, but I understand there is no variation now. I went to several to-day, and they told me to go to McCallum's, for they all had the same price-list. Each gave me to understand there was no variation in price.

19. These prices of Macpherson and Co. are Invercargill prices with railage on?—Yes, but you will notice that the Dunedin price is less than that of Invercargill.

20. They are both Invercargill. Have you any idea of the cost of railage between Invercargill and Dunedin?—I cannot say what it is. Here are other prices: $\frac{1}{2}$ in. and under up to 8 in. wide, per 100 ft., 6s.; over $\frac{1}{2}$ in. wide and up to 8 in. wide, 7s. 6d.; 12 in. wide, 9s. 6d., now 16s. 6d.; 6's under 3 by 1, 8s. 6d., now 15s. 6d.

21. *The Chairman.*] Is not Invercargill the place to which timber is got much easier from Catlin's and different bushes than to Dunedin?—Yes.

22. Is there no other way of bringing timber to Dunedin than by railway? They must have other sources of supply?—I would not like to express an opinion, because I have not gone into it.

23. What is the cause of the price?—Excessive royalty on the timber charged by the people who own the land.

24. Is there any harm in the owners of the standing timber selling it to the best advantage?—If they sell to the best advantage some one has to pay for it.

25. Have we not to allow the labourer to sell his labour to the best advantage?—Yes.

26. Then why should a man who owns timber be treated differently to the man who owns labour?—Because the man who owns the timber never made it. He simply occupies the land.

27. The State has given the man who owns the timber a certain right?—Once the State has given that right it gives power to monopolize timber, and is responsible for the price of timber.

28. Timber is one of those things which is a wasting product. Twenty years ago there was a good deal more timber in the country than there is to-day. To encourage settlement in the North Island and other places forests have been burned down; is that a fact?—Yes.

29. Might not the rise in price be due to the fact that there is not enough to meet the demand now—increased population, with a decrease in the supply?—It appears to me that any one wanting timber can get it if he is prepared to pay for it, and the reason for having to pay so much is that private persons own the land and demand their price for the timber, and that price is regulated by the price in foreign countries.

30. *Mr. Hall.*] Is it not a fact that they have now to go further back for the timber?—At Houipapa the mills are right on the railway-line, and the man who is farther back from the railway does not get the same amount of royalty.

31. What royalties do the Government charge for cutting timber. The Government charge a royalty on all timber cut on Crown lands, and I understand there is a regulation that one millowner can only occupy a certain number of acres?—There is a case of that in the South.

32. *The Chairman.*] Have you any reason to believe that there has been any collusion between the timber-merchants to raise these prices?—I have no facts of my own knowledge, beyond the fact that the price has been raised. I made the assertion that butter was sold to me at 1s. 6d. a pound. I have my grocers' duplicates of sales showing that on the 31st July butter was sold to me at that price.

33. *Mr. Macdonald.*] Is there anything about bacon on that date?—Yes, 10d. I am informed by my wife that eggs to-day are 2s. 3d. per dozen. On the date in July, 1911, I have just given they were 8d. per half dozen.

34. *Mr. Veitch.*] Do you know of an arrangement of any kind between the sawmillers for the purpose of regulating certain prices?—I do not know anything of my own knowledge, except that the price has gone up, and I have given evidence to that effect.

35. You could not attribute the rise to any other cause?—I attribute it mainly to the fact that the protective duty has enabled them to charge a higher price locally as royalty on the timber, which is exacted from the sawmillers. They are paying as high as £5 per acre at Catlin's.

36. The protective duty has enabled timber to be sold retail at a higher price, and that higher price has gone to the landowner in the form of royalty?—That is so.

37. You do not know of any combination between the retailers of timber?—No. There is one point more in connection with labour legislation, and it has a bearing on the commodities of life. Some time ago the Tramways Department of the Dunedin City Council raised wages by £2,000 per annum. Some time previous to this they had given concessions to the travelling public, but the increase in wages did not cause them to take away any of the concessions to the travelling public. I suggest that the reason for that is that the trams here being owned by the people are not used to exact profit. If owned by a private company the rise in wages would be used as a pretext to further increase the tram fares.

38. *The Chairman.*] Can you give us any instance of your own knowledge where a small increase in wages has been the pretext for exacting much higher prices from the consumer?—Yes. I understand that when the increase was granted to the wharf labourers in this city an increase of 1s. per ton was put on freights. The wages of the wharf labourers were increased from 1s. 3d. to 1s. 5d. per hour. The Harbour Board were receiving 1s. per ton for loading and unloading, and were able to sublet to Mill and Co. for somewhere about 7½d. per ton. If Mill and Co. could do it for 7½d. a ton with wages at 1s. 3d. per hour there was no reason for an increase in the freights by 1s. when the wages were increased to 1s. 5d.

39. Your point is that the amount received by the extra shilling being put on was greatly in excess of what would be paid in extra wages?—Yes. There is one other point in connection with the cost of living. Recently a man at Lawrence told me that he received 5d. a pair for rabbits with the skins on. In the city they charge 10d. a pair with the skins off. I understand that in Dunedin a pair of rabbit-skins are 5d. in the middle of winter.

40. What would the freight from Lawrence to Dunedin on a pair of rabbits work out at?—I do not know, but I do not think it would come to anything like 5d. Even if it did there would still be the profit of 5d. on the skins.

41. Are these rabbits sold in Dunedin by the men who shoot them?—No, they are sold by different agents. Sullivan is one.

42. Do you think the margin of 5d. and 10d. goes to the producer?—No, the producer has to find his horse and traps.

43. He gets 5d.?—Yes.

44. Where does the other 5d. go?—It goes to the distributor, who also has a profit of 5d. on the skins. Skins are not always worth 5d. a pair.

45. The freight on the skins is included in the cost of the freight of the rabbits?—That is so.

46. What steps do you suggest should be taken to reduce the cost on the necessaries of life?—I would suggest there should be an increment-tax to secure all socially created values to the State. I contend that if men can make eight and three-quarter millions in the form of rent per annum it is obvious it has to be added on to the cost of every commodity, and there must be some means taken to reduce that rent. The only way to reduce rent is to kill land-speculation, so as to prevent any one getting the unearned increment. The only way to do that is to put on an increment-tax and so secure the increment to the people. On the other hand, the State has already regulated the price of coal. I should suggest that the State should control production. Wherever there happens to be a monopoly State competition is necessary to regulate prices.

FRANCIS KEENAN, Fisherman, examined on oath. (No. 7.)

1. *The Chairman.*] What is your occupation?—Fisherman, residing at Port Chalmers.

2. Do you belong to any union or society?—Yes; I am a member of the Otago Fisherman's Society.

3. Is that the trawlers?—No. It is registered under the Industrial and Provident Societies Act. We have oil-launches, and fish with the line.

4. About how many men are there in the union?—Between forty and fifty at the present time. Practically all the men who go out fishing belong to the society.

5. You are owners of your own boats?—Yes.

6. Co-operatively?—Yes.

7. After you have caught your fish, to whom do you sell?—We send them to the wholesale market in Dunedin, where they are sold.

8. To the general public?—To the hawkers and retailers, and to the general public if they wish to go and buy.

9. You think the general public have a fair opportunity to buy? There is no ringing of the changes?—As far as I know they have. Of course, I have heard it said that if the hawkers see the public coming down they will chip in and run up the price.

10. Have you any knowledge of any combination or understanding between certain persons to keep the price of fish for the public very high?—No.

11. You think that the fair price you receive is passed on as a fair price to the general public, with the addition, of course, of the expense of delivery?—I believe that is the case. The price, of course, varies with the quantity on the market.

12. Do you know Mr. Sullivan?—Yes.

13. Was there ever any agreement between yourself and Sullivan to deliver to him?—No.

14. He has in no way had a hold over you?—No.

15. *Mr. Veitch.*] Has he not had a bill of sale over some of the boats?—Yes, but as far as I know he has treated the men very fairly. He has charged a percentage for the use of the money, but he dealt with the men very fairly, and has never, as far as I know, compelled a man to fish for him whilst he had a bill of sale.

16. He has not attempted to put any undue influence on the men to fish for him whilst under obligations to him?—That is so. These men also apply to Mr. Gibbs, the other salesman. Both have dealt very fairly with the men.

17. Mr. Gibbs finances the men too?—Yes, but not to the same extent as Mr. Sullivan. Mr. Sullivan is agent for oil-engines.

18. Is there any arrangement in the union to limit the quantity of fish sold?—At the present time we have a limit on. No boat is supposed to send up more than three dozen of groper per day to the market. There are twenty-two or twenty-three boats fishing outside at the present time from Otago Harbour. We just control the boats fishing from this harbour.

19. What becomes of any groper caught over the number you can send up per vessel to town?—If a fisherman catches six dozen to-day he cleans them and keeps them back till to-morrow. That is when the cold weather is on. To-morrow he would not catch groper, but would catch blue-cod or barracouta, or some other kind of fish.

20. If you did not control the supply of fish in that way would fish be sold cheaper in Dunedin?—The reason this system was adopted was that if we sent up a whole boat-load of fish we would get practically nothing for it. The hawkers would not bid when they saw there was a glut on the market. It would suit the salesmen to have them sold cheap. They would sell to the hawkers all that they wanted that morning, and for the remainder give the fishermen any price that they liked. We have had as low as 3d. and 4d. for groper. The salesmen would take what the hawkers did not want and put them into the freezer and send them to Melbourne, where there was a good market, or keep them in the chambers until winter.

21. The auctioneers are not only selling for you, but they are buying at the same time?—They auction the fish for us, and they are buyers as well.

22. That is rather a dangerous position, is it not?—Yes. They take over the surplus.

23. Did you find that you could not make a living without limiting the sales?—We found three years ago when we formed the society that we were as well off by catching three dozen per day as if we caught six or nine dozen. At the end of the week we had just the same money.

24. *Mr. Macdonald.*] Do you limit the number of men who can belong to your society?—No.

25. There is no reason why another fifty should not join?—No.

26. *Mr. Veitch.*] What is the entrance fee of the society?—2s. 6d.; and any man who comes along is admitted.

27. All he wants is the necessary cash to buy a boat?—That is so.

28. Or some one to advance the money to buy the boat?—I do not think any one would do that unless the owner had a considerable amount. There is no freehold in a boat, because there is no certainty you will come back when you go outside. It takes practically £200 to provide a fishing-boat.

29. *The Chairman.*] You have insurance?—No. They charge £22 10s. per cent. to insure a fishing-boat. I think only one fishing-boat has been lost outside the Heads in the last twenty years.

30. *Mr. Veitch.*] The result is that you do not insure at all?—That is so.

31. *The Chairman.*] Is it your experience that the price of fish has been rising steadily in the last ten years?—I believe fish has gone up a little in the last ten years. I believe we get more now than previously, and they are dearer to the public. The reason is that the boats cost more. Previously £20 would supply a man with a boat and net, but a man to start now wants at least £200. It is necessary to have an engine.

32. Is that because the fish have gone farther out?—Yes. Fish are more scarce than previously. At the present time we have to go twenty miles out for groper.

33. Steadily farther out every year?—Yes. The ground we fish on now men did not know twenty years ago.

34. Is it because of the ground being overfished?—I think that it what it is.

35. Do you think the trawlers are responsible for that?—No, I do not blame the trawlers. They do not catch the class of fish we catch. The trawlers catch soles.

36. Do you know of any arrangement between the owners of the trawlers to regulate the supply or price of fish in any way?—I do not think there is any arrangement. They take as many as they can.

37. The only arrangement you know of to control the market is the arrangement you told us of to limit the amount put on the market?—That is the only arrangement I know of. We do that to protect ourselves, because the fish is simply taken over or sent back. We have had them sent back to Port Chalmers in the summer-time when there has been a glut of fish on the market.

38. How long have you been at the work?—For twenty years.

39. Can you tell us what the price of groper was ten years ago and what it is at the present moment?—It is very hard to say, because in certain seasons when they are very plentiful they are cheap. In the summer-time now they are no dearer than they were twenty years ago. We sell our groper now in the summer for about 1s., and we got that twenty years ago. The price is higher now in the winter-time. I suppose it is three times as much as it was in the winter-time ten years ago.

40. *Mr. Veitch.*] What is the reason for that?—At one time there was no such place as Sweeting's, and fish-supper rooms, and places like that, and it pays these places to pay a big price, which the hawker could not afford to give. When people go into a fish-supper room and get a small bit of fish and a cup of tea for 1s., a groper goes a long way, and so these places could afford to give 6s., 7s., or 10s. for a groper and not be out of pocket.

41. How is it that it pays your union to limit the supply whilst it pays the trawlers to catch all the fish they can and put them on the market?—Mr. Sullivan owns two of the three trawlers, and the fish they catch is principally soles. There is a ready market for soles here and in Christchurch, and also on the Union Company's boats, and in Melbourne and Sydney, and so the trawlers can get rid of any number. Then, again, he has to pay the men on the trawlers the same wages if they get nothing as if they got a trawful, so that it is a case of the bigger the catch the bigger the cheque. It is not so with us. If we catch three dozen a day we get as much as if we caught six dozen: that is in the summer-time. We recognize that three dozen per boat per day is ample for the market at the present time. Twenty boats with three dozen each gives sixty dozen groper on the market every morning. That is ample, and is more than they can use.

42. *Mr. Macdonald.*] Your boats can overstock the market, the trawlers cannot?—When we formed the society and put a limit on the salesmen told us that if we sent up a big haul they would send them back. We had to put a limit on because we did not want to pay railage to Dunedin and back again. We have told the salesmen that when they wanted the limit increased they could get it by writing to the society. They have never done so.

43. *The Chairman.*] Still, with it all your boatmen make £10 a week to each man?—They have done that. I suppose last week some of the fishermen made as much as £8. This week they will make nothing near it. It was a very fine week, and buyers were buying in anticipation of the big trade this week on account of the Winter Show. The weather has been bad for fishing this week.

44. *Mr. Hall.*] During a week like the present when there is likely to be a larger demand do you increase the limit?—No, because the salesmen have never asked us to increase it. We have told them we would increase the number, provided we had not to pay railage back to port.

45. Do you sell all by auction or direct to the consumers?—Through the salesmen. One of the rules of the society is to send all fish we catch through the salesmen.

46. *Mr. Robertson.*] It would not be possible, as it was before you formed the union, for any member of the general public to go to Port Chalmers and buy fish at the landing?—They do that now. You will see dozens of people buying fish at the steps.

47. I understood you to say that you agreed to send all your fish through the salesmen?—What I mean is we do not allow a boat to send direct to Sweeting's, or Stewart's, or the hawkers direct.

48. You confine the Dunedin supply to those two salesmen?—Yes.

49. Is there any kind of agreement in writing that you confine your supplies to these two salesmen?—None with the salesmen.

50. Just an understanding?—It is an understanding between the salesmen and the members of the society. There is nothing in the by-laws about it.

51. It was passed by resolution?—That is so.

52. *The Chairman.*] Is there any matter you would like to touch upon?—I think we pay too much commission. We have been trying to get a wholesale market. We do not recognize that a public fish-market would be of any use to us. Fish must be dealt with right away, especially in the summer-time, and if they were sent to a public market they might lie there and be rotten before they were sold. What we want is a wholesale market. We have interviewed the Dunedin City Council, and they have it in view at the present time. If we could get such a market we might get an auctioneer of our own. We pay 10 per cent. on the auction prices and also have to pay railage. We have to pay a watchman to watch the fish when it is put on the trucks at Port Chalmers. If we do not do that a considerable number of fish go astray before they get to the market. We have to buy locks for the railway-wagons as well. We think the Government should do more for us than they do at present. We have to pay a yearly license of 5s. There is a Government Inspector to see that we do not catch undersized fish. That, I think, might be done away with, because practically no undersized fish are caught outside the Heads. The matter of watching for undersized fish might well be left to the police.

53. *Mr. Fairbairn.*] Have you ever made any attempt to improve the present method of distribution of fish, such as having your own salesmen and sending it round from door to door?—We have not done it yet, but that was our object in forming this society. We wanted to create a fund and have a wholesale business and keep a salesman of our own.

54. *Mr. Macdonald.*] Would this reduce the cost of fish to the public?—I believe it would, because we would be able to sell our fish cheaper. This 10-per-cent. commission takes away a lot of money.

55. Would the public get the benefit of this 10 per cent. or would it go to the association, or would you halve it?—I dare say we would halve it. I also think that the freight on fish on the railway might be reduced.

THOMAS SCURR, Land and Estate Agent, &c., examined on oath. (No. 8.)

1. *The Chairman.*] What are you, Mr. Scurr?—An auctioneer and land-salesman, Dunedin.

2. How many years' experience have you had?—I have been in business two and a half years in the auctioneering line.

3. Have you a pretty wide scope in your business?—Yes, very wide.

4. You know land-values pretty well in the district?—Yes.

5. Is it within your knowledge that land-values have gone up within the last ten years?—Yes.

6. Mostly in the country or in the town?—In the city and suburbs.

7. To what do you mainly attribute that rise?—That is a very hard thing to get at. Of course, there has been a demand for land. A number of houses have been pulled down in the city, and people have gone to the suburbs to live, and city property has been utilized for business purposes. That happening in many cases has tended to increase the value of land in the suburbs. New sections are difficult to get.

8. The building societies help people?—There has been a tendency for years for people to own their own houses.

9. Would you say that the growth of the city was the main factor?—Old houses have been condemned by the Inspector and demolished. That has happened, and the vacant sections have not been utilized. You talk of the values of houses going up. Hot and cold water are now installed in houses, and even four- or five-roomed houses are not complete without them.

10. The Government has built houses and let them at low rentals?—Yes; but the Government did not select a good quarter. You refer to the Windle Settlement?

11. *Mr. Fairbairn.*] What is the objection to that quarter?—It is not easily got at from the tram. It is a penny fare, but it is on the hill. If the Government had gone to St. Kilda or to some of those places on the flat the houses would never have been empty.

12. *The Chairman.*] Is it not a fact that desirable sites were at such high prices that it was impossible for the Government to buy them and erect cheap houses on such land?—Yes, I believe that is the case. As regards the renting of houses, there is no doubt about it that people are continually coming to us asking for four- and five-roomed houses and we have not got them. They want them at 12s.; and they have to take five- or six-roomed houses at 15s. or 16s. a week. There is a scarcity of small houses.

13. So you think that is a great addition to the cost of living?—Yes, a working-man having to pay so much for a larger house than he can afford to keep. The rent of a modern four- or five-roomed house in the city with hot and cold water and drainage is about 12s. a week.

14. *Mr. Fairbairn.*] What would be the rent of a four-roomed house in a similar locality—a house thirty or thirty-five years old—with none of those conveniences?—About 9s. a week.

15. *Mr. Macdonald.*] Your figures do not quite agree with the figures compiled by the Department of Labour in 1911. They say that the rent of a four-roomed house in Dunedin is 10s. 6d.?—I say you could not get a modern four-roomed house in Dunedin at 10s. 6d. a week, with hot and cold water and bathroom. You can get houses for 8s. and 9s. a week—very old houses which lots of people would not care to live in.

16. *The Chairman.*] I suppose in the two years and a half you have been here you have had examples of land rising rapidly in value?—At St. Kilda, Musselburgh, and St. Clair rents have risen very rapidly, but in Roslyn, North-east Valley, and Mornington, I do not think they have altered at all.

17. *Mr. Hall.*] Do you think that is partially due to the extension of the trams?—Yes, and surf-bathing. It became a fashionable neighbourhood.

18. *Mr. Fairbairn.*] Generally, favourite localities command the highest rents?—Yes, Musselburgh is one of the finest localities in Dunedin.

19. *The Chairman.*] Having the tram there adds to the rent?—To Musselburgh there is a two-penny fare. They could get a penny fare to Dunedin South, Ogg's Corner, but land-values in that district do not boom. Musselburgh and St. Kilda are more fashionable quarters, and there is a better class of house there. Ten years ago there were acres and acres of vacant land at those places, whereas now you can hardly find a vacant section.

20. It looks rather damp land to a visitor—St. Kilda?—I live there, and will not live anywhere else as long as I am in Dunedin.

21. *Mr. Veitch.*] There is one point that I would like to clear up with regard to the question of rent. I presume you agree that rents generally have risen in Dunedin?—They have risen, but not to a great extent. Rents have risen, but look at what people are getting for the rents—hot and cold water, drains to sewer, &c.

22. I wanted to know if you could give us a pretty accurate statement with regard to capital invested in property: is there a higher percentage got on capital now than there was ten years ago?—I do not think there is any difference. I do not think that a man who builds a house now can make any more money out of it than he could years ago. He might get about the same rate of interest.

23. You think rent has gone up in proportion to the capital value?—Yes.

24. *Mr. Macdonald.*] The cost of a house includes, first, the cost of the section, and, second, the building of the house?—Yes.

25. Could we get a comparative statement of, say, five or ten years ago of the cost of the land and the cost at the present time, and the same comparison with regard to the building, to see which has risen the most, the cost of material or the cost of the land: which do you think?—The cost of the land, if you go to certain suburbs. At Musselburgh and St. Kilda it is the land.* But take Caversham—values have not altered there; neither have they at Mornington or North-east Valley.

26. Have rents gone up in those places?—No.

27. Has the price of buildings gone up in those places?—No.

28. Because they have not been building?—That is so.

29. Supposing it costs £350 to build a modern five-roomed house?—About £400.

30. Suppose it costs £400 to build a modern five-roomed house at St. Kilda and also the same amount at Mornington?—Yes, a little more at Mornington, on account of carting the material up the hill.

31. The increased rent must be due not only to the rise in the value of the land but also to the rise in the prices of material?—Yes.

32. Which has gone up most—the land or material?—The land.

33. Could you give us any figures in support of that contention—say, before Friday next?—Yes, showing you where land-values have gone up.

34. What rate per cent. do you think house-property is returning?—Generally from 7 to 8 per cent.; 9 per cent. is considered a good return. There are plenty of people who think they are getting more, but they are really not.

35. That is, gross?—Yes.

36. Are you allowing for their being empty, and for depreciation and insurance?—There are plenty of people with a house worth £1,000, let for 25s. They think they are well let, but they are not well let.

37. You think the average would be a return of about 7 and 8 per cent. on the money, or outside up to 9 per cent.?—Yes, 9 per cent. is looked upon as a really good investment.

38. I suppose money is really worth in the market 5½ per cent.?—Yes.

39. *The Chairman.*] You would consider 9 per cent. on house-property a good return?—Yes, 9 per cent. is a very good return. The general run of property will show about 7 per cent. net.

40. *Mr. Veitch.*] Is it a fact that small houses show a better return in proportion?—Yes.

ROBERT WILLIAM WILSON, Grocer, examined on oath. (No. 9.)

1. *The Chairman.*] You are a grocer and tea-dealer, and you have a general knowledge of the grocery business?—Yes, I have been connected with the business for twenty years.

2. Have you any statement that you would like to make to this Commission bearing on the rise in the cost of living?—Yes, I think the framing of the tariffs has a lot to do with putting up the prices in the general-grocery line. I refer to the tariffs that the merchants frame to a large extent. They tie up lines of goods. We can only get these goods through that source. We are barred from buying in the open market.

3. *Mr. Veitch.*] You say tie up lines of goods. Do you mean monopolize them?—Yes, monopolize the lines. It is getting worse every year.

4. *Mr. Fairbairn.*] Can you mention any lines affected by this combination?—Yes, Colman's and Keen's goods, and other English lines.

5. In what sense are you at a disadvantage in regard to Colman's goods?—There is a way of getting them if you are on the list. But they will not put the retailers on the list; and we have to pay the merchants' tariff rates for those goods.

6. Do not some retailers get some Colman's goods direct?—There are a few on the list as wholesale merchants, and yet they are really retail grocers. They are selling in competition with us.

7. *Mr. Veitch.*] Can you not get on the list?—It seems that these people got on the list years ago, and they are still on the list; and the manufacturers will add no more to the list. I think the merchants bring pressure to bear on these people. Anyhow, I have tried to get on the list and get full advantage of the discount and prices, and I cannot manage it.

* Witness later supplied particulars of a property sold during this year for £800. Eight years previously the house cost to build £500, and the section cost £80. To build the same house in 1912 would cost £50 extra. The increase in cost of building equals 10 per cent.; the increase in value of section equals 212·5 per cent.

8. *The Chairman.*] Do you mean that the merchants are acting collectively and in an association ?
—Yes. I am referring to a list or scale for goods.

9. *Mr. Hall.*] You say they have a way of getting on the list of wholesale merchants ?

10. *Mr. Veitch.*] If you are classed as a wholesale merchant they will give you the benefit of discounts which you cannot get if you are not on the list ?—Yes.

11. *Mr. Fairbairn.*] It is within your knowledge that certain goods are supplied to certain retailers at a lower price by the merchants ?—Yes.

12. And that it is impossible to get the goods at those prices except in that way ?—Yes.

13. Have you ever known of a penalty having been inflicted on a retailer or any one who has purchased outside the combination ?—No, I cannot say I have.

14. That means that they have been able to effect a complete monopoly of those goods ?—Yes, I am sure of it.

15. If, for example, you could buy Colman's goods on the same terms as the more favoured retailers—if you could buy at, say, 15 per cent. better terms, would the public get the benefit of it ?
—Yes, certainly. I think it would make a big difference to the public.

16. If you could buy sugar at $2\frac{1}{2}$ per cent. better than you are buying it, it would make a difference of 3d. a bag ?—Yes.

17. Who would get the benefit of that ?—The public, by all means.

18. How often do you turn your sugar over in your business ?—Once a fortnight I get supplies.

19. That means twenty-six times a year ?—Yes.

20. Assuming that your working-expenses in conducting your business is 10 per cent., would you consider that 15 per cent. a good profit for sugar ?—Yes.

21. That is to say, you would be making on the capital outlay 5 per cent. multiplied twenty-six times ?—Yes.

22. Then, generally, you know that the Merchants' Association of Dunedin have introduced restrictive conditions in connection with trade that have entirely obliterated competition in buying ?
—Yes, fair competition.

23. *Mr. Macdonald.*] Do I understand that what you say is this: that no retailer can purchase outside the association ?—Well, not for every line of goods, but for certain lines; it is limited.

24. *Mr. Fairbairn.*] Would you be good enough to name them ?—Take New Zealand manufactures—condensed milks, baking-powder, and general household lines.

25. *Mr. Macdonald.*] Sugar ?—Yes; that was the greatest one of all.

26. *The Chairman.*] Soap ?—Yes, certain brands.

27. *Mr. Fairbairn.*] You can buy sugar and some of these lines outside the Merchants' Association. We are now referring to lines that you must buy through the merchants ?—Yes.

28. Can you buy, outside the Merchants' Association, Keiller's marmalade, Fry's cocoa, Bournville cocoa ?—No; a man would need a pencil and a fifty-page book to put them all down.

29. You can buy candles outside ?—Yes.

30. Would you be good enough to let us have a list of the lines that you must buy through the Merchants' Association, where the prices are fixed ?—Yes, I would not mind doing that.*

31. What we want is a list of the goods that you can only get through the Merchants' Association—not that you can buy outside. We want you to indicate what lines are absolutely tied and controlled ?—Yes.

32. *Mr. Macdonald.*] Can any retailer become a member of this association ?—This is a wholesale-merchants' association.

33. They practically "corner" the trade in certain articles ?—The retailer must buy from these people, and they can frame whatever tariff they wish.

34. *Mr. Veitch.*] Do you know if they give special rebates or discounts to firms that buy large quantities from them? Are they treated any better than firms that buy smaller quantities from them ?
—Yes, the big buyer is treated a little bit better. Of course, it is a very small difference.

35. *Mr. Macdonald.*] Has this association in your opinion artificially raised the prices of those articles? Assuming that there was free competition and you could buy them from any wholesale house you liked, has the association raised the prices to the retailer ?—I am sure of it.

36. *The Chairman.*] Can you inform us whether the association is registered, or is it merely an understanding without a document ?—I think they must have something registered. I would not be quite sure of that. I do not know much about the association. I think they must have some agreement.

37. *Mr. Macdonald.*] In writing ?—I am sure of it. They seem to have a very strong "pull" over each other. If any member happened to break anything he would get pulled up with a round turn.

38. Can you tell us generally what the effect on prices of the reduction in the tariff has been? Who has pocketed the benefit of the reduction in the tariff ?—It is benefiting the producer and manufacturer, I should say. It is not benefiting the public to the extent it should do.

39. *Mr. Veitch.*—The producers of goods are the producers outside of New Zealand ?—Yes.

40. *Mr. Fairbairn.*] Do you remember the price of Neave's Food before the tariff alteration ?—We retailed it at 9d. a tin.

41. Surely not as low as that ?—Yes; but that was a long time ago.

42. *Mr. Robertson.*] In regard to English goods: there must be an arrangement between the association and the manufacturers at Home ?—Yes.

* "Be your request for a list of controlled lines of goods, I submit the following; as being to the best of my knowledge controlled:—Highlander condensed milk; Keiller's marmalade, jams, &c.; Colman's goods; Keen's goods; Reckitt's goods; Nugget polishes; Scott's emulsion; cough cures; patent medicines; spices, peppers; Lever Bros.' soaps; cocoa—Fry's, Bournville, Van Houten's; and several smaller lines that do not seriously concern our business.—R. W. WILSON."

43. Confining their export trade to the members of the association?—Quite so. A few retailers have tried at different times by writing to the Home manufacturer to bring out a line of goods, and they simply referred us to the Merchants' Association.

44. *Mr. Macdonald.*] When did this association begin its operations?—They have been gradually increasing within the last ten years, and it seems to be getting worse every year now. During the last five years it has got more acute so far as we are concerned. There is hardly a line that is not "tariffed," as we call it.

45. *Mr. Robertson.*] Ten years ago it was not so well organized as now?—Quite so.

46. *Mr. Macdonald.*] And it is increasing the efficiency of its organization now?—Yes.

47. *Mr. Fairbairn.*] In connection with fish—fresh herrings, kippered herrings, &c.—is the duty equivalent to about 80 per cent.? If that duty were removed, and fresh herrings were sold at 4d. or 4½d. a tin, would that gradually increase the sale of tinned fish?—Yes; any line that is brought cheap to people you will sell double or perhaps three times the quantity of.

48. *The Chairman.*] Have you any statement that you would like to make to the Commission which has not been suggested by the questions which have been asked?—No; as far as my business is concerned, that is about the only thing I could give you information about—these tariff lines, and the "corner" of goods in that way.

49. *Mr. Fairbairn.*] Is it to the interest of the trade that free competition should exist in regard to buying conditions? Would that not benefit the trade generally, and enable you to sell cheaper to the public?—Of course it would. It would enable a man who wanted to conduct his business on proper lines to give the public a reasonably cheap article. I think it would be better for everybody. The retailer would get his money in better, and I do not think there would be the same trouble if a man could buy in the open market as he ought to do.

50. *Mr. Veitch.*] You mean, if he could give better value, your accounts would come in better?—Yes. It was not so bad until five years ago; but things are getting so bad now that a man with small wages can hardly exist—he cannot live.

51. *The Chairman.*] Could you give us a comparative statement in writing of the prices of goods with which you are acquainted—five years ago and ten years ago and the present prices?—Yes, I think I can do so.

JOHN ROSS, Clothing-manufacturer, examined on oath. (No. 10.)

1. *The Chairman.*] You have been a manufacturer here for many years, Mr. Ross?—Yes, for about thirty years I think. I think we commenced manufacturing in 1879.

2. We thought that you might tell us if there has been any increase in the cost of the goods that you manufacture—during the last twenty years—say, comparing ten years and ten years of the twenty. Should you think that the cost of clothing to the general public as manufactured by you has risen very much during, say, the last ten years?—Yes, the cost of clothing has risen somewhat during the last twenty years. I am speaking now of clothing apart from all our own manufactures. Our manufactures are principally underclothing. Of course, we manufacture men's clothing as well. Piece-goods are now very much about the same—perhaps a little more than they were twenty years ago; but there have been fluctuations, depending on the price of wool. That makes a difference; but at the present time most of our manufactures are higher than they were twenty years ago.

3. The selling-value to the public?—Yes, the selling-value to the public of made-up goods is probably from 10 to 20 per cent. higher.

4. *Mr. Fairbairn.*] Of all textiles?—Yes, I am speaking of textiles; but the greater part of the increase is in wages. Wages have advanced more than the cost of the goods apart from that.

5. More than the raw material?—Yes.

6. To what extent has the advance in wages increased the cost?—I could not say. I have been living in London during the greater part of the period to which your Commission refers, so that I am not quite conversant with that point.

7. *The Chairman.*] It would be difficult to dissect from year to year as to the cost of wages?—I dare say it could be done. It has not come before me. I could not give evidence about it.

8. *Mr. Fairbairn.*] Is there anything in the nature of an understanding between manufacturers in New Zealand in respect of prices in the clothing trade—between the different mills?—There was an association of manufacturers in existence for several years, but that was broken up about two or three years ago. There may be some understanding, but there is not a written understanding. About some things—about blankets, for instance—I dare say there is some understanding between the mills what they are to be sold at; but there is no written law about it or anything of that sort.

9. The association does not exist to-day?—No.

10. *Mr. Fairbairn.*] The feeling of the Commission is that anything which disturbs free commerce is inimical to the public—that it comes back to the public finally?—There is nothing of that sort. Any agreement of that sort is a very loose affair at the present time.

11. *Mr. Veitch.*] Still, there is some agreement?—I think there is in some cases an understanding between the heads of departments. They arrange it between themselves, leaving the members out of it; but there is no written agreement or anything of that sort—at least, we have none. I do not know what other mills do, but we have none.

12. *Mr. Fairbairn.*] In the retail drapery trade it always seems to have been competitive. You do not know of any arrangement amongst retailers for fixing prices?—There is free competition at the present time in the retail trade.

13. There is nothing to stop any man opening a retail drapery establishment in any town in New Zealand and trading on the same terms as his competitors so far as getting his drapery is concerned?—No.

14. *Mr. Robertson.*] Who are your principal competitors in New Zealand—I mean as manufacturers?—The Mosgiel Company, the Kaiapoi Company, the Petone Company, the Oamaru Company, the South Canterbury Company, the Ashburton Company, and there is another company in Auckland.

15. Your goods are sold all over New Zealand?—Yes.

16. *Mr. Veitch.*] You spoke of an understanding between the heads of departments. Does that mean between the heads of your departments, or between the heads of your departments and the heads of the departments of other companies?—In some cases, between the heads of other businesses, such as Sargood's.

17. *Mr. Fairbairn.*] But they are not manufacturers?—No; but the position is as I have stated.

18. *The Chairman.*] We are, as you know, inquiring into the question of the increase in the cost of living. Could you tell us anything which in your opinion leads to a rise in the cost of living—connected with your business—which, perhaps, we have not asked you?—I really do not take any part in the manufacturing. Mr. Glendining looks after that department. I am not so conversant with it as to be able to give any information of importance.

19. *Mr. Fairbairn.*] Clothing is one of the matters which this Commission is asked to report upon, and we thought you could give us some information on that subject?—I inquired about that to-day, and I have given you the information which I received.

ANDREW MATHEWSON, master butcher, examined on oath. (No. 11).

1. *The Chairman.*] What is your occupation?—I have a part-interest in the Kensington Meat Company.

2. Could you tell us about any association that controls the rates of sale of meat generally in Dunedin?—That is rather touching on personal matters.

3. I know it is delicate ground; but can you tell us your own process by which we have been told you are able to sell to the public cheaper than other retailers?—We buy for cash, or from the agents; or in the market as suits us. We are buying and shipping all the time. I am paid a salary, and buy for an exporter.

4. *Mr. Hall.*] Do you buy direct from the farmer?—Yes, and from the agents. I buy a good deal for net cash, and a good deal from the agents when it suits us at the price.

5. *The Chairman.*] Everything you buy you kill at the abattoirs freezing works?—Yes.

6. Having regard to the price, you have paid and the expense of making the meat fit for the market, you put on a fair profit for yourself and then let the public have the benefit?—Yes. We sell at the lowest prices in Dunedin. We opened our shops on those grounds—small profits in order to get a big turnover.

7. The “nimble sixpence”?—That is so. We make the most of skins and fellmongery. We buy mostly in big lines, and we have advantages through buying.

8. Is it within your knowledge that there are other butchers' shops in Dunedin which do not exactly follow that line of practice—who buy from agents only?—I think in most cases they buy from agents only.

9. They do not go direct to the farmers?—Some of the leading butchers do; but the majority of the butchers buy at the Burnside saleyards.

10. That being the case, what is the reason they are not able to sell so cheaply to the public as you can?—We have to buy for shipping at per pound, and we must know our weights. It is the buying for export that has a lot to do with it. Others have the same chance of buying that we have.

11. *Mr. Hall.*] You buy at per 100lb.?—No; but we buy according to our judgment of what the dead-weight will be.

12. *The Chairman.*] You do not think it is because of certain persons having a combination to keep the prices up that is responsible for making the general price higher than yours?—I would not like to say much against the butchers.

13. *Mr. Macdonald.*] Is there a ring?—I could not give that in evidence.

14. You cannot say?—I cannot say.

15. It would bring you into open quarrel?—That is so. We are outside of any combination.

16. You are under agreement to no firm at all?—That is so.

17. Is the price you sell at remunerative?—Yes, at a very small profit. I have a list of the prices we are selling at now, and what we were selling at twelve months ago.

18. Have you ever been approached to take part in a ring or combine to raise prices?—That would go out in evidence if I gave it.

19. You refuse to state?—Yes.

Mr. Veitch: Has the witness power to refuse?

The Chairman: I do not think he should be called on to answer questions like that.

Mr. Veitch: If there is anything of the kind going on, we should get it.

Witness: I refused to join a list of prices they put before us one day at Burnside.

20. *The Chairman.*] Who are “they”?—That is the thing.

21. *Mr. Robertson.*] Will you say the majority of butchers of Dunedin?—It will put them all against me if I answer that. It is hardly fair to make that public.

22. *The Chairman.*] That is just what we are out for. Can you suggest to whom to apply or call in evidence for that purpose—some one who knows more about it than you do?—Among the butchers, no.

23. Can you give us the name of some butcher who would know?—The leading butchers would know.

24. *Mr. Hall.*] Do you give any credit?—No; all cash.

25. *Mr. Robertson.*] Have you any carts?—We are putting on one.

26. Would that mean an extra cost to the consumer?—We considered a halfpenny to put on for delivery.

27. Can you give us an idea of what your average price per pound is less than that of other butchers?—I have given you a list of our prices, and I do not think that any one can sell lower.
28. Do other butchers issue price-lists?—Yes.
29. Do you consider that a halfpenny per pound will cover the cost of delivery?—Yes.
30. *Mr. Hall.*] In cities where they deliver, that will be for cash?—Yes, or at the end of the month for customers.
31. With regard to buying direct from the farmers, do you go to the farms?—Yes. I am out all the time buying for export.
32. What company freezes for you?—The man I am buying for freezes in several works, in various parts of New Zealand—in the North Island as well.
33. Do you find any companies refuse to freeze for certain buyers?—No; they are too willing to get the killing.
34. *Mr. Veitch.*] Can you tell us whether freezing companies treat all buyers on the same terms?—Yes; they are only too glad to get the stuff through their works.
35. *Mr. Hall.*] Has the cost of freezing gone up?—I think not.
36. Has there been any increase in the last five years?—I could not give you that exactly.
37. What do you estimate the transport charges are from here to London?—I think, 1½d. on lambs.
38. *Mr. Veitch.*] Do you know of any arrangement between the different freezing companies to fix the charges for freezing?—No. I am only buying for the man who exports, and this shop is really only a side show. If it does not pay we are none the worse off.
39. *Mr. Hall.*] It is simply to dispose of the carcasses that are too large or too light for the London market?—Yes. It is the medium-weight sheep that are shipped—54 lb. to 64 lb. in wethers, and 36 lb. to 42 lb. in lambs.
40. *Mr. Veitch.*] What does the difference amount to between the price you are selling at and the ordinary price charged by the retail butcher?—I have not worked it out.
41. Is there a difference of a penny a pound?—I should say there would be in some cases.
42. *Mr. Macdonald.*] In the event of a man starting in competition with the butchers in this town, is there anything to prevent him getting supplies or getting a shop?—I do not know of anything that could stop him doing it.
43. And selling at whatever price he chose?—I think the butchers are to blame for the present prices. Two or three years ago they charged too much for meat, and outsiders came in.
44. *Mr. Hall.*] You think the prices are low?—Yes; but not as low as last year.
45. They are not unreasonable to the public?—Last year they were cut to 3d. a pound for legs and 1½d. for fore-quarters of mutton.
46. Could you afford to sell at those prices if it were not for the fact that your butchery business is a side show of the export trade?—It would take very careful management to sell at last year's prices.
47. When we say that a beast is worth so-much a hundred, that is 100 lb dead-weight, I suppose?—Yes.
48. What would be the dead-weight?—That would be the dead-weight dressed. You judge the dead-weight when buying it.
49. The quotation is really for dead-weight?—Yes, that is so. That is where the judgment comes in. We pay for ox beef 27s. to 28s. per 100 lb.
50. What would be the price for that three or four years ago?—Much less than at the present. It would be about 22s.
51. *The Chairman.*] Do you think that a legitimate increase?—Yes. The drought last year had a good deal to do with it: they had to destroy so many young cattle that were coming on, and large estates being cut up has reduced the herds of cattle for butchering purposes.
52. *Mr. Hall.*] Are strikes in England likely to affect the prices here for lamb and beef?—I could not give any opinion on that.
53. *Mr. Veitch.*] Is there any arrangement between the different firms to keep down the price they give to the farmers?—Not that I know of.
54. You determine the price by instructions from your own employer?—That is so.
55. It is not left to your own judgment?—No, I have to buy at a certain price per pound.
56. There is no ring to prevent competing by reason of which the farmer would be compelled to take a lower price than if there was competition?—No. I think the farmer is very well treated.
57. Do you think there is any agreement not to compete?—No.

THURSDAY, 6TH JUNE, 1912.

ALBERT EDWARD BEISSEL, General Manager of the Taieri and Peninsula Dairy Supply Company, examined on oath. (No. 12).

1. *The Chairman.*] What is your occupation?—I am general manager of the Taieri and Peninsula Dairy Supply Company, and reside at Dunedin.

2. Have you had that position very long?—About two years.

3. You are acquainted with the process of the supply and production of milk and other articles of produce?—Yes.

4. Could you make us a statement as to the usual course of procedure in getting your supplies and distributing them—generally, as to the quantity and scope of your transactions?—I think it would be as well for me at the outset to state what our company is. The Taieri and Peninsula Milk-supply Company is an association of about two thousand farmers. It is a farmers' co-operative company. The farmers hold, I should say, 95 per cent. of the shares. We take in their raw products, milk and butter, and sell it for them to the best advantage. Our articles of association state that we have to

pay our farmers an "advance" price, monthly payments; and at the end of the year, out of the profits, after paying a dividend of 6 per cent., which is the maximum we can pay, any profits that may be remaining must be sent back to the farmers by way of bonus on the produce they sent in during the year.

5. As a general rule the bonus goes to those who have had the dividend?—Not necessarily. "Dry" shareholders only get 6 per cent. The bonus goes to the producer.

6. *Mr. Robertson.*] Do you manufacture cheese?—Not in Dunedin. We have seven cheese-factories in the country.

7. You also have the milk-supply in Dunedin?—Yes.

8. You supply the bulk of milk, I suppose, in Dunedin?—We supply wholesale and retail.

9. You sell to retailers?—Yes.

10. Do you buy on a butter-fat basis?—Yes.

11. Whether you manufacture the milk into butter or it goes out in milk-supply?—No. What we sell is picked milk, and it is paid for by the gallon. It is tested, of course, to see that it is up to the average.

12. What is the height of the season here?—December and January are the flush months.

13. June and July would be the months in which there was the greatest scarcity?—Not necessarily; I have seen the turning-point in March.

14. I am talking of the general supply of butter?—June, July, and August.

15. What is the highest point at which butter has been sold in the last two years?—1s. 6d. was the highest retail price last year, and 1s. 4½d. wholesale.

16. *Mr. Hall.*] What month was that?—July, August, and September.

17. *Mr. Fairbairn.*] What was the lowest price last year?—1s. 1d. retail and 11½d. wholesale.

18. You keep a margin of 1½d. as the wholesale cost?—That is what the grocers want.

19. *Mr. Robertson.*] Do you supply any wholesale merchants?—Yes.

20. At what average price?—They are the same. These prices are for half-pound pats. It is recognized over the trade that it costs ¼d. to make up butter into pats; and everything in bulk is sold ¼d. under those prices.

21. Do you supply any wholesale merchants with pats?—Yes.

22. Do you charge them the same as the retailers?—They get a special discount of 2½ per cent.

23. *Mr. Fairbairn.*] I take it that all these prices are spot cash?—No. Of course, the wholesale men buy in very large quantities, and we give them a discount of 2½ per cent.

24. Is there no discount off these prices?—That is the net price I have given you.

25. *Mr. Robertson.*] What was the price of milk during those months of June, July, and August?—It is very hard to explain. There is a sliding scale for different quantities; but the wholesale price last winter was 11d. per gallon.

26. *Mr. Hall.*] What do you call the winter?—Last year we had seven months of winter, because the season was so very dry.

27. *Mr. Robertson.*] What do you retail at?—It is done on a sliding scale.

28. *Mr. Fairbairn.*] Say at per quart?—4d. a quart during the three months I gave—June, July, and August. The summer price is 3½d. per quart.

29. What is the wholesale price?—9d. per gallon in the summer.

30. *Mr. Hall.*] What generally are your flush months?—December, January, and February would be the flush months.

31. *Mr. Robertson.*] Last year was an exceptional one because it set in dry so early?—That is so.

32. What brands of butter are sold in Dunedin besides yours?—"Maple Leaf," "Albatross," and innumerable others.

33. Who makes "Albatross" butter?—It is made at Ashburton.

34. All those butters are sold at the same price, I suppose?—I do not know.

35. Were you exporting butter during those months last year?—No, we were buying.

36. Is there any understanding between the companies here as to the price of butter in the winter months?—None whatever. We fight like blazes, every one of us.

37. What was your suppliers' average during those three months?—1s. 3d. per pound of butter-fat. We bought their milk at the creameries, separated the milk, gave them back the skim-milk, brought the cream to town, manufactured it into butter, sent it out and delivered for 1½d. a pound. These months were short ones, too, and working on small quantities the expenses were greater.

38. Of course, we understand that you get more than a pound of butter from a pound of butter-fat?—That is so, of course. There is an overrun.

39. *Mr. Veitch.*] How much is the overrun?—Sometimes up to 7 per cent.; sometimes up to 10 per cent.

40. *The Chairman.*] What is the overrun—the amount of salt and water you put in?—No; it is a thing I really could not explain.

41. Do you ever buy farmers' butter?—We never deal with it in any way.

42. You never mix it up in scarce seasons?—No.

43. You said you bought the shareholders' produce—milk and butter. Do you buy shareholders' butter?—No; butter-fat.

44. *Mr. Fairbairn.*] What did you return to the farmers for butter-fat last summer?—March, 11d.; April, 1s.; May, 1s.; June, 1s. 0½d.; July, 1s. 3d.; August, 1s. 3d.

45. *Mr. Robertson.*] Give the price for January and February?—December, 10d.; January, 10d.; and February, 10d. For September the price was 1s. 3d., October 1s. 2d., and November 11d.

46. *Mr. Hall.*] Was there a bonus in addition to that?—There was no bonus last year.

47. *Mr. Robertson.*] What was the market price of your butter in the three summer months last year?—The retail price was 1s. 1d.

48. The price of butter is regulated very largely by the London prices?—That is so.
49. You are doing principally an exporting trade there?—We do a considerable trade with outside markets other than London—South Africa, Vancouver, and San Francisco.
50. The greater part of your product goes to the outside market?—Only for three or four months in the year.
51. But during those months the greater amount of your product is exported?—The surplus that this market cannot eat is exported.
52. In the flush of the season is that greater than the local demand?—Yes.
53. *The Chairman.*] How many butter-factories have you?—Only two—Oamaru and Dunedin. We have fifty-four creameries in the country, and from these creameries the butter-fat is sent to the two factories. All the butter is made at the two factories to ensure uniform quality.
54. You have not had any understanding with other suppliers to limit the price?—No.
55. There is no reserve in the statement that you are always fighting?—No. We have absolutely nothing to do with any firm.
56. What was the total amount you paid as a bonus last year in addition to dividend?—We paid no bonus last year. In fact, we had to take £1,600 out of reserve to pay the dividend of 6 per cent.
57. How much reserve have you got?—I can supply you with a balance-sheet.
58. How many shareholders have you?—About 90 per cent. of the two thousand suppliers will be shareholders.
59. What proportion of the suppliers hold shares in the company?—90 per cent.
60. *Mr. Hall.*] Suppliers are not compelled to be shareholders?—No.
61. *Mr. Robertson.*] What is the greatest number of shares held by one supplier?—A man generally takes a share a cow.
62. *Mr. Hall.*] What is the nominal value of the shares?—They are £1 shares, 15s. paid up. They are worth par on the market.
63. *The Chairman.*] What proportion does the bonus bear to the dividend generally?—Last year, although the butter-men got no bonus, the cheese-men got a bonus because their produce gained more for butter-fat than the butter-men did. We take out a balance-sheet for each cheese-factory and give each one back the profit for that factory. If one factory gives a big supply it can be worked cheaper than a factory with a small supply.
64. With regard to the creameries, do you give a higher price where large quantities are supplied than where only small quantities are received?—No, not in that sense. If there is a factory with a small supply it is charged working-expenses. A big factory is not put under that ban.
65. In some centres if the supply exceeds a certain quantity they increase the price per gallon or per pound?—Yes; ours is practically on the same basis.
66. *The Chairman.*] How long have you been connected with this class of trade?—Twenty years.
67. Has there been an increase to any extent in the price of milk during your experience?—Yes, there has. There has been an increase of 8 per cent. in the last ten years.
68. *Mr. Hall.*] Is any of this 8 per cent. due to the increased cost of distribution in towns?—The only matter in that is wages; but feed and other things have been high.
69. Distribution has increased in cost?—Yes.
70. *The Chairman.*] In spite of improved methods the cost of distribution has increased?—Yes.
71. *Mr. Robertson.*] Improved methods do not affect the distribution very much, do they?—Improved methods have helped to increase the whole cost. People are demanding pasteurizing, and that increases the cost.
72. *Mr. Fairbairn.*] There is a law regarding moisture in butter for export: is there also a law dealing with moisture in butter for local consumption?—Yes.
73. Is farmers' butter subject to that law as well?—I cannot say.
74. *Mr. Hall.*] Do you pasteurize all the milk supplied for the local market?—No; 80 per cent.
75. What is the extra cost of pasteurizing?—I could work it out for the Commission.
76. *Mr. Robertson.*] The law regarding moisture in butter came into operation in October last. Previous to that regulation coming into force, do you know if it was the custom to add a higher amount of water for local consumption than to butter for export?—A lower amount. The law allows 16 per cent., and we have never given more than 10 per cent.
77. Do you know if it is the practice in the trade to put a higher amount in butter for local consumption than for the export trade?—I have never known it done in this district.
78. Your company also supplies a great deal of butter direct to the consumer from the carts?—That is so.
79. You charge just the ordinary retail price?—Yes.
80. *Mr. Macdonald.*] What is the highest price you have got from the London market?—Last season our highest price was 138s. That works out at 1s. 1½d. At the same time we were wholesaling locally at 1s. 0½d.
81. What does it cost to place on the London market?—12s. a hundredweight.
82. *Mr. Fairbairn.*] Does that cover all charges?—Yes.
83. *Mr. Macdonald.*] Has there ever been an artificial scarcity in New Zealand through overexport?—I do not think so.
84. You only send the surplus to London?—That is so. If the public could eat it all they would get it, but in the flush months they cannot, and it has got to go out.
85. Can you explain this big difference: Your highest price to the public was 1s. 6d., and your highest price on the London market was 1s. 1½d.?—Butter was not being exported at all when we were getting 1s. 6d. locally.
86. Is it not a common thing to store butter when there is a plentiful season?—Stored butter is a different thing. Its price is 2d. to 3d. under that of fresh butter. People will not take stored butter.

87. *Mr. Robertson.*] How long would it be before there was deterioration in butter when stored ?—It all depends on the quality of the butter when stored originally.

88. Do you mean that it is inferior butter that you store ?—No, but you have to take the chance of any breakage in your machinery, &c.

89. Why is it it fetches such a low price—is there deterioration in quality ?—Of course.

90. If good when it is put in it will eventually become poor ?—Yes.

91. How long will it take to deteriorate ?—I could not tell you. It might go bad in a week, or it might go bad in a month.

92. *Mr. Hall.*] What is the general difference in price between farmers' butter and factory butter ?—I could not say. We do not deal in farmers' butter.

93. *The Chairman.*] Is it not a fact that certain persons take farmers' butter and work it up and sell it under all kinds of fancy brands ?—I could not say.

94. Is it not within your knowledge that such butter is on the market ?—I could not say. I do not know.

95. *Mr. Robertson.*] You mentioned "Maple Leaf." Who makes it ?—I do not know. J. B. MacEwan are the agents.

96. It is possible that might come from various factories ?—I do not know.

97. *Mr. Macdonald.*] Are you a registered company ?—Yes.

ALFRED WASHER, House and Land Agent, examined on oath. (No. 13.)

1. *The Chairman.*] What is your occupation ?—A land and estate agent, doing business in Roslyn.

2. Have you been in that occupation long here ?—For twenty years.

3. You have a pretty wide general acquaintance with the district ?—Yes, during the whole of that time.

4. Has there been within your knowledge a considerable rise in land-values in the last twenty years ?—In some cases 200 per cent.

5. Can you give us an idea of what in your mind constitutes the source of that : is it entirely the increase in the growth of the town ?—I should attribute it to the growth of population. The rents during ten or fifteen years have increased about 30 per cent. There used to be a sort of unwritten law that a man should give a day's pay for a week's rent, but that cannot be done now. Of course, they get far more conveniences at the present time, and that might cause an increase.

6. Do you think there has also been an increase because of the increase in the cost of material ?—Yes, I think the cost of building has increased about 25 per cent. When I said that there had been an increase of 30 per cent. in rent I was referring to the smaller cottages. It has not increased to that extent with the larger houses.

7. To what do you attribute that : to the difficulty in getting tenants for the larger houses ?—That is so. There is a far better demand for smaller cottages. I also find that there is not the same percentage of rented houses to-day that there was ten years ago.

8. Does that apply to all the districts about here equally ?—I think it covers the whole of the place—the hill and other boroughs. Far more workers own their houses than was the case ten or fifteen years ago. Take the case of a man with three or four daughters. Previously most of those girls would be at home, but now they are found out working. A case came under my own knowledge where such a family was bringing in £6 or £7 a week.

9. *Mr. Macdonald.*] People are able to pay an increased rent ?—That is so.

10. *The Chairman.*] Is that because of the economic pressure being greater and driving the girls out, or because of the greater independence of women ?—The greater independence of women, I think. There are far more facilities of employment for girls than formerly. There is one point that occurred to me. Take a man earning 10s. a day : fifteen years ago such a man was satisfied with a house at 10s. or 12s. a week, but now you find him paying 17s.

11. That is because of the increase in the standard of living ?—That is so. They will not go into the old houses now.

12. You are not saying that as if it was a blameable thing ?—Not at all. The position has improved very much. My experience is that you have great difficulty with the tenants in those old small houses.

13. *Mr. Hall.*] Do you take it that the scarcity of smaller houses is due to the owners thinking there is a risk in erecting houses of that kind ?—That is so. I would not invest in small houses myself. Ten or fifteen years ago a man took an interest in his garden, and no man would take a house unless it had a good section—say a quarter of an acre. They prefer a house now that has as small amount of ground as possible. Any man with £10 can own his own house under the Advances to Workers Act.

14. *Mr. Veitch.*] It is only those who are not frugal in their habits who live in rented houses at all ?—That is so, as a general rule. There are exceptions, of course. A man whose tenure in a place is uncertain would not be justified in buying or erecting a house of his own.

15. You say that the capital cost of building has increased by about 25 per cent. Do you mean that the 25 per cent. is due to a better class of building or to an increase in the cost of materials in building similar buildings ?—I think it is owing to the better comforts provided. Hot and cold water is now installed, and even in a four- or five-roomed house electric light and gas is put in ; and there is also sewage, which is an expensive item in all the suburbs.

16. Take the case of a four-roomed cottage built twenty years ago. We will assume that to-day you want to build a house exactly the same, with no more conveniences, but everything the same as it was then : do you think it would cost more to build that house to-day ?—Yes, a four-roomed cottage with washhouse attached could be built for about £250 about fifteen years ago ; at the present time the cost would be over £300.

17. *Mr. Fairbairn.*] Approximately there has been a 25-per-cent. advance ?—Yes.

18. Is it chiefly owing to the increased cost of timber ?—Practically everything, including painting. At one time you could get a small cottage painted for about £7 ; now it costs about £13.

19. *Mr. Hall.*] That is a question of wages ?—Wages and material.

WILLIAM MITCHELL ROBERTS, Master Grocer, examined on oath. (No. 14.)

1. *The Chairman.*] What is your occupation, Mr. Roberts?—I am a master grocer.
2. Have you been in the business very long?—I was practically born in the trade.
3. You have a thorough knowledge of the grocery trade in this part of the country?—Yes.
4. Do you know anything of any association of merchants who are alleged to regulate the rates of selling certain lines to retail grocers?—Yes, I am aware of it.
5. Could you make a statement telling us what has been your experience in regard to the operations of that association?—The general tendency in the trade is that the majority of our lines are going into the rings. The prices are fixed for both goods brought into the Dominion and for goods manufactured in the Dominion. Until a few years back we were able to get quotes, and of course buy in the cheapest market. The position now is that we are practically on one basis—it does not matter where we buy.
6. Is that within the last ten years?—Yes, but within the last two or three years it has been much more so.
7. It is increasing?—Yes. For instance, jam has increased. The current price for jam—2 lb. jars—is 10s. 6d. a dozen jars. That was retailed at 1s. a jar; but to-day you cannot buy it anywhere at less than 12s. I understand that the jam-manufacturers of the Dominion are practically a ring, and have a price fixed. There are one or two small manufacturers outside; but the leading lines are in a ring. 1s. 2d. is the retail price for it now. Sugar has increased a great deal in price; but when sugar was increased by £3 a ton last year the manufacturers of lollies did not advance their prices at all. It seems apparent, therefore, that there was no need why the jam-manufacturers should have increased their price.
8. *Mr. Macdonald.*] You say the prices are fixed?—Yes, practically.
9. Does that mean the price at which you buy, or does it mean the price at which you are compelled to sell?—We have a free hand in regard to selling.
10. Have you any knowledge of, or do you deal in, any goods which you are bound to sell at prices fixed by the combination? We have heard that there are lines of that description?—I believe there are such lines. For instance, the agent for Colman's goods will not supply you if you cut under the fixed price. They have an agent in Dunedin.
11. *The Chairman.*] Is that the case with Keiller's goods?—Yes, the selling-price is fixed for them too.
12. What is the position in regard to goods which you can obtain in the Dominion—say, soap and candles?—I think the market is open for soap and candles. There is a lot of competition from outside the Dominion in the case of candles.
13. Can you tell us whether the Merchants' Association is registered?—The retail grocers have met the Merchants' Association as a body at one of the offices of the local merchants. We had an interview with them.
14. Do you know who their secretary is?—No.
15. *Mr. Veitch.*] Who are the members of the Merchants' Association?—They comprise all the wholesale merchants.
16. All of the wholesale merchants here?—Yes, practically all.
17. Can you name them?—Neill and Co., W. Scoullar, Rattray, Mackerras and Hazlett, R. Wilson, W. Taylor, and Tucker.
18. *Mr. Hall.*] Is there a retail grocer's association as well?—Yes.
19. Who is the secretary?—A. B. Mercer.
20. *Mr. Robertson.*] What is the object of that association?—It is to prevent an undue cutting of prices. It is quite a common thing for a new man to start in the business. A new man started recently. He advertised himself as a cash cutting grocer. He cut things down to very low prices—selling at less than $\frac{1}{2}$ d. profit. He went bankrupt. He did the trade a great amount of harm—in fact, it has not recovered yet. That was about three years ago.
21. *The Chairman.*] When you use the expression "cutting prices," do you mean selling below the ordinary rate, or do you mean using unfair means of selling some lines absolutely below cost?—He was selling many lines actually at cost.
22. Is that considered in the trade as unfair cutting?—Yes.
23. *Mr. Robertson.*] What means does your association take to prevent unfair cutting?—We take no means. It is quite optional whether a man joins the association or not.
24. Do you draw up a scale?—No—just for certain lines which we call "bread-and-butter" lines.
25. You spoke of a rise in the price of jams and said you believed it was owing to an arrangement amongst the jam-manufacturers?—Yes.
26. Does that apply to all New Zealand jams on the markets?—Yes, I understand so.
27. You buy those jams through the wholesale merchants?—No, direct from the manufacturers.
28. The Merchants' Association does not control those?—They buy cheaper from the manufacturers than we could, but they sell to us at the same price as the manufacturers.
29. *Mr. Macdonald.*] Is kerosene one of the things controlled by this ring or combine?—I think not. Not since the Shell Company started. There has been competition since that company started.
30. Is tobacco one of the articles?—We cannot buy that except under a tariff.
31. *Mr. Robertson.*] Has the effect of the competition in kerosene been to bring down the price to you?—Yes, it did at the start, but I fancy it is back at the old price again now. There was an advance of a farthing just at the beginning of the winter.
32. *Mr. Fairbairn.*] Is it within your knowledge that the Merchants' Association exists for the purpose of maintaining certain prices on certain lines which they control: is that within your knowledge?—Yes.

33. Is it within your knowledge that if the market was free you could buy many of these commodities at, say, 10 or 15 per cent. better than you are doing now?—Yes.

34. Who would get the benefit if you were able to buy in a free market, as you did some years ago?—In regard to Colman's goods the selling-price was fixed, and it was pointed out to us that we were getting a better price under the new arrangement than under the old.

35. What are you paying for Colman's mustard at the present time?—4s. 6d. for quarters and 8s. for halves.

36. Is it not 8s. 6d.?—No.

37. Have they altered the tariff recently? What is it for ones?—16s.

38. Before that scale came into existence could you buy Colman's mustard cheaper?—Yes.

39. How much, approximately?—From memory, 4s. 3d. and 7s. 3d.

40. And for ones?—14s. 6d.

41. You have to pay 1s. 6d. more for ones now—a difference of 10 per cent.?—Yes, practically.

42. A condition of buying Colman's mustard is that you must charge a certain retail price for it—you have to adhere to that price?—Yes.

43. If you bought mustard at 14s. 6d. instead of 16s., would the public get the benefit?—Yes, we could sell it at 1s. 4d.

44. *Mr. Macdonald.*] Do you think the rise in prices is due to competition or to the natural cause of demand and supply?—The impression among grocers is that it is due to a combination. I may say that matches are being reduced now because a new class of matches is being brought out.

45. *Mr. Fairbairn.*] In connection with the prices you are quoting for mustard, had you not better verify them from the price-list?—I am speaking from memory. I will verify them, and let you have the exact figures.

46. Is it within your knowledge that the Merchants' Association of Dunedin has ever used a threat not to supply a man unless he sold at a particular price?—They have never threatened me.

47. You say there is a scale of prices at which Colman's goods must be sold to the public. Is there any threat behind it to stop supplies?—They would certainly use their influence to prevent it.

48. But you have no knowledge of that ever having been done?—No, I have no knowledge.

49. *Mr. Macdonald.*] The agent fixes the selling-prices of Colman's goods?—Yes.

50. What is to prevent you selling at a lower price than the price fixed?—Who could sell retail at a lower price per tin?

51. *Mr. Hall.*] You spoke about a cutting grocer just now. Would the wholesale merchants continue to supply a man who was cutting prices—selling at prices below which it was possible to make a living?—They would not supply them with lines they have control of.

52. *Mr. Macdonald.*] I cannot see from your answer where your complaint comes in. If they fix the selling-price at the only price at which you can retail with a profit, there is no harm to you and no harm to the public?—I think the selling-price is fixed to us too high. If the lines were bought in the open market, we should be able to sell the lines cheaper than we do now.

53. You buy a line at 4½d. and retail it at 5½d.?—If we could buy the line at 4d., we should certainly sell it at 5d.

54. *Mr. Fairbairn.*] The duty on mustard was 2d. per pound prior to the last alteration in the tariff. That duty has been removed. Has there been any alteration in the retail price? Has the public got the benefit of that remission of duty?—No; there has been no reduction in the retail price.

55. *Mr. Macdonald.*] There are a number of articles on which the tariff has been reduced?—Yes.

56. Can you from memory enumerate some?—Fruits—currants, raisins, and sultanas.

57. Who has got the benefit of that reduction?—It is difficult for us to say. The prices of currants, raisins, and sultanas are the same now as when the duty was taken off. The increase in the price of sultanas from Smyrna has been very great. I understand there was a poor crop. Next year, if the crop is larger, they may go back 2d. It is a question of supply and demand.

58. *Mr. Fairbairn.*] There are other lines which have been affected by the tariff. For instance, Neave's Food carried a tariff of 20 per cent. What is the present price of Neave's Food?—10d.

59. Since when?—We always retailed at 10d.

60. It was 11d. in 1892?—Yes, we used to get 11d. for it.

61. What do you pay for Neave's Food at the present time?—9s. 6d. That is the scale rate.

62. Can you give us a list of the lines that are controlled by the Merchants' Association of Dunedin?—I could give you a list of the majority of the lines.

63. The principal lines?—Yes, we would be glad to do that. Practically all lines are controlled. Rice, sago, and tapioca are not controlled by them.

64. I will name a few: Highlander milk?—Controlled.

65. Neave's Food?—Controlled.

66. Tobacco?—Controlled.

67. Fry's cocoa?—Controlled.

68. Bournville cocoa?—Controlled.

69. Van Houten's cocoa?—Controlled.

70. Tobacco?—Controlled. The majority of the leading lines are controlled. The good selling lines are generally secured by a wholesale merchant; he has the agency.

71. Generally, the object of the Merchants' Association is to fix the prices, assuring themselves a definite profit on all the goods they handle, and eliminating competition: is that the fact?—Yes, that is so. We are simply told by a traveller, "You might as well give your order to me as to the other fellow; we are all the same."

72. As to Colman's goods, is it within your knowledge that the price of the merchants has not altered for twenty years?—I have no knowledge of that.

73. *Mr. Veitch.*] What is the name of your local association of grocers?—The Master Grocers' Association.

74. You say it is for the purpose of preventing undue cutting of prices?—That is only one of the objects. The other is in regard to giving credit—to protect the members. There are a certain class of people who trade from one grocer to another; and the association has a system of detecting those people. That is the primary object for which the association was founded; and it is very largely used.

75. Supposing a new grocer did start and undersold all the members of your association, how could you deal with him?—There are firms in Dunedin whose prices are cheaper than ours, only they will only sell in quantities.

76. You simply agree amongst yourselves that you will fix your own price at what you consider a fair thing?—Just in "bread-and-butter" lines. We have no price-list of what lines must be sold at. If, for instance, there is an advance of 6d. a bag on flour, the secretary generally notifies members that on and after a certain date the price per bag will advance 6d.

77. *Mr. Macdonald.*] Any one who likes can start business as a grocer in Dunedin and become a member of your association?—Yes, if he wishes. There is no coercion.

78. There are no steps taken to prevent him getting supplies if he will not join?—No.

79. What is the entrance fee?—A sliding scale; small grocers 5s., up to £1.

80. *Mr. Veitch.*] There is really no entrance fee?—No; simply a yearly charge to cover the secretary's pay.

81. Do you think that the effect of your association is to increase the cost of goods to the people?—I think not.

82. The whole increase so far as you are concerned is due to the methods of the Merchants' Association?—Not wholly. There is no doubt there has been an increase in the cost of living due to manufacturing.

83. *Mr. Hall.*] Is the cost of distribution any higher—the cost of management and handling these things?—No; our award has not been increased for four or five years—probably longer.

84. *Mr. Macdonald.*] I understand that over and above the increase due to natural causes—the law of supply and demand—the increase to the public is due to the Merchants' Association?—When we want to buy lines we are constantly being met with this: that such-and-such a line has become tarified, and the price is so-much; and it is an increasing price. That is the harassing part of the retailers business—we are held up by tariffs wherever we want to buy.

85. *Mr. Fairbairn.*] In connection with tinned fish: do you think the consumption of tinned fish would largely increase if the duty were knocked off?—I think it would. I may say that our colonial tinned mullet has increased in price.

86. Do you think that tinned fresh herrings would sell more largely if the duty were knocked off?—That might be so.

87. So far, fish is not controlled?—I am quite sure that if grocers could buy in the open market the cost of living would be reduced so far as our trade is concerned.

WARREN ALLEN BOWLING, Property Salesman, examined on oath. (No. 15.)

1. *The Chairman.*] You are property salesman for Parke Reynolds?—Yes.

2. You have had a large amount of experience in connection with property in this district?—Yes, about two years and a half experience.

3. Within that two years and a half has it been your experience that the cost of land has increased in Dunedin?—I suppose it has gone up to a certain extent, especially in some localities.

4. Does that rise in price refer to both land used for building upon and to land which is not used for building?—Yes.

5. The land used for building being the greater of the two?—Yes.

6. In your opinion is the reason for the increase owing chiefly to two causes—first, the growth of the town; and second, the cost of materials and increase in wages?—I think it is more due to the demand.

7. That is, the increased population?—Yes.

8. I suppose that in some districts, such as St. Kilda and St. Clair, the demand has been greater than in other districts?—Yes. I do not think the prices have increased in Kaikorai. I know of a section there that was sold recently which you could have got more money for ten years ago.

9. *Mr. Hall.*] In that district prices have not advanced?—No, not to any extent.

10. *The Chairman.*] In regard to what class of sections has the increase been most noticeable?—Principally residential sites—quarter acres, and sites for good houses in fashionable localities. I do not suppose it has increased in South Dunedin; but St. Clair and Musselburgh are more "toney" in a way.

11. *Mr. Fairbairn.*] There has been a distinct increase in land-values?—Yes.

12. *Mr. Veitch.*] But the increase has been greater in fashionable localities?—Yes.

13. *Mr. Fairbairn.*] Thirty-five years ago Mornington was built upon, and pretty well every available section was utilized. To-day those houses are old and out-of-date. It cannot be a fashionable neighbourhood until those houses are demolished?—The streets are not wide enough.

14. But if that particular locality were not built upon to-day, would that place not be an ideal spot for development?—Yes.

15. So that those conditions have to be considered in regard to what is termed a fashionable locality?—Yes.

16. *The Chairman.*] In regard to the rise in the cost of living, can you tell us anything within your own knowledge as to any questions which have not been asked of you?—A lot of people seem to think that rents have risen. Personally speaking, I do not think they have. I do not think they have increased to any extent. I know a house that I could let for 8s. or 9s. years ago, and you cannot get any more for it now. People require a better class of house now, and naturally they have to pay more rent. They want all conveniences nowadays.

17. *Mr. Veitch.*] Assuming that they want a better class of house, you have already stated that land-values have gone up in some places?—Yes.

18. Does it not naturally follow that there must have been some increase in land-values apart from the cost of the house?—Yes, I suppose so.

HERBERT LLOYD YOUNG, Employee in Land and Estate Agency, examined on oath. (No. 16.)

1. *The Chairman.*] You come here, Mr. Young, as the representative of Messrs. Alex. Harris and Co., auctioneers, land and estate agents, Dunedin?—Yes.

2. Have you had long experience in that business?—About eight years.

3. You have a pretty good knowledge of this district?—Yes, I know the town from A to Z.

4. Is it within your knowledge that the prices of land have risen very considerably during the last ten years?—Yes, considerably.

5. You know districts which were considered rural districts ten years ago which are now considered as being land for residential sites?—Yes.

6. Could you give us any idea as to how much the price has risen during that time, say for ten years: we will take the question of land first?—It varies according to the locality of the property.

7. How much, for instance, do you think land has risen in value in St. Clair during the last ten years?—Last year it has gone up 20 per cent., but that was a boom year.

8. Do you think it has risen 100 per cent. in the ten years?—Yes, I think it has.

9. At St. Kilda?—St. Kilda has gone ahead: it must be close on 100 per cent. in five years.

10. *Mr. Robertson.*] Would you say 200 per cent. in ten years?—Yes, certainly.

11. *The Chairman.*] What is the principal cause of that increase—the increase in the population of the town?—Not so much that as because people wanted to live in the the suburbs. I have more inquiries for St. Kilda and Musselburgh properties than for any others at the present time. People want to get near the beach, and away from the centre of the town.

12. In those places are they, generally speaking, rented houses, or do they buy them?—They are trying to buy. Rents are pretty high in Musselburgh and St. Kilda. You cannot get a decent four-roomed house under 15s. a week—that is, a house with every convenience.

13. Most persons try to get a house of their own, either through building societies or under the Advances to Workers Act?—Yes, most people with sufficient deposit to get a section, and then they finance on the section.

14. *Mr. Fairbairn.*] When do you consider that land was at its highest value, take it right through—to-day or three years ago in Dunedin?—I reckon to-day. I think it is higher than it was three years ago.

15. I am speaking of the city?—City property is much the same now as it was three years ago. There has not been much advance in the price of land in the city.

16. In regard to rents, you say that people are leaving the town and going into the suburbs. Does that mean that rents in the town have rather decreased for old premises?—Rents of old premises are not decreasing at all. It is very hard to get a four-roomed house in the city; they are all taken readily.

17. There is still some demand in the city?—Yes; some people want to be handy to their business in the town. We can always let a decent three- or four-roomed house in the city. The old places are certainly harder to let.

18. What do you estimate the difference in rents to be for the two grades of houses—say, an old four-roomed house without conveniences in the city, and a four-roomed house up to date in a similar locality?—An old house in the city would be 8s. a week; and a new four-roomed house up to 14s. or 15s.

19. Take localities like Mornington: what would be the rent of an old four-roomed house there?—It is very hard to let an old house of four rooms in Mornington. I have three or four there which I cannot let; but they are very old houses.

20. What would a new four-roomed house in Mornington be worth?—About 11s.

21. That would be a similar house to one in the city which would be worth 15s.?—Yes.

22. Take the rentals in and around Dunedin: do you think they have gone back as far as fashionable quarters are concerned?—I should say they have in the North-east Valley.

23. Mornington?—No, since the penny fares have come it has gone ahead. Buildings are going up there quickly.

24. Maori Hill?—Just about the same. People own their own houses up there mostly.

25. St. Leonards?—There is not much inquiry.

26. Ravensbourne?—It is going ahead.

27. And prices generally, with the exception of old houses, have increased?—Yes.

28. Do you think that the increase in rent is owing in any way to the improved facilities and conveniences—I mean bathroom, hot and cold water, &c.?—That has a lot to do with it. Then the price of timber has gone up: that makes a big difference.

29. *Mr. Hall.*] You spoke of an old four-roomed house letting at 8s.: what would such a house let at ten years ago in that locality?—We would get 10s. for it then; but it would have been in a different state then to what it would be in at present.

30. Have the trams, and the fact that people can get out to more fashionable localities more quickly, had anything to do with the increased demand in those places?—In the suburbs they can get a more modern house than they can get in the city. I am speaking of the small four- and five-roomed house.

31. *Mr. Veitch.*] Have you anything to do with farming?—Very little.

32. *Mr. Robertson.*] How much do you think the cost of erection has increased, comparing ten years ago with now?—During the last year or two timber has gone up by leaps and bounds. I cannot tell you what the cost was ten years ago, but I suppose it was pretty much the same as it is now; up to a year or two ago anyway. The cost of timber has gone up.

33. You do not know how much that would represent in a four-roomed house?—About £25 or £30—that is, a four-roomed house.

34. Those old four-roomed houses letting for 8s.—in what localities are they?—They have no conveniences—not even water in the house.

35. *The Chairman.*] Would you be inclined to say that the rise in these properties is owing (1) to the population, (2) to the desire for a better style of house and living generally, and (3) because the value of material and wages have risen?—Yes, those things are really the cause, in my opinion.

SINCLAIR PEDEN, General Grocer, examined on oath. (No. 17.)

1. *The Chairman.*] What is your occupation?—I am a merchant—a member of the firm of McFarlane and Peden.

2. Have you been connected with the business for some time?—Twenty-five years.

3. In this district?—Yes, in Dunedin.

4. Could you tell the Commission what is the position in regard to dealing between the grocers and the association of merchants in Dunedin? You have, in certain lines, to buy from the association?—Yes, there are certain lines we cannot procure direct ourselves, and have to buy from the association.

5. Could you tell us some of these lines?—Fry's cocoa, for instance: at one time we were able to procure that direct, but for a number of years we have had to buy it through the merchants in Dunedin.

6. How long ago is it since that first began?—Probably about seven or eight years ago.

7. Do you find that the buying from the merchants is more strenuous and severe than it was eight years ago?—The price of Van Houten's cocoa has increased, and the wholesale price has increased accordingly. When we were able to import Fry's cocoa direct we were able to sell it at 1d. per pound less than at the present time.

8. That is a profit taken by the Merchants' Association?—You can come to no other conclusion than that it is a further profit for the merchant.

9. Are there any other lines besides Fry's cocoa?—Yes; Keen's blue, Colman's mustard.

10. Neave's Food?—Yes, that is a tariff line now.

11. Keiller's goods?—I am not aware that their marmalade is on the tariff.

12. Jams made in New Zealand?—I understand there is an understanding between the manufacturers in New Zealand. They have a tariff worked amongst themselves.

13. You have no knowledge of that understanding?—No. I fixed up my contracts previous to the arrangement being made.

14. It is a fact well known in the trade, however, that there is such an association amongst the merchants in Dunedin?—It is well known in the trade.

15. They have even held sittings at which the grocers have appeared before them?—Not to my knowledge.

16. Is it in your opinion a fact that the cost of living would be cheapened if there was not an association intervening between the buyer and the seller?—There is no question about it that so far as a number of our lines are concerned, which have been tarified these last few years, the retail prices have advanced for no other reason, I think, than the fact that they have been listed by the Merchants' Association.

17. If you were allowed to deal directly with the producers in England you could buy cheaper?—Yes, and sell cheaper.

18. Would the benefit of that go to the general public?—There is no question about it. In regard to the lines listed by the Merchants' Association, in all cases the prices have advanced to the public.

19. Do these lines you speak of include a very large portion of the goods you sell?—They are all pretty well everyday lines.

20. They have even included such things as sugar?—The sugar question is a big thing. At the present price it is not dear to the consumer, although the profits to the manufacturer are very huge. It is not the retailer who is making a great deal of profit out of sugar.

21. How often do you turn over your sugar?—As a rule, fortnightly.

22. What is the profit on an ordinary bag of sugar?—About 6d. a bag.

23. Are not the profits on bags of sugar if turned over fortnightly greater than if it is bought in bulk?—You can only get the profit on a bag of sugar once.

24. Tea is not one of those things on the tariff list?—No.

25. Candles?—They are open.

26. Soap?—There is no scale for soap so far as I know.

27. Dried fruits?—They are quite open, I understand.

28. Confectionery?—We do not touch confectionery.

29. Coffee?—That is manufactured locally.

30. Condensed milk?—The Southland manufacturers have their tariff, and we have to buy in certain quantities.

31. Oatmeal?—That is a free and open market. Baking-powder is on the tariff list.

32. Cornflour?—That is an open market.

33. *Mr. Fairbairn.*] The chief purpose of the Commission is to find out the causes that have led to the increased cost of living. Can you say that the operations of the Merchants' Association in regard to tariff lines has increased the cost of living on certain necessities of life?—Yes. As I have already stated, I think in nearly every case of a line tariffed by the merchants the wholesale price has advanced, and the retail price has had to advance accordingly.

34. Do you know of any single instance where the Merchants' Association has reduced the price of any line?—I am not aware of any.

35. The duty on mustard was 2d. a pound under the old tariff: has the reduction been passed on to the public?—Not from the retailer's point of view. The retail price is still the same; in fact, the retail price has advanced.

36. Although there is no increase at the manufacturer's?—That is so.

37. Has the reduction in duty on infant-foods been passed on the public generally?—In some instances it has. Mellin's Food is lower now than formerly.

38. Robinson's groats and barley?—They have advanced 1d. in spite of the reduction of duty.

39. The same applies to Neave's Food?—Yes. At one time that was sold for 9d, now it is 10d.

40. *Mr. Macdonald.*] If the prices were fixed according to the law of supply and demand, do you think these tariff lines would be cheaper now if they were not fixed by the combination?—I think if these articles were left to an open market it would be beneficial to the consumer, who would get them at a reduced rate at the present time.

41. Who fixes the minimum retail selling-price of tariff lines?—I am not prepared to say.

42. Is it the Merchants' Association?—They have more or less to do with it. I believe they have interested themselves in trying to regulate the selling-price amongst the trade.

43. When you buy you know you have to retail at not below a certain selling-price?—That is so.

44. *Mr. Veitch.*] Is there any arrangement between the Master Grocers' Association and the Merchants' Association with regard to fixing the retail selling-price?—They have never had a conjoint meeting. I do not know whether there is any understanding between the executives of the two bodies.

45. The master grocers to some extent fix the retail price?—We keep a sort of controlling hand on things. We try to maintain a fair profit. There are too many keen dealers to have any exorbitant profits.

46. They do not leave it to open competition?—No. I suppose in every trade there must be certain regulations in order to get a fair profit.

47. Do you think the profits of the master grocers are greater since you had an association amongst yourselves than they were before?—There would be much need for it, for the reason that the Arbitration Court awards raised the price of wages, and it is right that the grocery trade should get more profit to meet the extra expense.

48. The cost of distribution has gone up?—Yes.

49. And to meet that you charge a slightly advanced price?—Yes. I do not know that our profits have increased very much. We try to prevent cutting.

50. It has been stated before the Commission that the master grocers, owing to the higher price at which they are compelled to sell things, do not get their accounts met as well as they used to have them met. In other words, if you made a good effort to sell cheaper your accounts would be paid more regularly to you by your clients. Do you agree with that?—I do not know. I think we must all be aware that the social conditions of the people have altered very much in the last few years. Amongst both young and old they look for more comfortable homes and better diet, and more recreation and pleasure. I think that has all added to the cost of living. I do not altogether blame the high cost of products for having kept the people from meeting their bills. It is simply that they are taking more pleasure and comfort out of life, and probably living beyond their means in many cases.

51. *Mr. Macdonald.*] They are paying cash for the picture-shows and taking credit from you?—That is so.

52. *Mr. Robertson.*] Would you say that the average cost of grocery lines is higher now than ten years ago?—Generally speaking, perhaps so. Take dried fruit. The Government took the duty of 2d. a pound off that, and to-day I suppose the consumer is paying the same as when the duty was on. I am not insinuating that the merchant has benefited by that, or the retailer either. It has probably been because of other circumstances, such as storms, bad seasons, and so on. With regard to the lines tariffed by the merchants, there is no doubt about it that the price has advanced, and in no instance has the price been reduced.

53. *Mr. Macdonald.*] What about kerosene?—There is no doubt that the Vacuum Oil Company has had a monopoly in New Zealand for many years. The duty of 6d. per gallon was taken off kerosene during the Seddon Government, and there is very little difference between the price now and what it was when the duty was on. That 6d. a gallon has gone into the Vacuum Oil Company's profits, and the public has benefited very little by it, although that was the intention of the Government in removing the duty. I am sure the country would have been better off to have retained the duty. It seems to me that the Government have sacrificed that 6d. a gallon for the sake of the Vacuum Oil Company.*

54. Do you not think that the tariff reductions have benefited the consumer generally?—So far as grocery lines are concerned, I do not think they have got much benefit from them.

* Having gone more carefully into the question of kerosene, I probably have done the Vacuum Oil Company an injustice by stating that the full 6d. per gallon has gone into their profits, and to be more correct now state that it has averaged from 2d. to 3d. per gallon.—S. PEDEN.

55. *Mr. Fairbairn.*] The duty on tinned fish is 2d. a pound. Fresh herrings could be sold at 4½d. a tin if there was no duty. Do you think there would be a largely increased sale of tinned fish if the duty of 2d. a pound was taken off?—Yes, I believe there would. I can remember that a few years ago when the price of tinned pineapples came down there was an enormous increase in the sales of that commodity.

56. What is the present price of herrings and tomato-sauce?—7½d.

57. They could be sold at 5d. under these conditions?—Yes.

58. *Mr. Macdonald.*] Do you own your premises, or do you pay rent?—The buildings are ours, but the land is leasehold.

59. Has your rent risen during the last ten years?—Our ground lease will not be up for some years yet.

60. It has been stated that there has been a big rise in land-values: has that increase any effect on the price of selling commodities?—It has either to come out of the profits of the shopkeeper or be put on to his goods.

61. Who bears it—the consumer or the shopkeeper?—I think the shopkeeper has very often to bear it. I know that when I was in George Street our rent was raised 15s. a week, and I understand there has been an advance since then.

62. You did not hand that on to the consumer?—No, it came out of the profits.

63. *Mr. Robertson.*] The rent in George Street may only be half what it is in Princes Street, but the price you sell at is still the same?—That is so.

64. If the man in George Street is selling cheese at, say, 7d. a pound, the grocer in Princes Street would have to sell it at that price too?—That is so.

ALEXANDER LOWRIE, Journalist, Invercargill, examined on oath. (No. 18.)

1. *The Chairman.*] You are a journalist, residing in Invercargill?—Yes.

2. Have you any information that you can give the Commission bearing upon the question of the rise in the cost of living?—I am well aware from my own personal experience, and also from the experience of others with whom I have come in contact, that house-rents have increased very perceptibly during the last ten years. I have in mind a house that I occupied ten years ago, which cost me 17s. 6d. a week. To-day it is let at 22s. 6d. a week. The repairs which have been effected meanwhile have only been of a minor nature, and the rates, I should think, have increased something like 10 per cent. in the interval.

3. Those rates are paid by the landlord?—Yes, they do not affect the tenant.

4. Is that house fairly representative of a large class of houses in Invercargill?—Yes, a six-roomed house about a mile from the Post-office.

5. And other houses have increased in the like ratio?—Yes. I might say that six-roomed houses are now in greater demand than they were perhaps at that time. At that time people seemed to be content to live in four- or five-roomed houses; now they like something better.

6. Four or five-roomed houses have advanced in the same ratio as the six-roomed houses?—The rents indicate that they have. I am now living in a property of my own. A four-roomed house adjacent to mine, two miles from the Post-office, is let at 12s. a week. I understand that that is a fair sample of the rents of that class of house situated at that distance from the centre of the town.

7. Has the value of land for residential sites gone up very much in Invercargill?—Very much; I should say it has increased by quite 100 per cent. in ten years, taking it all round. A great deal of speculation has gone on in land.

8. The house you speak of could not have had its rent-value increased by the cost of material, having been built ten years ago; therefore any recent rise in the cost of material would not have affected that house?—No.

9. Are houses in Invercargill being built for renting so much now, or are workers getting their own houses now through building societies or Advances to Workers?—The tendency is for many persons to take advantage of the assistance of building societies more than the Advances to Workers Department. A great many men who hitherto paid rent are now purchasing their own homes on the time-payment system.

10. Yet, in spite of that, rented houses are still increasing in rental value?—Yes, rents are still increasing yearly.

11. Has the cost of the necessaries of life, such as bread, meat, soap, candles, &c., increased in price?—From my own personal experience, they have gone up; but I cannot offer any opinion as to the reason for the increase.

12. Can you give us any idea of what the percentage of increase has been during ten years?—I should think, 10 or 15 per cent., probably. There must be a very wide margin between the actual cost of produce to the grocer and what it is retailed at to the consumer. I know that in potatoes there is a very wide margin.

13. Can you give us any specific instance—prices that the producer has received, and the prices the goods are retailed at in the shops?—When potatoes are being bought at £4 a ton from the farmer—that is the price to the grocer on the trucks—they are being retailed at about £9 and £10; that is, in small lots at, say, ¼ cwt. to ½ cwt.: that is practically double.

14. Does the same rule obtain for other produce, such as vegetables?—I think not. That does not affect us very much. A great many householders in Invercargill grow their own vegetables.

15. And meat?—Meat has increased. The price delivered by the butchers has been very high. I think that probably is due in many instances to people rather living luxuriously—refraining from carrying a parcel home. They prefer to have the goods delivered at their doors, which naturally increases the cost.

16. You assert that the increased cost of living is really the cost of high living?—Probably, to some extent; and I think it applies more to the case of butchers' meat. I know instances where a butcher calls at a house for a small order of meat costing perhaps 1s., and he calls back during the day to deliver it; and that goes on year in and year out.

17. The cost of distribution is decidedly more?—Yes. Then there is the question of firing, which is a big item in the South, where the condition of living is not so pleasant as it is in the North. A large quantity of coal is now used where firewood was previously used. Both those articles have increased in cost, more particularly coal, to the consumer.

18. Do you think that is caused through the handling—passing from man to man too much? Does not the Westport Company or the State Coal Department keep the cost down?—As far as Invercargill is concerned, we are not affected by State coal, because there is no depot in Invercargill. The retailers have an association which has kept the price of coal up. I refer to the coal-merchants—the men who distribute the coal.

19. They have put up the price compared with five years ago?—Yes; it has gone up recently, I believe. On the 1st May, I believe, it was increased by 1s. a quarter-ton or 1s. a half-ton.

20. Is there any rumour or talk amongst the inhabitants of Invercargill that their cost of living has been increased by rings or combinations?—The Coal-merchants' Association is practically the only combination I have heard spoken of—that is, outside the dairymen, who have a combination—that is, the men who supply the milk; and they regulate the price from time to time. As an instance of what one might term an iniquitous proceeding on the part of the coal-merchants, I may say that it had been the custom prior to the formation of the association for three or four householders to join and get a ton of coal delivered to them at the ton rate. They lived perhaps adjacent to one another. Since the formation of this association they have been unable to do that: they must pay at quarter-ton rates, instead of at ton rates, as previously. I may say that I reside outside the town boundary and across the Waihopai Bridge, and there is an extra charge of 1s. per load or part of a load for delivering coal across this bridge—it matters not what the quantity is. Two or more people could not combine to get coal out there—they would each have to pay the extra shilling even in addition to quarter-ton rates.

21. Do you mean to say that if you did not pay that shilling the coal-dealers would refuse to deliver the coal?—I was told by one of the coal-merchants that they would be liable to forfeit the sum of £50 under their bond if they delivered coal to me or to any one else under the old scale.

22. *Mr. Macdonald.*] Can you tell us what the price of coal was before the 1st May?—There was no increase, so far as I know, for several years prior to that.

23. What were you paying?—I think it was 12s. a half-ton. The price has now been increased by 1s. per half-ton. I usually get a half-ton of Kaitangata nuts and a half-ton of Nightcaps.

24. *Mr. Hall.*] Could you supply us with the prices when you get back?—Yes, I will be able to furnish you with the actual figures.

25. *Mr. Macdonald.*] Is there anything to prevent me, if I felt inclined, becoming a coal-merchant in Invercargill?—No, I do not think there is; but what I do notice is this: that any one who starts in that line soon becomes absorbed in the association. I know that relations exist between the coal-owner and the distributor, but whether he gets a concession or not I really could not say.

26. Do you know of any coal-merchants who have made large profits out of coal—who have amassed wealth?—No, I am not aware of that.

27. So that the coal-merchants are hardly bleeding the public?—You can put it that way if you like. There are a large number of coal-merchants, and there is not much likelihood of any of them amassing wealth.

28. Now, as to those who supply milk?—There are a large number around Invercargill, but none of them in a large way.

29. None of the collieries have distributing-depots in Invercargill?—Only the Westport Company I do not know if they are in the combination or not.

30. The general manager stated that since they had taken charge of the distributing themselves they had reduced the price to the consumers by 20 per cent.?—I am not aware of it.

31. *Mr. Veitch.*] What is the principal class of coal used in Invercargill?—Principally Nightcaps, with a fair proportion of Kaitangata.

32. There would not be much Westport coal used for household purposes?—No.

33. Has the coal used for household purposes gone up in price?—There was an increase recently, I understand, from the 1st May.

34. Do you think that is due to the coal-mine owners' association?—I really could not say.

35. Are you able to say that the retailers pay a higher price now than before the price went up? Is the distributor paying a higher price to the mine-owner?—I could not say, but I know that the price has gone up to the consumer.

36. *Mr. Robertson.*] How long has the coal-merchants' association been in existence?—I should think, ten years at least.

37. There has been a rise since it came into existence?—Yes.

38. *Mr. Hall.*] What is the retail price of milk?—I could not say. A general rise took place two months ago.

39. Will you forward us the exact price?—Yes.

40. You spoke of the difference between what the producers were getting and the price it is being retailed at. Do you know if there has been any marked difference in fruit?—No; fruit is frequently spoken of as being very dear in Invercargill—I mean locally grown fruit.

41. Is it sold by auction?—Yes, any one can purchase.

42. Is a case of fruit sold at auction at much less per pound than it is retailed at in the shops?—Yes, there must be a considerable margin between the auction prices and the retailed prices in small quantities.

43. *The Chairman.*] As much difference as in the case of potatoes?—I would not like to say, but probably about that.

44. That is about 100 per cent. ?—Yes; I do not say that potatoes have always been sold at that increase, but I remember a particular instance some two months ago.

45. *Mr. Veitch.*] Do you know anything about rural land?—Rural land has likewise increased in value—perhaps not 100 per cent. all round.

46. To what do you attribute that increase?—Probably to the easy terms under which land is taken up. In many cases easy terms have been granted. I know instances where men have gone on the land without putting down any deposit—simply walked into the farm.

47. Do you think the rates of interest have had anything to do with it?—It is just possible they have. At all events, the easy terms under which town lands can be obtained has had a great deal to do with the prices paid for building allotments.

48. *Mr. Robertson.*] Has dairying increased very much in the vicinity of Invercargill?—Yes; a great deal of land which has been hitherto devoted to the depasturing of sheep has now been given over to dairying.

49. That might account for some of the increase in value?—Probably, especially when it is possible to have a dairy factory.

50. Do you know anything of the existence of any body in the nature of a merchants' association in Invercargill?—I cannot say. It is possible that there is such an association. I know that the retailers have a combination which regulates the prices for produce, but beyond that I am not aware of any. There are very few wholesale merchants in Invercargill.

51. You mean that the combination you refer to regulates the price of local produce?—Yes, the prices at which they purchase and at which they sell.

52. *Mr. Veitch.*] Do you know anything about the distribution of fish in Invercargill?—Yes. Until recently fish has been exceptionally scarce there, but I do not know very much in respect to the price of it. I know that prices recently, since fish have become plentiful, have been comparatively low. Large-sized gropers were being sold at 2s. 6d. each.

53. *Mr. Fairbairn.*] What weight?—I should say, 10 lb. and 12 lb. weight for 2s. 6d. That is when fish is plentiful. I do not say that is the regular price. I understand the regular price for groper to be 4d. per pound.

54. Is it your opinion that the price of fish is regulated automatically by the law of supply and demand?—We use a large quantity of fish in our household; we consider it one of the cheapest articles of diet we can get.

MICHAEL JOSEPH FORDE, Journalist, Invercargill, examined. (No. 19.)

1. *The Chairman.*] You are a journalist and a member of the United Labour Party?—Yes.

2. That partly recently included the Housewives' Union?—Yes.

3. Can you tell us what influence the Housewives' Union has had in regard to altering the prices of food-supplies to its members in Invercargill?—The only thing that has effectually been done so far has been in regard to milk. They have tried to do a lot; they expect to do a lot; but the only thing they have done so far has been to reduce the price of milk. It was sold to them at the rate of 1s. 4d. per gallon, and they now obtain it at the rate of 1s. per gallon, which means that the members of the Housewives' Union get their milk at 4d. per gallon cheaper. It also means giving the producer 5d. a gallon more than he was obtaining from the retailer.

4. *Mr. Macdonald.*] They went direct to the producer and cut out the retailer altogether?—Yes.

5. *The Chairman.*] Has the Housewives' Union done anything in respect to bread, meat, or coal?—They endeavoured to deal with the butchers, and they have had one offer. We expected the Commission down at Invercargill, and I have not come prepared with figures such as you would get if you went down there. With regard to meat, the Housewives' Union were also in treaty with the butchers, and I understand that at least two butchers have offered to deliver meat to the members of the union at 1d. per pound less all round. Nothing definite has been done; but I think I am right in saying that at least two distinct offers have been made to the secretary of the Housewives' Union, who is my wife.

6. *Mr. Fairbairn.*] 1d. per pound would represent 20 per cent. off the net profits of the butcher: that is an extraordinary position?—I understand that the position is as I have stated.

7. *Mr. Macdonald.*] Do the members guarantee each other's accounts?—They were going to inaugurate the coupon system.

8. *The Chairman.*] What has been the effect of the coupon system in Invercargill on the price of bread?—It is bad. As to the effect of the coupon system in the lessening of prices, it has been an absolute disappointment. When the bakers first instituted the coupon system they said it would be a good thing. The drawback is that the workers do not get their wages in advance the same as the bakers are paid in advance under that system. The bakers stated that in a very short time they would be in a position, if circumstances did not alter, to reduce the price of bread; but since then bread has gone up 1d. a loaf. If a householder is absent for an afternoon, even if he has purchased the coupons ahead, and even if the baker knows he has coupons in hand, they will not leave the bread at the door. They have become absolute autocrats. Each baker forfeits £25 to his association if he breaks his agreement with the association. The bakers have a union.

9. It is that system which allowed them to raise the price of bread by 1d.?—Yes, it showed them their strength.

10. So that the effect has been to make the people pay 1d. per loaf more for their bread?—Yes.

11. *Mr. Macdonald.*] What do they get for their bread?—I will send you that information in a statement from Invercargill.

12. You are not objecting to the bakers forming a union?—No, it shows what a great thing forming a union is.

13. *Mr. Hall.*] Does the farmer deliver the milk to the union in bulk?—No, he delivers it to each house at the rate of 1s. a gallon.

14. *The Chairman.*] I understand you have some statement to make in regard to local purchases of things required by the Government?—Yes, in regard to co-operative labour. I suppose it all works in in connection with the cost of living—that is, in the case of the co-operative workers. That system is often decried as an expensive and costly one. The Government have never worked the system properly. They purchase the tools, materials, &c., and the system they adopt is a bad one. The Government calls for tenders from the different merchants for shovels, explosives, &c.—things that are necessary in connection with railway-construction. These articles are supplied by the merchants. The merchants have an agreement. There is just one tender sent in. In such cases the workers have ascertained in some cases that they could come to Dunedin and purchase explosives, shovels, &c., much cheaper than the Government can supply them even at cost price to the worker. The Government are all right in this respect, that they will supply goods to the worker at cost price; but if the Government imported the articles themselves they would be able to sell to the worker at one-half less.

15. *Mr. Fairbairn.*] Can you give us a specific instance?—Yes, take Ames's shovels, No. 3.

16. Ames's shovels cannot be landed in New Zealand at less than from 44s. to 45s. a dozen?—That is 3s. 9d. Ames's shovels, No. 3, are advertised in Dunedin at 3s. 6d.—at least, they were four years ago—and the Government were selling them to the workers at 5s. for some classes and 5s. 6d. for others, and you could buy them in Dunedin at 3s. 6d. at that time.

17. Are you quite sure of that?—Yes, I saw it advertised.

18. *The Chairman.*] Would you send us a statement in regard to that after refreshing your memory in Invercargill?—Yes.

19. *Mr. Fairbairn.*] There are other makers of shovels besides Ames, and some of their shovels can be obtained for 2s. 2d. and 2s. 6d.—long-handled shovels—but you cannot obtain Ames's shovels at that price?—I saw Ames's shovels advertised in Dunedin at the price I have stated.

20. *Mr. Hall.*] Does the Housewives' Union propose to deal with other things besides milk?—Yes, all matters pertaining to the cost of living.

21. Is it a strong union?—Yes, it is strong, and it is becoming increasingly strong.

22. About how many members are there?—About eighty active members, and they are increasing.

23. *Mr. Veitch.*] How long has the union been in operation?—Since the last visit of Professor Mills to Invercargill: I think that was a little before Easter.

24. *Mr. Hall.*] Are you publishing any literature setting forth the objects of the union?—Yes.

25. Will you oblige us with some copies of the constitution of the union, and with other documents?—Yes.

26. *The Chairman.*] You mentioned something about dairy butter. Is it your opinion that the dairy butter which is now made is superior to that which was made for a long time because the farmers have got separators of their own?—Yes, but it will not keep so long; but I am satisfied that the butter in flavour is better.

27. *Mr. Hall.*] Is there much difference in the price between farmers' dairy butter and factory butter?—Yes, I know instances where men in Invercargill are dealing with producers all the year round, and they get their butter at 1s. a pound right through. The Housewives' Union are working in that direction, and I think they will be successful.

28. Is there not even a greater difference in the prices quoted in the papers between the farmers' butter and the dairy butter?—I could not say.

29. Who supplies the newspapers with the information for publication?—The retailers who supply the butter; they supply the quotations once a week.

30. The people who buy the butter fix the price?—The merchants, I think, fix the price.

31. *The Chairman.*] Have you any other statement to make in regard to any subject that you have not been questioned upon?—The land is becoming of increasing value, and the tendency is for rents to increase.

32. *Mr. Macdonald.*] Between what limits—20, 30, or what per cent. increase?—Yes, I can give you specific instances of increase within the last six years. The increase has been about 30 per cent.—that is, for houses which have been in use during all that time.

33. *Mr. Veitch.*] To what do you attribute that increase?—Mostly to land-jobbing. The curse of the country at the present time are these speculators. There is no *bona fide* settlement even in the country. It is purely speculating; even so-called farmers are speculating with their properties. A syndicate at Invercargill recently acquired the Chatsworth Estate, 240 acres. If the Government had acquired that land even at as much as £95 an acre they could have cut it up and disposed of it for residential sites, and it would have enabled people to have secured houses at a rental of about 12s. a week. And 50 acres of that land could have been set apart for roads and recreation reserves. That shows that if the land question had been tackled properly the cost of living would have been reduced very much to the workers at the present time. It has, however, been impossible to get the authorities to move in this matter.

34. *Mr. Veitch.*] Do you mean, if the Government had bought before the land-speculator came in?—That would be one way of doing it.

35. *Mr. Macdonald.*] There must have been a fair amount of settlement if you take into consideration the marvellous increase in farming and dairy-produce during the last ten years?—Yes.

36. *The Chairman.*] But you think that might have been greatly improved on if another method had been adopted?—Yes, the amount of settlement could have been greatly increased. The method of settlement, especially in regard to bush sections, is defective. There are large areas

of bush land in Southland. Take, for instance, the Seaward Bush area, which has been "cut through" by sawmills. Sections there are thrown open by the State, but to expect a working-man to tackle sections of that kind is an absurdity. The system which has been adopted in connection with the opening of those lands is, in my opinion, a wrong one. If we had all the bush and swamp land in Southland through which the sawmill has worked settled under proper conditions it could be made productive. If the sections could be let on a sound tenure—without allowing the speculator to operate—I consider that the cost of living would be reduced to a great extent.

37. *Mr. Veitch.*] Is there much sawmilling in your district?—Yes, a great deal.

38. Do you know anything as to the royalties for timber there?—Mr. O'Byrne, secretary of the Sawmillers' Union of Workers, will be able to give you the exact figures.

39. You mentioned some other method of dealing with the high price of land: what did you mean when you said that?—I believe in the unearned increment going to the State—stopping the land-speculators.

FRIDAY, 7TH JUNE, 1912.

CHARLES THOMAS MUNRO, Fruiterer, examined on oath. (No. 20.)

1. *The Chairman.*] What is your occupation?—A retail fruiterer.

2. Have you resided in this district long?—About five years.

3. Do you know the fruit trade well?—Yes, I think so.

4. Can you give us any information as to the difference between the price of produce paid to the farmer and the retail price at which it is sold to the public? Is there, in your opinion, a fair margin between the two?—Yes. Sometimes there is not enough from the retailers' point of view.

5. Is there anything in the shape of a combination or understanding to secure a larger profit?—I do not think there is anything in the nature of a combine. Of course, when a producer sends his stuff in he often puts a price on it at which it is to be sold. Sometimes the price goes higher than that, and sometimes it falls below—that is, with regard to fruit.

6. You have no knowledge of any understanding between the buyers as to not bidding against one another, or anything of that sort?—No. It might happen occasionally, but there is no standing ring. They are vying with one another.

7. You mean that two or three may temporarily have an understanding not to bid against each other?—Yes. There might be one particular line for which no one was particularly anxious.

8. Is it within your knowledge that farmers or producers often grumble at the difference between the price paid at auction and the price at which the produce is exposed for sale in the shops?—I have heard the complaint many a time.

9. Do you think there is any justification for the complaint?—I do not think so.

10. Could you describe the process. Does the farmer send in his goods intrusting them entirely to the auctioneer?—Generally speaking, that is so. There are professional fruitgrowers and amateurs.

11. Do the professional fruitgrowers use the auctioneer as an agent?—That is so. They place their trust in the man selling the stuff. For instance, they may send down a line of apples and possibly have given no instructions, and this month they may send down another line. In doing so they may say, "We were dissatisfied with the price returned for the previous lot. We expected to get 2½d. or 3d., and we hope you will do better this time." They describe them as "good keepers," and say how long they can be comfortably held for. That man, generally speaking, is satisfied with his price. He understands that possibly he has run against a bad market, and that there may be many other fruitgrowers doing the same thing. The amateur sends his fruit in, and, no matter what kind of a tree they may have come off, they are, in the grower's opinion, the best fruit in New Zealand; but when it comes against the professional growers' stuff it is very often rubbish. The taste may be all right, but the appearance and get-up are not to compare. He sees another man's produce, and knows he is getting a great price, and expects to get the same. When such a man sees his neighbour's stuff being sold he naturally thinks he should get the same price.

12. Is it often that fruit gets kept too long waiting for a good market?—Very often. Not so much in the market here, but the producer holds it too long. He is sitting at home watching the prices in the papers, and all the time the fruit is deteriorating.

13. You have absolutely no knowledge of any controlling ring to buy cheap and sell dear?—No.

14. *Mr. Veitch.*] What is about the usual retail selling-price of eating-apples?—Apples are sold up to 8d. a pound. It depends on the season. Just now you will get good eating-fruit up to 4d. a pound, perhaps 6d.

15. What price would the producer get for apples sold at 6d.?—Just now he is getting about 4½d. to 4¾d. In one or two cases lately they were getting 5d. That is what was bid at the auction. The auction business is a funny business as regards fruit. I can give you an instance that occurred a fortnight ago, where a line of fruit was knocked down at a very high price and is being retailed the cheapest in Dunedin at the present moment. I do not know what return the producer got. That was pointed out to me just a few days ago.

16. Is it the general practice in the trade that the producers send direct to the auction-room? Yes. Of course, the auctioneers are fighting one another, and they might guarantee a price, and if they get more money, so much the better for them.

17. In that case the auctioneer is not an auctioneer—he is buying and selling for himself?—He gets the benefit of the increased price, of course, but next day the price may be just the other way.

18. Do you import fruit from other centres?—Not to any extent. I could not say that I am an importer.

19. Most of the fruit sold in Dunedin is locally grown?—That is New Zealand fruit, of course.

20. Do you know the price at which imported fruits are landed in New Zealand?—It fluctuates. Just now the people who are importing mandarins are losing money on them.

21. You buy from the wholesale importers?—Yes.

22. Have you any reason to believe they are making undue profits?—No.

23. Have you any reason to believe that there is any combination amongst them to regulate the price?—I may have a slight idea, but I am not in a position to say that there is.

24. You think there is, but you are not prepared to say definitely?—That is so.

25. Is there any combination amongst the local retail fruitgrowers?—Not that I know of. There is an association that at certain times of the year sell fruit at fixed prices.

26. What are the objects of the association?—To guard their interests and see that they get the best price going.

27. Is it your opinion that if this association did not exist fruit would be selling cheaper in Dunedin?—I do not think so. It only applies at certain times in the season. The association I refer to is the Teviot Association.

28. Who are the members of that association?—It is composed of a number of fruitgrowers around Roxburgh. They have an office in town. We can buy from the association if we wish. This year I bought their stuff in the auction-rooms at 1d. a pound less than they were wanting for it. I do not think they are keeping up the price. It cuts out the middleman to a certain extent. They sell direct to the public.

29. Is there any association to regulate the fruit-retailers?—No.

30. They compete against each other openly, without any agreement as to price?—Almost all the time—that is so.

31. *Mr. Hall.*] Are they producing more fruit in this district than the market can consume?—Yes; fruit of a kind. During the latter end of February and in March and April there are more apples, plums, and pears than meet the demand. Then a little earlier there are peaches, apricots, and so forth. Otago-grown fruit is sold as far north as Wellington.

32. Is there a glut of fruit just now?—Yes.

33. What would apples sell at per case when a glut was on?—I have seen fairly good apples go at 1s. per case.

34. What particular kind?—They would be a mongrel kind. It is the kind of fruit you hear the growling about on the part of the farmers.

35. What would be the value of these cases?—3d. for the cases, railage 6d., and then there would be 10 per cent. commission.

36. Sold at 1s. per case, the farmer would barely get expenses?—That is so.

37. Do you think there is much fruit not sent to the city for fear of not getting sufficient to cover expenses?—At times it might be so.

38. Supposing the auctioneer put up a line of 100 cases and knocked them down at 3s., does the man to whom they were knocked down take the whole lot, or only what he wants?—It depends.

39. Do they ever put up the lot and the highest bidder says, "I will take thirty cases"?—Yes.

40. And is the balance put up again?—Yes, and very often it fetches less than the first buyer paid.

41. In times when there is a glut is any of the fruit bought and put into cool storage?—Not very much.

42. Is there much loss on fruit that goes into cool storage?—There is a fair amount of loss.

43. Do you know the cold-storage rates here?—No.

44. Do the retail fruiterers buy direct from the farmer to any extent?—Not a great deal.

45. Do you think they would get better prices if more fruit was sold direct to the retailer?—No, I do not think they would. They would get a fairer price, I believe. It is far better for us retailers to buy in the auction-rooms. The fruit is there open in front of us, and we see just what we are buying. If you buy off the private man, with the exception of a few, you cannot depend on their stuff: it is not graded.

46. If they had a good system of packing and grading would they do better if they dealt with the retailer direct?—No, I do not think so.

47. Is there any fruit sold in Dunedin by hawkers?—Any amount. There are no men going about the city with barrows, but there are any amount of men going around with carts. I started with that myself.

48. How many fruit-auctioneers are there in Dunedin?—There are really five.

49. Do they all deal with imported produce and imported fruit?—Yes. They go in for all kinds of farm-produce.

50. They are all in active competition with each other?—Yes.

51. They have no combination?—They have an association, but as far as I am given to understand that is merely to guard themselves against loss, by being able to know who are the good marks and who are bad marks. That is, I think, as far as their association goes.

52. As far as you know the trade is open and competitive?—Yes, except occasionally they may combine to get a given price. A man may import, say, potatoes, and they will fix the price at £10 a ton, say.

53. The auctioneers will fix the price?—Yes, on goods they have imported. Of course, you must understand that when any of these men import any of the side lines he is pretty careful to get them in when no one else has them.

54. *Mr. Macdonald.*] Can you give us an idea of the proportion that the locally grown fruit bears to the imported fruit of the same class?—I suppose, in apples, they are about equal.

55. Do you import peaches?—Yes, but they do not compare with ours, and they do not come at the same time. We beat them easily in peaches.

56. What other lines are in competition?—Cherries. I suppose there are more cherries imported than we grow.

57. Can you give us any idea of what fruit costs in distribution. Assuming the producer gets 2d. a pound for his apples and the general public buys at 6d., there would be a difference of 4d. to the retailer. What is the cost of distribution to the retailer?—I suppose it runs to about 25 per cent. If we can get 25 per cent. we think we have done very well.

58. Does the difference of 4d. per pound between the price paid to the producer and that paid by the public pay the charges?—I think 40 per cent. would cover it. I am not a grower.

59. Can you suggest a method of bringing the producer into more direct touch with the consumer?—I cannot say that I can.

WILLIAM DARCY MASON, Farmer, examined on oath. (No. 21.)

1. *The Chairman.*] What is your occupation?—I am a farmer at Middlemarch. I have been farming there about twenty-six years.

2. Do you send your produce to Dunedin?—Yes.

3. Do you consign to the auctioneer generally?—The general method with the majority of farmers is to deal through an agency, such as the National Mortgage, Stronach-Morris, or any of them. We buy and sell through them for convenience sake.

4. Do they make you an advance?—In the case of a man who required an advance they would make him one in the shape of goods or seeds or cash advances. He purchases seeds on credit if he needs it, and sends in his produce.

5. It is a kind of barter?—No.

6. Are these agents themselves auctioneers?—Yes. In all cases they are auctioning through their auctioneers' stuff sent into them. A price is put on by the seller in the majority of cases.

7. Are you and the farmers round you satisfied generally with the prices you receive?—I think as a rule sellers are never satisfied, whether they be farmers or otherwise; but I think they receive fair treatment. Whatever the market price is the farmer gets it, with the usual deductions for the cost of handling. If I have a beast to sell I consign it to the firm I deal with, and they sell it at Burnside. I know what the charges are before sending, and pay them.

8. You have no conception that there might be any ring of persons keeping your price low?—Certainly not among the stock and station agents.

9. *Mr. Fairbairn.*] They are strictly agents?—I have known cases in the past where members of firms bought for export. I think the farmers are treated absolutely fairly by the stock and station agents.

10. The farmers in your district do not deal directly with an auctioneer, but with agents who are auctioneers as well?—That requires a little explanation. There are two or three sets of auctioneers in Dunedin. There are the stock and station men, who act absolutely as agents. They keep a large stock of seeds and grain. In many cases seed and grain is sent in to them by farmers for sale as agents. They may sell to me as selling agents, and if I have to get credit I buy at the market rates. There is a stated price, and with a little margin it is the price quoted in the Press from day to day.

11. *The Chairman.*] It has been known in the case of small farmers dealing with country stores that when once in debt to the storekeeper the storekeeper was able to take their produce at his own price, and the farmer had to take the storekeeper's goods at the storekeeper's price. I suppose there is no question of unfair dealing like that in the case of the firms you talk about?—No. I have known people put in the position you refer to, but so far as Otago is concerned it has died out. The competition is too keen, and the facilities for dealing with leading agents are too good. There are also auctioneers in Dunedin who sell fruit and poultry.

12. Have you heard any grumbling from farmers about these last-mentioned auctioneers?—Yes, but it must be remembered that they are perishable commodities that they deal with. With these auctioneers there is, to a slight extent, a system resembling barter, but I do not know of anything to justify complaints against them. There are grocers in Dunedin in a large way of business who supply country people with stores and take produce, such as eggs and dead pigs, in exchange. They buy the pigs at a certain price.

13. Do they fix that price?—It is certainly fixed by the people who cure the bacon. The price for pigs generally ranges at about half the retail price of bacon. There is the cost of manufacture, of course, but being a seller it always appears to me to be rather a large margin.

14. *Mr. Hall.*] Do they fix the price given for eggs?—I think the price given in the newspapers is a fair market price and an indication of what the producers receive.

15. On what basis does the country storekeeper take eggs?—My neighbours sell to the store I deal with, and I repurchase from the storekeeper at an advance of, say, 2d. per dozen.

16. Is yours a dairying district?—Yes.

17. Is there a creamery?—Yes.

18. Do you send most of your milk to the creamery?—All of it.

19. I suppose there is no farmers' butter manufactured in the district?—Yes, there is more now than previously, because there are greater facilities now of getting separators. Home-separated cream makes good butter, but not, on the average, up to the standard of the factory.

20. What would be the difference between the price of farmers' butter and factory butter?—About 1d. to 2d. per pound in my district. I know of at least one farmer whose butter realizes in Dunedin 1d. per pound more than creamery butter.

21. *Mr. Fairbairn.*] What does your creamery pay for butter-fat?—1s. 0½d. last month. It has been standing at that for some months now.

22. What is the lowest price paid within the last twelve months?—I do not think it has been lower than 10½d., which it was at for one month only, I think.

23. *Mr. Hall.*] Has there been any increase in the auction price of meat?—I should say the average rise in beef has been £2 a head in the last eighteen months. That is fat cattle. There may be cases in which the increase has been more.

24. Can you tell us definitely what the price is to-day for cattle of a certain weight to the farmer?—You can obtain that with every certainty by looking up yesterday morning's *Daily Times*. The prices there given of the Burnside sales are absolutely correct. The only charges to the farmer are railage and commission and saleyard fees.

25. *Mr. Hall.*] What do you estimate the advance in sheep has been in the last five years—say, for good fat wethers?—They have fluctuated just the same as cattle.

26. *Mr. Robertson.*] What dairy company do you supply?—The Taieri and Peninsula Company.

27. What was the highest price paid to you during the last twelve months—say during last winter?—The highest price was during a period of scarcity. I believe it was 1s. 4½d. to 1s. 4¼d.

28. Do you supply a creamery?—Yes, we are practically the company. The farmers are the company.

29. You said you were interested in fruit to the extent that you could not get it?—The district I live in cannot grow fruit. It is very hard to grow fruit and vegetables, owing to the droughts and very severe frosts.

30. It reaches a pretty high price if taken out from town?—If you buy it retail; but I think we can buy as cheap from the local storekeeper as it can be bought in Princes Street, Dunedin.

THOMAS O'BYRNE, Secretary of the Timber-workers' Union, examined on oath. (No. 22.)

1. *The Chairman.*] What is your occupation, Mr. O'Byrne?—I am secretary of the Timber-workers, Southland.

2. You have a pretty wide acquaintance with the timber industry in your district?—Yes, I have had an experience of upwards of eighteen years.

3. Has the cost of timber risen in your district?—Yes, it has risen very considerably. It has just risen recently by 1s. per hundred.

4. Would you tell the Commission what you consider the causes for the rise in timber?—I consider that it is the increased demand that has been the principal cause for the rise in price.

5. What has caused that increased demand?—The increased population. The building trade has been very brisk down there for several years, and, of course, the millers have taken advantage of the briskness to gradually increase the price of timber.

6. Is there any addition to that cost owing to the timber getting further back—costing more in transport in bringing it to the centres?—In some cases that is so, but in many cases the railways have been extended into the forests, and the consequence is that a number of mills have railway-sidings. For instance, one mill which was carting timber for seven or eight years has within the last two or three years had a railway-siding right in their yard. Timber has advanced in price three times since that has been done.

7. You think that the expense of transportation enters very little into the question of the rise?—The country is a bit rougher in places. In some cases they go ahead of the railway, and wait for the railway to come to them. On account of the high price of timber they sometimes go several miles ahead and cart to the terminus of the line. If they could wait until the line comes up there would be no cartage at all.

8. You do not mean carting timber in bulk?—Yes, after the planks are cut. They tram or wagon it to the line.

9. If transportation is not a very serious item in the cost, will you give us your impression as to what is the cause of the increased cost?—The increased demand has been a considerable reason for the increase in price. The sawmillers' association or ring—which consists of most of the large sawmillers—governs the trade. The association is a very strong one. Of course, when the increased demand comes for timber they come together and say, "Here is a show for another rise of 1s. a hundred feet," and we have to pay it.

10. Will you give us some concrete instances of the rise?—I am sorry that I had not more time to compile more information for the Commission. We fully expected that the Commission would come down to Invercargill. The people there are groaning under the high cost of living. It was only yesterday that I decided to come up here, and I have not got as much information as I would like to have had, and which I could have got if I had had more time.

11. The Commission is quite prepared to receive any statement in writing that you may make after you go back?—I will send you a considerable amount of information. In 1889 timber was practically the same price as it was fifteen years ago. At that time rough red-pine 10 in. by 1 in., 4 in. by 2 in., 8 in. by ¾ in., 3 in. by 1 in., and 3 in. by 1½ in.—for these the price was 4s. per hundred feet. This would probably be landed at the purchaser's house, which would not be far from the mill.

12. What was dressed red-pine?—In those days it was 6s. per hundred. It runs from 3s. to 4s. and 6s. This is 8 in. by ½ in.; which is rough lining. 2 in. dado appeared to run from 3s. to 4s. and 6s. They have a very scientific way of arranging the prices now. In those days they were more general. Timber which in those days was 4s. is to-day, delivered on the job, 13s. 6d.

13. Delivered where?—In Invercargill.

14. And dressed red-pine?—From ½ in., 14s. 6d. to 15s. 6d. and 16s. 6d.; ½ in. and under, up to 8 in., I think is 12s. 6d. In those days gone by we used to get it at 3s. The difference is that one is delivered at Invercargill, and the other was closer to the mill—probably a couple of miles from the mill, which would amount to about 1s. a hundred extra.

15. Do you estimate 1s. from the mill to Invercargill?—It depends upon the distance. I am going to put these prices in as evidence. I may point out that the railway freight for timber was reduced after the Timber Commission, so that the sawmiller is in a more happy position.

16. *Mr. Fairbairn.*] Who has got the benefit of the reduced railway freight?—The public has not got it, because the price has gone up. The timber-merchants have got the benefit.

17. I understand you to say that there is a combination of millowners?—They are all in together. The timber-merchants and a number of the millowners have a common understanding.

18. You have a printed price-list—the millowners' price for timber—showing that they have a common understanding?—Yes, it is a very long list to read out, but I will put it in as evidence. Timber has gone up in some cases 200 per cent. in fifteen years.

19. *Mr. Macdonald.*] Has that rise been steady?—Yes, every year during the last few years they have put 1s. a hundred on to timber.

20. *Mr. Fairbairn.*] Can you tell me if the increased cost of labour has influenced the price to any appreciable extent?—For the last twelve years, so far as award rates are concerned, the men have not received 2s. per day increase.

21. Can you tell me definitely to what extent that would appreciate the price of timber?—1s. a day all round increase to the men would raise the price of timber about 4½d. per hundred feet. I say there has been a 2s. rise to the men during the last twelve years. That is equivalent to 9d. per hundred feet of timber. Yet timber has risen over 200 per cent. Second-class scantling was sold in those days at 2s. 6d.; to-day it is 9s. There is the extra cost of taking it from the mill—probably about 1s.

22. *Mr. Hall.*] What is the price of red-pine at Invercargill at the present time?—I have got the whole list here. Anything up to 16s. 6d. It goes up even as high as £1 2s.—that is, in Invercargill. I have here the evidence and award of the Arbitration Court, which I hand in to the Commission. Take 2 in. by 2 in., 100 superficial feet, scotia, red-pine: you can get it at 8s. 6d. a hundred in the rough. It is just put through a planing-machine, costing about 6d. a hundred, and when it comes out they sell it by lineal feet, and it works out at £1 13s. per hundred.

23. *Mr. Macdonald.*] You want to add a little more than the labour—there is the interest on the machine?—Yes. I may state that fifteen men will produce in reasonable country something like 4,000 ft. a day.

24. *The Chairman.*] What do you mean by producing—do you mean from the time the timber is cut standing in the forest?—Till it is landed at the railway-siding. Give those men 1s. a day rise: that adds 4½d. to the price of the timber. I have an account here of a man's income and expenditure while working at a mill. The miller supplied him and his family with food at certain prices. In March he worked for twenty-two days; his wages amounted to £8 16s., and the sum he paid to the sawmiller for commodities was £7 16s. [Account handed in.]

25. He might have had things from the store—clothing, boots, &c.?—It was principally food for himself and his wife.

26. Why did he work on certain days only?—On account of the rough weather. He had a debit of £4 6s. 2d. after working for six months. He had to cut his store bill according to his wages.

27. *Mr. Veitch.*] You mentioned that some mills are close to the railway and others are a considerable distance away. I need not ask you whether there is a difference in the cost of production. Is there any difference in the charges?—They have a price-list and they all charge alike.

28. The man who is furthest away is making his business pay?—Yes.

29. Then the man who is nearest the station must be making an enormous profit?—Yes, they are making a tremendous profit.

30. I think you said that fifteen years ago the increase became more apparent?—Yes.

31. When did the millers' association come into existence?—Seven or eight years ago.

32. Has the increase been more rapid since the millers' association came into existence?—Yes, it has been constantly increasing.

33. They sort the timber out into different grades?—Yes.

34. Could you let the Commission have a few copies of the annual report of your union?—Yes.

35. Do you know the method adopted by the millers' association to keep its membership together: how would they deal with a member who broke the association's rules?—I do not know. They have a very strong association, and it works very strongly against us when we want an increase of wages.

36. *The Chairman.*] Do you know if they have an agreement in writing? Is it registered?—I do not think so.

37. *Mr. Veitch.*] Is it your opinion that it is owing to the timber-millers' association that the cost of timber has gone up, and that wages have not been as good as they should be?—Wages are not as good as they should be, and they are not as good as they should be now.

38. *Mr. Macdonald.*] What are the wages now?—The average is about 10s. a day.

39. What area is allowed to each mill?—About 800 acres altogether. I think that the State should run the whole business.

40. Do you not think the price of timber would come down considerably if the State allowed larger areas to be taken up?—I do not think the price would come down. It would increase, because they would have a monopoly.

41. They have a monopoly as it is. The State tried to prevent that monopoly and did not succeed?—A number of millers in Southland have a monopoly of the best timber.

42. *The Chairman.*] Your opinion is that the selling-price is what they can get out of the public?—Yes, it is a matter of what we are prepared or able to pay. We have to pay the monopoly prices.

43. *Mr. Macdonald.*] I see that on the West Coast they cannot sell timber at any price?—We have plenty of orders; the trade is very brisk down south, and has been for a number of years, and that has been the cause of the rise in the price of timber.

44. *Mr. Robertson.*] What effect has the importation of Oregon pine had on the prices?—Putting the extra charge on the imported timber has allowed the local millers to advance the price of our native timber.

45. *Mr. Hall.*] Is there a differential rate on the railways?—Yes; they charge more for Oregon pine than for red-pine.

46. *Mr. Robertson.*] That would have the greatest effect on inland towns?—Yes. I may say that people who hold land with timber charge enormous prices for the timber. I know of cases where men bought the land and timber for £1 an acre, and they are getting £5 an acre for the timber.

47. *Mr. Fairbairn.*] Have you anything to say about coal?—The coal question is a matter of great importance in connection with the cost of living. Recently the Housewives' Union at Invercargill decided to combine and get their coal in quantity, but when they went to the coal-merchants or coalowners they refused to supply the coal in that way, although they advertised larger quantities at a reduced price. I would like to mention that in the Wairio and Nightcaps district there is an unlimited supply of superior coal. The whole district appears to have an underlying bed of coal. A request has been made that the State should extend the railway four or five miles into that coal-bearing district. If that were done it would mean reducing the cost of living so far as coal is concerned by at least one-half.

48. Is that Crown land?—The greater portion is Crown land. It is being leased to anybody who likes to start a coal-pit there. The expenditure of a few thousand pounds would mean supplying Otago and Southland with cheap coal. At the present time the people are handicapped through having to wagon the coal for six or seven miles over an unformed road. If it comes *via* Nightcaps it is charged 2s. 6d. royalty. I wish the Commission would bring this matter under the notice of the Government. It would be a great shame to let all this coal get into the hands of private individuals to make a monopoly of it.

49. With respect to the refusal of the coalowners to supply truck-loads: how is Westport coal sold—through agents, or have they their own distributing arrangements?—They have agents. We only approached the Nightcaps company.

50. *Mr. Robertson.*] Westport coal would be a higher price than Nightcaps?—Yes.

51. *Mr. Veitch.*] Was it the Nightcaps company that advertised that it was prepared to sell by the truck-load?—Yes, and a combination of the workers was refused, and we were told to go to the coal-merchants.

52. With regard to the new coalfield: do you think it would be expensive to work?—No; there is only 6 ft. of stripping required in many places.

53. What do you mean by the charge of 2s. 6d. royalty?—For loading at the company's private siding. It costs 6s. per ton to wagon the coal at Wairio.

54. *The Chairman.*] With respect to the price of land at Invercargill?—We have been suffering very much under pressure of high rents and high cost of living. There is land adjacent to Invercargill which I think the Government should take up. It has been offered to them several times. Six years ago some land there was sold for £30 an acre. Private speculators got hold of it and cut it up into sections, and sold it for £400 an acre six years afterwards. Twelve years ago that land was sold at £9 an acre. The Municipality expended about £70,000 in extending the tramways. That meant benefiting speculators, and the rates to the people were increased. The Government or Municipality ought to have acquired that land, and thus enabled the people to get homes at a reasonable price. In consequence of the high price of land it is impossible for the worker to acquire a home of his own.

55. The ground-rent is so heavy?—Yes. For a quarter-acre section inside the Town Belt you have to pay from £250 to £300. The great trouble is in connection with the high price of land.

56. What would be the average cost of building a four-roomed cottage?—I should say about £250.

57. *Mr. Hall.*] Do the local authorities compel syndicates to form roads and metal them before they can offer the land for sale?—I believe so. We have no Government workers' homes in Invercargill. The consequence is that rents have gone up 20 per cent. If cheaper homes and cheaper fuel were provided it would be a great help to the working-class.

The Hon. JOHN THOMAS PAUL, M.L.C., Journalist, examined on oath. (No. 23.)

1. *The Chairman.*] I understand, Mr. Paul, that you, together with the secretary of the Trades and Labour Council, have come to give evidence on behalf of the Council?—Yes, and in addition to that I would like to say something about the clothing industry and some other matters. I propose to shortly show that the cost of living must increase because we at the present time are following a system of production and distribution which must be wasteful. I understand that the Commission is limited to time, and that it is inadvisable to engage in a discussion of theories. Whatever theory I put forward is based absolutely on the facts of the position. Take the question of distribution. A man with a sense of humour in the Old Country wrote a pamphlet comparing milk and postage-stamps, and drew a parallel between the distribution of letters by the State and the ineffectiveness and waste in the distribution of milk by a number of carts delivering milk in the same street, and each cart then rushing off to another part of the city, cart following cart on the same rounds distributing milk. I say you cannot have products delivered by that method at their real cost. All the wages of the drivers of the carts, and the capital cost of the carts and horses employed, must be paid by some one, and the consumer must pay them. When we grumble about the cost of living we must understand it is largely because of the method of distribution, and I instance the milk-distributing as a fair example of what goes on with the butcher, baker, and grocer, and those who serve us with our everyday requirements.

2. You mean to say that the greater the competition the greater the waste?—Exactly. Of course, now, in many cases competition is out of the question altogether, or to a very large extent, but the waste is still greater. Take the case of milk, again. Milk is supplied at a uniform price, and in addition to the wasteful form of distribution we have to pay the extra price the producer asks. If we take the case of production we find that the position is the same, and I propose to give the Commission a specific case. I am not going to mention the name of the industry involved. The price is fixed for the manufacture of an article. It is fixed on a basis which will pay the least

efficient producer. The community therefore are not getting the benefit of improved methods, improved machinery, or efficient management, because the price is based on a sum which will give a profit to the least efficient plant in the industry. I consider, in a case like that, that the cost to those who are using the article I am speaking about is unreasonable. What is the use to the community of improved methods, improved machinery, and efficient management if prices are to be based on a basis which will pay the least efficient plant?

3. Is your case a supposititious one?—No, an absolute fact.

4. Will you be able to bring forward figures to allow us solid ground to go on?—I cannot give figures. I am giving the absolute facts of the case.

5. *Mr. Macdonald.*] That is totally opposite to the American method. Mr. Carnegie, in the *North American Review*, comparing the price fixed for rails and applying that to the industry, said that the price, if controlled by a Board, should be fixed on what the most efficient plant could produce?—In that case all the plants are efficient. Our industrial position is quite different to the industrial position in America. To a large extent the trusts and combines have squeezed out the small producer, and here the small producer has not been squeezed out. It seems a hard thing to say that the small producer must go, but whether the State fixes the cost or not, and I believe it should so that our industrial production is to go along the only lines it can go, the small man must be squeezed out, because to have a number of manufacturers in one industry when one is sufficient is suicidal to the community. Any nation that goes on living at a high standard of cost for its food and necessities is not going to be a big nation. Regarding America and a Board of Prices, I saw recently where Edison was advocating that a Board of Prices should be set up to fix the price at which each commodity should be sold, just as we fix the minimum rate at which labour is sold. But that can only be done when the trust has squeezed out all the small producers.

6. *Mr. Veitch.*] Do I understand you to mean that the small man has got to go in any case, and if the State does not take his place the large monopolist will?—All industrial history is tending in that direction. In America in the youngest industry that the combine has entered into it has squeezed these small producers out.

7. *The Chairman.*] We are inquiring into the cause of the rise in the cost of living: how does your argument bear on that?—If there are ten manufacturing concerns manufacturing a commodity which is used by all the people all the time, and one plant can do it—and that example can be given in concrete cases—there are nine separate plants in operation, there are nine rents to pay, nine managers, nine sets of clerks, and different expenses of that sort which could be eliminated.

8. What has this to do with the rise in the cost of living? It is quite evident that we will do the work much cheaper by eliminating all these persons. But what we want to find is, what is the cause within the last ten years of the rise in the cost of living? Do you say it is because some of these people are living on the public?—I say that instead of putting production on an economical basis new plants are being constantly laid down, and that must advance the price of the commodity to the public. We have to do one of two things: either say that the products which every man must consume to live shall be made the basis for profit, or shall be placed at the disposal of the public at the real labour cost.

9. *Mr. Macdonald.*] Do you not think also that No. 10 in the order of reference has something to do with the increase in the cost of living—that the increase in the gold-production has brought about appreciation?—I think that question has more to do with the rise throughout the world than any other one factor. I understand that the Commission will sit in Christchurch. I, in company with several workers, met the clothing-manufacturers in conference the other day, and submitted certain demands as the basis for a new award. The conference was abortive. After the conference, Mr. Hercus, who is president of the Colonial Clothing-manufacturers' Association, gave a statement to a newspaper that if our demands were granted in full they would result in an increase in a boy's suit of from 1s. to 2s., and in a man's suit from 2s. to 4s.—that is, in the retail price. Mr. Hercus is a responsible man at the head of a big company. That statement is either true or it is not true. If it is true it means that the increase in wages which the workers ask for is multiplied four times before it gets to the public. I make this statement: that if the whole of the demands were granted it would not increase the cost per garment more than 6d., and I am giving them at least 2d., I think, when I say that.

10. *Mr. Fairbairn.*] Is that on a boy's suit or a man's suit?—I am working it out for the garment.

11. What do you estimate would be the increase in labour per suit?—Not more than 6d. on a man's suit, and not more than 4d. on a boy's.

12. *The Chairman.*] Have you within your experience any other examples of a rise given to labour in wages being made the vehicle for a very large advance to the consumer?—My opinion is that in nine cases out of ten the rise that takes place in the price of a product is out of all proportion to the rise in wages which the worker gets.

13. Have you any examples under your special notice?—Not that I have been specially connected with. I was specially connected with this clothing-trade dispute. I would like the Commission to ask Mr. Hercus to give the Commission some information on that point. The difficulty I find in trying to get at the bottom of this question of the rise in the cost of living is the absence of statistics, and I am afraid that ultimately that will be one difficulty the Commission will have. Some years ago the statement was made from a hundred platforms, based on the authority of Mr. Coghlan, that wages had risen in fifteen years (that was up to 1904) in New Zealand by 8½ per cent., and that during that time in the large centres meat had risen 100 per cent., house-rent 30 to 50 per cent., and other items 10 to 50 per cent. That was always quoted as a definite statement to be found in some of Mr. Coghlan's works. Mr. Seddon used it, and other responsible men also used it. I have always maintained that an incorrect statement, or a statement you cannot base on authority, is more harmful than having no statement at all. In order to get

the truth of the matter I wrote to Mr. Coghlan. He was Government Statistician for New South Wales, and was afterwards appointed Agent-General in London. I desire to give in evidence my letter to Mr. Coghlan and Mr. Coghlan's letter in reply to me:—

“Legislative Council, Wellington, 6th October, 1908.

“T. A. Coghlan, Esq., Agent-General, N.S.W., London.

“DEAR SIR,—In the course of the Address-in-Reply debate in the Legislative Council I challenged some figures relative to the rise in the cost of living alleged to have been compiled by you when Chief Statistician of New South Wales. Under separate cover I am sending you a marked copy of *Hansard* containing the reference. I would deem it a great favour if you would inform me in which volume, if any, or whether on any occasion, you authorized the figures attributed to you. My only reason for troubling you is to get at the truth. This simple paragraph has been quoted by all sorts and conditions of men—from Minister of the Crown to soap-box orator. Our great difficulty in New Zealand is the absence of reliable statistics. This is being slowly remedied. You will understand that such a statement as has been attributed to you carries great weight because of your standing and repute as a statistician. I will therefore be glad to receive your reply. Thanking you in anticipation,—I am, faithfully yours,

“J. T. PAUL.”

“123 and 125, Cannon Street, London E.C., 25th February, 1909.

“The Hon. J. T. Paul, M.L.C., Dunedin.

“DEAR SIR,—I duly received your letter of the 6th October asking me whether I had affirmed that ‘wages had risen $8\frac{1}{2}$ per cent. in New Zealand during the last fifteen years, and that in the large centres during that time meat had advanced 100 per cent., house-rent 30 per cent. to 50 per cent., and others items from 10 per cent. to 50 per cent.’

“I beg to say that as regards the first portion of this statement you will find on page 509 of my ‘Statistical Account of Australia and New Zealand, 1903–4,’ that the average weekly earnings of employees (male) in the various factories and works of the colony had increased from 29s. to 31s. 5d.—equivalent to $8\frac{1}{2}$ per cent. during the ten years elapsing from 1891 to 1901. In giving these figures, however, I pointed out that the absence of a distinction in the statistics between adult and juvenile workers renders any statement based entirely upon them inconclusive. For a comparison between the rates of wages to be perfectly fair it would be necessary that the proportion of each class of workers (adult and juvenile) should be the same in the cases compared. As a matter of fact there was an increase in the proportion of boy workers between 1891 and 1901, consequently it would be correct to say that the wages of male workers in factories had increased on an average $8\frac{1}{2}$ per cent., but it is probable the increase in the wages of adult workers was higher than would be represented by this percentage.

“In regard to the cost of living, in my book I say that in 1901–3 there was a considerable increase in the cost of the principal articles of consumption, and prices ruled higher than in any period since 1865; but if other references be carefully read it will be seen that if the prices in 1891–95 be represented by 882, the prices in 1903 would be represented by 1,000—that is to say, during the interval there was an advance of a little more than 21.5 per cent. in the cost of living. I think it would be fairer, however, to take my general remarks in preference to the specific instances I have here given. On page 532 of the ‘Australia and New Zealand’ for 1903–4 I stated: ‘The people of New Zealand are rapidly paying off their private indebtedness to the British money-lender, and as the process of repayment has been accompanied by an increase in the private wealth of the colony and in the output of its industries, it must be accepted as a satisfactory evidence of progress.’ After my arrival in London I spoke at a meeting of the Royal Colonial Institute on the 9th May, 1905, on a paper read by Lord Ranfurly on ‘New Zealand and Its Dependencies,’ and remarked—on the subject of the withdrawal of capital from New Zealand—that ‘During the whole period over which the process of withdrawal has extended, the industries, the wealth, and the distribution of property have undergone rapid expansion.

There was general progress in all industries, and employment in factories was more than doubled—viz., from 26,000 to 53,000 hands—and it is satisfactory to be able to record that coincident with so large an increase the earnings of male employees advanced from £75 to £82 per annum.’ And on the same occasion I said: ‘The income of the people from all sources has now reached to 39 millions, or £47 10s. per inhabitant, which last sum leaves so substantial a surplus after the cost of living has been defrayed that the colony has been able to put aside some 10 or 12 per cent. of its income to replace lost capital, and to start new undertakings.’

“I may say I ought to have attended to your letter before, but I determined to search through everything that I had said about New Zealand in order to be quite sure whether or not there was the slightest foundation for the statements which had been attributed to me.—Yours faithfully,
“T. A. COGHLAN.”

I would like to say this in regard to the rise in the cost of living: I do not think there is any question that it has increased, and also that the standard of living has increased, but that has been a general matter, not a matter confined to the workers alone. I think the increase in the standard of luxury enjoyed by what we understand as the rich class is greater than any improvement the workers have had in their standard of living. I think that is well illustrated in some of the older cities in the Old Country. You see where the rich manufacturing class lived in the earlier days of the city, and how they have gone gradually out to the better residential areas.

14. *Mr. Macdonald.*] You think that the relative difference is just as great as ever?—Yes.

15. *Mr. Robertson.*] You think greater?—Yes. The rich used not to have motor-cars for pleasure.

16. Do you think that the workers' share in the production of the country is greater than it was before?—I should say that his share of the production is greater.

17. His share in the product?—It is a comparative answer, of course. If you ask me whether the workers' share of the total product is in comparison with the capitalists' share of the total product, I could not give a definite answer; but my opinion is that the workers' share is not as great to-day as it was, say, twenty years ago.

18. Though what he gets is more than before?—Yes, but his share of the total product, I think, is not as much as before.

19. *Mr. Macdonald.*] His proportionate share?—Yes.

20. Have you studied the question of the effect of tariff reduction?—The organizations I am connected with are in favour of a protective tariff. They are in favour of some arrangement like they have in the Commonwealth, whereby the worker, the consumer, and the employer will get any advantage arising from an increased tariff. Instances have been given before the Commission where a reduction has taken place in the tariff for the purpose of helping the consumer, but the reduction has not been a benefit to the consumer: some one else collared it.

21. Can you supply us with reliable information on it?—No, I cannot.

22. *The Chairman.*] You remember the Sweating Commission in 1889. You remember that the conditions in Dunedin were very deplorable at that time?—That is so. I have had occasion to write on the subject, contrasting the conditions in the clothing trade between then and later.

23. Do you say that the conditions have improved very much?—In the clothing trade, certainly.

24. That must necessarily induce an increase in the cost of living. They must pay more for their clothes?—Yes. Reasonably increased wages do not, in my opinion, make a great difference in the cost of a product. The position is that in many manufacturing concerns machinery has been introduced and new methods have been introduced which go towards greater efficiency and cheaper cost of manufacture.

25. So that the larger wages that are given to workers are counter-balanced by the cheaper methods of production?—That is so.

26. It does not necessarily follow that an article costs much more because wages have been increased?—No; but, of course, the capitalist will argue that you must allow a greater amount for interest and sinking fund, and even for the fact that he owns the machine. My idea, of course, is that inventions ought to belong to the State, rather than be made the medium of profit and of squeezing the community.

27. *Mr. Robertson.*] Can you give any specific instance where an increase in the cost of production by wages has been counteracted by improved machinery or improved methods?—The usual course in almost every case when an increase has been brought into force is for the employer to adopt new methods to try to override the effect of the award. That is why I believe the workers should strive for a continuous betterment in their position. Whether they do that or not, we know that improved methods are coming into vogue.

28. *Mr. Fairbairn.*] To what extent have machines displaced skilled labour in the industries you have special knowledge of?—Take the one I have most knowledge of—that is the printing trade. I was a compositor. The linotype came in and easily does four men's work. If you take the boot-factories, machinery has been improved tremendously. There are factories here which are capable of a much greater output than they are doing at present, and that is again increasing the price of boots to the public.

29. There is an important principle behind this. Your association believes in protection, but is it always in the interests of the workers that this protection should go along, bearing in mind that machinery is gradually replacing skilled and trained labour? You are protecting the machines—is that not so?—We believe in protection if the consumer, the producer, the manufacturer gets the benefit, but we do not believe in the protection which gives all the benefit to the manufacturer.

30. *Mr. Robertson.*] You said that increased wages was generally followed by improved methods. If a higher tariff allows them to pay this increased wage, it obviates the necessity for improved methods, and allows them to go on on the old methods with increased cost of production?—If that followed, of course, it would not be in the interest of the community. Take the boot trade, which got an increase at the last revision of the tariff. I am not claiming that boots are cheaper, but I am going to claim that men work a great deal harder, and that the product from the labour side is a great deal cheaper than it was before the increased tariff.

31. *The Chairman.*] In regard to the introduction of machinery: it is within your knowledge that a great many years ago—as far as the scope of our Commission extends—the toilers were at the beginning of that period very badly paid. They have had their wages considerably increased by awards of the Court. Has not the result been that improved machinery and improved methods, such as applying steam-driving power to the machines, has very largely balanced the increase in wages as far as the cost of the industry is concerned?—The tendency of those in regard to tailoresses as well as others is to drive the operatives towards a higher and higher output. Instead of the output being reduced in these specific cases, the bootmakers and the tailoresses—instead of the operative not working as hard as he did before, I believe he is putting out a great deal more articles than he did before. I am prepared to say that absolutely in the case of the tailoresses. The increase in wages paid in factories or industrial work has been shown to be 35 per cent., whilst the increase in output has been 31 per cent., so that the increase in wages can hardly be said to have added very much to the cost of production. The increase in wages has been a very small item in the increase in the cost of production.

ALEXANDER BALFOUR MERCER, Secretary of the Master Grocers' Union, examined on oath. (No. 24.)

1. *The Chairman.*] What is your occupation, Mr. Mercer?—Salesman and traveller for C. H. Tucker and Co., Dunedin. I am also secretary of the Master Grocers, Dunedin.

2. Has your experience been considerable in this district?—I was born here, and I have been in the grocery trade all the time.

3. Are you fully acquainted with the system under which sales are regulated in Dunedin?—Yes, my trade is principally amongst all the smaller storekeepers.

4. It has been alleged that in respect to a certain list of groceries there is a combination in restraint of trade in Dunedin: could you make a statement in regard to that subject?—There is no combination. They have got an association and a secretary of their own. There are a few lines tarified.

5. Is that association a registered association?—I should fancy it is. Our association is registered.*

6. *Mr. Macdonald.*] Under the Classified Societies Act, or how?—I think it is under the Industrial Act. I send a return to Wellington every year. I have not seen any articles of association.

7. *The Chairman.*] Is it within your knowledge that there are such articles?—My principals belong to that association, but I do not know.

8. Is it within your knowledge that they sit as a board, with the retail grocers coming before them?—No. I have been working for the master grocers since 1909, and on one occasion we met them on account of the trade we thought they were doing amongst boardinghouses. The retail section objected to it. We waited on them, and they met us in regard to that matter—and selling small quantities of tea. They met us very well and stopped all that.

9. Could you tell us the names of some of those who were present representing the Merchants' Association?—W. Scoullar and Co., P. Wilson, J. T. Haslett, Neil and Co., Wilson Bauk, W. Taylor, and Tucker and Co.

10. Would they represent pretty nearly, in your idea, the association of merchants?—Yes. On the other occasion we met them with the idea of getting the price of eggs fixed up from week to week—that the price fixed, say, on a Wednesday should be the price for the whole week; but we were not successful in getting that. It was the produce people who asked us to do that. The constant variation in the price of eggs was very disastrous to trade. Sometimes there was a drop of 6d. and sometimes there was a rise of 2d. or 3d. They did not see their way to fall in with out request. The merchants would not charge a commission to country customers. The position is this: that eggs come down from the country to these merchants, and they simply credit the account of the country customer with them. They do not charge a commission.

11. *Mr. Fairbairn.*] They practically take the eggs in payment of accounts so far as the country storekeepers are concerned?—Yes, and it cuts in against others in the produce trade. Those are the only two interviews the master grocers have had with the merchants.

12. *The Chairman.*] Would the proposition that you made have had the effect of making eggs more cheap to the general public?—The general public would have had the advantage.

13. And they were denied that advantage by the association?—It amounted to this: that the merchants were not going to charge commission. The brokers said they could not fall in with it.

14. *Mr. Macdonald.*] It would have steadied the price?—Yes, it was nothing for the merchants. It would have meant that eggs would have gone from one week to the next at the same price. At present they are up and down from day to day.

15. *The Chairman.*] Take the general lines of groceries: are you aware that there are certain lines which can only be procured through the Merchants' Association?—I do not think it is quite true.

16. *Mr. Fairbairn.*] Will you swear that Colman's mustard, Keiller's marmalade, and Neave's Food can be procured outside the Merchants' Association and at their tariff?—As far as I know, Colman's mustard is handled by one merchant here—W. Scoullar and Co.; also Keen's blue.

17. Is it within your knowledge that the Merchants' Association has a fixed scale for Colman's goods, Neave's Food, and other commodities, also Keiller's marmalade—and that unless people agree to the selling-prices of those goods they cannot get supplies?—Colman's mustard and Neave's Food are at a tarified price.

18. Do you not also know that unless people agree to these tarified prices they cannot get supplies?—I could not go that far. I do not know that, and I do not think it.

19. We want to find out if there is anything in the retail grocers' association's articles of association to compel people to sell at the rates dictated by themselves: is there anything of that kind?—Nothing whatever.

20. It is quite open and competitive?—Our association was started for the purpose of keeping down bad debts and doubtful accounts. We have not done badly during the last three years, but ten years ago we were making a lot of bad debts. We keep a "black book" of defaulters, and if a man on that list shifts from one part of the town to the other we tell the grocer there about him.

21. *The Chairman.*] In fact, that list is a black list?—Yes. I wait on the master grocers two or three times a week and get their opinions on the different lines. For instance, if Keiller's marmalade goes up in price I tell them that.

22. *Mr. Fairbairn.*] Have you ever known that article to go up in price?—I have been told so. A firm in Dunedin told me so, and, acting on that, I put Keiller's marmalade up recently $\frac{1}{2}$ d. in price.

23. There has been no alteration in Keiller's marmalade for years?—The distributors are getting 7s. 9d. for it, and formerly they were getting 7s. 3d.

24. *The Chairman.*] Is it the fact that you are not paying more to the manufacturers and you are charging more to the public?—You may know more than I do about it, but I got instructions from my firm—they have put the price up.

25. *Mr. Fairbairn.*] They have put the price up, but has the manufacturer put the price up?—There is very little of it sold.

* I have since ascertained the association is not registered.—A.B.M.

26. There has been no alterations in Colman's goods for the last twenty years?—Colman's mustard in half-pound tins is not much good to the retailer.

27. Colman's mustard has not been altered by the manufactures for twenty years; yet the price has advanced in this market, in spite of the fact that 2d. duty has been taken off?—Colman's mustard advanced some time ago. I put the price up; also the price of Robertson's groats. I arranged with some of the principal grocers that the price should be put up. I was only too pleased to get it put up, because the stuff was not worth handling.

28. *Mr. Macdonald.*] We cannot get that from you as to whether the manufacturers have put the price up—the price to the merchants?—I cannot tell you whether the manufacturers have put the price up. I do not buy the stuff.

29. *Mr. Robertson.*] All that you know is the price that the merchants are charging the grocers?—Yes.

Additional Written Statement forwarded by Witness.

I would point out that the Merchants' Association had refused to charge a higher commission to the country storekeepers for selling eggs; the merchants were keeping the price down, and therefore could not be placing the public at a disadvantage.

Mr. Fairbairn is aware that Colman's mustard can be procured outside of the Merchants' Association, as the firm of Fairbairn, Wright, and Co. sell Colman's goods.

The Merchants' Association did not tariff Colman's goods. I enclose copy of a price-list, including Colman's mustard, which I was successful in arranging with the members of the retail grocery trade.

“ OTAGO MASTER GROCERS' ASSOCIATION.

“ DEAR SIR,—

“ 4th November, 1910.

“ Please note that from Monday, 7th November, 1910, the following lines will not be retailed less than—Colman's mustard, 1 lb., 1s. 6d. per tin; $\frac{1}{2}$ lb., 9d. per tin; $\frac{1}{4}$ lb., 5 $\frac{1}{2}$ d. per tin. Farrow's mustard, 1 lb., 1s. 6d. per tin; $\frac{1}{2}$ lb., 9d. per tin; $\frac{1}{4}$ lb., 5 $\frac{1}{2}$ d. per tin. Rob. patent groats, 9d. per tin; Rob. patent barley, 9d. per tin; pine-apples, 2 lb., 7d. per tin; pine-apples, cubes, 1 $\frac{1}{2}$ lb., 6d. per tin.—Yours faithfully,

“ ALEXR. B. MERCER, Secretary.”

I enclose copy of agreement signed by 152 members in the grocery trade.

“ THE GROCERS' MUTUAL PROTECTION ASSOCIATION.

“ October, 1909.

“ WE whose signatures are attached undertake, in each and every case where the account of a customer is so far overdue or shall have reached so unsafe a limit that we find it necessary to stop the credit of the customer, to notify immediately the secretary of the association of which we hereby declare ourselves members, in order that such manifestations may be confidently imparted to every other member of the association for the protection of the said members against fraud and imposition.—[Signed by 152 grocers in town and suburbs].

After I stated that I had been told that Keiller's marmalade had advanced Mr. Fairbairn is reported stating, “ There has been no alteration in Keiller's marmalade for years.” This is contrary to fact, for Keiller's marmalade was advanced in price by the manufacturers some months ago about 12 $\frac{1}{2}$ per cent.

ROBERT BREEN, Secretary of the Trades and Labour Council, Dunedin, examined on oath.
(No. 25.)

1. *The Chairman.*] You are secretary of the Trades and Labour Council, Dunedin?—Yes.
2. Do you come as a representative of the Trades Council to speak on certain subjects?—I do.
3. You know that we are a Commission to inquire into the rise in the cost of living. Could you make any statement on the subject?—There are only two matters in connection with what is set out in the scope of the Commission that I would like to speak of. The first is as to what effect, if any, labour legislation has had in increasing the price of the commodities of life; and, second, as to what steps should be taken with a view of reducing the cost of the necessities of life. I do not know what the mind of the Commission is, but from my reading of the newspapers during the last two or three days I have come to the conclusion that it has been discovered by the employers themselves that there has been an increase in the cost of living. Therefore, I take it that it is not necessary for me to make any statement as to whether there has been an increase or not. I am prepared to assume that there has been an increase. The only thing I wish to refute is a statement made by certain witnesses that the Arbitration Court awards have been responsible, to a certain extent at all events, by increasing wages. Of course, there are a number of things that directly concern the cost of commodities. The main thing that I wish to give evidence on is as to labour. There is at the present time a union of butchers' assistants. There is also a union of journeymen bakers, and a union of grocers' assistants. There is a union of butchers connected with the abattoirs—that is, those engaged in killing meat for local consumption. They are classed under the Slaughtermen's Union. There is also a Flour-millers' Union. Those unions are all connected with work that has to do with the necessities of life. I want to say that during the last ten years the butchers have received no increase in wages; the bakers have received no increase; the millers have received no increase. The butchers at the abattoirs have received an increase of 5s. a week, which would affect about fifteen men.

4. Can you give us an idea of what that would mean per pound of meat?—Not for this year, but I can give you the figures for 1910–11. The figures are contained in the report of the Town Clerk of Dunedin in connection with the stock slaughtered at the abattoirs for twelve months.

5. When did the 5s. rise come into effect?—I think, about twelve months ago. I do not know whether it would cover the whole of the period from March, 1910, to March, 1911. It would cover a portion of that period.

6. What is the approximate weight of meat slaughtered in a week?—I cannot say, but I may point out that 5s. a week increase to the wages of fifteen men would represent about £195 for the year.

7. How many cattle are slaughtered there in a year?—12,801 head of cattle, 1,956 calves, 119,904 sheep and lambs, and 4,110 pigs. That was for the year 1910-11.

8. And the increase in wages was only to fifteen men?—I have the authority of the secretary of the union for that.

9. *Mr. Fairbairn.*] The increase in wages represents about a farthing a carcass increase in price?—Yes. The retail butchers' assistants have received no increase in wages at all.

10. *Mr. Veitch.*] Can you give us an estimate of the increase there has been in the selling-price of meat?—I could not say definitely, but I believe that the price has doubled during that period. I am not going to say that the retail butchers have reaped a profit. I do not know.

11. *Mr. Fairbairn.*] Did you say that there has been any increase in the wages of members of the Grocers' Assistants' Union?—Yes, 5s. a week. About ten years ago they were receiving £2 a week—that is, those over the age of twenty-one. About four years ago they received an increase of 5s. a week, but the age was raised to twenty-three years.

12. Did they shorten the hours?—No, the hours come under the Shops and Offices Act.

13. How many assistants would an average grocer employ, taking a moderate business?—I could not say. I should say there would be about sixty or seventy assistants in Dunedin in the union.

14. How many grocers are there?—I could not say. A large number employ no labour at all.

15. What is about the greatest number of assistants in any grocery establishment here?—I should think about seven or eight.

16. It does not follow that they are all getting the minimum wage?—No.

17. *The Chairman.*] We will now pass on to the next question?—I stated that the bakers have had no increase during the last ten years, but I believe an increase was granted outside the award. I do not know whether that has been loyally abided by by the employers. There has been an increase to the lower-paid men. The next subject is the building trade. I might say, first, that carters or drivers play a part in the carriage of goods. During the last ten years they have had an increase of about 2s. a week.

18. That would add to the cost of distribution?—Yes, slightly.

19. *Mr. Robertson.*] What is a carter's wage?—Under the present award they are receiving, where a stableman is kept, £2 7s. a week for driving and attending to two horses, and £2 3s. for one horse. Where no stableman is kept they get £2 8s. and £2 4s. That is for men in constant employment. There are other drivers who are not in constant employment—who lose time through wet weather and holidays. They receive, where a stableman is kept, £2 9s. for two horses, and £2 5s. for one horse; and where no stableman is kept, £2 10s. and £2 6s. That is the position at the present time. Previous to that the wages were £2 6s. and £2 2s. for constant hands. Taking it all round, the increase would be about 2s. a man. The carpenters during the last nine years have received an increase equal to 1s. 10d. per week, or ½d. an hour. They received that ½d. in 1911. Up to then it was 1s. 4d. Painters have had no increase during the last ten years. Plasterers have had no increase, and bricklayers have had no increase. The plumbers during the same period received an increase in the case of those who passed a certain examination. Only a small number would qualify in that way. They received an increase of 2d. an hour. It is quite recently that they got that increase.

20. *Mr. Veitch.*] About what proportion of the total number would that cover?—I could not say, but it would be very small. In the furniture trade the workers have received no increase during that period. I cannot think of any others that would affect the cost of living. Those cases I have taken out of the Books of Awards. The increases which have been given would make hardly any difference in the cost of the articles. There are other unions which have got substantial increases, but there has been no extra charge made to the public. In some cases the charges to the public have been reduced.

21. *Mr. Fairbairn.*] We had an instance of that in the case of Westport coal: can you give us any others?—There are the tramway employees.

22. But that is a municipal concern?—That is an argument in favour of the further extension of the principle of municipalizing and of nationalizing industries. Then there are the hotel employees, restaurant and tea-room employees: they have all during the past two or three years received substantial increases in wages, but there has been no extra charge to the public that I know of. Barmaids are getting as high as £2 a week now. Barmen's wages have gone up considerably. Waitresses' wages have just gone up by over 50 per cent., but none of the increased charge has been transferred to the public.

23. *The Chairman.*] Is it a common opinion among working-men that the cost of living has risen?—Yes. I may say that I have been for fifteen years directly associated with the labour movement in Dunedin. I have taken part in the formation of about 75 per cent. of the unions in existence in Dunedin to-day. I come into close contact with the members of all those unions. It is the opinion of the members that the cost of living is steadily going up. I have only lived in two houses in Dunedin. The house I am living in at present I have been in for between fourteen and fifteen years. I paid 11s. 6d. a week rent when I entered the house, and I am paying 15s. a week now.

24. Is the quality improving by age?—All I have received in return has been a built-in copper, washing-troughs, and a bath fixed in the washhouse, and improved sanitary conveniences. That is all I have received for the increase of rent by 3s. 6d. a week. I estimate that the improvements represent 1s. a week.

25. *Mr. Fairbairn.*] What would you estimate the value of the property at?—I have been trying to purchase it. £450 is what they asked, and they came down to £430.

26. *The Chairman.*] Do you attribute part of the cause of the increased cost of living to the working-classes the difficulty in getting houses, and the heavy ratio that the rent bears to a man's income?—Yes, there is a difficulty in getting houses.

27. Houses of four rooms or six rooms?—Yes, the smaller class of house. The large house you can get, and you can get it cheap in proportion.

28. Have you any further statement you would like to make?—I can only repeat some of the things said by the Hon. Mr. Paul this morning. I believe the remedy is in more State and municipal enterprises. As long as these things are controlled by private individuals the same influences will be at work. The main question is the land question. But if people were prevented cornering the land they would corner the product of the land. There is another important matter that I would like to point out. There is a Dairymen's Association which controls the supply of milk. They hold periodical meetings and fix the price of milk. The Taieri and Peninsula Company is a member of that association.

29. Has the price of milk risen in late years?—Yes.

30. *Mr. Fairbairn.*] Is it a proper organization?—Yes, but I do not know whether it is registered. Statements are published in the papers that they have decided that from certain dates the price of milk will be so-much per gallon. It is quite apparent that the Taieri and Peninsula Company can distribute their milk much cheaper than any of the individual dairymen; yet they deliver the milk at the same price. They do not cut; they are loyal to the dairymen. The price is fixed so that the poorest dairyman can make a profit.

31. *The Chairman.*] The inference is that the larger suppliers must make larger profits?—Yes. There is also a Master Bakers' Association in Dunedin. They used to meet periodically. The price of flour fluctuated so much at one time that it necessitated the Bakers' Association holding frequent meetings, and reasons were always given for increasing the price of bread. Another firm stepped in, and since then there have not been so many meetings, and we now very rarely hear of any alteration in price. What effect the new firm had on the association I do not know. Perhaps the price of flour has remained stationary since then.

32. *Mr. Macdonald.*] You do not object on principle to an association of bakers arranging the price at which they sell bread?—No. What I objected to was the system they had in fixing the price. A union of workers when formed have to appeal before a certain tribunal, and have got to satisfy that tribunal that they are entitled to an increase in wages. The methods of the Dairymen's and Baker's Associations are entirely different.

33. Some unions of workers?—I am talking about those who are loyal to the arbitration system.

34. You think it is fair for these people before they put up the price of commodities to appear before some Court and give reason for raising the prices?—It is very difficult for a tribunal to fix a price. If they took into consideration every industry they would require to have different Boards.

35. *The Chairman.*] You do not surely regard that as a more serious thing than, say, tackling a tailoresses' log?—The bootmakers' log has gone, and the tailoresses' will have to go too.

36. They showed the ability of a Court to deal with fine matters?—That is so. In regard to the tramway business, I would just like to point out that in the *Otago Daily Times* of the 7th May the Town Clerk in his report, published in that paper, estimated the increased wages of the men to amount to about £3,200, but the charges to the public have not been reduced since then, although they had been just prior to it.

37. *Mr. Fairbairn.*] Have you the record of the Corporation trams' revenue for twelve months?—It was £71,762 for last year.

JAMES WRIGHT MUNRO, Master Baker, examined on oath. (No. 26.)

1. *The Chairman.*] What is your occupation?—I am a master baker.

2. Are you a member of the Master Bakers' Association?—No.

3. Is it within your knowledge that there is such a body?—Yes.

4. Has that body agreed amongst themselves as far as they could to regulate the price of bread?—Yes.

5. Is the regulation intended to be in their interest or in the interest of the public?—In the interests of the master bakers, undoubtedly.

6. Has it the effect in any way of restraining free competition? What happens to any one who does not agree with what they arrange?—At the present juncture nothing can happen.

7. *Mr. Fairbairn.*] Have they attempted to use the Millers' Association in any way to stop supplies?—They did at one time, but the Millers' Association is now in the same position as the Bakers' Association—that is, a good many in the trade are not in the association. About five years ago, when practically all the mills were in it, they did try to use the Millers' Association. Since then quite a number of the millers have withdrawn from the association, and others have started; likewise many bakers.

8. There is competition now amongst the millers that did not exist before?—That is so. The two existing bodies practically fix the general price of the product.

9. When the Millers' Association was a united body do you know of any specific instance where they boycotted a baker because he was cutting prices?—No, not boycotted. The only case I know was our own. When we started business we had to pay cash before we got flour.

10. Is that not the usual method?—No. The usual method in the milling trade is one month's credit.

11. *The Chairman.*] Has the price of bread risen during the last ten years?—That is a very difficult question to answer, because the price of bread is based on the cost of flour, and flour fluctuates according to the fluctuation of the wheat-market. I should say that at the present time in Dunedin bread, considering the price of flour, is about the same price as it was ten years ago.

12. *Mr. Macdonald.*] Relatively?—Yes.

13. The price of bread has no bearing on the rise in the cost of living?—Not at the present juncture.

14. Have you any information that you can give us as regards the price of bread as it affects the cost of living which you think would be of benefit to the Commission?—Only in a general way, as giving the position. At the present time the price of bread in Dunedin retailed to customers is 6½d. booked or cash, and I consider that a fair paying-price, considering the price of flour. Both my partner and myself do our share of the work, and, from our standpoint, it only leaves a fair margin of profit. Nevertheless I and another man bake all our bread, and yet it takes to distribute that bread two men, two boys, three horses, two carts. The distribution of bread in Dunedin to-day is at least a farthing a loaf more than the manufacturing cost.

15. *Mr. Hall.*] How many sacks of flour are you estimating that on?—Between thirty and thirty-six per week.

16. *Mr. Fairbairn.*] Do you think the method of distribution could be improved upon, in the sense of cheapening the cost and maintaining the efficiency?—I certainly do. I have emphatic opinions. It is being under the free competitive system that is the reason of the cost. I believe that a private monopoly would give the public cheaper bread than the free competitive system we are under to-day. Of course, I personally prefer it should be a municipal monopoly. It is the only solution, to my mind.

17. Is there waste in the competitive system?—The trade I have just given you, one man, one horse, and one cart could easily do if he just took one part of the town and delivered the bread, and he would not put in such a long day as the men do now.

18. *The Chairman.*] You serve one house here, another a hundred yards away, and another a mile away, and other competitors go over the same ground?—Yes, all doing the same thing. That, in my estimation, is one of the principal causes of the high cost of living in New Zealand, owing to the sparseness of population as compared with older countries.

19. *Mr. Macdonald.*] Have you any idea of the cost to the Municipality to establish a bakery business to supply the whole town?—I have figured it out, and as far as I can get it the cost of an up-to-date municipal bakery, with all the necessary machinery, would be £40,000 at the outside. That is for a complete plant for the baking and delivery of bread.

20. *Mr. Fairbairn.*] An up-to-date plant for baking means that the human hand does not touch the bread?—Very nearly so.

21. Have we any up-to-date plants in connection with the bakery business?—There is not an up-to-date plant in this city, and I doubt if there is in New Zealand. I could for £40,000 start a bakery and supply the whole of the people of Dunedin.

22. *The Chairman.*] You think, as regards your own trade, you have shown us a way of reducing the cost of living?—The only way. It is not my idea to have a private monopoly, but it would cheapen the cost.

23. Its organization would render it possible to reduce the price, but it would depend on the directors whether it was done or not?—That is so. No company is in business for fun. I have watched a number of carts, and bakers, grocers, butchers, milkmen are in exactly the same position as I have described in connection with my own business. If you go into the wholesale trade you will find the same thing. You will find five travellers in the same carriage all going to one town with boots.

24. Has there been any increase in wages in the bakery business during the last ten years?—Yes, but not from the Arbitration Court. All the master bakers but four in this city agreed to pay their men 5s. a week increase all round.

25. Did they carry that out?—As far as we can gather they did, and they are paying that increased wage to-day.

26. *Mr. Veitch.*] They did it on their own volition?—Not altogether. There was a little pressure brought to bear.

27. From the men?—No, from some one else.

28. To what extent did that appreciate the price of bread?—That is a question I do not want to answer.

29. *The Chairman.*] How much would it put on to a dozen loaves?—It would be so small that I do not think you could work it out. The largest bakery business in Dunedin, say, five thousand loaves a week, has six men engaged in making bread.

30. *Mr. Macdonald.*] Was not there a suggestion to have bread on a sliding scale in accordance with the price of flour?—That is what it is now, I understand. I think I am right in saying that the association's scale price for bread is a halfpenny more than the present price of bread to the public.

31. *The Chairman.*] Have you any doubt as to whether the Millers' Association treat the bakers fairly in the matter of flour?—The Millers' Association is for the purpose of working in the best interests of the miller, and they have not had the opportunity to treat bakers in any other way. There are five mills outside the association where we can buy flour.

32. If you could consider the Millers' Association as a trust, it is an ineffective trust?—It is ineffective at the present juncture, although all sell in accordance with the association's price-list. Some of the mills outside the association are asking 10s. per ton more than the association's price. The Millers' Association, in my opinion, want to make those mills lose as much money as possible so as to drive them into the association.

WILLIAM HENRY WARREN, Carpenter and Joiner, examined on oath. (No. 27.)

1. *The Chairman.*] What is your occupation?—Carpenter and joiner.

2. Have you any information at your disposal which would be of service to this Commission?—The circular forwarded to me had clause 12 underlined, which is an indication, I take it, that

that is the part I am to confine my remarks to. I think we must admit that there is general unrest. It is a universal and not a local question. The same law that applies to New Zealand applies to every other country. The aspect of the question I would like to deal with is the question of land.

3. You can hardly speak as an expert on land. Can you give us anything in your knowledge as to land having increased in value?—I can only give the facts as stated to me by the Government.

4. We can get that information ourselves. Can you give us any facts to support it?—I have been a resident of Dunedin for thirty-seven years, and have witnessed a considerable increase in the value of land brought about by the expenditure of public money and the increase of population. That increase in the value of land is a tax on all who live on it, and adds to the increased cost of living. It must be apparent to all that the land question underlies all other questions, and I am not prepared to deal with the cost of living unless I deal with the primary cause of it all.

5. Keep to the facts within your own knowledge?—Personally I can only witness certain things that have happened. I must go to authorities for further information as to what has happened generally.

6. No, we have the means at our command to see what the Government Statistician says regarding those. Tell us what the price of land was twenty years ago and what it is now for the same section?—I do not know that I could deal with that question. I bought my land thirty-seven years ago.

7. What was the value twenty years ago?—The same as thirty-seven years ago.

8. What is the unimproved value of your land?—I gave £90 for the section. For many years it kept at that value until we were involved in a depression, when it came down considerably lower. That would be in the "eighties." There has been a gradual rise since, and a greater rise since the construction of the municipal electric trams. I live on the Anderson's Bay Road. There were sections sold there, to my knowledge, six or seven years ago for £40 or £50, and sections of the same size sold lately for £150.

9. *Mr. Macdonald.*] You attribute that to the construction of the trams?—Yes. The increase of utilities and population.

10. Did they not improve the general appearance of Anderson's Bay Road?—Yes, but money that was spent in that direction did not touch the part of the district where the rise has taken place.

11. Is that advance which you refer to been pretty general, in your estimation, all over Dunedin?—Yes. To a greater extent in some particular districts than in others.

12. The argument you are trying to adduce is that the extension of public utilities has caused a rise in the price of land?—Yes. There was a question asked a previous witness as to the price of groceries. Although the manufacturer may not have raised his prices, we know that the rents have increased in the places where these goods are sold, and therefore the grocer has to increase the price of his commodities. The landlord makes the tenant pay, and the tenant makes the general public pay. That has operated throughout Dunedin for many years.

13. Many of those business people own their own premises?—Some of them—a minority. I know of one man who has been driven out of two shops in a central position in Dunedin because of the rents.

THOMAS SMITH, Master Butcher, examined on oath. (No. 28.)

1. *The Chairman.*] What is your occupation?—Master butcher.

2. How long have you been in business?—Twenty-five years in Dunedin.

3. Have you any knowledge of any combination of men banded together to regulate the price of meat?—None whatever.

4. You think such a body does not exist?—I am positive it does not.

5. You buy direct from the auction-yards?—I buy from anywhere—farmers, graziers, agents, or any one else.

6. Have you any knowledge, or is there anything within your knowledge, which would make you think that any manipulation of the butchery trade has caused a rise in the cost of living?—There never has been any manipulation of the trade in my residence in the city. The nearest approach to it has probably been in the spring of the year, when stock is very high and competition is exceedingly keen, and butchers have gathered together at Burnside and decided on a half-penny or a penny per pound, not in order to make a profit, but simply to prevent the ruinous loss they were experiencing.

7. How did that loss arise?—On account of the dearness of stock.

8. By reason of the drought?—It is almost invariably the same that in the spring of the year fat cattle and sheep go up in price, due, no doubt, to the scarcity of feed to fatten.

9. *Mr. Robertson.*] It is customary to increase the price about those times?—It has been done. There is nothing binding, however, in it on the butchers.

10. You have no association?—No.

11. Do you meet again and agree to take that price off when stock comes back to normal?—No. Competition is so keen that whenever a butcher can afford to sell at a lower price, down the price goes.

12. And the others follow?—Rather. If all trades were run the same as the butchery trade in Dunedin there would be no need for the Commission.

13. Have you any statement you can make which would benefit the Commission and which you have not been asked about?—If the evidence has been correctly published bearing on our trade the witnesses have not been stating the truth. One man went so far as to say there was a ring in connection with the butchery business. That is false, and I class it as an unmitigated lie. No ring nor trust has been in existence during the twenty-five years I have been connected with the trade in Dunedin, and there has been no movement connected with the trade that I have not been associated with. The retail price of meat quoted in the published evidence is not correct. One witness said that rump steak was retailed at 8d. to 10d. per pound. You can buy good ox rump steak anywhere for 8d.

14. Which witness was that?—Mr. Boreham.
15. *Mr. Fairbairn.*] What is the present price of mutton and beef?—Legs of mutton are of various qualities. Wether legs, from 4½d. to 5d. per pound. In my George Street shop I am selling legs at 3½d. per pound. That is done mostly to catch the cash trade. Rump steak, 7d. to 8d. per pound. We sell good ox sirloins at 6d. per pound.
16. *Mr. Hall.*] What are cattle selling at now?—Really prime cattle made £12 10s. to £15 2s. 6d. at Burnside on Wednesday. They come out about 28s. per 100 lb.
17. How much do you estimate that cattle have risen in price in the last ten years?—Cattle have risen considerably. Prices during the last two years have been disastrous to butchers so far as stock is concerned.
18. Do you attribute the rise to the drought?—Yes, but you have to consider that wages are up 80 per cent. to 90 per cent. on what they were a few years ago.
19. What have they been raised?—Men who were getting 25s. and 30s. on the carts are now getting a minimum wage of £2 16s.
20. *Mr. Robertson.*] How long ago is it since they got 30s.?—The award was made about 1902, I think. You have also to take into consideration that butchers worked from sixty to seventy hours a week, and they now work fifty-two. It has considerably increased the wage per hour of the employee. I maintain that the wages in those days were too low for a good man, and in some instances they are now too high for what you might call a good man. Some of the good men are receiving wages that are too low, but inferior men are too highly paid.
21. Do you think the efficiency of the men you employ to-day is less than that of the men you employed under the low-wage conditions, or has the efficiency increased?—I have heard the complaint made that they do not do the same work under the better conditions, but I am quite satisfied with my men, and I pay my men higher than the Court award.

DAVID ALEXANDER AITKEN, Assistant General Manager of the Union Steamship Company, was sworn and examined. (No. 29.)

[As this evidence was tendered in Committee to the Commission and was given in confidence, it is not published in this report.]

WILLIAM GREY, Farmer, examined on oath. (No. 30.)

1. *The Chairman.*] You are a farmer residing at Milburn?—Yes.
2. You desire to submit your opinion as to the shortage of labour in the country?—Yes.
3. You seem to consider that the reduced amount of cropping in the country is due to the shortage of labour?—I have no doubt about that.
4. If the amount of cropping in the country is short that would increase the cost of living by raising the price of food?—Yes, it should raise the price of crops. I am confident of this: that if more labour were brought into the country every year there would be more crop-growing. The farmers cannot get enough men to do the harvesting, and they cannot even get enough boys to do it.
5. Is it because the wages do not attract the men?—The men are not there to do the work, and the farmers cannot get sufficient boys.
6. You were in favour of the Sedgwick boys scheme?—Yes, I think it was a very good scheme.
7. You think it important that men should be encouraged to come to the country?—Yes, there are any amount of good farm labourers at Home who would be willing to come here if they had inducements to come. I may also state that the majority of farmers cannot get girls for their homes.
8. If the farmers had more farm labour they would put more land under crops?—There is no doubt about that.
9. Has the price of rural land increased very much during the last ten years?—Yes.
10. That would add to the cost of living: you have to get more interest out of the land?—I think that people are paying rather much for the land in many cases.
11. *Mr. Macdonald.*] The Year-book does not show a diminution of acreage under crop: it shows an increase. There are 322,000 acres under wheat?—That may be accounted for in this way: a lot of big estates are being cut up into small farms, and a good many of those farmers, being short of money, put in crops in preference to running stock; but I know of farmers who are not putting in half the amount of crops that they did years ago, and I know of farmers who this year say that they will grow nothing but horse-feed.
12. *Mr. Veitch.*] What is the rate of wages for farm hands?—Farmers, if they could get good men, would give them almost any money they liked—that is, for harvesting.
13. What were the wages about ten years ago?—About 9d. to 10d. an hour ten years ago—perhaps 8d. to 10½d.
14. Do you say that a man would get considerably more than that now?—1s. an hour and found, and in many cases more.
15. You say that an inducement should be given to farm labourers to come out to New Zealand from other countries: what inducement do you recommend should be given to them?—I reckon they should be brought out nearly free.
16. *Mr. Fairbairn.*] Practically a system of emigration?—Yes.
17. *Mr. Veitch.*] Are you quite sure that it is fair to the people of New Zealand generally to pay the fares of these men to New Zealand simply to work for one particular class of the community?—Yes, if that is the particular class of the community that the country cannot carry on without.
18. There is no section that the country can carry on without?—If farming went down the country would go to the wall.

19. Would it not be possible for the farmers to combine and bring these men out?—I may state that I brought out three girls to assist in my household duties two years ago, and two of them have got married.

20. *Mr. Robertson.*] You spoke of men engaged in harvesting receiving 1s. an hour. Is it not a fact that harvesting and threshing work is only during a particular season?—If you do not carry out the work at that particular season you may just as well shut your door altogether.

21. But, looking at the matter from the workers' point of view, the men whom you propose should be brought out would be only engaged during a particular season of the year?—The farmers are short of men all the year round. For instance, I want two men to drain and cannot get them.

22. Would it be sufficient inducement simply to pay their fares out? Would they get work all the year round?—If they got plenty of work here and good money, and they are starving where they are, surely that would be a good inducement to them to come out.

23. Is there not a great demand for farm labour during certain seasons, and then that demand falls off during other seasons?—I do not think it will fall off here for a while.

24. Has not that been the case?—I could not say about that. I know that it has never been the case that labour has been too plentiful here.

25. You referred to wages paid during harvesting; but are those men employed constantly?—There is other work going on in the district I belong to, and the farmers are always short-handed.

26. Take dairy farming—milking: are the men employed by the week?—A boy about fourteen or fifteen years of age will get £1 a week, and girls for domestic service in the country get £1 a week and found. Surely that is good enough payment for a boy that age.

27. What about the men?—I am not a dairy-farmer. I have a farm that would make a good dairy farm, but the scarcity of labour keeps me from keeping cows. Plenty of my neighbours would go in for dairying if there was suitable labour available.

28. What is the weekly wage of a man working on a dairy farm?—That is out of my line.

29. *Mr. Veitch.*] Is there much difference between the profits that would be drawn from the farm by cropping compared with what you are getting now? Would it make much difference to the amount of money that would come to the country?—It would make a big difference to the country. If you do not grow crops and raise stock and send the produce out of the country, you will not get money into the country.

30. You are using your farm for cattle and sheep?—Yes; if you leave the land lying idle, or have simply cattle and sheep on it, you do not make so much money as you would by cropping.

31. Roughly, what would be the difference on, say, a 100-acre farm?—I cannot say, but I think there would be a good deal of difference.

JOHN CLARKE, Farmer, examined on oath. (No. 31.)

1. *The Chairman.*] You are a farmer, Mr. Clarke, residing at Clinton?—Yes.

2. Have you got a dairy farm or a cropping farm?—We just keep enough cows to supply ourselves with milk.

3. Are you also in your farming operations crippled by shortage of labour?—Yes, to a great extent.

4. Can you give us any idea from the point of view of a man living in the country as to what has caused the increase in the cost of living?—My idea is that a great deal of extravagance is going on. Young people nowadays when they are setting up housekeeping for themselves like to begin where the old people knocked off.

5. It is not so much the increased cost as the increased rate of living?—That is the beginning of it. In the olden days we were quite content with two or three rooms, but now they must have five or six rooms and every other convenience. That is one of the reasons.

6. You do not think it lies in the increased cost of the necessaries of life?—I do not think there has been so much increase as has been represented. Labour has gone up a good deal. I do not know the position from the town point of view, but from the country point of view the position has not changed so much as has been represented. We can hardly tell in the country what it costs to live.

7. So you think that the cost really is very nearly the same: it has not risen?—As far as I can gather it has not. Tea, for instance, is very much less now than it was twenty years ago—perhaps a third less. You can get very good tea at 1s. 3d. per pound; sugar is 2d. per pound, or 9s. a bag of 56 lb. I do not think there is such a very great deal of difference in the country in the price of living.

8. It is the cost of high living, you think?—Yes: I am speaking from the country point of view.

9. *Mr. Fairbairn.*] Do you raise stock?—Yes.

10. Can you give us any information as to the price you get for your stock?—At present we get from about 14s. for prime lambs to about 17s. 6d.

11. And for sheep?—I could not tell you; I have not sold any lately, but the price in the yards is from 16s. to 22s. That would be about 1s. 3d. to 1s. 6d. a head less on the farm. Fat wethers are quoted at about 20s.

12. Are they still selling lambs in the market?—Yes, there will be lambs for the next three months.

13. *Mr. Veitch.*] With regard to the proposal to import labour for farming: suppose the Government decided to import assisted immigrants to work on farms—farm labourers and so on—for the purpose of making up for the shortage which you allege exists, what would be the position of those men so far as the farmers are concerned? Would the farmers as a class be prepared to employ them all the year round when they came?—I am certain of it. I myself have

been wanting a good deal of tilling and draining done during the last three or four years, and I have not been able to get a man to do it. There is not a man in our district who will undertake draining for love or money—even at 10s. a chain. In harvest hands there has been a terrible shortage. There are hundreds of acres of crops lying out now that will never be got in through the shortage—I might say thousands of acres, but hundreds of acres, at any rate.

14. In your district?—Yes, there are several hundred acres in my district. They are in stook, and some were never stooked owing to the shortage of labour.

15. *Mr. Robertson.*] You have had an exceptionally wet season?—We have had simply to look at the stuff for want of labour.

16. It comes to this: that you have had few opportunities of getting it in, and when the opportunities occurred the labour was not available?—I had nearly 200 acres of crop, and I had to take it in with two drays, with the assistance of my young sons and an extra man, a carpenter, who stopped his ordinary work to oblige me. I could not get labour.

17. *The Chairman.*] A great deal of evidence has been given to us in regard to the selling-price of produce sent in by the farmers. Do the farmers as a whole recognize that the prices they receive are anything like what they are sold for in the shops—for instance, in regard to fruit, potatoes, &c.?—I know nothing as to what it is sold at in the shops in Dunedin.

18. Do the farmers in your district generally sell through agents?—I have sold through agents and without agents. There is one question which I would like to answer which the previous witness did not answer—that is, as to labour being employed all the year round. There is a great scarcity of ploughmen throughout New Zealand. A good ploughman now gets about 30s. a week and found—from 27s. 6d. to 30s. He must be a medium ploughman who only gets 25s. Sometimes a man who is not well acquainted with horses starts at 25s., but he soon reaches the larger sum.

19. You have not heard of any trust or monopoly with respect to your produce?—No, but there might be a slight combination with respect to the selling of commodities. There is a combination on the part of labour, and there must be a combination on the other side to a slight extent to make the business pay.

20. Do you think the rise in the price of land of late years has affected the cost of what you produce?—It must. I did buy a little bit; but I have had my land for over twenty years.

21. Has the market price of your land gone up in that twenty years?—Yes, too much.

22. *Mr. Veitch.*] Do you think that land is selling very high now?—I think it would be very much better for the farmers if they could get land at £1 an acre. If you give £20 an acre you must find the interest first.

23. *Mr. Hall.*] Do you think the shortage of labour is calculated to reduce the amount of cropping?—Yes, certainly. We had a Farmers' Union meeting yesterday, and I heard five or six farmers saying that they were selling off some of their teams, and intended to reduce their cropping.

24. Were any of the Sedgwick boys sent to your district?—There was one. There were a good many applications for Sedgwick boys, but the Government would not allow them to be brought out.

25. Do you think it would be in the interests of both the town and country if more were brought out?—I think so. I think that the more labour that can be got to develop the country the better it will be for the country. The more exportation of goods that we have the better it will be for everybody. At present we cannot get labour; and if we cannot get labour production must cease; and if production ceases, the want of work will be felt in the towns first, because so much labour will not be required to handle the goods.

26. Is not that true of all businesses—manufactures, for instance?—It would not make a bit of difference if all the manufactories in New Zealand were closed. We have got a big tariff to keep woollen goods out.

27. *Mr. Hall.*] Is there any fruit going to waste in country districts in times of glut because there is no margin after paying the expense of sending it to market?—I believe that fruit has been fed to the pigs in the Roxburgh district. The railage cost is not high, because you can get it sent any distance at 6d. a case. I have heard of fruit being sold at 1s. a case. I have heard of a truck of potatoes netting a penny postage-stamp; but I never heard anything of fruit. The farming industry is a very precarious business altogether. This year we have had a terrible season to contend with. Would you mind my making a statement with regard to the price of mutton and beef? I have made inquiries about the price of sheep and beef. The average price of beef during the past twenty years has been from 2s. 6d. to 3s. per hundred higher, and for sheep about 2s. 6d. a head in twenty years. My opinion also is that if it had not been for the old cows that have been sold off dairy farms it would have been a good deal higher, owing to the shortage of cattle. That is owing a great deal to the want of labour, too; and it has been partly through stations being cut up and the land now being used for dairy-farming and sheep-growing. Ten years ago the price of beef was a little higher than it is now. During the last twenty years there has been very little difference in the price of mutton. I am alluding to the prices that the farmers get.

28. *Mr. Fairbairn.*] This is a reliable estimate in regard to the price of beef and mutton?—Yes, I got it from a very reliable source.

29. If this statement is correct—3s. and 2s. 6d. per head for sheep—it would make a difference of $\frac{1}{2}$ d. per pound in mutton in twenty years; and we know that mutton has been sold at a much greater difference than that?—As a matter of fact, farming is not such a paying thing. Considering the higher price of labour and land compared with twenty years ago, farming does not pay nearly so well now as it did then.

JAMES BEGG, Farmer, examined on oath. (No. 32.)

1. *The Chairman.*] You are a farmer, and reside at Clinton, Mr. Begg?—Yes, I am a sheep-farmer.

2. Could you make a statement to the Commission as to what, in your opinion, has caused the increase in the cost of living, if there has been any rise?—Yes. I would like to emphasize the fact that to the principal section of workers in the country—that is, the agricultural workers—the cost of living has not increased. It cannot have risen, for the reason that their living is found for them in addition to their wages.

3. *Mr. Fairbairn.*] We are referring to the public generally. Our investigation covers the whole community—not a section only?—Yes; I just wanted to mention that point. In regard to country labour, I may say that I do not think that the obvious scarcity of country labour arises primarily from insufficient wages, for the reason that during the last twenty years the workers' wages have increased from 50 to 100 per cent. So that the position of that class of labour has improved immensely during the past twenty years. Their wages have increased by the amount I have stated, and in addition to that the cost of living to them has not increased. In spite of that fact, labour has drifted from the country to the cities to a considerable extent, though it is stated to-day that the position of the worker in the city is not so good as it was a number of years ago. From these facts I deduce that the depletion of the country districts of labour is not because of wages—that that is not the prime cause of it.

4. *The Chairman.*] Perhaps the attractiveness of the cities?—Yes. With regard to the increased cost of living, in so far as it has increased, I think these facts bear on the subject. So many have ceased to be producers—the primary producers of food in the first instance. That, it seems to me, would naturally tend to increase prices.

5. The prices of food?—Yes.

6. *Mr. Veitch.*] Is not the increased number of people in the towns to be accounted for by the farmers becoming wealthy and coming to live in the towns?—No doubt, to some extent that has taken place. However, I am inclined to think that the number of farmers who have retired from their farms is infinitesimal compared with the number of farm labourers who have retired from the farms.

7. *The Chairman.*] Still, when you speak about the primary producers being the most necessary—they are the most necessary, but they could not do as useful work if they had to leave their farms and do other work—for instance, to make chairs, say: so that the chairmaker is as useful in his place as the man at the plough?—I am not going to work the point to death and say that we should all live in the country and that nobody should live in the towns; but I would say that the balance is a little upset at present, and I do not think that wages has been the cause of the upsetting of the balance.

8. Have you any knowledge as to the sending of fruit or produce into town—as to how the farmers are treated?—No. I may say, however, that wool has not increased in value in twenty years.

9. *Mr. Fairbairn.*] Taking the average?—There was a fall steadily for eleven years, and for the last eleven years it has risen. The actual price to-day is not higher compared with twenty years ago.

10. From 1890 to 1900 was probably the lean decade all over the world, and it has picked up since then?—Yes, with fluctuations.

11. Can you give us some information about the price of sheep and beef? Can you tell us what the farmer has been getting?—I cannot tell you that at first hand. I could deal with store-conditioned stock.

12. *Mr. Hall.*] Are the farmers having to pay more for their stores than they did a few years ago?—Yes, undoubtedly more than they did twenty years ago.

13. So that if they are selling fat stock a little higher they are paying more for their stores?—Yes.

14. *The Chairman.*] Have you noticed that the goods you receive from the town are more expensive than they were fifteen years ago?—Our bills certainly amount to more.

15. The farmer is getting luxurious as well as the working-man?—Yes, I am afraid that is so. We do not get the same goods as we did twenty years ago. I believe that is a very important factor of the question. Twenty years ago, or even less, we got raisins by the case. Now we find they are wanted in one pound packets, seeded, and ready for use. My own experience is that the great bulk of the groceries to-day was not stocked twenty years ago—not in the same form—and the difference in price is very largely the difference in the price of the get-up.

16. *Mr. Hall.*] What wages per hour is paid for harvesting?—About 1s. an hour.

17. Can you get labour as low as 1s. an hour?—I have no personal knowledge of that. I am not a cropping farmer.

18. *Mr. Macdonald.*] When you spoke of wool, what class of wool did you refer to?—Halfbred crossbred wool.

19. I have here the figures prepared by Dr. McIlwraith, and it seems that during the last eleven years wool has risen to a higher standard than it did in previous years?—The highest point for wool was touched in 1906. The price was 11½d. in 1890 for that class of wool.

20. And it is 11d. now?—My own experience was that I did not get as high prices in 1890–91 as I did last year and this year. I refer to wool from the very same class of sheep and from precisely the same class of country.

21. This table of prices would be approximately correct?—Yes.

22. *Mr. Hall.*] Could you favour us with the prices for the last ten years after looking up your own account sales?—I will try to let you have that information. There is another point I would like to refer to. The price of land has risen very much. Correspondingly rents of runs have risen, but I do not think that is a factor in the price of produce on those runs. I think the high price of land will be the ruin of individual farmers, but I do not think it makes the consumer give a penny more for anything. The prices are governed by outside factors.

JAMES WILLIAM TIMLIN, Accountant, City Electric Light Department, examined on oath. (No. 33.)

1. *The Chairman.*] What are you by occupation?—I am accountant of the Electric Power and Lighting Department of the Dunedin City Corporation. I have a statement from the Town Clerk relative to the price of gas. I will speak with regard to the electric-light supply. Price of gas per 1,000 cub. ft., net, Dunedin: 1876, 12s. 6d.; 1877, 10s.; 1884, 9s.; 1885, 8s.; 1887, 7s. 6d.; 1889, 6s. 3d.; 1907, 5s. 10d.; 1908, 5s.

2. There has been no change in the price of gas since 1908?—That is so: 5s. per thousand feet is the net price after the discount has been allowed.

3. *Mr. Veitch.*] Have the wages of the staff increased since then?—The Corporation pay a minimum wage of 8s. 6d. a day.

4. *The Chairman.*] What was the wage ten years ago?—I could not state.

5. Five years ago?—It would be 1s. per hour then.

6. Are there many men on that minimum rate of 8s. 6d. per day?—Not a great many in the Electric Power and Lighting Department.

7. Fifty per cent.?—No, not that.

8. Have you any statistics about the electric light?—I came into the office about 3.30 this afternoon, and the Town Clerk asked me to look up a few consumers' accounts to get the prices paid for electric light for residential purposes. I picked out four consumers in Musselburgh—that is, St. Kilda—and I found that their average worked out for electric light, plus meter-rent, to £2 10s. 6d. per annum—about 4s. 2d. per month.

9. What is the meter-rent?—At present it is 10d. per month. That is included in the cost to the consumer I have given. I also took four consumers in South Dunedin. These are all five- and six-roomed houses I am giving. I found that their average, plus meter-rent, was £2 15s. 9d. per annum, which runs out at about 4s. 5d. a month. I took three consumers in Maori Hill, and they gave an average of £2 16s. 1d. per annum, about 4s. 8d. a month. Four consumers in North-east Valley average £2 8s. 11d. per annum, about 4s. a month. I took five consumers in Ravensbourne and their average came out at £2 18s. per annum, about 4s. 10d. per month. I worked out the average of the five lots of suburban consumers, and it came out at £2 13s. 5d. per annum, or 4s. 6d. a month.

10. *Mr. Fairbairn.*] How many lights would they have burning?—A man using 160 candle-power, and using the whole of his lamps five hours a day for thirty days, would consume 6s. 4d. worth. That is running absolutely to the maximum and practically wasting light.

11. Have you statistics with regard to gas?—No. I could make a comparison with regard to kerosene.

12. *Mr. Veitch.*] What would be the cost of fitting a residence with electric light, compared with putting in gas?—We reckon the cost at about £1 a point.

13. *The Chairman.*] Does it not make a big difference whether the house is a new one or an old one?—There is not a great deal of difference.

14. What would gas cost to put in?—About the same. We call a fitting with two branches one point.

15. It costs really £1 a light to put electric light in?—Yes.

16. Have you an estimate of what it actually costs to put electric light into a five-roomed house?—About £10, and that would put a point in the kitchen for ironing. Many of these consumers whose averages I have given iron with the light as well. It works out that the cost for ironing comes to about ½d. About twelve months ago we sent out about a hundred circulars asking consumers how they viewed the cost of electric light as compared with kerosene. We got back thirty replies, and in nearly every instance they stated that electric light was cheaper than kerosene.

17. *Mr. Macdonald.*] What profit are you making on gas?—I have not the gas balance-sheet.

18. Do you make a profit on electric light?—Yes. We have only been running about five years, and at present we are still behind, but next year we are down in the allocations for £1,000 to pay to the Municipal Department to the relief of rates in the general fund.

19. Could you send us a balance-sheet?—Yes, I will send you the general balance-sheet up to the 31st March, 1912.

20. *Mr. Veitch.*] Assuming that a city has neither gas nor electric light, which would cost more to instal right throughout the town—that is, generating-plant and everything?—I think it would cost more under our scheme, which is a high-tension scheme generated from water. We are just extending up to 6,000 horse-power, and the total cost will be about £369,000. We are giving far better rates for power than gas.

21. You are going to supply power?—Yes. Nearly all the industries here which used to be run by steam are now run by electric power. They find it far cheaper than coal for motive power. If it costs a man £10 to instal electric light in his house, it is not a great deal compared with installing kerosene. £3 is not a high price for a hanging kerosene-lamp, and 5 per cent. on £10 is only 10s. a year.

THOMAS JAMES McCUTCHEON, Fish-hawker, examined on oath. (No. 34.)

1. *The Chairman.*] What is your occupation?—Fish-hawker. I wish to reply to some evidence given by one of the trawl-owners and one of the members of the Fishermen's Union. Dunedin has three supplies of fish—the line fishermen, the seine fishermen, and the trawlers. The prices

have gone up simply owing to the fact that these workers, both line and seine fishermen, have awakened to the fact that by combination they can control the market and raise the price. From their point of view they are quite right. They limit the amount each day, and when they catch too many one day they hold it back and send it up next day. Both the line and the seine fishermen have got a union, and when the price goes below what they consider a fair return to them they knock off for a day or two, and the price goes up again. This, of course, was a difficult season for ascertaining whether the price of fish was due to natural or unnatural causes. To give an instance: Five years ago kingfish for about three months averaged 9s. a dozen; this year they have not been down to 1s. each seven days in the whole year, and probably for the plentiful three months the average price was 18s. a dozen. That was not due to the fishermen, but was owing to the scarcity of the fish.

2. Do you object to there being an understanding between these fishermen?—Certainly not. From their point of view they are doing quite right. The market is free so far as I am concerned. We buy the fish under hammer from two auctioneers.

3. If fish sells at a prohibitive price what do you do?—We pass the price on to the public. They take fine care they keep the price so low that the public will buy. It was said by Keenan that when the public come in to buy the hawkers run the price up. That is absurd. I have never seen it done on the fish-market. If fish are plentiful the dealers take what they want and leave the remainder. Sometimes instead of the public buying dearer than the dealers they get it cheaper. Fish are put up in pairs, and we would be foolish to run up the price because some one wants a particular fish or pair of fish. One reason for limiting the supply by the boats was that when fish had been flush the surplus had been frozen and kept in the freezer until there was a scarcity and then brought out and sold. They are taken by boardinghouses, hotels, and the railway dining-car. That keeps down the price of fresh fish at those particular times. When they cannot get fish to freeze it naturally makes the price to the fisherman better.

4. *Mr. Macdonald.*] As it works out it has a tendency to keep the price uniform?—It has a tendency that way. I would also like to say a word about rabbits. Those who deal in fish also deal in rabbits. It was said by a witness that we bought the rabbits at Lawrence for 5d. a pair, and he had to pay 10d. for them in Dunedin. The retail price in Dunedin is 9d. Probably during the winter skins are worth 5d. a pair, but we cannot get our rabbits at 5d. a pair. We buy from the men near the line, and further back the exporters take up the land in blocks, put on trappers, and take the whole output. We have been offering 7d. a pair on the railway, and could not get them. When the railage is taken into account, all the hawker gets is the skin; and he has to prepare them.

JOHN BUCHAN, Fish-curer, examined on oath. (No. 35.)

1. *The Chairman.*] What is your occupation?—Fish-curer. I have sold fish wholesale and retail about as long as any one in Dunedin. I think I am the oldest fish-dealer in the market to-day. When fish are very plentiful we buy more than we require, and cure the surplus. If I send a case of fish of 33 lb. to half a hundredweight I am charged 1s. 10d. up to 2s. on the railway, and if I send 9d. worth of fish the carriage is 6d. People outside Dunedin cannot get cheap fish.

2. How do you send 9d. worth of fish by rail?—Through the parcel office. I have often sent cases of fish from here to Christchurch, and the price is excessive.

3. *Mr. Fairbairn.*] What is the price?—I cannot remember. The railage between Dunedin and Owaka is 1s. 10d. and 1s. 9d. a case of 30 lb. to 50 lb. If the price was cheaper it would encourage more to be sent.

4. What price per pound would you charge for that fish?—I am referring to the fish of which we have more than sufficient for the local supply.

5. How much do you charge for that fish?—Not more than 2d. a pound.

6. What sort of fish is it?—Ling and barracouta. Those are the only fish you can cure, and I am speaking of cured fish.

7. Do you confine yourself to curing fish?—Not always.

8. Could you give the price of fresh groper?—I could not; it varies every day. The point I want to make is that the railway charge on fish is excessive. Farmers should not get the cheap freights all their own way. Fruit is carried for 1s. a case from Central Otago, and we are charged 3s. for the same weight of fish to the same place.

CHRISTCHURCH.

MONDAY, 10TH JUNE, 1912.

WILLIAM HENRY BOWATER, of the firm of Bowater and Bryan, Sawmillers and Timber-merchants, examined on oath. (No. 36.)

1. *The Chairman.*] You are in the timber business?—Yes.

2. Have you been in it some time?—Yes, twenty-four years.

3. To what district does your experience relate?—To the West Coast district.

4. Could you make a statement to the Commission about the position of business on the West Coast in regard to the transactions you have had in the timber trade?—In what way, Mr. Chairman?

5. Well, we would like to know pretty nearly the extent of the business of timber trading in Westland. You could give us some idea of the trade, whether of export or local consumption, during ten years—say ten years ago as compared with the present time: could you do that?—I could do it roughly from memory. I have no records here.

6. Give us an approximation. Tell us the mode of business—how the timber is conveyed to the purchaser. But first let us hear about the amount of business done in the timber trade, say, ten years ago?—The timber exported to other parts twelve years ago would be about twenty-five million feet.

7. And the local consumption at that time?—I could not say.

8. You have no idea of the output of the several mills?—No, not in regard to local consumption; I have never seen the figures.

9. And what is the export at present?—The export for the last two years—things are very quiet just now—has run from fifty to sixty million feet per annum.

10. *Mr. Fairbairn.*] For the whole of the West Coast?—Yes.

11. *The Chairman.*] A considerable increase, then, in the ten years?—Oh, yes.

12. Have you any idea whether there is a controlling ring or combination affecting that business on the West Coast?—No, I have no such idea. Of course, we do arrange prices.

13. Who are "we"?—My firm is free, but there are plenty of mills that do arrange prices. The West Coast Timber Company arrange prices for their own mills.

14. Is there a great deal of difference between the prices which they arrange and the free mills?—Sometimes there is a little difference—not a great deal; there is no room for much difference.

15. During the time the timber trade has increased in volume has there been much increase in price?—Yes, quite a considerable increase in price.

16. What is the difference in the principal products—rough red-pine, &c.?—We are working under different conditions now. The sales are conducted differently from what they were, going back twelve years, at any rate. We used to sell on the contents of the log basis. We were selling then 5s. 6d. and 6s., as far as my memory serves me: it is a long time back, and I have no records here.

17. *Mr. Fairbairn.*] That is rough timber?—That is on the contents of the log, taking the clean and rough timber together. Merchants at that time took the whole log, and took a considerably rougher class of timber than is being used to-day.

18. That is for rough red-pine you quote?—Yes.

19. *The Chairman.*] What is the system at the present moment?—Well, the timber is classified, ranging from 5s. for the rough O.B. timber to 7s. 3d. and 9s. 6d. for dressing lines—that is, clean timber suitable for dressing, not dressed timber.

20. *Mr. Veitch.*] Is that the retail price?—That is the wholesale price.

21. *Mr. Fairbairn.*] Where are these prices for?—F.o.b. Westport, Greymouth, or Hokitika.

22. *The Chairman.*] Could you give the Commission your opinion of what has been the cause of the rise of price?—There is from 15 per cent. to 20 per cent. increase of wages during that time. The timber is also further back, in some cases necessitating additional railway freight.

23. The cost of transport has to be added?—Yes, and the timber is also further away from the railway-lines, we have to go further back into the country.

24. Are any mills cutting now that were cutting ten years ago?—Oh, yes.

25. Then those mills are getting the benefits of the prices?—Not necessarily; if a mill has settled in one place for ten years the bush is a long way back from the mill: they then have more cost of logging.

26. *Mr. Fairbairn.*] You consider that wages have increased 15 to 20 per cent.?—Yes.

27. What difference would that make in the cost of production: would it make 1 per cent.?—It would make considerably more than that—oh, gracious, yes!

28. It was proved that the increase in wages has only added $\frac{1}{4}$ d. per carcase in meat?—That would be on the distribution.

29. No, in the cost of producing—slaughtering?—That is not in growing the carcase. And in that case you are only dealing with part of the increase. We are dealing with the whole increase. Timber is largely a question of labour to produce—more than would obtain in the butchery trade.

30. *The Chairman.*] Has any part of that increase arisen from excessive royalty?—The royalty during the period named has doubled. There is also accident insurance thrown on to us, which is a very big thing.

31. *Mr. Macdonald.*] Do you remember the rate?—For bush hands, £4 8s. per cent. on the wages. It is a very big thing. That is an expenditure that has been brought about within the last eight or nine years, as far as my memory serves me.

32. *Mr. Fairbairn.*] You mentioned red-pine suitable for dressing, selected red-pine—what is the price of that when it is dressed?—11s. f.o.b.

33. Is that the highest class of red-pine shipped from the Coast?—No, figured comes in after that—figured timber is 14s. f.o.b. undressed, and dressed 1s. 6d. per hundred extra.

34. *Mr. Veitch.*] There is a difference between dressed timber and moulding?—Oh, yes, a vast difference; and dressed timber does not imply dry timber. The expenses of drying run into more than dressing timber.

35. In the matter of this moulding: do you do that class of work in your mill?—No, not any moulding for export.

36. Can you tell the Commission what is the cost of moulding timber?—What would be the cost if we did it?

37. The selling-price?—They always do it in the cities; they dry it first and mould it afterwards.

38. *Mr. Fairbairn.*] These prices that you are quoting are to-day's prices?—Yes.

39. How long have they been in existence?—Six to twelve months.

40. Can you give us any information with regard to freights to Lyttelton?—The freight formerly was 2s. 9d. per 100 ft.; that is some years ago.

41. What are they now?—3s. 3d.

42. In regard to the increased output of timber from the West Coast: has white-pine entered largely into that?—No; a better price is obtained for white-pine than for red-pine.

43. Is the increase due to the larger amount of white-pine?—Yes.

44. What proportion of this 60 million feet would be white-pine for butter-factories, approximately?—Probably 10 to 12 million feet.

45. *The Chairman.*] Is there any understanding between the shipping companies and certain mills to carry freights at a lower cost—no rebate?—None that I know of; no. I would just like to add, Mr. Chairman, that at the present time there is a very much finer article required to supply the market than was required twelve years ago. People were then taking very much rougher timber than they are using to-day. We notice that all through; indeed, that was the reason we had for putting up the dressing lines.

46. To what do you attribute that?—To a rise in the public taste. There is no doubt the present time is one of luxury and sport, to a large extent, compared with twelve or fifteen years ago. We notice it in the sash-and-door line. There used to be a much cheaper class of door on the market than that used to-day. Nothing but figured rimu will do them indoors to-day, which is due to the improvement of the public taste.

47. So that you would say that the rise in wages, the growing distance from the market of the mills, and the more expensive taste of the present day are the causes of a rise in the price of living, if such rise exists?—Yes, I should think so, so far as that affects the trade.

48. *Mr. Fairbairn.*] There is one point I should like more definite information about *re* the 15 to 20 per cent. increase: what would that percentage mean in the increased cost of production?—The wages are about 60 per cent. of the total price; the total cost—that would be 15 to 20 per cent. of 60 per cent.—that is, about 10 per cent. of the increased cost of timber is due to increase of wages.

49. *Dr. Hight.*] You said that the West Coast Timber Company arranges prices sometimes?—Yes.

50. What do you mean precisely by "arranging prices"?—They state at what they will sell the timber for.

51. Can you give us any idea of the relative amount of the total output produced by this company?—Yes; roughly speaking, they are supplying about two-thirds of the export.

52. And then as to the increase in the rate of wages: you say the increase has been from 15 to 20 per cent. on the wages paid?—Yes.

53. Has there been any increase or any other result observable on the efficiency of the labour employed? Do you get more result in a given time than before?—No, we get less.

54. That is to say, the average worker, you consider, receives wages 15 to 20 per cent. higher than the average worker of twelve years ago?—Yes.

55. And is responsible for a smaller output?—It is taking about sixteen men to do the work that twelve men did formerly. I do not say that is due to malingering—I would not say that. I am not here to say anything of that kind.

56. Are there any causes which may explain the reduced output per man?—

57. *The Chairman.*] Perhaps they worked longer hours twelve years ago?—No, I think not.

58. *Dr. Hight.*] What about the machinery now used: does that differ?—The machinery is much better in efficiency. The price of the timber would be much dearer to-day if there were not increased efficiency of plant.

59. *Mr. Macdonald.*] On the Coast all the areas are small; if you had bigger areas, as in America, could you put on improved machinery, and therefore reduce the cost?—Oh, yes, that is so. If we had been allowed to hold a much larger area than we have been holding we could have cut timber at much reduced rates. One of our mills has been in the same position for the last twelve years, and the bush is quite a network of tramways, laid at considerable cost to us, and they are now lying there idle.

60. *The Chairman.*] Might not the reduced output in comparison to the number of men employed be not so much from a reduction in the efficiency of the men as from these smaller areas and this network of tramways: might not some reduction be due to the difficulties of management instead of non-efficiency of the men?—I do not say it is due to the non-efficiency of the men; I simply said it took sixteen men for the same output that twelve did formerly.

61. But the inference would be drawn that it would be through that inefficiency?—No, not necessarily.

62. *Dr. Hight.*] Are the areas smaller than they used to be?—No, about the same. If we were allowed to hold 2,000 acres or 3,000 acres when we started to cut twelve years ago we would have put in an iron line with a locomotive, and that would have been working against horse traction, which is the dearest mode of traction.

63. What area would justify a modern up-to-date plant?—A modern up-to-date plant would require fifteen years' life, and it would be cutting probably 20,000 ft. per day, and cut out 3 acres per day, say.

64. *Mr. Robertson.*] In regard to white-pine: could you give us any idea of the increase in the price of that over the same period?—White-pine, in consequence of the Australian trade taking all they can get, has been largely responsible for the increase of price.

65. How much is the increase of price?—White-pine ten or twelve years ago was about the same price as the red-pine; to-day, on the whole, it is more money—it is worth more money than the red-pine. We get 9s. for butters, first-class; 8s. second class, other sizes 8s. and 7s. On the whole it is a better price than red-pine.

66. What proportion of the total output would go to Australia?—Very nearly the whole of the output goes to Australia; there is very little demand in New Zealand for butter-boxes—comparatively small compared with the amount of cutting.

67. *Dr. Hight.*] There is an export duty on white-pine?—No.

68. *The Chairman.*] Is there any statement you could make that has not been elicited by the questions, or anything in regard to the rise of price that you wish to say?—I am not aware of anything; I think you have covered the ground pretty fully.

FREDERICK G. M. BRITTEN, Surgeon, of Christchurch (late of Te Puke, Bay of Plenty), examined on oath. (No. 37.)

Witness said he had been paying 8d. per loaf for bread, 4 lb. loaf, at Te Puke, whereas when he came down to Christchurch it was 6d. One of the reasons for that was the cost of transit, and the other, monopoly. At Te Puke there was only one baker within eighteen miles, and this man could charge just what he liked. *Witness* lived within half a mile of the bakery, but could not get the bread for less than 8d. At one time there were three butchers in the township, but they amalgamated, and charged what they liked for meat, and the meat was the worst he had ever tasted. £30,000 or £40,000 worth of meat was exported, and the rejects kept for local consumption. He did not think there was any monopoly in regard to bread in Christchurch; he thought there was free competition. *Witness* gave figures as to cost of freight on goods shipped by the Northern Steamship Company—£19 from Te Puke to Auckland by steamer for 11½ tons. The Northern Steamship Company had a monopoly. He believed it cost more to get goods from Auckland to Te Puke than from America to Auckland.

Mr. Fairbairn said the freight from America to Auckland was much higher than that.

Witness produced account from Express Company showing how the freight charges and incidental expenses were made up. The Northern Steamship Company charged these high rates on the necessities of life, and then there was a clique of people in Te Puke who kept the monopoly in their own hands. There were hundreds of thousands of acres of unproductive land about Te Puke, and now that the railway was being made there the population would increase and competition would come in. The land-values would increase too. He was up in the district two and a half years ago, and he was certain it would be the orchard of New Zealand; there was some of the best country with the best climate in the Dominion. *Witness* gave details of the insufficient municipal work done in the way of roading and channelling and asphaltting. There was no registration of the births, deaths, and marriages among the Maoris. The Maoris died without anybody trying to find the cause, and no steps were taken to prevent the spread of contagious diseases. He knew that the price of land had gone up 80 to 100 per cent. since he had been there; he knew one person who was holding on to some thousands of acres waiting for the unearned increment, and only employing one man on the land. There had been a good many land-sales lately. Rural areas brought £20 to £25 per acre at the outside. One grazing-farm (dairy farm) he knew brought £30: that was within two miles of the township—an improved farm. The unimproved land went for from 25s. per acre up to a few pounds per acre: that was within five or six miles of the township.

HOWARD WALTER HESLOP, Representative of Messrs. H. L. Bowker and Son, Land and Estate Agents, examined on oath. (No. 38.)

1. *The Chairman.*] Are you well acquainted with this district?—Yes, I have been here since 1881.

2. Has there been any considerable increase in the land-values in Christchurch?—My experience from that standpoint does not date back to 1881, but I can say that during the last ten or fifteen years there has been a very marked increase.

3. What percentage has it risen during the last twenty years?—That depends entirely on the locality; some localities have increased more than others.

4. *Mr. Macdonald.*] Have all localities increased?—Yes, on the legitimate values. In some areas there are some fictitious sales which cannot be taken as any criterion of the value of the property. For instance, of what we call “illegitimate” values, such as away in north New Brighton, the people speculate in land where there is no legitimate demand; we do not consider those “values” at all in the right sense of the word.

5. *The Chairman.*] Has that increase which affects Christchurch affected also the whole of the land in Canterbury?—Possibly not from the same cause. My experience is limited to city and suburban property, not rural land.

6. What has caused the increase in value in urban and suburban lands?—Increased prosperity and increased population; it is purely a question of supply and demand.

7. Then, this rise in value is mostly a community-created value?—Yes.

8. Do you think the increased cost of land has added directly or indirectly to the cost of living?—No, I do not think so.

9. You do not think so?—Except from the standpoint of the man who is living in a more palatial home. I take it that this Commission deals more with the man where it is a question of a small income—the average man. Of course, if a man has to pay more for a section—say he pays £100 more for a section—the increase to him is only £5 per year—that is not very material.

10. *Mr. Fairbairn.*] Oh, that is 2s. per week?—Of course, it must increase the cost of living in that sense.

11. *The Chairman.*] Is not that balanced by other lands being cut up into sections, adjacent lands, so that he has a better chance of going further out and getting a cheaper allotment?—I do not think so. The rating on unimproved values has meant the cutting-up of more blocks of

land, but it has not cheapened the value of sections to any material extent. Two miles out from town to-day we are selling quarter-acre sections at £300 or thereabouts.

12. Because the trams run there?—Well, of course, they would not take it if the trams did not run there; but it is not solely because of that; that does add very greatly to the value of the section, of course.

13. *Mr. Macdonald.*] That makes the demand, does it not—gives access?—It assists the demand.

14. *The Chairman.*] You consider that the people of Christchurch by obtaining money for the tramway have put themselves in a position where they are paying larger rents even if they go three or four miles away to get the houses?—That is such a very fine point. If you try to work it out on a mathematical calculation it would be difficult to say the proportion. There is no doubt that the proximity of a tram-line enhances the value of the section—that is, increases the cost of the section. Of course, a man can always live cheaper in a rented house when he gets over a certain figure—over £1 per week he can live cheaper by paying rent than by owning his house.

15. The rented house is cheaper, then?—Not in every case; only over a certain value—over £1 per week in rental value.

16. *Mr. Fairbairn.*] What is the reason for that?—It is an extremely difficult matter to get any one to pay more than £1—there are isolated cases, but they are only a small proportion—per week for a house for purely residential purposes. The large percentage of houses are let from £1 per week downwards.

17. But there must be a proportion of more expensive homes?—Yes, but the proportion of houses let over £1 to £1 5s. per week is very small compared with those under £1 per week. There is always a certain section of the community who are not sufficiently secure in their residence in the city to warrant them buying a house—Government servants, and so forth.

18. *Mr. Macdonald.*] And there is a proportionately less desire to own houses worth over £1 per week?—Yes.

19. *Mr. Veitch.*] Does that mean that more workers own their own homes than well-to-do people?—I would not be prepared to say that. The proportion of workers to the well-to-do class is very much greater, and the well-to-do class have more of the home instinct in them than the average worker.

20. *Mr. Hall.*] Do I understand you to say that you think a house letting for more than £1 per week is returning a lower percentage of profit than the smaller houses?—Yes, we always advise clients coming to us to invest in house property not to go over £500 in their purchases.

21. What would a £500 house let for?—From 17s. 6d. to £1 per week.

22. What would be the percentage for one of the more expensive houses?—It would not bring in 7 per cent. net—that is, as a general rule. Of course, there are ways of making them bring in more, making the percentage higher, by a man borrowing on the property as low as possible, and make the other man's money work for him.

23. *Mr. Veitch.*] You say that although the rating on unimproved values has not led to the cheapening of land, it has led to the subdivision of land for building purposes: is that what you meant?—Yes; I would not say that the rating on unimproved values has not had the effect of cheapening the land, because I do not think anything would have stopped the natural increase in value. The rating on unimproved value has meant this: up in St. Albans, to take an illustration, there was a big block of Church Property Trustee land—market-gardens, &c., it was used for;—under the rating on unimproved values the rates were prohibitive of the land being used for that purpose any longer, and the outcome is that, with discretion, it has been cut up and put on the market: not all at once—that would cause a glut.

24. That would have prevented an increase or forced a fall?—Yes. The land has been held by people not compelled to put it on the market at once; they would hold back some, and not cause a glut.

25. *Mr. Hall.*] Has this had the effect of driving the market-gardeners further out?—Yes. In this case it was a very good thing, because it left the land free.

26. *Dr. Hight.*] You consider the influences at work, then, are—1, the increase of population, and 2, the greater supply of money?—Yes.

27. And these have tended to increase the land-values?—Yes, and the increased facilities, such as electric trams.

28. I am referring to the general causes?—I see.

29. Have you found that the values of land not on tram services have fallen during the last fifteen years, comparing pre-tramway days with now?—Oh, no; I do not think any land round about Christchurch has fallen; there has been a legitimate rise all round.

30. Land away from tram services is dearer now than it was?—Yes.

31. And the land on the tram-lines is very much dearer?—Yes. Of course, as the land nearest the trams increases in value, other land fairly adjacent must naturally increase in value.

32. *Mr. Macdonald.*] Do you not think the rate on unimproved values has kept the price at a lower level?—No, I do not think it has had that effect. I do not think the rating on unimproved values has had any effect on the price of land, but merely on subdivision.

33. Although it has forced allotments on the markets?—Referring to land held in Christchurch in big blocks, such as by the Rhodes, Steads, and others: these people can hold their land as long as they like; and the Church Property Trustees held their lots—the Trustees were very careful not to throw it all at once on the market.

34. *Mr. Hall.*] Is the cost of roading and kerbing on these allotments very heavy?—I do not think that has anything to do with the enhanced value of land. I do not think that has had any effect at all.

35. *Mr. Fairbairn.*] Can you give us some information about the rents? Can you tell us the rents ten or twelve years ago?—I made inquiries in the office before coming here.

36. What was the rent of a four-roomed cottage of a particular kind in a particular locality ten years ago, and to what has the rent increased for the same kind of cottage?—The same house ten years ago would be a higher rent than it is to-day—the same house.

37. Your idea is that rents for the same houses having the same facilities would be less now in that particular grade?—Yes. Of course, the houses that they are building now are costing more, for various reasons—the natural rise in the cost of building, the increase of everything used in the houses, and also the man is compelled to put more conveniences into the house—hot water, connections with sewers, &c.; they are not the same houses. The building of the more modern houses has had the marked effect of cheapening the houses with less conveniences, so that a man who is not in a position to pay the higher rent is in a better position to get a cheaper house than he was ten years ago.

38. The advance in the rents is owing to more conveniences in the modern house?—Yes, that is the essence of it; people nowadays, no matter how humble, are demanding the maximum of comfort at the minimum of cost. We have them coming to our office and wanting a four-roomed house on the 1d. section, with bath and sewer connections, hot and cold water, and they want it all for 10s. per week.

39. *The Chairman.*] You do not wish to show contempt for these wishes to be clean and comfortable?—Oh, well, a man can keep clean and comfortable—

40. *Mr. Macdonald.*] Outside the penny section?— —without having all these modern improvements. We used to keep clean and comfortable without a bathroom.

41. *Dr. Hight.*] You spoke as if the increase were due to the increase in building houses?—I do not think the increased value in land has had any marked increase in rents, because years ago people never thought of building a house on less than a quarter-acre; now they build two on that. You do not get the same land, but the people nowadays do not want the same amount of land. If they have the land they do not make any use of it, half of them.

42. *Mr. Macdonald.*] Your attitude to the unimproved value is this: supposing the rating had never been instituted, would these Church people have put their sections on the market?—That is a question I cannot answer. The absence of these sections on the market (a very big proportion of available land was held back) might have caused sections that were available to increase in value to such an extent that these Church Trustees might put their land on the market anyhow. Then, again, it might have meant that people went to other localities.

43. *Mr. Veitch.*] You say people want conveniences now, and not large blocks of land?—As a general rule, yes.

44. And you say that the increased value of the land has not increased rents?—Of course, it must have made some slight difference, but not materially increased the rents, because, as I say, men are building houses now on smaller sections, and a slight increase in the cost of a section does not make a very material difference in the cost of the whole property from the interest point of view.

45. *The Chairman.*] Is there any statement you would like to make which has not arisen from the questions asked?—No, except from an observation standpoint. I cannot speak authoritatively, and I do not make the statement for publication; but I think that, to a very great extent, the cost of living in Christchurch has materially increased because people are more bent on amusement and leisure and luxury than they were ten or fifteen years ago. We have evidence of that fact from all the conveniences that people want. Ten years ago people were prepared to work harder in their homes. I do not begrudge people the maximum comforts they can have, but the general trend, in my opinion, is for people to have the maximum enjoyment and comfort, and they do not mind what they spend on picture-shows and gadding about.

46. You think these pleasures should be reserved for a certain class of persons?—I think they should use discretion.

47. *Mr. Veitch.*] Do you think business men want more luxuries, and, therefore, charge more profits?—Oh, no.

48. The business men do not want more luxuries, only the workers?—I am speaking generally; I am speaking of all the people.

49. *Mr. Fairbairn.*] The business man wants the motor-car?—Yes, that is so.

50. *Dr. Hight.*] Is it not that the means to gratify these wants have stimulated the demand?—Very likely; I am not blaming the people for wanting picture-shows and anything of that sort; I merely record the fact that I think at the present time the cost of living is so much greater not only from that cause, but because people are spending too much in amusements and luxury.

51. *Mr. Fairbairn.*] Your first statement fairly covered the whole thing—increased prosperity and increased population?—Yes.

52. *Mr. Macdonald.*] Is your experience that the tenants now do not look after the houses as well as they did ten or fifteen years ago?—As a general rule, that is true.

53. *Mr. Fairbairn.*] Does that refer to the small houses?—Yes, as a general rule; of course, there are exceptions. We get hold of some fine tenants. Different offices have different experiences. In our office we take a pride in our letting business, and sort out people we think will be good tenants.

54. Have you any system of blackmarking tenants known to knock places about?—No; I think it would be a good thing if we had. But there is no co-operation between the agents in Christchurch. We have had one or two tries at forming an association to protect the public as well as ourselves, but there is too much jealousy among agents, and we could not do anything.

55. *Dr. Hight.*] Could we get a table of rents paid for a typical house in each grade?—I could have one prepared for you.

56. *The Chairman.*] Would it be very much trouble? The Commission would pay a clerk's expenses?—Oh, it would not take long. But it is very difficult in our business to lay down a general rule for a typical house. Each house differs so much from the other that it does not convey much to merely quote rents and rooms.

57. *Mr. Fairbairn.*] Would it not be a good thing to keep within the scope of ten years ago and to-day for exactly the same type of house?—Yes, I see.

58. *Dr. Hight.*] Perhaps you could take a house typical of those rented by men receiving £3 per week, but then perhaps the character of the house would change and that would be more difficult to tabulate?—Yes, and we are not always in possession of the information in regard to the income. We could only guess at typical classes. However, I will prepare a table.

P. J. DE LA COUR, Boot Manufacturer and Importer, examined on oath. (No. 39.)

1. *Mr. Fairbairn.*] Do you wish to make a statement to this Commission?—No, I have been called here.

2. You are a wholesale boot-manufacturer?—Yes, I manufacture for the trade.

3. Have you any knowledge of any combination between the boot-manufacturers, or any understanding with regard to prices?—None whatever.

4. The business is perfectly open and competitive?—Yes. We have got the world to compete against.

5. Hardly that, being a protected industry?—Oh, well, it is protected in a certain sense, but not very much for the colonial manufacturer.

6. You say there is no understanding with regard to prices among the manufacturers?—None whatever.

7. *Mr. Hall.*] Do you think the cost of manufacture here is larger than similar establishments in the United States, America, or England—the cost of making a pair of boots or slippers?—Oh, very much more here.

8. Can you give us any idea as to what you estimate the difference in cost between making a pair of slippers in New Zealand and in the United States, America?—Oh, well, we can buy the English-made slipper at something like 1s. 9d., and we could not make the uppers here for anything less. You can get the slipper ready made far cheaper than we can do the uppers.

9. Is it the lower wages?—Lower wages and longer hours of labour and better machinery.

10. *Mr. Fairbairn.*] What would be the cost of these 1s. 9d. slippers in New Zealand?—They would have a leather sole, and there would be 6d. per pair and 15 per cent. duty.

11. And the cost of making them here?—You could not land them here under about 3s. 3d.

12. Then, 3s. 3d. is the New Zealand cost?—Yes.

13. The duty on slippers is 6d. per pair and 15 per cent.?—Yes, 10d. in duty and 6d. for freight, exchange, and other charges.

14. So that the duty and the original cost of manufacture would amount to 3s. 1d., and the New Zealand cost alone is 3s. 3d.: what is that owing to?—In the Old Country they would have cardboard stiffeners in soles and a part of the soling.

15. I understood it was exactly the same pair of slippers we were talking about?—Oh, no; we could not touch the cardboard here; the cost of labour to handle the cardboard would be altogether too much.

16. You are now speaking of a different article?—Oh, well, we could not manufacture that slipper at all. I thought you were speaking of the cheapest slipper we could make.

17. You mentioned the cost would be 1s. 9d. for the slippers, and I asked about the same pair of slippers in New Zealand?—They are not manufactured in New Zealand at all.

18. What would those 1s. 9d. slippers sell for in New Zealand?—Different shops have a different way of working their profits.

19. No doubt. What would be a fair price?—About 4s. or 4s. 3d.

20. That is a pair of slippers that would be 1s. 9d. in England would be retailed at 4s. 3d.?—Yes.

21. And the duty and landing charges would be 1s. 4d.?—Yes.

22. The duty is 1s. per pair on boots plus 15 per cent., plus half as much on Continental?—Yes.

23. So that it becomes very heavy on children's boots and slippers?—Yes; in fact, with anything below 5s. they are not worth the money that is paid for them.

24. *Mr. Veitch.*] What is the duty on other boots?—1s. on women's, and children's about 6d. per pair, and 1s. 6d. on men's, plus 15 per cent. on all lines.

25. *Mr. Macdonald.*] Then, the duty on lower-priced articles is not benefiting any New Zealand manufacturers at all?—No, the working-class have to pay for that particular duty, and they do not get value for their money.

26. Would you recommend the removal of duty on boots under a certain value?—Certainly—not exactly on boots, but even slippers and shoes and articles that cannot be made in New Zealand.

27. Has your manufacturing cost increased during the last ten years?—Oh, very much. I could not exactly give you an idea of how much, because I was only called about 10 o'clock this morning. We have had to get machinery to cope with the working-expenses; instead of putting on the cost we have got more up-to-date methods, and lessened the cost of production every time. Although cost of production has increased, boots are sold as cheap now as they were ten years ago.

Dr. Hight.] The different items in the cost of production are charged in different ways?—Yes.

29. *Mr. Fairbairn.*] Have the costs of leather advanced?—Yes.

30. And wages?—Yes.

31. To what extent have wages advanced?—The minimum wage, say, ten years ago was £2 2s., and the minimum wage is now £2 6s. The wages for females who have served five years was 22s. 6d., and is now 30s.; and boys and girls 5s. to 6s., now 10s. to 12s. 6d.

32. What advance would that mean in the cost of production of boots—that 4s. 6d. increase in wages?—It would be about 10 per cent.

33. That is impossible—that is, for wages only?—The cost of leather has advanced more than 10 per cent.

34. What is the percentage of wages in manufacture? Take a pair of boots you would sell wholesale at 15s.: what amount of wages would be in the manufacture of that pair of boots?—About 5s.

35. That is one-third: then the wage increase would be $3\frac{1}{3}$ per cent., and not 10 per cent.?—Yes, but you go ahead on leather.

36. I am dealing with the labour of making the boots?—Very well.

37. You say that wages in the cost of manufacture are about one-third?—Yes.

38. *Dr. Hight.*] Does that apply to all kinds of boots?—Well, we can just take it as an average.

39. *Mr. Fairbairn.*] Other materials, such as grindery, &c., have they advanced?—Not very much. Nails do not vary very much; brass rivets go up and down.

40. Then it must be obvious that you cannot attribute the rise in price of boots to wages?

41. *Mr. Macdonald.*] But you say there is no rise?—No; we have kept up with the increased cost by improved machinery.

42. In ten years there would be considerable development in that respect?—Yes.

43. Has there always been a tariff on certain classes of boots?—Yes; three years ago the tariff was increased in some respects, and in others decreased. Five years ago a 10s. pair of boots (English value) would be 13s. 9d. per pair here.

44. *Mr. Fairbairn.*] What would be the duty?—25 per cent. *ad valorem* all round on boots five years ago. The present duty is 1s. 6d. and 15 per cent., so that there is an increase of duty. Take a 14s. pair of boots: they used to cost 18s. 11d., now they cost here 19s.—that is only 1d. advance; you get that boot for practically the same money. On the 16s. pair of boots, the duty would come out less.

45. Now take a pair of boots invoiced at 5s.?—We do not import anything like that 5s. boot; we just go in for the grades I have been giving you. Take a pair of lady's evening shoes costing 1s. 5d. in England. They used to land at 2s. 5d. The duty on those would be 4½d., and now 1s. 2½d. With the duty on, they are not worth the money.

46. What do you allow for retail profit?—I suppose they will want 25 per cent. anyway.

47. Is not the effect that these cheap boots are absolutely shut out?—There are some coming in still, worse luck.

48. Carrying a duty of nearly 100 per cent.?—Yes.

49. Do you import any?—No.

50. Do you make them?—We cannot touch them at all; there are none made in New Zealand. We could not touch them at 1s. 5d.

51. And the cheaper slipper carrying these high duties?—We could not touch them either; they are not made here.

52. Then there is no advantage to you in having the duty retained?—Any felt slipper or evening shoe costing anything under 2s. 6d. in the Old Country is not made here.

53. *The Chairman.*] Are they made by sweated labour in the Old Country, or is it a case of high efficiency of machinery?—I think the man and wife and as many children as they have got make a lot of these cheaper shoes.

The Chairman. That is what I call sweated labour.

[*Witness* produced felt slipper and stated that that could be manufactured by him wholesale for 2s. 9d.; he thought they could have competed on them, and imported a small consignment of material costing about £30, but he had had to pay £9 duty on it, so that shut out the line altogether. He had thought the material (red felt for lining) would come in free.]*

54. *Mr. Veitch.*] If the material came out free of duty, and the tariff remained as at present, could you get on then?—We could not touch that particular line now.

[*Witness* produced another slipper ("carpet" slipper), and said that cost 20 per cent. to line, and the outside came in free—that was, the best part of the slipper came in free, and the inferior (lining) cost 20 per cent.]

55. *Mr. Hall.*] If you got in these materials free it would assist you?—Very much.

56. *Dr. Hight.*] Are these materials manufactured in New Zealand?—No.

57. *Mr. Fairbairn.*] What is the description of material?—Red felt. There is another material known as "top-bending"—that is for the inside top bend of ladies' boots; it is of silk or coloured material; that carries a duty, but if you cut up the roll into strips under Customs supervision you get it in free. What is free is just the white linen or calico lining. We sent this red felt up to Wellington and the slipper, and they said they could not recognize it that way—that it was flannel or flannelette.

58. It could be put to some other use?—Well, I do not think so; if it were washed there would not be anything left of it.

59. Carpet felt is dutiable, and they might regard this as coming under the same classification?—Yes.

* The Secretary of the Commission rang up the Customs Department, Christchurch, and was informed that red-felt lining for slippers was free.

EFFIE JULIA MARY CARDALE examined on oath. (No. 40.)

1. *The Chairman.*] You are secretary of the Coal and Blanket Fund, Christchurch?—Yes.
2. Can you make any statement to the Commission bearing upon the question of the rise in the cost of living?—Yes. I not only work for the Coal and Blanket Fund, but I am a worker as well. I have had some eleven or twelve years' experience here, and I think I can give the Commission some information upon some aspects of the question they are inquiring into. I find that blankets have varied very little in price—at least, so far as concerns the Coal and Blanket Fund.
3. Say from ten years ago until now?—Yes, they have varied very little in price during the past ten years.
4. *Dr. Hight.*] Retail prices?—Yes, net prices.
5. *The Chairman.*] Do you buy your goods wholesale for distribution?—No, we call for tenders.
6. Do shops or wholesale houses send in tenders?—Shops.
7. Do you buy more blankets now than you did ten years ago?—Yes, we buy considerably more now. I do not know that the Coal and Blanket Fund was in existence ten years ago. I have been secretary for four years, but I was on the committee for several years before that.
8. Do you think that the number of blankets you buy has increased by 50 or 100 per cent. during that time?—I really would not like to say, but I know that the number of blankets we issue has increased. The number of applicants was about 200 when I first started, and the number has increased every year. Last year we had about 530 or 540 people applying.
9. Were you able to give blankets to them all?—No, I think there were about fifty that we did not help at all. Some asked for coal. The greater number received blankets.
10. The cost of living has not increased in the matter of blankets?—No.
11. Could you tell us about coal?—Coal is going up steadily every year in price.
12. Do you know what price it was ten years ago?—No.
13. How far back does your experience relate to?—Five years.
14. What coal do you use?—We use Greta and Pelawmain—Newcastle coal.
15. Is the quantity you distribute now greater than it was five years ago?—Yes, we give more than we did at first to each person.
16. So that there has been a considerable increase in the amount of coal distributed. The price has risen as well as the quantity?—Yes.
17. Could you tell us for the last five years what the rise has been?—One year, I think, we only paid 28s. a ton. I think that five years ago the coal was more expensive, and the next year it was cheaper. This year we are paying 34s. 4d.
18. *Mr. Fairbairn.*] What is the price of Westport coal here?—I do not know. We only call for tenders for Greta and Pelawmain coal.
19. Can you give us any further information?—When we come across these distressing cases we never leave it at giving coal and blankets. I know that in the case of bread, where the families fetch it, 4 lb. loaves were only 4d. at one time; now the price has gone up to 6d. or 6½d. In the case of rather large families that makes a very great difference.
20. Butter?—I could not say about butter. But as to potatoes, they are such a standby for big families. They used to be 5s. 6d. a sack, and even cheaper. During the last few years they have gone up to 12s., 15s., and £1 a sack. Look at what a big difference that makes in the case of a big family. The year before last potatoes were £1 a sack.
21. Meat?—Meat is dearer than it used to be. Years ago you could get a neck and breast of mutton: from that the meat could be given to the husband, and broth could also be made for the children. Now you have to pay 6d. for half the quantity you used to get for 6d. That was five or six years ago.
22. Could you tell us the difference in the price of mutton five years ago and what it is to-day?—No.
23. But, generally speaking, there has been an advance?—Yes.
24. To what extent on mutton—1d. a pound?—I should think it might be.
25. *The Chairman.*] In regard to other household necessaries?—At one time milk was 3d. a quart; now it goes up to 4d. in the winter; and in the case of children that increase makes a great difference.
26. Do you think that five years ago it was 3d.?—Five or six years ago certainly it was 3d.
27. *Mr. Fairbairn.*] Of course, milk would vary in price with the season of the year? They never used to put milk up in the winter as they do now. Last year it went up to 5d. a quart. In regard to boots and shoes, I think the prices of those have gone up tremendously—strong boots for children, for instance. Formerly you could get for 7s. 6d. a good strong pair of boots for a child of ten or eleven years of age. Now they are 10s. and 11s. per pair.
28. Are those locally made boots?—I could not say.
29. *The Chairman.*] As to clothing, could you tell us whether there is any difference in cotton goods during the last two or three years? Are they any cheaper now than two years ago?—I do not think they are any cheaper. I think they are much about the same price.
30. Although the tariff has been altered and the duty taken off?—I should not think that cotton and calico are much cheaper.
31. Woollen goods?—I could not say about those.
32. Do you think that drapers' goods generally are dearer?—I am sure they are. I know that where we used to be able to get a coat and skirt ready-made for a certain price, you cannot get one for that price now.

33. *Mr. Fairbairn.*] To what do you attribute that—an advance in the price of textiles, and an increase in the cost of labour?—I should think an increase in the cost of labour, but really I would not like to say.

34. *The Chairman.*] We have had evidence that a great deal of the increased cost of living is owing to a more extravagant style of living: is that your impression also?—Yes, it is. I think that people could help themselves a great deal more than they do: In nine out of ten houses you go to there are no gardens, although in most cases there is enough land to grow some vegetables, and I think that if vegetables were grown the people could help themselves in that way. As to house-rent, I think that is dreadfully dear now. I know of little cottages of three and four rooms which were formerly rented at 6s. 6d. a week, and now the rent is 7s. and 8s. a week. Of course, they do not improve with age. I think it is simply disgraceful the way in which some of these small houses are crowded—sometimes with families of nine or ten children. These poor people have to take such small houses because they cannot afford to pay a higher rent. If you tell the Inspector he goes to them and tells them that they must move; but how can they move when they have not got the money and cannot afford higher rent?

35. It has been alleged by some people that they can hardly make money go so far now on account of the increased cost of living. Does that fit in with the theory that people are more extravagant, and are spending more money in sports, pictures, &c.? Is it that the money which they might spend on necessaries of life is being spent on luxuries?—I think so, to a certain extent. Of course, in connection with the Coal and Blanket Fund, we have reports to make, and forms to fill in, and last year I had to report on a number of cases of distress. In nine cases out of ten they tell you that their position is owing to the high cost of living. In some cases drunkenness has got something to do with it, but you do not always want to have money to get drunk with.

36. *Mr. Veitch.*] You say that there are more applicants for relief now than there were some time ago?—Yes.

37. Do you think there are more in proportion to the population of the city?—Yes, I do.

38. Do you think there is more poverty now?—Yes, there is a lot of poverty, but I think it is a shocking thing the number of young people applying for help—people not thirty years of age. You go into their homes, and there is not a blanket in the place, scarcely. I think the system of allowing them to get furniture on time-payments is almost a curse.

39. *Mr. Fairbairn.*] I suppose the inference is that they get furniture on the time-payment system, and after a year or two it is taken from them?—Yes, and then they go in for high-priced furniture.

40. *The Chairman.*] Manufacturers and farmers complain of the scarcity of labour: would you attribute that to the disinclination of the men to go into the country, and to the disinclination of women to go into factories?—As to men who go into the country, of course they have often two homes to keep up. I think sometimes that in the case of girls it is often a matter of necessity their having to get married; but at the same time I think it would be better for them to live it down than to get married under the circumstances in which they are placed, and the wretched life to which it sometimes leads. I think also that in the case of girls who go into factories, and then subsequently get married, it often means that they are dreadful managers of a household. Of course, that is a great misfortune.

41. *Mr. Fairbairn.*] Do you find that there is a tendency to live on artificially prepared foods—tinned fruits, &c., instead of cooking natural meals?—Yes; very often when I visit a house and get no answer at the front door I go to the back of the house, and from the number of empty tins which I see there I know that they must live largely on tinned food.

42. You really think that there is more distress amongst the people now than there was five or six years ago?—I do.

43. *Dr. Hight.*] May not the increase in the number of persons seeking relief be due to some extent to the greater publicity which has been given to your Fund of late?—We try to keep it as quiet as we can, but when we want funds we really must mention it in the newspapers.

44. Is not the knowledge of the existence of the Fund much more widely spread than it was a few years ago?—I do not think so. We have always called for tenders in the newspapers. At one time they used to announce in the newspapers that the Fund was going to start, but now we never do that.

45. The prices which you quoted to us as to potatoes, &c., are average prices paid?—Yes.

46. Have you anything else you can tell us as to the cause of the increased cost of living?—No. I have not had much time to prepare a full statement.

Mrs. AUGUSTA ELISE WILSON examined on oath. (No. 41.)

1. *The Chairman.*] You have lived in this district for some years?—Yes, for a great number of years—over thirty years.

2. Our inquiry only reaches back for twenty years. Will you kindly confine your statement to the last twenty years? We are a Commission to inquire into the rise in the cost of living. In your opinion, has there been a rise in the cost of living, say, within the last ten years?—I have found it so in my household accounts.

3. Could you give us the figures for the last ten years?—I cannot give you the figures of my own accounts, but I can give you the figures prepared from the accounts of a number of other householders.

4. Can you give us the results of other people's experience, say, for the last five years?—These accounts which I have here have been collected within the last five years. This table has not

been prepared from the accounts of one household, but is an average based on the accounts of more than a dozen householders :—

Household Expenses for a Week for a Man, Wife, and Three Children under Seven Years of Age.

	£	s.	d.
Rent of a four-roomed house (usually without conveniences) ...	0	12	6
Meat and fish	0	5	0
Bread	0	2	0
Groceries, including eggs, butter, rice, sago, salt, pepper, baking-powder, flour, oatmeal, sultanas, soaps, all materials for polishing stoves, boots, floors, &c.	0	8	3
Milk	0	2	3
Coal, wood, kerosene, and candles	0	3	6
Boots and clothing for the family, replenishing house-linen, and utensils, crockery, brooms, brushes, &c.	0	10	0
Vegetables and fruit	0	3	9
Newspaper	0	0	6
Union, lodge, or insurance	0	2	0
	£2	9	9

Nothing is allowed for tram fares for the wage-earner, school-books for the children, reading-matter or entertainment for the family, and no tobacco. No sickness has been allowed for, not even the expenses incidental to the wife's confinements, though we know what these expenses are incurred.

5. *The Chairman.*] The cost of these things amounts to £2 9s. 9d. Supposing, as in the case of a bootmaker, the general wage is £2 6s. 6d., how would those expenses be met: would he get into debt, or would he have to shorten down on some items?—He would have to buy second-rate materials. Of course, in the list I have given there are some second-rate materials. He would certainly have to go in for cheaper commodities of every sort: that is to say, in some articles of food there must be a loss of nutrition.

6. You consider that the cost of these articles is greater now than five years ago?—The cost of some of them.

7. Which are the articles which have specially increased in price?—The difficulty is this, that some of these commodities are seasonable, such as potatoes, butter, eggs, and fish.

8. Have you noticed any diminution in the price of dried fruits, such as currants, &c., during the last two years?—Yes, currants are cheaper, but sultanas are dearer. Dates and raisins—most of them are cheaper. Most vegetables and fruit are dearer. I am referring specially in the way of fruit to plums, pears, and apples—the most necessary fruits.

9. Do you consider that the fact of working-men having to go further away from the centre of the town to live tends to increase the cost of living to them?—Yes, it must, I suppose.

10. By adding the cost of transportation?—The family must come into town sometimes, and it makes it dearer, certainly.

11. Have you any knowledge of the existence of a combine or ring which has tended to increase the cost of living by keeping up the prices of certain articles?—Only from hearsay.

12. Has there been any increase in the price of fish in Christchurch during the last five years?—I do not know.

13. *Mr. Veitch.*] Do you find that the different shops sell at more even prices, especially in regard to particular goods, than they used to do?—We notice that they may sometimes go down to a certain point, but do not go below it.

14. Does that give you the impression that they understand each other in that respect?—Yes, I suppose so.

15. *Dr. Hight.*] Would you mind telling us how the budget which you have read was obtained?—The figures were obtained from records of the accounts of different families. I got a good many housekeepers to give me the result of their accounts, and I averaged them over a period. I have not given you any special woman's account, but several of the persons from whom I got information are really very careful housekeepers—so careful indeed that it would be a trial to most people to be as careful as they are. The average which I have given has been carefully prepared, and is a very reasonable one.

16. Of course, the cost of living is relative to the income received? Have you any objection to state what the average income was of the household from which you composed that budget of expenditure?—The average wage was under £3 a week. There were only two where the wages were over that. The others were well underneath that amount, but still they were not the lowest working-man's wage.

17. *The Chairman.*] Not below £2 5s.?—No.

18. *Mr. Macdonald.*] What was the object for which the budget was obtained?—The information was collected for the British Commissioner who was making inquiries for the British Wages Board.

19. The duty was taken off certain articles in every-day use some years ago—tea, for instance. Could you tell us whether, in your opinion, the consumer benefited by the reduction then made in the tariff? Has tea come down in price to the general public?—I can only say this: a few years ago it seemed to me that tea came down for a while, but it is not as cheap now as it was ten or fourteen years ago—at least, some of it.

20. *The Chairman.*] The sort of tea used by the families you speak of?—A great many of them are paying 2d. per pound more for their tea now than they paid several years ago, in order to try and get the same quality of tea as they used to get.

21. Is it poorer in quality?—They are paying 2d. a pound more for tea which they consider of the same quality they used to use.

22. Is there anything we have not touched upon in our questions which you would like to state to us bearing on the subject that we are inquiring into?—I would like to say this, that in connection with maternity expenses nothing has been allowed in the figures I have given, and nothing usually is allowed for such expenses, yet that is a very heavy item of expense, and it really means that it reduced the amount that can be used for food in many cases. These extra expenses often handicap a family for more than a year. It is not only the doctor's expenses, but there has to be special food obtained, and extra blankets, and many other things. People seem to forget how much that is to some families. Some mothers cannot leave their houses to go into maternity homes at that time. I mention that because there has been so much talk recently about the birth-rate. A great many people do not seem to realize what a burden that expense is to many families.

23. *Dr Hight.*] Have nurses' wages increased?—Yes.

24. *The Chairman.*] And while the nurse is in the house extra food is required?—Yes, extra food, firing, and many other things.

CHARLES HERBERT ENSOR, Farmer, examined on oath. (No. 42.)

1. *The Chairman.*] You are a farmer residing at Rangiora, North Canterbury?—Yes.

2. Have you had a long experience in that district?—Practically all my lifetime.

3. So that you know the questions affecting farmers in that district pretty well?—Yes.

4. Has land in that district increased greatly in value since you began farming?—Yes, to a certain extent. I would like to read a short statement which I have prepared in reference to several of the questions in the Commission's order of reference. The first question I wish to refer to is as follows: "7. To what extent, if any, has the rise in the price of land, during the past twenty years, contributed to the rise in the price of commodities?" It is necessary to divide land into two classes, town land and rural land, and to deal with each separately. The rural may be called the producing area, and the town the living and distributing area. The rise in the price of town land has, I think, increased the cost of living. The first charge on a man's wages is his rent. If the price of land increases in areas where the majority of workers live it stands to reason that rents must increase in consequence. This increase applies not only to the workers' living-area, but also to the distributing-area. If the rent of shops and warehouses increases, so must the cost of food and clothing which passes through those distributing-areas increase. The unimproved value of land in the City of Christchurch has increased during the last ten years. The Official Year-book shows that in the City of Christchurch, Central Ward, the unimproved value in 1891 was £1,820,770, and in March, 1911, it was £3,108,093, an increase of £1,287,323. This increase in the unimproved price of land must result in higher rents and a greater cost of distribution. The chief remedy for this lies in spreading the living-area. The State has intensified this condition of affairs by building workers' homes in the distributing-area instead of on the producing-area. I cannot see that the rise in the price of rural lands has added to the cost of living. Two factors have brought about increased price in rural land: First, the freezing-factory, which has enabled perishable food supplies to enter and compete in the world's markets. This factor has increased the price of certain food such as meat, not by adding to the cost of production but by entering the world's market. The second factor which has increased the price of rural land is cheaper money, and I cannot see that this has increased the cost of living. Rural land is only worth what it will produce, and if the value of rural land increases it cannot affect the cost of living, but should be an advantage, because it will in consequence carry a larger population of genuine producers of food and clothing. If an oversupply of food and clothing could be stimulated the cost of living would in consequence become less. "9. What effect, if any, has the labour legislation had on the increase in the prices of the commodities of life?" Production is being hindered by the fact that farmers are afraid to plant perishable crops. The scarcity of labour throughout the year is preventing production of the commodities of life. For this reason the growing of food-supplies which require labour has decreased. This is shown in the following official return: Grain crops grown in 1890, 826,505 acres; grain crops grown in 1911, 658,485 acres: decrease, 168,020 acres. Beef on 12th June, 1902, was from 19s. 6d. to 24s.; on 23rd October, 1902, it was from 28s. to 40s.; on 6th June, 1912, from 23s. to 26s. "12. What causes generally have brought about the increased cost of living?" First and foremost I believe that the increased cost of living should be traced to the cost of distribution. The cost of production of primary products cannot affect prices to any great extent, because the value of wool, grain, meat, and other necessary articles is regulated by the world's markets. It is after the article leaves the primary producer that the cost increases until it reaches the consumer. Take, for instance, a bushel of wheat—60 lb. It is to-day worth 3s. 6d., and leaves the producer at that price. It then goes into the hands of the distributors, and by the time that the bushel of wheat reaches the consumer in the form of bread it has actually more than doubled in price. No matter what the price of rural land is, the producer cannot get more than the world's market price for his staple products. But the consumer can be exploited to any extent as soon as those necessities of life pass into the hands of the distributors. I do not blame the people who live by being distributors, but it is the system under which they are working. For

instance, I have repeatedly seen Rangiora tradesmen's carts serving goods about Kaiapoi, and *vice versa*. Also, a number of milk-carts may be seen any morning following each other along the street, each serving an odd customer. It is this system of overlapping and covering unnecessary ground which raises the cost of living. These people who are filling an unnecessary place in the channel of distribution should have their work turned into the channel of production or manufacture. I do not blame them, but those who have allowed the laws to bring about an unproductive class in the community who are raising the cost of living to the many. The last census showed that for the first time the town population is larger than the rural population. This should not be so in a country which depends on the rural industries for its prosperity. "13. What steps should be taken with a view to reducing the cost of the necessaries of life?" Consumers might form co-operative stores, which would deal direct with the producer or manufacturer, and thus eliminate the profits of merchants, retailers, and other middlemen. The best definition I can give of co-operation is—the equitable division of profits with worker, capitalist, and consumer concerned in the undertaking. The co-operative store is used as a means of distribution equivalent to the middleman and retailer. The profits of both these unnecessary links are done away with, and returned to the consumers in exact proportion to their expenditure. Thus the members of a co-operative society—and it need only cost 10s. to become a member—are purchasing from the manufacturers and primary producers at wholesale price. One co-operative store in a locality naturally regulates the prices at which other stores sell the same goods, and has the effect of preventing trade monopoly. To effectually use co-operative societies as a means of regulating the cost of living, it is necessary for the members of the society to limit the interest on capital invested to, say, 6 per cent., also the amount of capital invested by each member. Co-operative stores may crush out middlemen, but if it eliminates waste by bringing producer and consumer together, there is plenty of room in this country for the middleman to become a producer and help to create an oversupply of food and clothing. There can be no moral objection to men forming an organization for the purpose of reducing the cost of living through the channel of co-operation. Encouragement and opportunity should be given to married workers to make homes in the rural districts. The more people can be guided into the channel of production the cheaper will be the cost of living, because they will increase the supply of food and clothing. All men cannot at once become settlers or employers: some must go to the rural districts as workers. Few settlers can afford to do more than build a home for themselves. If assistance were given to workers to build homes on the rural lands, they would assist in the great work of producing food and clothing. I believe that many freehold farmers would willingly give sufficient land on which to build a workers' home, and enable him to keep a cow and grow his household products.

5. *The Chairman.*] What is your explanation of your statement that the building of workers' homes has increased the cost of living?—Because it has increased the number of distributors of food and clothing, instead of sending those people to live on the producing-area where they would be producers instead of distributors.

6. Do you consider that a person working in a clothing-factory is a distributor?—If he is engaged in manufacturing he is not, but under certain circumstances he may be simply an extra link in the chain of distribution.

7. Would you say that a tailor was a distributor or a producer?—He is a manufacturer to some extent.

8. *Mr. Macdonald.*] I would like you to amplify your argument that the fact that the unimproved value of land has risen must of necessity send up the price of commodities in the distributing-area?—Yes, because if you have to pay more for your ground-rent you must charge the consumer more to cover the amount of rent.

9. But in the distributing-area the rent is not all the same, and there is an open market?—Yes.

10. I do not think that a man in business in High Street could charge any more for a suit of clothes than a man in Sydenham, where the rent is necessarily lower?—It costs him more to produce the suit of clothes, because he is paying a larger rent, but he can compensate himself with a larger trade.

11. *The Chairman.*] When you were speaking of urban and rural land you made no distinction as to suburban land. In which division did you include suburban land?—The values I have given are for the Central Ward in the City of Christchurch.

12. Not for the suburbs?—No.

13. Is it not within your knowledge that suburban land in Christchurch has risen very much in value?—Most certainly. It has risen in the site-value. Where rural land and urban land will touch is where the site-value and producing-value join.

14. Has the unimproved value of land in Christchurch risen within the last two years, and at the same time caused the land in the suburbs to rise also because it has been cut up to meet the demand for houses and residential sites?—The greater the population in a city the greater will be the value of the land, for the land will be required for building purposes.

15. In your statement with regard to rent, do you mean that the cost of living has increased because a man has not only to pay rent for his own house, but has also to pay rent, so to speak, upon the goods which he purchases?—Yes.

16. In fact, he pays rent on every pound of chops and on every pound of bananas that he buys?—That is the position.

17. *Mr. Hall.*] I take it that you urge that the increased cost of distribution in the towns is passed on to both town and country consumers?—Yes.

18. *The Chairman.*] I understand you contend that the increased cost of rural land adds nothing to the cost of production?—I cannot see that the increased price of rural land adds one penny to the cost of living.

19. Is it your opinion that the frozen-meat trade and the shipping of New Zealand produce to other markets has had no influence in raising the price of mutton to the consumer?—I do not think it has.

20. Yet it has been stated that mutton could be bought for about 2d. or 3d. a pound before the freezing industry started, and that the price now charged is 5d. and 6d. a pound?—Yes, and there is some cause for that.

21. It is not on account of the high price of land?—No, I am certain it is not. We will take mutton. At the present time the producer is getting very little more for his live sheep than he was getting, say, ten years ago. Take the figures for 1902—prime wethers on the 29th May fetched from 17s. to 19s. 6d.

22. *Mr. Fairbairn.*] Is that a fair average for 1902?—I should think it is a fair average. I should say it is a low average. I remember getting up to 25s. for wethers sometimes during that year.

23. What is the present price?—I may say that ewes that same year were 16s. to 18s. 4d.—fat ewes. Take the year 1906: prime wethers were from 17s. to 24s., and ewes from 13s. to 18s. 9d. In 1889 prime wethers were 18s. to 25s., and prime ewes from 11s. 6d. to 14s. 6d.; and in 1912 prime wethers were from 18s. to 25s., and prime ewes from 16s. to 20s. 6d.

24. What would the last item work out at dead-weight after allowing for cost of killing, value of hides, and everything else—what would it work out per pound.? What would the farmer get?—I have not gone closely into that matter, but I may state that on my own farm I have always supplied the married men with meat at a uniform price of 2½d. per pound. I have found no cause to vary that price, because I consider that sheep are worth practically the same money to-day as, say, ten years ago. There is very little difference in the price, although it fluctuates from time to time.

25. You consider that that price paid you?—Yes.

26. *The Chairman.*] At what do you estimate the cost of taking sheep from your farm to town?—2d. a sheep, I think, would cover the cost of taking them to Addington Yards.

27. You think somebody is making money out of it?—I think it is possible that somebody is.

28. *Mr. Fairbairn.*] Will we get evidence with regard to the actual cost?—Yes; witnesses will come who are closely connected with the trade. It is far better to have experts to give the actual details.

29. *Mr. Hall.*] For how many years have you supplied your men with meat at 2½d. per pound?—For eleven years, and my father supplied them for twenty years before me. I was a farm labourer for a time, and was supplied at the same price that is being charged to-day.

30. *Mr. Veitch.*] You say it paid you to supply the men with meat at 2½d. Can you give us any idea of the real reason why there is such a difference between the price of the meat which you supply to your men and the price at which the meat is retailed in town?—As I have said, production is being hindered by the fact that farmers are afraid to plant perishable crops. The scarcity of labour throughout the year is preventing production of the commodities of life. For this reason the growing of food-supply which require labour has decreased. I have shown that from the official return which I have quoted.

31. *The Chairman.*] Here is a book of "Labour Laws" which contains the labour legislation which has been passed. Which particular Act has prevented the growing of the grain which you speak of?—There is no particular Act, but it is the trend of our legislation—or we would call it the trend of affairs, if you like—which is preventing or hindering labour from coming into the rural districts. Labour is aggregating in the towns. There is one reason which I can give why labour is aggregating in the town, and that is that the workers' homes have been built in the distributing-area of the city instead of in the producing-area.

32. *Mr. Macdonald.*] The falling-off in the acreage of crops has not been in wheat?—No, I have taken the general figures, including grain, barley, oats, and wheat.

33. The land under cultivation in wheat requires just as much labour as other grains?—Yes. The general amount of grain grown in this country has decreased, as I have shown, by 168,020 acres.

34. Can you give us an explanation why the land under cultivation in wheat has actually increased, and not fallen off?—When wheat rises to 4s. 6d. a bushel farmers would plant it. I say that there has been no labour legislation which will stimulate the production of these foods. We should stimulate the production of the food-supply, and then the cost of living would be cheaper.

35. *The Chairman.*] Some of this land has gone out of occupation for cropping owing to the fact that dairy-farming has been more productive than crop-growing?—To a large extent that is so, but I should think that those two should go along side by side, and I think that would be so if there were more workers in the country than in town districts. The more producers we can get the more is that likely to stimulate an oversupply of these products.

36. *Mr. Veitch.*] In regard to workers' homes, have you any idea of how many workers' homes have been built in New Zealand?—In my opinion, the State in assisting to build workers' homes in the city has done a very good thing, but it would have done a great deal better if the homes had been built in the producing-area instead of in the distributing-area. There has been no scheme for building workers' homes in rural districts.

37. Does not the advances-to-workers scheme give assistance for the building of homes in rural districts?—That may be so, but I refer particularly to the workers' homes which have been built in the cities.

38. *The Chairman.*] Would it be possible for any of the large farmers to have workers' homes built in the country for farm labourers—assisting the Government in the way of providing the land for the purpose?—I think that such a scheme could be carried out very successfully. I do not think that a row of houses for workers should be built, as I have seen done in the cities. Each man should have 4 or 5 acres of land around his house, in order that he may grow vegetables, keep poultry, and perhaps supply himself with milk.

39. You would have settlements of labourers who could be called upon by the farmers when they wanted them?—Yes; if the farm labourers are not there the farmers cannot get them. If a labouring-man lives in the town, and he has to go out into the country to work, it practically means the keeping-up of two homes, and in the town he has not sufficient land to grow his own vegetables.

40. *Mr. Veitch.*] Do you not think that the high price of land in the country would prevent the carrying-out of such a scheme?—There are many farmers who, I think, would be only too willing to give the land for nothing for homes for workers.

41. I do not know of any?—Here is one. I may state that I have built homes for workers. Of course, it is my property; but I am sure that if such a scheme were carried out farmers would do a great deal to assist it.

42. *Mr. Macdonald.*] Can you give us an instance within your own knowledge where land has gone out of cultivation because of the shortage of labour?—I am of opinion that if there was sufficient labour available farmers would cultivate twice as much land as they are doing now.

43. Would you put down more crops if there was a greater supply of labour available?—Most certainly.

44. *The Chairman.*] It is not that the wages paid by the farmers are so low that they do not induce labour to go into the country?—My idea is that you cannot expect a man with a family to go from his home and work in the country and keep up two homes, and the farmers cannot afford to build houses for such men.

45. *Mr. Veitch.*] Do you not think the supply of labour in country districts is simply regulated by the law of supply and demand?—I think the shortage of farm labour arises from the fact that men cannot go into the country and live there with their wives and families.

SARAH SAUNDERS PAGE, Married Woman, examined on oath. (No. 43.)

Witness said that she had kept house for some years with a growing family, and believed that the cost of living had increased considerably during the last sixteen years. In her experience, the price of necessities had increased, and the price of luxuries had decreased. Necessities, with the exception of bread, had all increased. It was in the very poorest houses that bread was a large item in the week's expenditure; in better houses its place was taken by other things. Milk and butter had increased. Sixteen years ago when she married she had a contract with a butter-supplier for 10d. per pound for butter all the year round; now butter was 1s. 3d. per pound. She had kept a cow herself at one time, and got 10d. per pound for the butter sold. Sometimes butter would go down to 7d. in the summer, and up to 1s. in the winter, years ago. Sixteen years ago she thought milk was 3d. per quart; now it was 4d. Sixteen years ago she used to buy half a sheep for 3s. 6d. (say, in 1896-7); this half-sheep was bought from a farmer. Woollen clothing was much dearer now than formerly. When she married they paid £30 per year for a house, and the same house, without improvements, was now let for £40 per year. It was not a new house sixteen years ago; it was a five-roomed house without hot-water service, but with a bathroom. Boots were much more expensive than they used to be; boots for herself for which she formerly paid 15s. now cost 21s.; as a fact, she paid 30s. per pair for her boots now, but they were better. The cost of education had increased; children now used paper and lead-pencils instead of slates, and a great many additional reading-books. These were good things, of course, but added to the cost of living. She thought the effect of the tariff was to decrease the prices of luxuries more than the price of necessities. Tea, for example, might be reckoned a luxury for children as compared with butter and milk and oatmeal, all of which had risen. Currants, raisins, and prunes had gone down. Housekeepers never could understand why it was that butter, meat, and other products could be sold more cheaply in England than in New Zealand, the place of their production. The lack of cheap household assistance added to the cost of living in various ways—more money had to be spent on labour-saving devices and conveniences, and more money on ready-made clothing. Hot-water services were good to have, but added to the cost of living. She heartily agreed with Mr. Ensor's evidence as to the desirability of co-operation, but the land should be held and worked on the co-operative system, too. If this were done, and free and easy access were given to the land, many of the necessaries of life would go down in price.

ADA WELLS, Married Woman, examined on oath. (No. 44.)

Witness said that she could bear evidence to the increased cost of living during the last twenty years. Mutton used to be 2d. and 2½d. per pound, or a side of mutton could be bought for 4d. 6d. She understood that the men at the abattoirs at present could purchase a side of mutton or lamb which was a little underweight for 4s. 6d. Beef used to be 3d. and 4d., and now was 6d. per

pound; rump steak was 6d. per pound, and now was 8d. Fifteen or twenty years ago butter was 10d. per pound for all the year round, and now it was 1s. 3d. for many months of the year, and it certainly was not so good in quality as it used to be in the winter months; it was salted and frozen, and not fresh. The butter had not merely increased in value, but had deteriorated in quality. 1s. 5d. was the highest price she had paid for factory butter; last winter it was not quite so dear. Milk was now 4d. per quart, and used to be 3d. in past years. The quality was as good, she thought. Potatoes had increased enormously; they used to be 3s. 6d. per sack, sometimes 4s. 6d. and 5s.; now they were 12s. and 14s. per sack. Bread used to be 2d. for the small loaf and 4d. for large loaf; it was now 6d. for large loaf. Fruit was now an exorbitant price; a member of her household had paid 6d. for five apples the other day. Of course, apples could be bought more cheaply wholesale, but not for 1s. per sack, as in former years. People had less room for gardens than they had before the rating on unimproved value came into force. Vegetables were also much dearer; cauliflowers used to be 2d. or 3d., and now cost 6d. and 8d. each. Bananas were very dear in Christchurch, and of poor quality. Housewives suspected there were fruit rings, but, of course, this could not be proved. Fish had risen very greatly in price; at one time flounders could be got for twelve a shilling, now they were 1s. each. Fish was practically a luxury nowadays. It was also of poor quality, was stored for months in cool-chambers, and then sold when it had no flavour. This was done, of course, with the view of limiting the supply; if it all came on the market at once it would get too cheap. Boots and shoes had greatly increased in price; children's shoes could be bought in former years for 4s. 6d. and 5s., now they cost 10s. In past years more lignite coal was burnt, but now the hot-water services, &c., required the burning of better-quality coal, such as Westport and State coal. She, like Mrs. Page, could not understand why New Zealand produce could be bought cheaper by English housewives than by New Zealand housewives. It seemed very wrong that with the freight all saved, New Zealand women still had to pay more. Certainly the increased cost of living was due to some extent to the higher standard of living; people were no longer satisfied with a smock and a hut and beans and bacon. It was natural and desirable that they should demand more comforts. The modern houses practically all had bathrooms; a house without a bath was rightly considered a place of horror, but baths meant extra money. To be clean needed money, as Mrs. Black (her fellow-member on the Charitable Aid Board some years ago) was wont to say. It had been charged against the New Zealand girls that they spent more money on clothes. The idea of beauty was deeply rooted, and should be turned to good account by education in what beauty really meant. The technical classes now enabled practically every girl to learn to make her own clothes and trim her own hats, and that meant so much less cost. With regard to rent, she would like to see further extensions of the advanced-workers scheme. She knew one widow who had been buying her house for thirty years, and in the end had paid twice the cost of the house,—a £300 house cost her £600. Nursing was also an item calling for more money than formerly. In former years a woman could be got for nursing and general household work and attendance on children for 25s. per week; now a skilled woman cost two and three guineas per week, and did not do the washing, cooking, &c. She was not saying a word against skilled nurses, but the fact remained that nursing involved more expenditure for the housewives. Another factor in the increased cost of living was this: children did not go to work at as early an age as formerly; they used to go at eleven years of age, and even ten years; she had herself started as a pupil-teacher at eleven years of age. Education of young people was on different lines now. Education certainly cost more now than it used to—how much more she could not say, as her children were all grown up now. Many mothers had spoken to her of the additional cost of school-books. So far as the tariff was concerned, this had led to the decrease of prices on some lines, but the quality was often inferior. Probably one had to pay just as much as formerly for really good tea. Wages had gone up, and, of course, the commodities of life went up with them; that was a matter for the serious consideration of the New Zealand politicians. Another question was the larger number of women who were never prepared for housewifery, and had no knowledge of the proper way to expend the household money. In this respect the domestic schools were doing a great and good work. She thought it should be made compulsory for every girl in the land to go through a domestic-science course in conjunction with the public schools; every school should have a kitchen and dining-room attached to it where the girls could do the cooking, and learn general household management. The Technical College in Christchurch had such a kitchen, and supplied meals at a low rate to the students. She strongly advocated the establishment of municipal or State markets for fish, and meat, and fruit, and so forth. This would help to eliminate the middlemen altogether. Municipal kitchens would also be a great help, and municipal laundries. She thought the time ripe for the establishment of these even in New Zealand, with its comparatively sparse population. So far as amusements were concerned, there was a growing need for and appreciation of recreation, and, personally, she was very glad to see it, although she thought the time had come for the municipal censorship of what was one of the greatest educational factors of the people—the picture-shows.

ELIZABETH BEST TAYLOR, Widow, examined on oath. (No. 45.)

Witness stated she was president of the Creche and Kindergarten Association of Christchurch, and that she had lived in Christchurch for the last twenty-two years, and regretted that she had had so little notice before coming to the Commission. She had, however, gone over a few accounts of about ten years ago, and could confirm the evidence already given as to the increase in the prices of some of the necessaries of life. There had been a gradual increase during the past ten, fifteen, or twenty years, and there was also the higher standard of living to be counted

with, particularly during the last ten years. The commodities she had specially noted were bread, butter, meat, potatoes, milk, bacon, and cheese. She could not be certain of the actual increase in bacon, but believed it was from 8d. to 10d. and 11d. per pound in fifteen years. Home-grown fruit had also increased, such as gooseberries, currants, and raspberries. Owing to increase of population these fruits came from longer distances in many cases, and there were therefore increased transport charges; there did not seem to be enough of this kind of fruit grown to meet the local demand. Raspberries used to be 4d. per pound by the dozen pounds, and now were 7d. per pound. The reason given for the increase was that the Frimley and other factories took so much of the fruit nowadays. Increased land-values no doubt was another factor; the people could not afford to buy land on which to grow these small fruits. Whether or not a fish ring existed she could not say of her own knowledge; there was a strong feeling among housewives that such was the case. Her experience confirmed that already quoted by Mrs. Page and Mrs. Wells in regard to milk. People sometimes paid as much as 5d. per quart in winter, and a few years ago it was the same price all the year round—did not rise in the winter. Butter used to go down to 6d. per pound in summer, and eggs also declined. Ten years ago they got eggs for 6d. and 8d. per dozen, and now they were never less than 10d. or 11d. For poultry they paid 8s. 6d. per pair, instead of 4s. 6d. as formerly. During the last ten years meat had risen 1d. and 1½d. per pound, she thought; the increase was greater on mutton than on beef. The increase was not so great in the last ten years as compared with the increase from twenty-five years ago. The price of boots had certainly increased, and she confirmed Mrs. Page's evidence in this respect. The increase in children's shoes was proportionately greater, in her opinion. In regard to drapery, woollen clothing had gone up greatly; stockings were dearer, and so was woven underwear. Cotton goods did not show much increase. The increased standard of living, the higher standard, had made a good deal of difference; and the purchasing of ready-made clothing, as referred to by previous witnesses, was a great factor. Probably this made clothing cost about one-third more. Certainly she would be in favour of compulsory domestic training for the girls of the nation. There were not enough girls to go into the homes to do the necessary work there—there were so many other avenues of employment open. The whole question of home life required the greatest attention, and it would certainly be very good for the nation if the girls were compelled to learn domestic science. The girls would then make better wives and mothers, and would avoid the waste and mismanagement that one saw all around nowadays in so many homes. The girls of the upper standards would be much better occupied in learning domestic science, she thought, than in doing so much arithmetic and little specks of Latin and other subjects; that is to say, she would substitute the technical domestic school for the higher standards of the primary schools. The higher standard of living imposed on parents new duties and responsibilities in all sorts of ways—*e.g.*, the care of their children's teeth was given much greater thought now, and was a matter of quite considerable expense. The greater desire for recreation had also to be reckoned with, as well as the increased price of commodities.

WILLIAM BAILEY BRAY, Apiarist, examined on oath. (No. 46.)

1. *The Chairman.*] Do you supply honey to Christchurch?—Yes.
2. Can you give us any information as to the amount of honey that came into Christchurch, say, ten years ago, and the price?—Generally speaking, the price of honey has not risen.
3. What information have you to put before the Commission that will help it?—I wished to deal with the price of rural land, as being the source of production of food and clothing. The general opinion is that prices have risen during the last decade, and whether that is the result of the higher price of land, or whether the higher price of land follows the increased prices of the produce, I would not state dogmatically, but I am inclined to think that the land has risen with the food. A previous witness stated that the increased price of land was the result of cheaper money. I think that has some connection with the increased output of gold—the production of gold all over the world.
4. Are you speaking as an expert?—Oh, no.
5. We are going to get expert evidence on that directly, and, honestly, we do not want any theories. Just give us facts?—The increased price of land is the result of cheap money. If we leave that aside, I would say that the cost of living has risen with the increase in the cost of land: the farmer can afford to pay more for his land because he can receive more for his goods. All the primary produce has risen in price, especially meat and dairy-produce. Produce such as fruit, bacon, poultry have risen, and these come from sub-rural land, and that has all risen in price. So I would say that the price of land has affected the price of food, and then the price of land in the city has also affected the price of land in the country and added to the cost of distribution. In my own experience in regard to selling honey I have seen something of wholesale methods of trading, and the present methods by which all our business is done are, to my mind, very clumsy and expensive through unnecessary overlapping.
6. Can you give us an instance in your own business?—I was standing outside a small second-rate suburban store recently and saw no less than three travellers go in to solicit orders, all dealing with the same lines. In regard to honey, there was overlapping through one store taking the honey, but declining to deal with different firms; then the honey had to be sent to another store which did deal with these firms.
7. *Mr. Fairbairn.*] Can you tell us anything about the price of honey?—It is sold at 3½d. to 4d. per pound in bulk. That is generally delivered in town. The retail price is 7d. to 8d. per pound in shops. There is the expense of bottling and providing the bottle; but they get extra for the bottle. There is a clear margin of 100 per cent. That is a grievance I have as a beekeeper. The wholesale firms make on this line to compensate for the narrow margin of profit on other lines.

I have not put much honey on the market myself yet; I have only started two years, and have been increasing my stocks.

8. Are these prices the same as other honey-producers are getting?—Yes.

9. *The Chairman.*] How much local honey is brought into Christchurch during the year?—It is impossible for me to give you any idea.

10. *Mr. Hall.*] How many hives have you?—Two hundred. The honey is exported to the Old Country and sent to other parts of New Zealand. My idea of avoiding the unnecessary handling is to establish State stores, not co-operative but State concerns. I think if the State can run coal-mines and railways they can run stores.

11. *Mr. Fairbairn.*] You mean you would sell to the State and the State would sell to the people?—Yes; the State should run retail shops, and that would cheapen the cost of commodities by eliminating the middlemen and selling and distributing agents. Trading should be a State monopoly, I think.

12. But not production?—No, not production. By doing that the cost of advertisements, and distributing and selling, and general overlapping in commercial circles could be eliminated and the goods cheapened. I also strongly condemn the credit system, which makes for unthriftiness, and leads to the formation of bad debts by the baker, the butcher, and the grocer, and these have to be added to the price of commodities. State trading would abolish this evil.

13. *Mr. Hall.*] About what quantity of honey per hive could you get in a good season?—The average output, reckoning one season with another, would be between 60 lb. and 70 lb.—that is for all over New Zealand.

14. *The Chairman.*] Could you send us in an exact statement as to the output of honey and the values received?—Yes. I will do so. Statement *re* honey: The last census shows that the total output of honey for the 1910–11 season was slightly over 1,000,000 lb. Generally speaking, the crop was a poor one, and in a good season it might have been three times this amount. There are no means of arriving at the total annual crop, as the census figures are all that is available. In commercial apiaries the average yearly production is about 60 lb. per colony. The cost of production, leaving out labour, amounts to—rent, say £2 for site of apiary; freight; renewal and depreciation of plant; very small tins or other vessels, $\frac{1}{2}$ d. per pound; commission, if any. Suitable labour is not available, and operations are limited to the capacity of the owner's labour. One man can attend to from two to four hundred colonies. The average price delivered in bulk is 4d. per lb. In Christchurch three seasons ago the crop was plentiful, and the price went down to 3d. per pound. Since then, notwithstanding two very poor seasons, $3\frac{1}{2}$ d. is the best price offering from the merchants. In other centres where honey is equally scarce, but where it is sold by the auctioneers, the price is $4\frac{1}{2}$ d. I have been selling mine in a retail package at 6d., less 5 per cent. commission and freight, the retail price being 8d. The limit of greatest production in New Zealand has not been reached yet by a long way. The eradication of disease and improved methods of management are cheapening the cost of production. The industry is practically independent of the rent question, and there is a likelihood in the near future of prices reaching a lower level.

TUESDAY, 11TH JUNE, 1912.

WHOLESALE MERCHANTS.

Mr. G. Harper, Solicitor: May I be permitted to make a short statement on behalf of some clients of mine? I represent T. H. Green and Co., and Benjamin Limited, both of whom have been subpoenaed to attend and give evidence. Without taking any technical objections at the present moment to the subpoena, I wish to state on their behalf, and also on behalf of other gentlemen if they are going to be subpoenaed, that they very respectfully decline to give evidence in the same way as was done by certain merchants in Dunedin. I mean no disrespect to the Commission at all; but they are following the advice which has been tendered to them in Dunedin, here, and, I believe, elsewhere, and they are simply acting as a matter of principle on that advice.

The Chairman: The Commission regrets that that course has been followed, but has no option except for the present to receive your statement.

GILBERT DIXON, Butcher, examined on oath. (No. 47.)

1. *The Chairman.*] You are a butcher carrying on business in Christchurch, Mr. Dixon?—Yes.

2. How long have you been in business here?—I have been in the butchering business all my life in Christchurch and suburbs.

3. Has there been any marked increase in the retail price of meat during the last ten years?—Yes.

4. Could you give us any idea of the percentage of increase during the ten years—that is, in the retail prices?—The wholesale buying price has increased on beef by about 10s. a hundred.

5. In what period?—In the last ten years. I suppose that would pan out at just over 1d. a pound.

6. Mutton?—In mutton there has been about the same increase—about 4s. or 5s. a head dearer than ten or fifteen years ago.

7. *Mr. Fairbairn.*] That is, on an average of 60 lb.?—Yes, 55 lb. or 60 lb. sheep.

8. *The Chairman.*] Is there much difference between the retail sellers as regards the price of meat?—Yes, there is a great deal.

9. In what way does it vary—is it owing to the situation of the shop in the suburb or in the main street, or in what way?—It applies more to delivery and booking.

10. Could you make us a short statement on the subject to enlighten the Commission as to how the difference arises?—If a man has got to deliver meat he has the expense of keeping horses and carts, and he has the expense of the extra labour. The cost of labour now is so high that it is a very important factor, and a man delivering meat cannot deliver much—a very much smaller proportion than a man selling it in a shop. It takes a man a lot longer to cut up a joint and put it in the cart, and deliver it, in some cases a long way from the shop, than if a man is selling meat over the counter.

11. What has the rise of the wages of butcher's assistants been during the past ten years?—That is within the period of the labour laws.

12. What has the Arbitration Court done in the way of raising the wages of butchers' assistants?—Before the labour laws came about you could get a young man of from eighteen to twenty-two or twenty-three years of age for £1 a week and found. Now the minimum is £2 11s., and from that to £3 10s.—head shopman.

13. What did you do in regard to "finding" men in those days?—I had no experience of that.

14. Would you not have considered that the price then given was a fair wage—I am speaking before the Court raised the wages?—No, I consider it was sweating for a man of twenty-two years of age.

15. Therefore you do not find fault with the Arbitration Court for having raised the wages of butchers' assistants?—No, their wages are not too high.

16. Has that been carried on to the price of meat in what you would consider a fair proportion?—Yes, certainly, it must be so.

17. Would that account for the greater part of the rise that you have mentioned?—No, there are other reasons besides that. That is partly the cause.

18. Would you kindly tell us to the best of your belief what are other causes which have raised the price of meat, besides those you have mentioned?—The Home market controls the price of mutton here very largely. Before frozen meat was being used there would be occasionally—in fact, very often—a glut in the market here. The consequence was that growers suffered, while the public had the benefit. If mutton is selling well at Home, naturally the frozen-meat buyers for Home come into competition with the butchers.

19. Do you pay the Home prices?—Yes, we have to compete with them. At the present time we are suffering from that competition very largely.

20. Does the best class of meat go out of the country?—Yes; of course, they also send out second-class meat, especially at a time like the present when there is a strong demand for meat at Home.

21. Is there any combination to keep up the retail prices of meat?—No, there is nothing of the sort. Our business would stop anything of that sort in any case.

22. Would you describe the particular nature of your business: is it a check on such a combination?—Our business was started about three years ago. The idea was to do away with credit and delivery. We recognize that it has made a great deal of difference. Our business supplies the public with the best class of meat at the lowest rate, allowing for no delivery and no credit.

23. That is to say, the public buys it over the counter and takes the meat away?—Yes, we have an immense business on those lines.

24. Could you give us any idea of the price at which you sell and the price at which the delivery butcher sells? For instance, what do you sell steak at?—We sell beef steak at 5d. and rump steak at 7d.

25. What do the delivery butchers sell it at?—I cannot tell you much about their prices. We sell mutton chops at 3d., and I know that in those shops they sell it at 5d. and 6d. Our best cuts of beef are 4½d. and 5½d. per pound.

26. Their prices you would consider fair for those who wish to have their goods delivered?—Yes.

27. Would you consider the difference between 3d. and 5d. in mutton was a fair delivery charge?—No, I think that is a very high charge; but I think they would want 1d. per pound for delivery. Delivery means booking as well. Some persons reckon ½d., but I do not think it enough. I would rather sell the meat at even 1d. per pound cheaper in the shop, as I am doing, than have the bother of delivery and have the 1d. more.

28. Supposing there was some central store at which persons taking delivery over the counter could be supplied, would not that save overlapping?—In our business you want individuality: experience has proved that. Large companies have tried it, and it seems impossible to make them pay. Companies are all admitting that their retail places do not pay. In a company's business you cannot get any one to take a personal interest in it—which our business seems to want. You have so many little things to deal with. It is not just a matter of selling the meat. If you have not some one overlooking the stuff continually there are liable to be serious losses.

29. You seem to consider that there is a margin in the price that might be saved. Tell us how that could be saved—I mean between a fair price for delivery and the cash system?—In the cost of delivery and the cost of booking—that is where the margin there comes in. I was alluding to other things. There are so many little side issues in our business that want individual attention, and it seems impossible to get that attention from managers. That has been the experience of companies which have started retail businesses.

30. *Mr. Hall.*] You referred to credit: do you think there is much lost through bad debts, in addition to the cost of keeping the books?—I can only speak generally; but it must be so—it always is so.

31. *The Chairman.*] You have no general knowledge of their business?—No.

32. *Mr. Fairbairn.*] What percentage of the retail trade is supplied from the abattoirs here?—All. We are not allowed to bring anything into the town that has not passed through the abattoirs.

33. Not from the meat companies?—If you do you have to pay the fees.

34. Can you give us the cost of killing at the abattoirs? What is the cost per head of sheep?—Sheep cost about 1s.; beef, I think, is about 6s. or 7s.

35. Is that the whole of the killing-charge—does that cover everything?—Yes, delivery to the shops.

36. I presume each butcher buys his own sheep, privately or at the saleyards, and sends his stock to the abattoirs to be killed, so that the market price, plus the cost of killing, indicates exactly what you pay for the mutton?—Yes.

37. Can you give us any idea what weight of meat one man would deliver, with one horse, in a day? Supposing a butcher had a thriving business, with a fairly large number of customers within a given area, how would it work out?—No, I could not give any idea of what the weight of meat would be. I used to load up a cart twice in a day when going rounds, but I could not give you the weight of meat.

38. Do you think there would be 6 cwt. in a load?—That is too low; it would be more than that.

39. Do you think one man would take a ton out in a day? You reckon 1d. per pound as the cost of distribution?—Most of the distribution is done by orders. The meat is cut up at the shop. I have never had any experience of a cash and booking round. Mine was a hawking round—a cash round. I put the meat in the cart in bulk, and cut it up and weighed it at the doors of the customers.

40. Do you think it would be an overestimate that one man would deliver a ton of meat in a day?—I should think if you put it at half a ton it would be nearer, and if he was fulfilling orders I am doubtful whether he would do that. There is one thing I ought to mention. The increased cost of beef is due largely to the fact that a lot of areas upon which beef was formerly reared have now been cut up, and the land is being used for dairy purposes. That has made an increase in the cost of beef. Take, for instance, a place like the Coldstream Estate, at Rangiora. They used to grow a lot of cattle there. That estate has now been cut up. That is a sample of many other places. We have had such difficulty in getting our beef that we have had to buy from the North Island; in fact, we draw most of our supplies from the North Island, simply because you cannot get good prime fat cattle in Canterbury. For the reasons I have given beef will probably get dearer.

41. *The Chairman.*] Is dairy-farming increasing in Canterbury?—No, Canterbury is rather a sheep country than a cattle country. There is some fine dairy country in this district.

42. You would not ascribe the shortage in the production of oats to farmers finding dairying to be more profitable?—I should think so.

43. *Dr. Hight.*] Do you ascribe all of the increase in wages to the influence of the labour laws? Would not the increase in wages have come about if there had been no labour laws in operation—would not there have been some increase?—I should think it would, because men could not live on the old wages paid with commodities at their present price.

44. And I suppose the majority of people require their meat to be delivered—a large proportion of the public, I suppose, would not come in to get their meat at the shop?—I think before our business started nearly all meat was obtained by delivery; but our business has rather altered that aspect of affairs, and now a very large number of people come to the shop for their meat. I think it was just because those people formerly had no inducement to come to the shop; the butchers were not competing for a cash trade.

45. There is room for both methods of doing business?—I think that those who are willing to come to the shop and take their meat away, thus avoiding the cost of delivery and booking, should be catered for, and when they are prepared to pay cash and thus get their meat cheaper they should get the benefit of that system.

46. Do you think there is any waste in the methods of dealing with meat—in the way of cooking meat, and the treatment of it: can you give us any information on that point?—Might it not be that meat is cheaper here in proportion to other things? As to there being waste in the methods of cooking and dealing with meat, I could not say anything as to that. I know that in my own house we do not waste it. I could not answer that question.

47. *The Chairman.*] Have you any further statements to make which would enlighten the Commission on the question in the rise of the cost of living?—No, I do not think so. Meat, I consider, is a necessity, and not a luxury.

48. *Mr. Macdonald.*] Are people using a better class of meat now than formerly?—No. I may say also that there are no monopolies or combines in connection with our business that I know of.

49. *Dr. Hight.*] They are paying a higher price for meat?—Yes, that is so. I may say this also: that I think it is the high price of stock that has caused the land to rise in value very largely rather than the other way. Men could not live on the land unless they got good prices for their commodities, and the fact that stock has been selling so well has caused a rise in the price of land.

50. *The Chairman.*] You are speaking of rural land entirely—it has not raised the price of land in the town?—That is so.

WILLIAM MURRAY, General Manager of the Christchurch Meat Company, examined on oath.
(No. 48.)

1. *The Chairman.*] You are general manager of the Christchurch Meat Company, Mr. Murray?—Yes.

2. Have you held that position long?—For the last seven years.

3. During that period, is it within your knowledge that the wholesale price of meat has risen considerably?—No, I do not think I would care to answer that question in the affirmative. It has fluctuated very much.

4. But, generally, is it not much higher at the end of seven years?—I think, so far as beef is concerned, that it has risen; that is, however, a line which the South Island is not specially concerned in. There is practically no exported beef from the South Island.

5. The purchasing-price of sheep has not risen?—At times it has. The price fluctuates from time to time.

6. Can you give us the percentage?—It fluctuates so much at different times of the year that I do not think it would be possible to give any absolute data on that question. As far as sheep is concerned, they steadily rise in price from shearing-time onwards as the wool grows.

7. About what is the weight of meat that is exported—approximately?—I could give the number of carcasses. The number of carcasses which pass through my company's various factories runs from about 1,300,000 to 1,600,000 carcasses.

8. What would those carcasses average in weight?—About 35 lb. or 36 lb. for lamb, and possibly 54 lb. or 55 lb. for sheep.

9. Is it within your knowledge that the export of so many sheep from New Zealand would naturally raise the price to the consumer in New Zealand?—If it were not for the export of sheep, sheep would practically have no value here at all. The demand in New Zealand as compared with the total quantity of stock available, I should say, would be a negligible quantity, and if it were not for the export stock would have little or no value save for wool and tallow.

10. Could you give us any idea how many carcasses of sheep are used for consumption in New Zealand?—No.

11. In your opinion, it is a negligible quantity as compared with the export?—It would be so small that there would be a huge surplus which would be of little or no value, save for the wool and tallow. Of course, the consumption here runs into a very large figure, taking into consideration the whole population of the Dominion. Perhaps the words "negligible quantity" are rather strong words, but it would be so small that the surplus left would practically have no value whatever, except, as I have said, for the wool and tallow, as was the case before the inception of the freezing industry. In other words, the cost of stock for consumption within the Dominion is entirely regulated by the export trade.

12. You have not any knowledge of any combination or ring controlling in any way the supply of meat?—Not the slightest. I do not believe for one moment that it exists here, whatever it may do elsewhere.

13. You have your own agents for your company who buy direct from the farmers?—Yes, and we also buy in the yards. We buy in every possible way.

14. *Mr. Veitch.*] Have you a retail branch in New Zealand at all?—Some years ago retail shops were started in Christchurch by the then manager of the company, and I think at one time the company had about nine shops.

15. Do they not have any branches now?—We still have three. I have been steadily reducing them as opportunity offers, and I intend to reduce them still further until there are none.

16. What difference is there between the retail prices in New Zealand and the prices got on the English market for what is exported?—You could not make a comparison very well between the two.

17. You do not retail on the English market?—No.

18. Can you give us the difference between the retail prices here and the retail prices at Home?—No, I could not give you that. They vary at different centres at Home. We only deal wholesale with the United Kingdom.

19. *Mr. Hall.*] Do any farmers ship direct to your company?—To a limited extent. They can do so at any time if they choose. We give them facilities for doing that.

20. What would be about the cost of the charges per pound, including freezing?—That varies. It depends on how the meat is disposed of at the other end. Meat may be put on the market and sold ex ship or sold ex store, and it may eventually go on the market and be sold carcase by carcase.

21. Suppose it is sold ex ship?—That is, roughly speaking, about 1½d. for lamb.

22. And what for sheep?—Rather less.

23. *Mr. Fairbairn.*] Is there a fixed charge for freezing? Do the export companies fix a rate where they take consignments in that way?—Yes, we have a rate that we are prepared to quote, but there is not much of that done.

24. It was at one time quite a practice?—Yes, but it is not now. We are buyers, and, in addition to that, there are large exporting firms representing either London interests or colonial interests who operate through our factories. In addition to that individual owners avail themselves of the facilities offered them by our factory, and ship on their own account.

25. You have already said that the cost of freezing works out at about 1½d. for lamb and 1d. for sheep?—Yes, those are the charges if you sell ex ship.

26. You gave that as the cost ex ship: did you mean ex store?—I was asked what it cost to sell ex ship, and I replied accordingly.

27. Can you give us any idea of the total consumption of meat in New Zealand? Does it approximate the export?—Oh, no, I should not think so. I have not the figures here, but I cannot conceive that it approximates the total export, at any rate, so far as lamb is concerned.

28. *Dr. Hight.*] We have had it stated that the price of mutton here is higher than it is at Home: how do you explain that statement? Have you any remark to make upon it?—Which price?

29. The statement made to us was that the price of mutton was higher here than it is at Home?—I cannot understand such a statement being made. It is possible that the retail prices of certain joints here may be higher than the wholesale price of the carcase at Home.

30. It is possible that the person making that statement has compared the wholesale price at Home with the retail price here?—He may have compared the price of the whole animal at Home with the price for a certain cut or joint here.

31. *The Chairman.*] Have you any statement that you would care to make, bearing upon the question of the cost of living, that may not have arisen in the course of the questions which you have been asked?—I think the cost of living has risen.

32. Can you give us what you consider is the cause of that?—There are many causes. I think there is a higher standard of living—that a higher standard of living is demanded by all. There is also the increase in wages. I think also that the higher cost of production has been brought about not only by the increase in wages, but by the general tendency to give less work for a given wage.

33. You think there is such a tendency?—Yes, most certainly.

EDWARD THOMAS REECE, Secretary of Messrs. E. Reece and Sons (Limited), Hardware Merchants, examined on oath. (No. 49.)

1. *The Chairman.*] Are you well acquainted with the hardware business?—Yes, I have had seventeen years' experience of it.

2. Is it within your knowledge that the price of hardware has increased during that time?—No, I think as a general rule it has decreased.

3. To what do you attribute that?—Principally to improvements in manufacturing methods.

4. If the improvement in the manufacture has caused a cheapening in the wholesale prices, does the consumer reap the full benefit of that cheapness in production?—Yes, they do; but at the same time they are generally demanding a better article than they did formerly. They are not satisfied with goods required for the fitting up of houses of the kind that people used years ago.

5. Still, in proportion, the cost is cheaper?—Yes, on ordinary every-day lines, such as the general public buy. Of course, metals like iron and goods of the heavy class are ruled by the rise and fall of the market. The price is a fluctuating one always.

6. You mean the rise in the price of raw material?—Yes; usually we find in the trade that the price ruling at Home for iron is the basis of everything. If iron is high, other things rise correspondingly.

7. Does the retail price rise in fair proportion to the wholesale price?—It depends on the rise. Some rises may only last for a few weeks and go back again; then, as a rule, the retail prices remain stationary, because, in a general way, retailers do not raise prices in such cases.

8. Does your firm buy directly from Home?—Yes.

9. Do all the hardware-merchants here buy in that way?—Yes, the majority do, I think.

10. There are no lines in your business controlled by any arrangement amongst the merchants here?—No. Of course, there has to be in all businesses a certain amount of unanimity with regard to raising prices on a rising market, just the same as the manufacturers at Home do if it is necessary. They have to contend with the same conditions of labour there, and that sort of thing, as we have here.

11. Could you give us any idea of how that regulation of prices is carried out? Are minutes of the meetings taken, or is there a signed agreement?—No, there is not anything of that sort. If there is any marked advance in prices, as there is at the present time, owing to the labour troubles, three or four of the merchants perhaps confer and agree to raise prices.

12. And do the others fall into line?—Yes.

13. *Mr. Veitch.*] Does that same principle apply here—merchants meeting together and deciding in that way?—Yes, I was speaking of both. At both ends of the world we have the same thing to contend against. If bar iron, for instance, is raised 10s. a ton at Home, there is an increase to a corresponding amount here.

14. Then, do the merchants here carry out that same principle?—Yes.

15. Suppose you find there is a rise in the price of iron such as you describe at Home, of course it naturally costs you more to import your iron here. How would you go about determining what price should be fixed: would you hold a conference with other merchants?—We would simply suggest to one or two firms interested that the price be advanced in accordance with the cost, and then the trade would naturally follow suit.

16. *The Chairman.*] Would a circular be issued to the other merchants?—No.

17. It is just a verbal understanding?—Yes.

18. *Mr. Veitch.*] Is there anything to prevent you doing that even if there was not any rise in the price in the Old Country?—The only thing to prevent it is that we have too much competition.

19. Have you absolutely free competition?—Yes, we have competition from every town, and if our prices here were too high people from Wellington and other places would immediately come in.

20. Is there no arrangement between the merchants here and the merchants in other cities?—None whatever.

21. Is there an association of merchants here?—No, there is simply the arrangement I have told you of in the case of an advance or a reduction in prices. It is necessary to have some unanimity with regard to the selling-prices.

22. You confer with other merchants as to the prices?—Yes.

23. And you agree that there is nothing to prevent that being done even if there is not any rise in the prices at Home?—Simply competition prevents that.

24. To what extent does this understanding exist between you and the other merchants? Are there no meetings of merchants held to arrange the prices or to decrease prices?—Occasionally

two or three merchants come together—as a rule, when there is a rise in prices at Home it affects many lines here.

25. Occasionally two or three merchants meet at the suggestion of one?—Yes. If two or three merchants take a lead in increasing prices to correspond with prices at Home the rest of them fall in with it.

26. You would not find any difficulty in getting the others to follow?—The competition is very keen.

27. On these occasions when a few merchants meet at the suggestion of one, what business is transacted at such meetings?—It is simply, as I said, for instance, if there has been a rise in bar iron at Home—a rise of, say, 10s. per ton—it will be necessary for us to raise the price accordingly; and it would be generally understood by the trade that the price would be raised here.

28. Would not the different merchants know of the increase in bar iron separately?—You must take some action in the thing to start it.

29. The merchants meet at the suggestion of one to discuss the position?—They do not necessarily meet. More often than not the communications are made by telephone.

30. *The Chairman.*] Do the merchants meet in this way when bar iron falls 10s.?—We have to regulate our prices according to the Home market.

31. So that they would be as much interested in letting the public have the benefit of a fall of 10s. as in making an advance of 10s.?—They have to be interested, whether they want or not.

32. *Mr. Fairbairn.*] Do you know of the existence of a combination amongst the galvanized-iron hollow-ware makers in New Zealand?—No, I do not know that there is. There may be. I know that the local prices are the same. It does not make any difference which one we buy from; we pay the same price.

33. Do you know that some nine months ago they increased the rates and altered the discounts?—Yes, the prices were raised some time ago.

34. What was the effect of that alteration in prices so far as the consumer was concerned? Take, for instance, the 11 in. buckets: to what extent were they increased in price to the public?—It was not a general increase all round. Some articles were increased more than others. I think probably the increase was about 25 per cent.; but previous to that I think hollow-ware makers were doing very little good at the business.

35. The hollow-ware merchants did not make it—that must be within your knowledge?—Well, I do not know who else could make it.

36. If they shortened discounts from a third to 20 per cent. and increased their rates, it must be obvious that the middlemen got it. At all events, you have no knowledge of such a combination?—I have no knowledge of any combination.

37. But you do know that the prices of hollow-ware have advanced 25 per cent.?—Yes.

38. *The Chairman.*] Is there anything within your knowledge upon which the duty has been taken off an article and where the consumer has not had the benefit of that reduction of duty?—No, I do not think so.

39. Do you sell gunpowder?—To a small extent. There is practically no sale for gunpowder, owing to the cheap price at which ammunition is sold. I think that practically the only importer of gunpowder at the present time is the Colonial Ammunition Company. Formerly cartridges were very much dearer than they are at present, and it paid shooters to reload their own shells.

40. Was not the duty of 6d. on gunpowder taken off by the Government?—Yes.

41. Was that duty retained by the wholesale merchants?—The sale of gunpowder at the present time is practically nil. What powder we have in stock we would be glad to quit at very much less than cost price.

42. *Dr. Hight.*] These meetings of merchants—in so far as they can be called meetings—consist of one or two or three at the most, and not all those engaged in the business; they are not general meetings?—That is so.

ROBERT ALLAN, Managing Director for Skelton, Frostick, and Co., Boot-manufacturers, examined on oath. (No. 50.)

1. *The Chairman.*] You are one of the managing directors of the firm of Skelton, Frostick, and Co.?—Yes, Mr. Frostick is the technical man, and I am the office and financial man; but I know sufficient to give the Commission any information which I think they may require.

2. You have been in Christchurch for some considerable time?—Yes, twenty-five years.

3. There has been during the last twenty years a considerable advance in the price of boots?—Yes. Will you allow me to put the position in my own way? There has been an increase in wages, going back, say, for a period of fifteen years—an increase probably of 25 or 30 per cent. in wages, and in the case of the girls' stitching department probably of 30 per cent. or 40 per cent. But in the interval the whole incidence of manufacturing boots and shoes has been changed. Whereas fifteen or eighteen years ago the work was chiefly done by hand, it is now entirely done by machinery of the most modern and up-to-date type. I think the machinery in operation in New Zealand is now equal to anything in the world. It is not concentrated as it would be in larger centres, and it is spread pretty well all over New Zealand. This increase and the change in the incidence of manufacturing has, I think, equalized the advance in wages. That is a statement that I will stand by. The actual cost of boots per pair is no greater than it was before the wages were raised, so the public as a matter of fact are not paying to-day anything for the increase in wages. But, for all that, there is a very heavy increase in the price of boots, but that increase is not entirely due to the increase in wages, but is entirely due to the enormous increase in the cost of materials. Fifteen or eighteen years ago we paid 9d. for sole-leather; to-day we pay 1s. 2d. to 1s. 3d. per pound. Really, I think it is nearer 1s. 3d. on the average

than anything else. That is an increase of fully 60 per cent. in sole-leather; and in upper-leathers there has been an increase of fully 40 per cent. also. You can readily understand when two-thirds of a boot is represented by material of this kind what a substantial increase it must have made in the cost of boots. I estimate it at one-third labour as against two-thirds material. Probably, in order to state the position more accurately, I might have to modify that perhaps by 4 or 5 per cent., because the machinery has probably made the labour a little smaller per boot. I may add that, in my opinion, the rise in material has not been caused from any combination of the tanners. I am speaking of materials that are turned out here, and which form a fairly large portion of the uppers. It is entirely due to the increased demand for hides and skins all over the world. And to-day I think the tanners will tell you that their competitors are the Canadians. The world evidently has overtaken the supply of the raw material. Going back a generation or two, you will find that in South America hundreds of thousands of cattle were slaughtered entirely for their hides. That is now all a thing of the past. A beast now is killed for its beef, and its hide is a secondary consideration. There is no doubt that, with the increase in the population, hides are in genuine demand, and that demand has not been brought about by any combination or anything of that sort. It is too strong a factor. The same remark applies to lots of other commodities, which we do not make but which we have to import, such as French calf, glace kid, and lines like that; the prices of these have risen enormously.

4. *Mr. Fairbairn.*] 40 per cent.?—Yes, a full increase of 40 per cent.

5. *The Chairman.*] Most of your material is made in the Dominion?—Yes, all the sole-leather. The glace kid is made from goat's skin, and that material is not manufactured in the Dominion, but is all imported. It is produced mostly in America and Germany, and a little in England. There is another factor in the price of boots which I wish to bring under your notice as affecting the public. As I have explained, there is no doubt that the increase is due entirely not to the increased wages bill, but entirely to the cost of material. Another factor is this: the public demand, and are buying better stuff than they did. Boots and shoes which were bought ten, fifteen, and twenty years ago people would not look at to-day. The whole trend of the public is for more style, more quality, and they are paying higher prices for it. The question of fashion is a very big item now. Women will not look at certain boots and shoes if you imported some lines which are a little out of fashion. There are shoes selling to-day in Christchurch at 6s. and 7s. a pair which cost £1 a pair to import—boots of good quality, but which are not fashionable, and they will not be looked at. They are not selling even at that rate. That statement the Commission can verify by inquiring from retailers. I have said to retailers, "Can't you get rid of these boots? The boots are of splendid quality." They say, "We cannot sell them." And I am afraid to tell the Commission what they are being sold at. I may mention that one line of fifteen hundred pairs was sold at 4s. a pair, which cost us 15s. a pair; and these boots were sold at 5s. 11d. a pair retail.

6. *Mr. Fairbairn.*] Does the same apply to men's boots?—No, not to the same extent. I think it is the fashion which regulates women more than the men. Men, of course, have got their shortcomings, but not in that respect. There is no doubt of a better quality of boot being in demand. I suppose that denotes a certain amount of prosperity in the country. Then there is stuff manufactured in New Zealand which probably could not be bought twenty years ago.

7. *The Chairman.*] Do you think it is the fashion, and also the general advance in better conditions, which is responsible?—I think it is. I think it is a sort of emulation which has something to do with it. Women and men are now better dressed, and they see others better dressed, and each one is stirred up to be the same. Whether it is justifiable or not I am not sure, but I think that feeling is there.

8. I suppose they think they cannot afford to look dowdy?—I am not saying it is wrong. It is perhaps right. I think it is the aim in life to have better conditions in regard to everything we can get.

9. Do you buy material from merchants at Home?—Yes.

10. Have you found that you can only get certain lines from certain merchants at Home? Have you found any increase in prices from the existence of trusts or rings at Home?—I do not think there is any trust or ring. It is free competition. Business is very well classified there. In New Zealand we make all-round classes of boots. In America some firms only make women and children's boots, and other firms only make men's boots. In those countries the work is more specialized than we can have it here.

11. Is that the explanation why such a quantity of goods is imported—that a factory in the United States makes nothing but a particular kind of boot or shoe, and turns them out by the million? Of course, in such cases, I suppose they can afford to pour their surplus into New Zealand at a cheap rate—much cheaper than the general manufacturers here can make the boots, when he is making all classes of boots?—There is no doubt that the effect of specialization is to cheapen.

12. And that handicaps you here in the way of local manufacture?—Undoubtedly. Mr. Frostick, writing to me the other day, said that he called on one house in England and said that he could not fulfil certain general orders, and the manufacturer showed him his order-book, containing one order of 60,000 pairs of one line, without any variation, to be delivered in seven days. That was an English order. We make too many classes. We cannot help ourselves—the demand is there.

13. *Mr. Veitch.*] There is one point I am not quite clear about. With regard to the fact that people are going in more for higher-priced goods than they used to, do you think that the duty has anything to do with that?—There is a very curious thing taking place in connection with the tariff. A duty was placed on boots at per pair as well as *ad valorem*. It, no doubt,

did tend to shut out the low-quality stuff, because the duty from a percentage is very much higher on that class of boots, which is really unduly taxed; whereas, in regard to the higher grades—anything from over 10s. per pair—the alteration in the tariff did not affect them. The fixed duty per pair and the reducing of the *ad valorem* duty did not increase the duty on the higher-grade boots, but it did tax the lower-grade boots, and practically shuts them out. The effect of that, I think, has been to educate the people up to a better class of stuff. The imported stuff that comes here now is of a higher grade, and the whole of the public has been gradually educated to demand a better class of stuff. What would happen if that cheap stuff were in the market I am not prepared to say.

14. *Mr. Hall.*] A previous witness stated that some of the low-priced stuff could not be manufactured in New Zealand at anything like what it can be manufactured in England. Is that so?—Yes, undoubtedly.

15. He was speaking of slippers, for instance?—There is stuff made in England we could not compete against without the duty.

16. Can you compete with them with the assistance of the tariff?—We can just hold our own. The position of the tariff is this, and it is rather an important point to know: our wages-bill is exactly double the wages-bill in England and Germany. I recently saw a detailed statement of the wages paid in the various branches of manufacture in England and Germany, and they were just half our rates. The tariff we have got puts us just about on the same footing. We estimate that we are now practically working under free-trade conditions: that is to say, the difference in our wages compared with their's is counterbalanced by the tariff.

17. *Mr. Veitch.*] You say that the wages here are double those paid in England?—Yes; in England a man gets £1 8s. 6d. a week, and here we pay £2 16s. per week. In regard to the wages of cutters, machinists, &c., we just about pay double the rates paid in England. I am not quite clear whether they work rather more hours than we do, but the statement I have made is near enough.

18. *The Chairman.*] You do not suggest that the minimum rate given to men in the boot trade here is too high?—No, I do not think it is. The minimum rate that we pay is £2 6s. 10d., and we have not one man receiving the minimum rate in our factory. Although that is the minimum rate, and there has to be a minimum rate fixed, our wages run up to considerably over that—to £2 12s., £3, and £3 5s., and up as high as £4, not including foremen. £3 and £3 5s. is a common wage.

19. *Mr. Hall.*] Do I understand that some cheap lines are still coming in from England in spite of the tariff?—Yes, undoubtedly—a certain class of slipper and evening shoe; but all the time progress is being made here. But those lines are really checked by the scarcity of female labour: that is where all our factories are blocked. We could get the men, but it does not matter what men are available, you have to have a stitching-room. You can only get the boots made when you have the girls for the stitching-room. That is the weak spot of the extension of our factories. There is a certain growth, but not a very rapid growth.

20. Are there any materials which you use in the manufacture of boots upon which you are paying a high duty?—No, I think the tariff is a very fair one. The tariff was adjusted, I think, during the time that Mr. Millar was Minister of Customs, and he gave a great deal of attention to the subject. As I have said, I believe the tariff is a very fair one. I do not think there is any special handicap in that way from the materials point of view.

21. There is nothing handicapping the local manufacturer?—Not in regard to the importation of the materials. There are, I suppose, some items in leather that the manufacturer might desire to have free of duty. But, of course, the tanner has to be considered. I do not think that the industry is handicapped by the tariff at all.

22. *Mr. Fairbairn.*] You say that the labour cost of production of the goods is about one-third: does that apply to boots invoiced at 6s. a pair?—I was speaking of our own manufacture.

23. Do you not make boots of that nature? You say that the cost of labour is about one-third?—That is an average. The cheaper the boot, there is more material in proportion and less labour.

24. Approximately, 1s. 6d. would be the cost of labour?—Yes.

25. I want to analyse this: a pair of boots invoiced at 6s. in England—on youths' boots there would be 1s. duty to start with—16 per cent on 6s.—that is another 1s., making 2s. The duty, therefore, becomes equivalent to 33½ per cent.—namely, 2s. But the cost of labour in making a pair of boots of that kind would only be 2s., so if you are paying double the cost, you are paying 2s. on labour that would be got for 1s.: is not that so? I mean to say that the value of labour in England would be 1s. 1d., but you are paying 2s. here. So that it is not quite free-trade conditions on cheap boots, but I grant you it is on more expensive boots?—No, I do not think it is on cheap boots.

26. This is a very serious question to numbers of families—the cost of children's boots—say, children from seven to twelve years of age—the cost of their boots would be a big item. What we want to get at is some means of reducing the cost of these necessaries of life?—You know that all infants' boots are free up to sixes.

27. But in the case of children from four to twelve years of age, the duty runs pretty high in consequence of a uniform tariff per pair, quite irrespective of the value?—Yes.

28. Would the boot-manufacturers object to a reduction? Would it be against the interests of your factory to reduce the duties on the cheaper class of goods—children's boots up to twelve or thirteen years of age?—There is a large number of youths' boots made lately, but I do not think anybody is keen on making children's boots in the Dominion.

29. So we were informed. One manufacturer said he would not like an abolition of the duty?—I do not think I would like to answer that question on behalf of the trade. There is a federation of the whole of the manufacturers in New Zealand, and I would not like to speak

for them. I may add that we make many thousands of pairs of evening shoes still at about 6s. 6d. a pair.

30. There is no common understanding between boot-manufacturers in regard to prices?—Not the slightest—good cut-throat competition the whole time. I may here say that one firm paid 2s. in the pound, and another firm 6½d., and they had £12,000 of liabilities. I think that lately the public has been getting some cheap stuff. I have never known the time when it was not so.

31. *Dr. Hight.*] You spoke of the introduction of better machinery during the last fifteen years. What was the cause of that: was it in any degree due to the higher wages, or simply in sympathy with the introduction of better machinery abroad, and the general progress?—We had to compete with the rest of the world and employ the most modern means of turning out the articles.

32. Do you find that the introduction of better machinery has some effect in raising the rate of wages?—We are paying higher wages, and we are turning out boots at no increased cost. If the wages had not been increased we should have manufactured at a cheaper cost—that is a certainty. The increase we pay in wages has absorbed some of the advantages of the machinery.

33. You spoke of the demand for a better quality of boots: can you suggest any particular causes for the increase in the quality demanded beyond the one you mentioned—the increased prosperity of the people?—No, I think it is that, and I think it is due also to the growth of the cities, and there being more life and smartness about them. Twenty-five years ago the place was much more countrified than now, but as the cities develop the people get smarter, and their wants are more in accordance with what the city expects.

34. They are better able to satisfy their wants than they were formerly?—Yes, undoubtedly.

35. You are of opinion that the capricious changes in fashion affect trade?—I think they are very good for the traders—the draper and tailor, and all those people. I think the fashion is everything to them. It is costly for the householder.

36. Is there any great loss of dead stock from that cause?—Yes, a good deal—a very heavy loss at times.

37. Can you distinguish between the classes of the community as regards devotion to fashion?—No, I do not think there is any class in it. I believe the classes are eliminated in that matter.

38. You think that changes of fashion are followed by what are commonly called “the workers” as well as by other classes of the community?—I think they are. I think the bulk of the people are affected by the fashions. There are a few exceptions where every shilling is of importance, and where the expenditure is closely studied, but speaking of the great bulk of the people I think they are all actuated by the same feeling.

39. You think that fair competition with foreign lines is good for the producer?—Now you are getting on to another subject altogether. If we were discussing tariff there is a great deal to be said on both sides of that subject. I dare say from the point of view of the public it is a good thing that there should be some competition—it keeps us up to the mark.

40. From the point of view of the general community?—Yes; if you were to sweep the tariff entirely away you would get cheaper boots—that there is no doubt about; but it would mean closing every factory in New Zealand in six months without a doubt.

41. But your idea of a satisfactory tariff is this: that the local producer should be put on the same footing as the foreign producer in our local markets?—Yes.

42. A tariff conforming to those conditions would be satisfactory to you?—I would like it a little better in some respects.

43. You spoke of the scarcity of female labour: have you any suggestions for remedying that?—I think the only suggestion is to import them. The local demand is very large, and girls are marrying very rapidly. We lost fifteen girls from our place one Christmas season. It was a great loss—fifteen expert girls. We cannot object to it; on the contrary, we must approve of it.

44. Is there any special plan of importation that you would suggest?—Our firm imported twenty girls some time ago, but they are nearly all gone—nearly all married. We lost nearly every girl that we imported in three years. I think we did the country some service, for we paid their passages, or some portion of them, and some portion was repaid. There is no doubt that we could do with a steady influx of female labour without injuring any one.

45. *Mr. Robertson.*] You have spoken about the increased standard of quality in demand for boots. Did you say that the average quality of women’s boots is as good now as it was fifteen years ago?—I think it is. But you have always this fact to consider in regard to women’s boots: if you go in for a class of boot that is smart and light, perhaps they will not give the same amount of wear as a stronger and rougher class of boot; but taking the quality all round I think it was never better than it is to-day.

46. Do you think that more boots are sold per head of the population now than there were fifteen years ago?—I would not think so.

47. Do you not think that the changes of fashion and devotion to fashion causes a greater sale of boots per head of the population?—I am not clear on that point—whether more per head are sold. Probably there are more per head sold. If people demand the better stuff they are also perhaps not wearing them out in the way they formerly did, for the same reason.

48. *Dr. Hight.*] You said that competition was pretty keen amongst the local producers: about how many plants are there in the Dominion?—I think, about twenty-five or thirty.

49. Suppose they were amalgamated—would it be possible to combine them, or the greater portion of them?—It would not be practicable. They are spread all over New Zealand, from Invercargill to Auckland. New Zealand is a place of very varied wants. The class of goods required in Invercargill is quite different from the class of goods required in Napier or Auckland.

50. *Mr. Hall.*] You referred to the Boot-manufacturers' Federation: where is its headquarters?—This year they are in Auckland. The president is in Auckland this year.

51. Do any of the American or English firms slaughter their surplus stuff—send it to New Zealand and sell it at under cost price?—I do not think so. Mr. Frostick informs me that it is refreshing to go to England and see the absolute independence of the manufacturers there. The industry is going on there at the very highest pressure. There is wonderful activity in the trade.

52. Do you think that the operatives in Northampton are earning a fair living-wage?—From our point of view I should say No.

53. But taking into consideration their cheaper cost of living?—I could not say.

Statement added by witness.] I intended to emphasize the fact that there exists to-day very keen competition between the importers and the local manufacturers. This is shown by an increase of £50,000 for the year ending 31st December, 1911 (the last published returns). I have already pointed out that the duties now enforced just about equals the difference between our wages and those in force in England and Germany, and I am of the opinion that any further increase in wages under present conditions will at once lead to a further extension of the import business. It will be realized that with the outside competition with the manufacturers the public are not by any means in the hands of the local manufacturers.

HORACE HENRY BARLOW, Tobacco-merchant, examined on oath. (No. 51.)

1. *The Chairman.*] You are a tobacco-merchant carrying on business in Christchurch, Mr. Barlow?—Yes.

2. What special line do you deal in?—Simply tobacco and tobaccoists' goods.

3. Has there been, to your knowledge, any considerable rise in the price of tobacco during the last ten years?—No, not as far as I know; none whatever.

4. Has any alteration in the duty affected the sale?—There has been no alteration of duty during the last ten years.

5. What is the duty now?—3s. 6d. per pound on tobacco, and 7s. on cigars and cigarettes.

6. Is it your opinion that the existence of an all-round duty upon tobacco of 3s. 6d. per pound has an unfair incidence upon the poorer classes?—Of course it has.

7. Would you explain the difference in the incidence of the duty upon the poor man's tobacco?—The poor man, to start with, buys his cigars at 3d.—he can only afford to pay 2d. each. The ordinary class of individual—a man earning a fair income—would pay 6d. for each cigar. The poor man is paying from 200 to 250 per cent. duty, whereas the other man only pays from 33 to 50 per cent. duty. The poor man has to pay four times that of the other man. The difference between Juno and aromatic tobacco—the cost price—is, I suppose, a difference of 1s. per pound. That is a difference of from 40 to 50 per cent.; but the duty is all the same. There is not so much difference in that. As to other goods in our line, such as pipes, and tobaccoists' goods generally, the poorer class of individual, the working-man, has to pay all the time just double the duty the other man has.* If a man can only afford to buy a 1s. pipe he has to pay double the duty the man has to pay who can afford to buy a 5s. or a 6s. pipe.

8. *Mr. Fairbairn.*] Will you please explain that?—There is a preferential tariff. Hardly any of the cheaper pipes are made in England at all—just a small percentage. We have to pay a preferential tariff on the cheaper lines of stuff, whilst on the dearer stuff we do not. It makes an enormous difference, of course.

9. What is the cost of the most expensive tobacco which you import in bond?—About 6s. a pound in bond.

10. And the cheapest black tobacco is 1s.—Yes, or a little more.

11. Therefore, the duty being the same, the cheap-tobacco buyers pay about six times the amount of duty, in ratio, to the value?—Yes, on the 6s. line; but there is none of it sold—nothing to speak of.

12. *The Chairman.*] A Wellington tobaccoist informed me that he sold some tobacco at 14s. a pound?—He was probably referring to the retail price. I am speaking of the price of the wholesale tobaccoists.

13. *Mr. Fairbairn.*] The point I want to elucidate is this: that the duty on the tobacco that the multitude use is about six times more on its value, compared with the duty on the more expensive tobacco?—Yes, it tends to make people smoke rubbishy tobacco—the present arrangement of the duty. A man has to pay the 3s. 6d. per pound duty, and it tends to make people smoke these black tobaccos, which, in my opinion, are worth nothing.

14. *The Chairman.*] You think, in justice to the classes you refer to, the duty should be altered to an *ad valorem* duty?—Yes, I think so.

15. Is your firm entirely wholesale?—We have a retail shop also; Davies and Lamb's shop belongs to us.

16. Is it fair to ask what you consider a fair profit in retailing?—The profits are fairly small—the profits of retail tobaccoists especially.

17. Is it not true that you have also to charge interest on the duty paid?—In the wholesale business we pay no attention to the duty—all our goods are charged separately.

18. The general public buy from the retailer, and if the retailer is paying interest on the amount paid in duty the public has to pay it?—Yes. The retailer has nothing whatever to do with the tobacco in bond; it is delivered at his shop, and he pays for it some ten days after he gets delivery. That is one of the worst faults in our business. He should pay cash.

19. *Dr. Hight.*] But the wholesale merchant is out of pocket in the matter of duty?—Yes.

* Later the witness qualified this statement by saying there would be a difference of 50 per cent., not "double the duty."

20. But do you not take that into account in fixing the price for the retailer?—We cannot; we never get cash within a reasonable time.

21. *Mr. Veitch.*] As to that tobacco that costs 1s. a pound: at what price would it be retailed at in the shop?—I am not conversant with the retail business, but I think it would be sold at the rate of 1s. 2d. wholesale in bond—that is, roughly, 15 per cent. on the cost of tobacco. We take no notice of the duty.

22. Then you sell it without taking the duty into consideration when you pass it on to the retailer?—Yes.

23. *Mr. Hall.*] Has there been any tobacco of fair quality grown in this country?—Not that I know of.

24. Do you think that the soil and climate in some parts is suitable for growing it?—I could not say—I know nothing about the growing of tobacco.

DAVID REDPATH, Coal-merchant, examined on oath. (No. 52.)

1. *The Chairman.*] How many years have you been acquainted with the coal trade in Christchurch?—Practically all my life. I am now in business here.

2. Could you give us any information as to the prices of coal, say, ten years ago and now?—Yes. The evidence I give of my own knowledge is confined to Newcastle coal: that is the principal household fuel in Christchurch. The price in 1900 delivered to householders was 34s. per ton for Newcastle. That price obtained until about 1908, when it was advanced 1s. on account of the increased price f.o.b. Newcastle—that made it 35s. In May, 1912, the price advanced 2s. per ton delivered; the f.o.b. price Newcastle was the same, but the transport charges were higher all round.

3. Then the advent of the State coal depots made no difference to you?—Absolutely none as far as price is concerned.

4. *Mr. Fairbairn.*] What is the present price of Westport coal?—The same as Newcastle—37s. retail per ton. I cannot give such reliable evidence in regard to Westport as to Newcastle coal. The price in 1900 for Westport, I believe, was 39s.; now it is 37s. per ton. It has fallen in price. When the Westport Coal Company bought out our retail business some two or three years ago the price was reduced to 34s.; that has been raised again to 37s.

5. *The Chairman.*] Do you know of any machinery by which the prices of coal are regulated?—There is a Coal-merchants' Association, but there is nothing binding on the merchants at all.

6. There is an understanding between them?—There may be; I believe there is an understanding. I do not attend the meetings myself. There is a secretary, and I understand the association is registered.

7. They have minutes of proceedings?—That I would not be certain of. I have not been to any of the meetings. Our firm belong to the association, but I have never attended a meeting. I believe minutes of meetings are kept. This association does not rule the prices; it is really for the protection of the trade throughout. A number of things that crop up are discussed, and it really protects the merchants themselves from bad debts and such things. That is really the aim of the association. I think the coal-merchant is a prey to bad debts more than any one. There is a great number of people who go round and play upon the merchants, and this association has helped in that matter.

8. You do not consider that this regulation of prices has perhaps had the effect of keeping up prices when they would have fallen?—Most decidedly not. I think if I could give you an idea of the profits of the retail merchants you would be astonished that they could continue in business, and it is only their hard work which keeps them there.

9. *Mr. Veitch.*] Is there a framed set of rules for the Coal-merchants' Association?—No, not that I am aware of; I do not think so.

10. Is it associated with or federated with any other association outside Christchurch?—No; it is just purely a local concern.

11. Do you know how it is registered—under what Act?—I could not say; it is registered, I believe. Mr. T. W. Reese is secretary, and he could give you the information, no doubt.

12. It does not fix prices in any way whatever?—They are not binding in any way; any one may break the prices; there is no penalty. A man may sell for what price he chooses, but if he did sell under the present prices he could not exist.

13. The penalty would be bankruptcy?—Yes, it would.

14. Then what purpose does the association serve besides giving protection as to bad debts?—I do not know that it has any further objects than that particular aim; that is what it is there for.

15. You have just said that a member may break through the prices without punishment: that indicates that prices are arranged?—The prices are arranged from time to time.

16. But there is no punishment inflicted for breaking them?—Absolutely none; a man may break any of them.

17. Are any merchants not in that association?—10 per cent. to 15 per cent. are not in the association.

18. Assuming they joined, would the association then be able to punish price-breakers?—No.

19. Is there any arrangement between the mine-owners and the merchants?—No.

20. Is there any difficulty in purchasing coal for any merchant outside the association?—None.

21. Can outside merchants buy just as freely?—Absolutely freely; there is no prohibition of any one.

22. *Mr. Hall.*] Can the retailers buy direct from the pits without the purchase being made through the wholesale merchants?—As regards the Newcastle coals, nearly all the pits are represented by agents. We are the agents in Christchurch, for instance. We take the risk of bringing down that coal, arrange tonnage, and so forth, and sell to the retailers by the truck ex ship.

23. With regard to other kinds of coal: can they buy direct from the pit?—They can buy from the Westport Coal Company, or Stockton Company, or Blackball Company; these are all represented here, or have branches.

24. *Mr. Fairbairn.*] The Westport Coal Company sell to the public direct: they have no middleman handling their coal?—Yes, direct to the public, and they sell to the merchants as well.

25. They have two sets of prices?—Yes.

26. That was not the case in Dunedin. What are the charges on coal from the ship's slings into store?—The railage, 4s. 9d. per ton (imported coal); cartage to various yards averages 2s. per ton at present.

27. If coal is taken from the truck into the yards there is only the addition of 4s. 9d. per ton?—Well, we have got the discharging-costs. You could not bag direct from truck at sidings—there is no time; only a few hours is allowed us. It is rarely you are lucky enough to save the extra handling. There are only some three or four private sidings, and they pay a high rent.

28. You are quite certain that in your local association there is no penalty for breaking prices, such as expulsion from membership?—I am certain of that.

29. Have you a printed price-list?—I believe there is one. I would not be certain of that. I can let you have one if available.

30. Can you remember who signs the printed list?—No, I do not remember. We are out of the retail business, and have been for two years and a half.

31. *Mr. Robertson.*] How is most of the coal sold here—what quantities, small or by the ton, to householders?—I think there are more smaller quantities than ton lots sold. The usual way is quarter-ton, half-ton, and so forth, and some in lesser quantities, in bags. In the very small yards the bag and the hundred still pertains, but in the larger yards they try to stop that because of extra cost of delivery; it adds considerably to the cost.

32. What are about the usual charges for bags and per quarter-ton?—I think I am correct in saying that the quarter-ton of the Maitland or Newcastle is 10s. per quarter.

33. And by the bag it would be more?—Yes, more in proportion, because of the cost of delivery.

34. You could not give us the exact price?—I am not sure of it.

35. Most sales are in small quantities for householders?—It would be hard to answer that accurately. One man might have a number of small customers; another man larger customers.

36. *The Chairman.*] Is there anything within your knowledge which has not been brought out by the questions?—You asked me about the State competition—if that made any difference. It made no difference whatever as to the prices. The coal man could not reduce his selling-prices and live.

37. What was the State coal selling at when they started? Is it not lower now?—It was 30s. when they started, 31s. to-day.

38. *Mr. Fairbairn.*] The cost is greater in handling coal in Christchurch than in Dunedin?—Yes, there is a 1s. penalty on Newcastle coal as imported coal as against local coal. The railage is 3s. 9d. for the local coal, and 4s. 9d. for imported.

39. You say the State coal was 30s. and 31s.?—30s. was the price prior to the rise. I am speaking of best screened coal for household uses; that is what I have quoted for all through.

40. *The Chairman.*] Why do people buy from you for 39s. when they can get Port Elizabeth coal for 31s.?—Well, we think the Newcastle coal is superior.

41. Evidently the people of Christchurch think so too?—Oh, yes, the Maitland coal is the finest coal south of the Line.

WILLIAM MINTY, Factory-manager of the Kaiapoi Clothing Company, examined on oath. (No. 53.)

1. *The Chairman.*] Have you had a long experience as a clothing-manufacturer?—A lifelong experience. For the last eight years I have been in Christchurch.

2. Can you tell us if there has been any very great rise to the public in the cost of clothing during that time?—I can only answer for the costs as affected by labour in the matter of production. It is not within my jurisdiction to determine the selling-prices: that affects the warehouse. I have no jurisdiction over the material—the lines are supplied by the piece, and the factory supplies the labour and necessary trimming.

3. Has the price of that labour gone up considerably in the last ten years through the awards of the Arbitration Court?—Very much. By comparison of the wages it works out 37½ per cent. relating to the journeywomen; that is since 1902 that rise has taken place. That increase applies only to the women; the increase in the wages of male operatives is 10 per cent.

4. Do you know what ratio the labour-cost bears to the cost of materials?—I have no jurisdiction over that; I have no more knowledge of the cost of material than you have, sir; that does not come within my province.

5. Have you nearly the same class of worker that you had ten years ago?—Much the same, I think; there are continual changes being made, but I suppose the qualifications are much the same as before.

6. Have you any difficulty in getting female hands now?—Very great difficulty. I think during the last five years we have experienced greater difficulty, and I attribute that to the greater prosperity. We are losing a good many women by reason of their being married, and being taken away for domestic purposes.

7. And if there was general prosperity a man would be able to keep his children at home longer?—That has been our experience.

8. Have you any observations to make on the question of a rise in the cost of living?—None, sir; I can only speak of what has taken place in our own business, and the figures I have given I am prepared to substantiate.

9. That would add to the cost of living, owing to the cost of labour being carried on?—It must, of course; the cost of production has increased, and it is passed on.

10. Although the cost of labour has risen, has not the improvement of machinery levelled it, so that the charge for labour did not increase the cost?—It is not our experience.

11. *Mr. Robertson.*] Has there been any improvement in factory methods that might to some extent counteract the rise in the cost of labour?—There is always machinery being introduced for the purpose of labour-saving, and in some respects it has achieved what was claimed for it; and, speaking on behalf of my company, they have displayed great enterprise and spared no expense to install labour-saving machinery.

12. You have given us the percentage on which cost of labour has increased: how far has that increased the product?—Whatever advance is made in the cost of labour must be put on to the cost of producing that particular garment; that is passed on to the warehouse, and that put on the cost covering the whole, and by that means the selling-price is determined.

13. You said that labour has increased 37 per cent., female labour, and 10 per cent. male labour: has the cost of clothing increased in that proportion?—Not necessarily so; while the cost of labour has increased to that extent, there are other factors to consider. The trimmings and overhead charges are not affected in the same way, so that in the aggregate it does not represent 37½ per cent.

14. How much has it affected the cost of clothing: could you give us any idea?—I could not answer that question; I have not gone into the matter.

15. *Dr. Hight.*] You would need to know the cost of material, and that does not come within the scope of your province to determine?—No.

16. You have no knowledge of it?—No; the material is simply consigned to the factory from the mill for the purpose of making up, and the duty of the factory-manager (my position) is to determine the cost of labour and trimmings—that is, linings, &c., and what is required outside the cloth of the garment; such materials are provided by the factory.

17. The total cost of production has increased, and you could not say exactly to what extent?—I should think, without going into details, it would be half of the amount I stated as the total increase.

18. *Mr. Macdonald.*] Has there been any saving through increased efficiency of plant?—Yes, we have been able to introduce certain appliances for the purpose of effecting a saving of labour, but we have not enjoyed all the benefits which are said to be derived from them. [Witness instanced the installation of a new system of heating-irons, whereby the pressers did not have to leave their board, but the benefit of that was reaped by the pressers. No deduction had been made in the schedule of prices in consideration thereof.]

19. *The Chairman.*] Are you working under a log now?—Yes, sir. The piecework log for women was abolished in 1905, but the piecework for pressers has been maintained. The option is given to employers to adopt either—not both—systems: that is, an employer can elect to work by the prescribed weekly wages, or by piecework scale, as embodied in the award.

20. How long have you had power put on the sewing-machines?—Long before I took over control in 1904. The whole of the machines had power on in 1904 in the Kaiapoi Factory.

21. *Dr. Hight.*] You said that the efficiency of labour had not increased in the same way as wages had increased?—Oh, no; if anything it has deteriorated, because we find the hands do not stay the same length of time; the girls come and go for reasons which I just referred to. Generally speaking, the best of the girls are those selected for marriage—that has been our experience; we have to take almost anything that is offering and make the best use we can of it.

22. There is really a difference in the character of the worker rather than a change in individual efficiency?—In our experience all girls are not suitable. We are employing something like five hundred females, and are continually in search of young girls, and we take them as soon as they are eligible for employment in factories; but our experience is that it is not every girl who can adapt herself to the work—has the intelligence to adapt herself to the business. Some are very quick.

23. *The Chairman.*] Do you think that the power of adapting herself to factory work would make her more eligible for marriage?—No, I would not say that. But I do not think the conditions obtaining ten or twenty years ago differ greatly; the conditions will always be the same in that respect. We all know that some girls are gifted with more intelligence than others, and they can adapt themselves to any business; they grasp whatever task is put to them.

24. *Mr. Fairbairn.*] Did I understand you to say that labour represents half the cost of factory-made clothing?—I approximate it would be half; perhaps five-eighths would be represented in the cost of labour.

25. *Mr. Veitch.*] How did you estimate the increase in labour at 37½ per cent.? You have introduced labour-saving machinery into the factory, have you not, and that has naturally reduced the number of hands employed?—No, it has not—it has not given us the increased volume we might reasonably look for. I will tell you how I determined the figures, and I think the system is satisfactory. I went back ten years, to 1902, and by comparison with the tailoresses' and pressers' wages of 1902, as compared with the wage to-day, the cost pans out rather more than that. In 1902 the maximum wage paid to a tailoress was 25s.; to-day it is the minimum; and the average rate of pay is 27s. 6d. per week to-day, while the minimum wage is 25s. Sixty per cent. of our employees are receiving more than the minimum wage.

26. You mean to say that the wages have been increased 37½ per cent.?—Yes, collectively.

27. *The Chairman.*] You remember the time when the cutting was done by hand?—Yes, sir.

28. Now, when the work is done by machinery, surely there must be some saving in the labour?—That system has been in vogue for over twenty years. The cutting-machines have been duplicated, and we have introduced electric knives, but I do not think the results are any improve-

ment on the old system. The results are practically the same as fifteen years ago. Sewing-machines have been speeded up considerably, and we have labour-saving devices of various kinds, such as button-hole machines. And button-sewing machines have also been introduced, but not within the last ten years.

29. *Mr. Fairbairn.*] Prior to 1902 you had introduced a number of labour-saving machines: what is the relative position of cost of manufacture to-day as against twenty years ago—was it greater then?—I do not think my evidence would assist you, because I have only had control of the Kaiapoi Factory during the past eight years. I have taken my figures from our records of 1902, but I could not commit myself to what obtains in the methods of manufacture or factory charges then.

30. In your opinion you would naturally suppose that the introduction of labour-saving machines would reduce the cost?—That is what is in our minds when we introduce anything of the sort.

31. Have you made any changes in your factory in this way—work previously done by men being done by women now? Who make the trousers now?—Men have never been employed in the wholesale clothing—there is a distinct line of demarcation there—the women have always done it.

32. But you said there had been an increase of wages to the men of 10 per cent?—That remark was qualified by the statement that the pressing is done by men, but the making is confined to women. Women have always been employed in the capacity of machinists and finishers in the wholesale trade.

HAROLD BEAUCHAMP LOW, General Grocer, examined on oath. (No. 54.)

Witness said he was acquainted with the process of buying from the wholesale merchants, and had had some years' experience, on his own account for four years and a half, and previously as manager for some years. His decided opinion was that the market was not free and open for the purchase of groceries; certain lines were tariffed or scaled. The grocery business was not a particularly profitable one, as the large number of bankruptcies and compromises with creditors would show. This was due largely, he contended, to the excessive charges made by the merchants associated together as the Federated Merchants' Association. There was daily evidence of this in many lines. He had been employed at a large store, where there were eight or ten hands employed all the year round, and knew of the existence of scaled rates then. For small grocers who had to purchase in small quantities these rates were prohibitive, and were much in excess of what he had paid himself when buying in large quantities. He had therefore purchased, when going into business on his own account, in large quantities, and disposed of his surplus to other small grocers, thus doing a wholesale as well as a retail business. This method he and the others found mutually helpful. From time to time more lines were "scaled." Some of the merchants were willing he should purchase in this way, but others thought he was encroaching on their ground, and had threatened to prohibit his efforts in this direction. To get the low-scale rates he would have had to carry a £2,000 to £3,000 stock, whereas his business justified only £300 to £600, say. To show the benefit of buying in quantity, witness instanced plaid matches, which he could purchase at 3s. 5½d. net cash per gross in 1908-9; these were bought outside the Merchants' Association, but ultimately it became impossible to purchase in this way. Witness read a letter signed by Phillips and Pike, as sole selling brokers for Messrs. R. Bell and Co. (Limited), dealing with the limitation of supplying. As a result of these operations, he could not purchase a single gross of matches for less than 4s. per gross, with discount of 2½ per cent.; taking 12 gross quantities, the price was 3s. 11d.; that was about two years ago. Then the quantities were scaled to 50-case parcels, 600 gross—an altogether exorbitant quantity for a small grocer. He had to buy this quantity, £105 worth, and then split it up among his friends; he unloaded at 3s. 6d. net, the price paid. Sometimes he made a little loss on the transaction, due to clerical labour, &c. In regard to tinned fish he had to adopt the same practice as the lines were scaled in 2-gross lots. If they could buy direct from the Home manufacturer, he thought they would gain decidedly. He had determined in his own mind who were the persons in this "ring" of merchants, and would hand in the names to the Commission. He was sure there was a ring, and that other grocers could give similar evidence. He had a list of prices he would also hand in, showing prices he paid for quantities, and prices charged another small grocer for small quantities. He estimated that the average grocer made 15 per cent. gross profit, and out of that all his expenses had to be deducted. The man whose invoice prices he was quoting simply could not make his shop pay, although he had the assistance of his wife, and had had to draw on outside capital. For comparison purposes he had added 2½ per cent. to his own prices. The two prices were as follows, his own being the lower one: Kippered herrings, small size (retail price 5d.), 3s. 11d. (4s. 9d.); seeded raisins, 4s. 3d. (5s.); cochineal (Crosse and Blackwell's), 6s. 1d. (7s.); brilliantshine, 7s. (7s. 3d.); quickshine, 4s. 3d. (4s. 6d.); Edmonds' baking-powder (large) (scaled in 5-gross lots), 9s. (9s. 6d.); penny flat matches, 9s. 3d. (9s. 7d.); herrings and tomato-sauce (small), 3s. 9d. (4s. 9d.). For No. 1 Food the price paid by him was 15s. 8d. (net) as against Federation Merchants' price to traders of 18s. 6d. (subject to terms). In regard to sugar, witness complained that they had also to take excessive quantities, otherwise the full discounts were not allowed; in quantities, a discount of 5 per cent. was given. Lately he had ascertained that he could get 4 per cent. discount himself if payment were made in seven days, but even one of the travellers was not aware of this; it was not generally known at all. He believed that the Merchants' Association was a Dominion association, not merely local. Some time ago there was a block made against a certain trader who was cutting prices, and he himself had been waited on by the heads of two merchant firms, who asked if he had been supplying this particular man. They inferred that if they could prove that witness was supplying this man his own supplies would be stopped.

1. *The Chairman.*] How did they communicate that idea to you?—In my shop; they told me so.

2. You swear that?—Yes. In this case I have no witnesses; I was alone at the time, and there were two of them.

3. *Mr. Macdonald.*] Could you tell us the words used?—It is so long ago. I could not tell you the exact words, but the impression was there: it would not only be here that my supplies would be stopped, but that I would not be able to draw my supplies from Wellington, for instance.

4. *The Chairman.*] Practically you would be boycotted throughout the Dominion?—Yes. The Merchants' Association was so strong that it would put a block on me, and eventuate in my closing up; that is what they inferred.

5. *Mr. Macdonald.*] Or that is what you inferred from what they said?—Yes, exactly.

6. *Mr. Veitch.*] Who were the two men?—

The Chairman: Oh, would that question be wise, Mr. Macdonald?

Mr. Macdonald: No.

The Chairman: The names can be handed in.

Mr. Veitch: Very well.

Witness, continuing, said that the Merchants' Association got an exorbitant profit from the retailer, and he thought it would be beneficial all round if this were reduced. To some extent the high prices were rendered necessary by the credit system; the merchants often ran great risks in supplying goods to traders. The prices he had quoted were for goods obtained outside the association. There was no advantage in purchasing from the Sugar Company direct; but had he been able to buy sugar outside the association, he could have taken what quantities he liked, instead of having to take 2-ton lots as from the Merchants' Association. By dealing wholesale as well as retail he would turn over 7 to 9 tons of sugar per month. He could not say how long the Merchants' Association had been in existence in Christchurch; it was growing considerably. Grocers were now blocked from getting supplies they could formerly purchase outside.

7. *Mr. Fairbairn.*] It is within your knowledge that the Merchants' Association definitely controls certain lines they did not control formerly?—Yes.

8. And in every instance that has been followed by an increase of price?—Yes.

9. Have you any instances where prices have been reduced?—No.

10. Before the last alteration in Customs tariff there was a duty of 2d. on Colman's mustard?—Yes.

11. Was that price afterwards reduced to the public?—No, sir.

12. Who got it?—The merchants; by "scaling" the mustard the merchants got the advantage.

13. And infants' food—Neave's and others—the duty of 20 per cent. was taken off?—There has been no alteration in the price, to my knowledge. Most of these supplies have been drawn from outside the association.

14. And "Highlander" milk?—We have to take twenty-five cases—altogether too much. In this way the Merchants' Association play into the hands of the bigger traders; such arrangements favour the big grocers, and make conditions such that the small grocer cannot compete with him. If the small men had the same facilities for buying as the big ones it would be better for the public; under present conditions small grocers cannot make a living.

15. If you could buy Colman's mustard at 14s. per dozen, you would not require 18s. from the public?—No; we could sell it at 16s. to the public.

16. *Dr. Hight.*] Do you recognize that there are good reasons for the merchants charging lower prices to those taking quantities?—Yes, to a certain extent.

17. But the differences are greater than the advantages warrant?—Far in excess. Office charges and the cost of delivery and terms given (which are very liberal—six or seven weeks' credit) must be added. In many cases the merchants took big risks. There are grounds for differential prices, but the differences are too great. [*Witness,* continuing, instanced Bournville cocoa, which they got for 3s. 1d. per pound by taking thirty boxes; the boxes used to be 3 lb. ones, now they were 6 lb., making the "scaled" quantity 180 lb.—£25 to £30 worth.]

18. *Dr. Hight.*] Is there a competing line to Colman's mustard on the New Zealand market?—Yes, but not a locally made article.

19. But there are other mustards?—Yes, but apparently they have no show against Colman's. Colman's is recognized as a good thing, and the people will pay the price for it every time.

20. Then Colman's mustard practically has a monopoly?—Practically. I could not sell other mustard in tins—only loose, when people did not know it was not Colman's.

Dr. Hight: Oh, I see.

21. *Mr. Hall.*] Is that due to the difference in quality?—Yes. Colman's put up an inferior mustard, a second class, which we buy, and sell loose at a lower rate.

EDMOND JOHN NEWMAN, Fish-salesman, examined on oath. (No. 55.)

1. *The Chairman.*] Are you doing business on your own account?—Yes. I am in business on my own account in Christchurch, and have been for three years in the wholesale business, and had been acquainted with fish-selling for about a year previously. Altogether I have had four years' experience.

2. In what way are fish bought in Christchurch, and how are they disposed of?—The Christchurch supply is drawn from pretty well all the South Island, largely from Port Chalmers, Moeraki, Oamaru, Timaru, Lyttelton, Akaroa—in fact, anywhere we can get fish. There is not a great deal comes from Lyttelton; the Lyttelton beds seem to be worked out.

3. How do you get the fish?—By rail, in barrels.

4. Does each person send to you what he thinks fit?—He sends what he can catch.
5. For sale in Christchurch?—Yes.
6. And it is sold by auction?—Yes.
7. We had evidence in Dunedin that the auctioneer was also a fish-seller?—Oh, yes, that is so; we have exported a little fish, but we have not been in a position to do so excepting during the last few months.
8. You do not act as an auctioneer?—Yes, as a salesman; but although we auction the fish, we are only classed as fish-salesmen; we could not auction other things.
9. What is the position generally?—When the supply is good and there is a great deal of fish in the market there is still only a certain quantity required for local use. In previous years the whole quantity of fish, if 30 tons even, had to be got rid of somehow; if it could not be sacrificed at any price it went to the destructor. We find it much better to put the fish into cool-chambers on our own account, or fishermen's account, when there is a surplus. The great trouble with the fish trade is the bad weather round the New Zealand coasts; one day the supply is adequate, the next far too much, and a week hence quite inadequate. Christchurch could do with 3 or 4 tons of fish a day; this week, owing to bad weather, we had not 1 ton a day even.
10. Does the price vary very much?—Yes, tremendously. One week we will be selling groper at £1 per cask, and the next £3 per cask.
11. Are these prices reflected on the retail price?—Oh, yes. When the price is £1 to £1 10s. the fisherman is getting a fair profit, and the retailer from 30 per cent. to 50 per cent. profit. When it goes over that the retailer gets less; when it is up to £3 per cask he is making nothing out of it—he is selling at cost price.
12. Do you own any fishing-vessels?—No.
13. Do you know of any ring controlling the output of fish from the side of the fisherman, so that they will not catch more than so-many fish per day?—No, the fishermen will not work together; they have tried it in several ports. They send us the fish whether it is little or much. In previous years the trade used to be chaotic. When the weather is fine they would romp in all the fish to Christchurch and flood the market, and the prices would come down—down to 5s. per cask, and the fisherman would not get 1s. per barrel; there would be a glut and then a famine. Having the freezing-chambers, we are now able to give the fishermen a fair return, and to encourage the fisherman at a distance, by giving a payable price of £1 per barrel. When the bad weather comes we try to draw supplies from other places. Port Chalmers is the best port for fishing, but it is handicapped by rail charges; it costs 5s. per barrel to send up the fish.
14. Has fish increased in price of late years—has your regulating the quantity of fish put on the market, and the price, added to the cost to the general public?—No; the only fish that has increased in price is the flounder—the flat fish—and that is due to the Acclimatization Society planting weed in Lake Ellesmere. The flounders are there by the ton, but they cannot be got: they are under the weeds. At certain seasons they come out, and we do get them.
15. *Mr. Robertson.*] What class of fish do you sell most of?—Groper.
16. Do you get that direct from the fishermen at Port Chalmers?—Direct from the fishermen. A salesman sometimes sends some up—perhaps twice a year.
17. What price does it usually sell at?—There is no fixed price. It is not sold by the pound in Christchurch; they sell according to how they buy the fish. They buy a whole fish which costs, say, 2s. 6d., and they just split it up accordingly.
18. *Mr. Fairbairn.*] Is it not sold by the pound retail?—No.
19. What would it average per pound?—I really could not say. Buying it at the market, and with scales, fins, tail, bones, &c., they pay from 1½d. per pound up to 6d. or 8d. per pound.
20. *Mr. Robertson.*] You are not aware of any means adopted by the fishermen to limit the supply in Christchurch?—No; there is in Dunedin.
21. They do put a limit on the Dunedin market, but all over and above for that market you could find an outlet for here?—Yes. But of course, in the summer-time, when the supply is best, from the long distance it has to travel the quality is very often not good. The Railway Department do not give Christchurch proper facilities for getting fish here in proper condition; a good deal of it is thirty-six hours on the journey, and if there happens to be a nor'-wester it goes to the destructor straight away.
22. *Mr. Fairbairn.*] You say groper varies from 1½d. to 6d. per pound?—Yes—that is, the wholesale price.
23. And the supplies are dependent on weather-conditions?—Yes.
24. You said previously that you drew supplies from Dunedin and up and down the coast: is not the local shortage made good in this way?—No; when there is a good sou'-wester it strikes the whole coast.
25. They did not speak of these violent fluctuations south: they could give practically a ruling rate for groper?—We have not that here. To give an instance: A fortnight ago we had from ninety to a hundred casks a day—9 or 10 tons of fish; last week we had not half a ton—not 5 cwt. some days.
26. Can you give us any idea of the cost of other fish—flounders, *e.g.*?—In the season of plenty the average price for medium flounders would be 5s. to 6s. per dozen; they would run from 3s. per dozen for the very smallest to 8s. per dozen for the very largest—that is when the fish is plentiful. That is the ruling price in our market in the summer months.
27. When the fish is scarce what is the price?—Flounders of any size will go up to 16s. and 17s. per dozen.
28. What for other fish?—Say 1d. to 2d. in the summer months for groper, and in the winter months from 2½d. to 6d.
29. With groper plentiful and cheap, at what price would it reach the public?—You could put on an average profit of about 50 per cent.

30. Only 50 per cent.? Is it sold as low as 1½d. per pound?—Oh, no; there is the splitting up, and boning and cutting-off of waste parts; 50 per cent. is well over the average profit for the average retailer.

31. *Dr. Hight.*] The retailer charges 50 per cent. more than the wholesale price?—Yes. But I ought to qualify that. One shop will be selling at a profit of 10 per cent.; another will be getting 50 per cent. That depends on the class of customer.

32. Of course, distribution of fish is very costly?—Yes.

33. *The Chairman.*] You said “that depends on the class of customer”: please explain?—The class of trade, I should say. It is the ordering trade, for the rich class of customer, that pays the most; it is more credit trade, and there is the delivering-expense to be added on.

34. Would you credit the statement that the purchase of a shilling fish delivered means that you get 4d. worth of fish and 8d. worth of charges?—I think that is exaggerated; I have never delivered fish, but it strikes me that is an exaggeration.

35. *Mr. Veitch.*] How do you get at the actual cost per pound? How many fish are in a cask of proper?—From twelve to sixteen fish.

36. What is the weight of the cask?—1½ cwt. to 2 cwt., counting in the cask; say 1½ cwt. net weight of fish.

37. What are the average auction prices?—£1 10s. in the summer-time.

38. That is 2d. per pound. You said before 1½d. per pound?—Well, at any rate, that is about the weight of the cask. Owing to the prevalence of sou'-westers the fish has been much dearer this summer; in previous seasons the casks have been less than £1 10s.

39. *The Chairman.*] Have you any other information to give?—No. I do not think fish can ever be got properly in Christchurch till we get the right type of boats to go out and ensure a constant supply; then we could sell for less. The fishermen down south cannot work more than three days per week on the average, and it takes two men to the boat, and there is the cost of benzine. Supposing a man averages a cask a day, which he does not, he should get about £1 15s. for that cask to make a living for himself and his mate, and allow for wear-and-tear of boats, &c. I have known the Timaru fleet be out all day looking for proper and not find one.*

JAMES MAHER, Milkman, examined on oath. (No. 56.)

1. *The Chairman.*] Have you been long in business?—About twenty-five years in Christchurch; in fact, I have been amongst the dairy business for forty years.

2. Have you noticed any rise in the price of milk during that time?—No, sir.

3. If any one gave evidence that it used to be 3d. per quart and now was 4d., you would say that was wrong?—It is 3d. per quart in the summer and 4d. in the winter. The cost of production is very much more in winter, and you cannot get the quantity.

4. You are a proprietor of a milk-run?—Yes.

5. Are you in association with other milk-proprietors?—It is a sort of association, but it has hardly been in existence for some years.

6. There used to be one?—Yes.

7. There is no meeting together to agree upon the price of milk?—I believe there are a few, but most of the milkmen do not belong to it.

8. It is not a controlling trust?—Oh, no.

9. The opinion was given to this Commission that a great deal of the expense of delivering milk was through overlapping in delivery—a cart goes up one street and supplies one house, and another cart goes to another house in the same street, and so on?—There might be that; but it is not confined to the milkmen—every trade is the same.

10. It would be possible, if there were some organization, to deliver milk at a cheaper rate?—I do not think so. At the present rate of wages, suppose the City Council took it over, they could not deliver the milk as cheap as those who do the work themselves.

11. If that is the case, those who deliver the milk now cannot be earning proper wages?—Very likely. The rates, and the prices of cattle, leave the proprietor very little to come and go on.

12. Has the price of cattle gone up considerably in your recollection?—Yes, very much—within the last year especially.

13. Have you made that an occasion for raising the price of milk?—Oh, no; there is always a shortage of milk in the winter, and then the price goes up; we have to buy to keep up the supplies. And sometimes you have to buy more cattle to keep up the quantity of milk.

14. If living has risen in cost, it has not anything to do with the milk?—I do not think you have any record of it being any higher this last twenty-five years. I do remember when it was 6d. in winter and 4d. in summer, and you could get land cheaper in those days. Now the rates are very high. I have a small piece of ground, and the rates are £33 1s. 4d. on the 24 acres.

15. *Mr. Hall.*] How far is that from the centre of the city?—Not far—in the Shirley District, Marshland.

16. Do you sell all your milk direct to the consumer?—Yes, direct.

17. What is the present price?—4d. in winter and 3d. in summer.

18. Do you have a surplus in summer?—Very rarely; we can always dispose of the surplus to the factories.

19. *Mr. Fairbairn.*] Has there been a large increase in the value of property close to the city, for dairying?—Yes, it has gone up considerably. My own property has not gone up very much this last few years; I bought it rather dear.

20. It has not altered in, say, fifteen years?—It may be a trifle, but not much.

21. Have your rates been affected?—Yes; the rates have gradually gone up; in fact, we have a very small section in Greater Christchurch, on the outskirts of it, and that is under the unimproved value, and the rates come to £14 per year on the 6 acres under that.

* See further evidence given by this witness on page 186.

22. *Dr. Hight.*] Do you suffer at all from bad debts?—Very much so.

23. As a rule?—We weed them out pretty well, but we have one or two from whom it is very difficult to get money.

24. They are not sufficient to influence the price of milk?—It has done that in the past; we have lost a good deal; but lately I have been managing to weed them out.

25. *Mr. Macdonald.*] Was it not one of the objects of the association—to let each other know of likely bad debts?—Yes, that was principally what it was for.

26. *Mr. Robertson.*] Do you get all your supplies from your own cows?—Yes; we run short at times, and might get a few gallons from a farmer, just to make up the quantity, but we try to use our own as much as possible.

27. *Mr. Hall.*] How many cows have you?—Eighteen cows.

JOHN JOSEPH WESTGARTH, Builder and ex-Grocer, examined on oath. (No. 57.)

1. *The Chairman.*] What is your occupation?—I am a builder of houses, and I was in the grocery trade up to two years ago.

2. Is the evidence you would like to give in regard to the grocery trade?—I was summoned to appear and answer questions.

3. Very well. During the time that you were in the grocery trade, did you find it difficult to buy certain lines of food except from certain tradesmen?—Yes.

4. What would have happened had you purchased from other persons? Will you give any idea?—There were several firms I could not purchase from at all—manufacturers; one must go through certain houses. Sometimes they charge their own prices, and sometimes the prices were fixed at Home.

5. Take New Zealand jam: was there any agreement that you had to get this through certain merchants?—I think most of the manufacturers would only sell to the merchants; that is my experience in reference to the jam trade, and we had to buy from the merchants at the merchants' prices, and some of the larger firms issued price-lists.

6. Could you have got it cheaper direct from the manufacturers without this agreement?—No, I do not think so. Most of the manufacturers have special agents in town—one of the merchants generally, and he gets a commission on all the sales.

7. Do you consider that a fair agency business?—If you could get it direct I suppose you could sell it to the public cheaper—that is my opinion. When they have sole control they can get what price they want.

8. Is it an agent's business to have control and charge what prices he likes?—In some instances. Sometimes the manufacturer fixes the price, and in other lines they have to guarantee so-much sold per annum.

9. Are there some lines of English manufacture that are controlled by certain merchants in Christchurch?—Yes, some of the merchants are sole agents for the town or the district.

10. You do not buy from any member of the association, but from an agent?—You were speaking of special lines just then.

11. Well, take Neaves' Food?—That is a line there is not much sold of. I understand there will be one agent in the colony for Neaves' Food, and he will distribute to the merchants. They would not distribute to me; I would have to go to the merchants; it would pass through three or four hands before it comes to me, and they would each take a profit.

12. Could you make a statement in regard to what you believe to be the existence of any persons who put a restraint on trade?—I can speak of an instance five years ago, when I commenced business. Two merchants came to me and asked me to sell at the same prices as the big retailers in the town, and I refused to do so. I said I would sell at what prices I pleased. They threatened me to stop my supplies.

13. I would like to get some more exact statement of the words used?—Two of the merchants in the town came to me. They asked me to join the retailers' association, and I said, No, I would not. They said they would compel me to do so.

14. How would they compel you to do so?—They said they would stop my supplies—I would not be able to buy in Christchurch.

15. Were those the actual words used?—Yes.

16. You swear that?—Yes. And they did stop the supplies.

17. Did you have to go out of business?—No, I was a stranger here to the colony, and I could not see any other channel open without going to the northern towns, so I joined the association, and signed to sell at the same price as the others were selling at.

18. Prior to that you were selling cheaper than the association rates?—Yes, but I did not go by the association at all; I just fixed my profit. I was opening out a new business; I did not consult anybody as to what I should sell at until they came along to me as described.

19. *Mr. Robertson.*] In your opinion, the effect of this association would be to raise the price of commodities to the general public?—My opinion was that they were afraid I would sell things too cheap, and draw some of their customers from their shops, and so they forced me into line.

20. And thereby the prices would be raised to the general public?—Yes.

21. Through stopping free competition?—There is no competition at all in respect to prices; the only competition was with "presents" to customers.

22. *Mr. Hall.*] The prices that you were charging were such as to give you a good living?—Yes, if I had a fair turnover.

23. You were not cutting prices below what was profitable?—No.

24. *Mr. Macdonald.*] What did you consider a fair turnover?—That all depends on the rent paid and the staff employed.

25. How often would you turn over your stock?—Say every two or three months. Some lines we would turn over every two or three days—butter, for instance; sugar we would turn over every two or three weeks.

26. *The Chairman.*] And with the prices you charged you could have continued in business?—Yes.

27. Have you anything else to tell the Commission?—No, I have only been in the colony six years, and I have noticed a slight rise in most things since I have been here.

28. *Mr. Macdonald.*] What about building material?—There has been a rise on four occasions in eighteen months; I have been in the building trade for two years, or a little over that time.

29. Can you put that rise into a percentage for us?—The rise is 15 per cent., I should say, taking timber all round, rough and smooth.

30. *Mr. Fairbairn.*] Can you give us the price for timber?—I did not bring my prices with me; but rough red-pine is 15s. 3d. (less 5 per cent. and 2½ per cent. for cash at end of month) per 100 sup. ft. in the yards at Christchurch, and for dressed there are many different prices.

[At the Chairman's request witness promised to furnish list of timber-prices.]

WEDNESDAY, 12TH JUNE, 1912.

ARTHUR SMITH, Carrier, examined on oath. (No. 58.)

1. *The Chairman.*] You are of the firm of Hayward and Co. (Limited), carriers, Christchurch?—Yes.

2. Your firm's headquarters are in Christchurch?—Yes.

3. You have had experience of this district for some years?—Yes, during all my life.

4. Have you any statement to make in regard to the purposes for which this Commission has been set up—namely, to inquire into the question of the cost of living?—In regard to the carrying business, I may say that the wholesale cartage rates about twenty-two years ago in Christchurch were 1s. 1d. all round per ton. There was a contract all round which practically worked out 1s. 1d., measurement, and dead-weight would work out at about 1s. 3d. The rates at the present time are 9d. to 1s. Competition has tended to lower those rates down to the smaller amount of 9d. on measurement and 1s. dead-weight.

5. Is it your experience that the change was a gradual one, or was it a sudden change?—The Railway Department, or the Government, for a number of years were the biggest sweaters we had in Christchurch or New Zealand. They were charging 9d. until the contract was abolished. There is no contract now. Merchants make any arrangement they like. They are quite free, and there is an open market. At one time the Railway Department were making a little over 2d. a ton, and that gave a little over £1,100 a year.

6. Cartage has changed its nature from horse to steam or motor traction?—Steam or motor traction is no good at all. A motor-wagon cost me £600. I gave £800 for a motor-wagon, and sold it for £200. I was perfectly satisfied that there was nothing in it—not for short journeys.

7. Why?—The upkeep is so great. You can only travel on certain streets in Christchurch, and, taking into consideration the stopping and starting again, it is not able to compete with horses up to a radius of five miles. In England the two systems have been carefully studied, and it has been proved that up to five miles horse traction is superior to mechanical traction in every way. The delivery to the wholesale houses is only to within a radius of about two miles.

8. *Mr. Fairbairn.*] Does that apply to heavy traction only?—To heavy merchandise.

9. As to lighter vehicles?—I am not able to say. An experiment is being tried now, but I do not feel inclined to take it up.

10. *Mr. Macdonald.*] It has been laid down, so far as transportation goes, that for a certain distance the cheapest method is by hand delivery, next by horse, and then for long journeys by traction?—Yes.

11. *The Chairman.*] Is it within your knowledge that there is much overlapping between the competing firms—that is to say, through vehicles travelling over the same streets and localities?—No, there is no overlapping, except when we are doing what is called "washing-up" work.

12. You consider that in the general carrying trade there is not very much waste from competition?—There is no waste.

13. *Dr. Hight.*] You think that through competition the rates have come down?—Yes; the carrier has to compete in the open market. I may state that Australia is ruling the market in regard to horses at present, and has done so for the last three years.

14. Have the rates come down in spite of the increased competition in business?—Yes, they have come down until they are now practically at bed-rock. Wages have increased. At the present time some men get 8s. a day.

15. Have you any knowledge of retail cartage and delivery of retail goods?—No, we work our business purely on wholesale lines.

16. Motors are being used in the business to an increasing extent?—Yes, as advertisements, not for utility. A man gets a "cut" out of his cart, and a "cut" out of his goods. The carter gets purely a "cut" out of his cartage.

17. *The Chairman.*] Have you found that the cost of material has been increased through the tariff charges on such articles as saddlery, harness, and the general material used in the con-

struction of lorries?—No, labour has increased. When I first joined the firm an express wagon could be built for £35; at the present time that same vehicle would cost £55. Local labour has increased the cost to us of building a vehicle from £35 to £55—that is, it has added £15 or £20 on the cost of each vehicle.

18. What about the tariff charges?—Leather is made locally, but buckles, &c., I think, come in free, but I cannot say for certain. New Zealand wood is no good for building lorries or drays—kauri is the only wood that is used for some parts of vehicles, but the principal woods used are stringy-bark and ash. The price of kauri has gone up considerably.

19. *Mr. Macdonald.*] Is there a combination of drivers?—There is a Drivers' Union, and it was thought amongst the masters that in a certain branch of our business a combination might work, but it was found impracticable, as there were so many outside carriers who are not under the labour laws or the Shops and Offices Act, and who are under no restriction as to hours of work. I know of the case of one man who left his employment, where he was working forty-seven hours and a half, and who is now working for himself for about eighty hours.

20. Was the effect of the formation of the Drivers' Union to raise wages?—Yes.

21. But that combination has not been met yet by a combination of the masters?—No. The combination of the men is simply one to better their conditions. I know an instance of a man who worked for a firm for over thirty years, and I asked him how things were working at present, and his reply was that when he first joined the firm he was getting 6s. a day. Yet he managed to build two houses, and he added that he was at present getting 8s. a day and could not afford to buy paint for them.

22. *The Chairman.*] So that, in his opinion, the cost of living had increased in spite of the increased wages?—He said he was not so well off at 8s. a day as he was in the old days.

23. Did he give any reason for the extra wage not putting him in a better position?—Yes, he mentioned the higher standard of living, and said that people now went in for more luxuries, that their children want—and I do not blame them—to have bicycles, &c., whereas thirty years ago many of these things were not wanted. I may mention that I reared my family in a house which was attached to the stables; I lived in that for twenty-one years. The rent was originally 12s. 6d. a week. I had great difficulty in getting any of my men to take it at 8s. a week, because it had not got certain home comforts, and was near the stables. I took another place of five rooms with an acre of ground round it. I put up a notice in the stable amongst the fifty men offering them the use of the grounds free for the grazing of a cow or a horse. Some of the men were willing to take the place, but the wives would not go there. They were not contented to live in the conditions in which I lived thirty years ago. I do not blame them. They want a tram to their door, and every luxury they can get.

24. *Mr. Hall.*] How far was the place out from the tram?—I live within a stone's-throw of the place, and drive into town in a quarter of an hour. A man with a bicycle could travel the distance in twenty minutes from the stables. The rent was 6s.; there was one acre of ground round the house, and there was free grazing for a cow on twenty acres. The men stated that it was too far out of the town for their families to come and go into town. There is no tram there.

25. *Mr. Robertson.*] What is the rate of pay of drivers?—£2 4s. a man with one horse, £2 8s. a man with two horses; that is the minimum. It is a weekly wage.

26. How much have wages of drivers increased in the last ten years?—Before the union started fourteen years ago the wages were anything. When the union started the wages were fixed at 7s. a day—£2 2s. and £2 4s. a week—and they have been raised to £2 4s. and £2 8s. A man is paid when he is in the stable whether he is working or not. It is a weekly wage. So far as our business is concerned, when I first joined the company they were paying about £40 in rates and taxes, and at the present time they are paying £220. Our company has had to pay for the increased public improvements which have been made in the city—it has had to contribute to the extent I have indicated.

27. *The Chairman.*] What hours do the men work?—They are supposed to work forty-seven hours and a half a week. They have to do the stable-work, which runs into seven hours a week. They are paid for holidays, wet days, and broken days.

28. You consider that that is an equivalent for having to come early to look after their horses?—More than an equivalent, because when you take holidays and wet days when the men cannot go out, they are more than recompensed. It has been the usage almost from time immemorial. Some persons say it should not be, but we reckon that we give them an equivalent.

29. *Mr. Veitch.*] You say that the cost of a vehicle now averages £15 more than it did twenty years ago?—Yes.

30. You say that is due to the increased wages?—Yes, and to the increased rates, taxes, rents, and the upkeep of the coachbuilders' premises.

31. How do you arrive at that conclusion?—By having to pay for it.

32. How do you conclude that those are the causes?—By my own business. The cost of upkeep of my own business is a great deal more than it used to be. Rates have increased during the last twenty years; rent has increased, and the whole upkeep of my place has increased. If I get a carpenter to do anything it costs me £3 or £4, whereas previously I could get the work done for £1 10s.

33. Do you know what profit the coachbuilder makes for making a vehicle in comparison with twenty years ago?—I could not say.

34. How do you know that the increase in the cost of making a cart is all in the wages?—Where you paid a man 8s. twenty years ago, to-day you have to pay him 12s. 6d.

35. That is an assumption: can you give us a definite statement that it is so?—A man is getting 50 per cent. more wages now, and he does less work than a man did twenty years ago.

36. Do you know what proportion of the cost of making a vehicle is in wages and what proportion is in material?—The last coachbuilder who built a vehicle for me told me that the cost of making a vehicle was £34 years ago, and it was £55 at the present time.

37. It is quite possible that there is an increase in the cost of the materials?—Yes.

38. You do not know the details of the cost of the making of a vehicle?—No.

39. You are not able to say exactly what proportion of the increased cost was in material and what in wages?—No.

40. Could you make any statement in reference to the question of the increase in the cost of living?—I think myself it is only a question of the increased standard of living, and the increased expenditure on luxuries. I do not think there has been much difference in the cost of milk and meat—at least, there does not seem to me to be much difference, so far as my own household is concerned. We live in rather a simple way—I have to live perhaps cheaper than some of my men do, unfortunately; and I am not able to spend on luxuries what some of them do.

ARTHUR CHARLES NOTTINGHAM, Representative for New Zealand for Jeyes's Sanitary Compound Company, examined on oath. (No. 59.)

1. *The Chairman.*] What experience have you had in this district?—I have been here for thirty-six years.

2. In this particular line of business?—I have been connected with mercantile pursuits all my life.

3. But with Jeyes Company?—I have been representing them for seventeen years.

4. Is it your experience that during that time the cost of living has increased?—I suppose it has. I do not know that the bare necessities of life have increased such a lot; some things have gone up.

5. Have the prices of the compounds in which you deal increased?—No; the price at which we sell to merchants has been practically the same for the last fifteen years.

6. Do you sell through the merchants only, or is the market open to any one who comes to buy?—I sell to anybody.

7. Do you belong to the Merchants' Association of Christchurch?—No.

8. Is it within your knowledge that there is any society or any understanding between certain merchants to restrict trade in any way?—The Merchants' Association have wanted me to tariff Jeyes's goods, and only sell them at an increased price to what I have been doing for years.

9. Did this communication from the Merchants' Association reach you as a written communication?—Yes; I had a letter, and I have also been interviewed by them.

10. Would it be possible to produce that letter or a copy of it for this Commission?—Yes, I could do so if necessary.

11. What was the inference you drew from that—if you did not join the Merchants' Association?—I simply referred the matter back to them, and told them to fix the prices themselves, and that my prices remained unaltered.

12. In fact, you declined to join the association?—Yes.

13. Were any further steps taken to try to induce you to join the association?—Yes; the president of the Merchants' Association called on my principals in London.

14. Did he try in any way to restrict your principals in London to selling to their combination?—He tried to get my people at Home to only sell to the Merchants' Association, so that the Merchants' Association would be their distributors.

15. And those solely?—Yes.

16. And it was unsuccessful?—They referred the matter to me.

17. And you preferred to stand outside the association?—Yes.

18. *Mr. Macdonald.*] The last information which you have given us you obtained from letters from your firm?—Yes; they sent me the correspondence.

19. What do you classify as bare necessities of life? You say they have not increased in price?—Clothing is a little dearer, but food I do not think is dearer. I ought to know something about it, because I have a large family.

20. *The Chairman.*] Speaking with seventeen years' experience, is it not within your knowledge that there has been an increase in the price of supplies for your family?—I do not think the prices are much dearer.

21. Do you think the exportation of frozen mutton has had no effect in making meat dearer in New Zealand?—I would not like to say, but I do not think the actual food consumed in my house is much more expensive than it was some years ago.

22. *Mr. Fairbairn.*] You say that the Merchants' Association has approached you in Christchurch and other parts of New Zealand for the purpose of scaling Jeyes's fluid?—Yes.

23. What would the effect of that have been; who would pay for it? If you had acceded to the merchants' request who would have borne the increased cost?—The public.

24. Is it within your knowledge that Mr. Harold Beauchamp, late chairman of the Bank of New Zealand, chairman of the Merchants' Association in Wellington, and managing director of Bannatyne and Co., Wellington, called upon your principals in order to get the exclusive control of Jeyes's fluid for this country, on behalf of the Merchants' Association of New Zealand? Is that within your knowledge?—Yes.

25. *Mr. Veitch.*] You refer to the president of the Merchants' Association: do you mean the Merchants' Association for the whole of New Zealand, or just the local association?—For the whole of New Zealand. I think they have their headquarters in Wellington. They have a Merchants' Association in Christchurch and one in Dunedin, and I think their controlling body is in Wellington.

26. The controlling executive?—Yes, that is what it is. I could give you that exactly. I have not got the correspondence with me.

27. *The Chairman.*] Could you let us have that correspondence?—Yes, I could leave it in the morning. [Correspondence has since been handed to the Commission, to be treated as confidential.]

WILLIAM WILLIAMS, Boot Trade Employee, examined on oath. (No. 60.)

1. *The Chairman.*] In what capacity have you come here as a witness?—I am an employee in the boot trade, a machine-operator.

2. Are you connected with any trade or industrial union?—Yes, I am vice-president of the New Zealand Federated Boot Trade Workers.

3. How long have you been in this part of the country?—Nearly all my life.

4. During the last twenty years you have worked at the boot trade?—Yes.

5. You have a pretty intimate knowledge of the ramifications of the trade?—Yes.

6. Is it within your knowledge that the price of living has increased during the last twenty years?—Undoubtedly it has increased.

7. In what particular direction should you say it has increased?—I think there has been a general increase all round.

8. There has been a great increase in the price of boots and shoes?—There has been an increase, but it is not due to the increased cost of production.

9. Do you know if wages in the trade have increased of late years?—To make the position perfectly clear, it would be necessary to make an explanation. In twelve years the entire system of boot-manufacturing has changed. Twelve years ago the entire trade of the country was working under what was known as "logs" or "piecework rates." Prices for every particular line of goods were scheduled.

10. Under an award of the Arbitration Court?—The schedules were converted into an award.

11. The agreement was converted into an award by mutual consent?—Yes. At that time it would be perfectly impossible for a manufacturer to effect anything like what might be termed factory economy, because every pair of boots manufactured would bear the schedule price. Twelve years ago the entire system changed. Piecework and the log were abolished, and it became necessary to institute the weekly-wage system. There was then instituted a very minute subdivision of labour, in order to utilize the new machinery. So that to-day, instead of a man making a boot right through, there are numerous operations, and every man becomes a specialist in one operation.

12. Was there not an attempt made to introduce the "team" system?—No. What I wanted to make clear was this: that the saving which has been effected by the introduction of machinery and the minute subdivision of labour, that the result has been to reduce the cost as far as wages are concerned. Material has gone up. The increased cost of material may be added to the cost of production.

13. You do not mean that it would reduce the cost of wages but would counterbalance them?—It reduced the cost for a pair of boots. Take one line of boots scheduled at 4s. a pair: with the minute subdivision of labour, assisted by machinery, that pair of boots is produced to-day probably at 1s. 6d.

14. *Mr. Fairbairn.*] You referred to the log system: was that under the log system?—Yes; every pair of boots manufactured had to be paid according to scheduled rate. A pair of boots under the old system which cost 4s., which cost would be divided into 2s. for benching and 2s. for finishing—that roughly would be about the position—4s. for labour in those two departments—under their present system, with a minute subdivision of labour assisted by machinery, the actual amount paid in wages on that pair of boots would not exceed 1s. 6d.

15. The cost of labour in producing the boots is reduced to that extent?—Yes.

16. *Mr. Hall.*] What priced boots were you referring to—What quality?—Gentlemen's glace kid.

17. Sold at what price, roughly?—I could not say. The wholesale price would be 15s. or 16s.

18. Roughly retailed at £1?—Yes.

19. The labour for a pair of boots retailed at £1 is 1s. 6d.?—Yes.

20. What percentage of that is for machining?—I could not say exactly, because the prices of machining vary. It would assist the Commission very greatly, I think, if Mr. G. R. Whiting, secretary of the Federation, were called, because for the last four years he has held the position of permanent secretary, and part of his duties is to keep statistics relating to all these subjects. At the present time he is still in the Dominion. The figures which I quoted are figures which I saw prepared by Mr. Whiting; but from my own general knowledge I should say they are accurate. As against that, it must be borne in mind that there has been a very substantial increase in the cost of material which the manufacturers have had to contend with.

21. *The Chairman.*] Has the increase in the tariff benefited the workers in this trade?—I have been in the trade for some thirty-five years, and the last three years are the only three in the whole of that period in which I have had constant employment; whether that is due to the tariff I could not say.

22. *Mr. Macdonald.*] The general prosperity of the country?—No, I do not say it is entirely due to that, because the country would be equally prosperous before that period—in fact, more so.

23. *The Chairman.*] So you think the increase in the tariff has had the effect of stimulating the boot trade, at all events?—Yes.

24. Is that general steadiness of business or employment in the boot trade general in other places besides Christchurch—say, in Auckland?—Yes, I believe so, during the last year or two.

25. There has not been so much broken time?—No.

26. If there has been a rise in the cost of living generally, as far as the bootmakers are concerned, this has been balanced by steadier employment in your trade?—Yes, that is so.

27. Do you think the bootmakers can live equally cheaply and well now compared with what they did fifteen years ago?—Certainly not.

28. Would you kindly explain why he cannot? Wages have increased and employment has increased: is he still in a worse position than he was fifteen years ago?—I would not say he is in a worse position, but I do not think his position has materially bettered. There is an increase in house-rent, groceries, clothing, and everything. I cannot say with regard to other trades, but I do say emphatically with regard to the boot trade that the increased cost of boots cannot by any means be attributed to the increase in wages to the workers.

29. Your evidence was borne out by the proprietor. He said the same thing—that labour has not increased the price of boots?—Yes, I would like to say that manufacturers in New Zealand have my entire sympathy. I think the man who puts his capital in a business of that character, giving employment to the people, and who is responsible through his business for the upkeep of hundreds of homes in the Dominion, and who is amenable to the Factory Act and other laws which require the supply of spacious buildings and proper sanitary conditions, and who has certain liabilities under the Compensation to Workers Act—in my opinion, if there is any class of people in the Dominion who are deserving of consideration, I think it is these manufacturers. I have absolutely no time for the retail portion of the business, because I know from experience that they must increase the cost to the public as far as boots are concerned.

30. Please speak from your own knowledge—you are not in the retail trade?—No, but I have had experience of it, and I know what I say is true.

31. *Mr. Veitch.*] Do you know anything of any combination of retail boot-sellers?—No.

32. It is your opinion that their profits are higher than they ought to be?—Yes. There is one local shop in which I saw goods ticketed “Clark’s Celebrated.” Clark is a noted English manufacturer. The price of the boots was 22s. 6d. Those boots were made locally, and were purchased at 10s. 6d. a pair.

33. Is there any local manufacturer here named Clark?—No.

34. With regard to the cost of production: you say that the cost of wages per pair has been considerably reduced?—Yes.

35. That must be by one of two factors: the number of boots produced must have been increased, or the number of operatives reduced?—Yes.

36. Which has been the case?—To some extent, both.

37. Do you know anything about the details of boot-manufacturing in England?—Yes.

38. Could you give the Commission a fair estimate of what proportion of the cost of producing a pair of boots in England would be covered by wages?—I think that the best thing I could do would be to refer the Commission to Mr. Whiting. He has numbers of books containing the wages and rates allowed in all the various operations in the large shoe centres of England, and he has compared them with the rates allowed here for the purpose of drawing a comparison.

39. You are not able to say?—No, but I have examined his figures, and the result shows that we are producing more work in the Dominion in eight hours than the British worker is doing in ten hours.

40. Do you know anything about the rates of pay?—The minimum wage is £1 16s. at Home, as against £2 6s. 10d. here.*

41. That does not agree with Mr. Allan’s evidence given yesterday?—I know what Mr. Allan was referring to. Some nine months ago the British manufacturers sent a deputation to Germany to inquire into the conditions of manufacturing there, as compared with the conditions in England. Those figures were published in the *Boot and Shoe Journal*. And I know that the firm went very carefully into them for the purpose of drawing a comparison between those rates and the rates paid by themselves, and it certainly bore out the statement which Mr. Allan made yesterday—namely, that it virtually places the colonial boot-manufacturer on a free-trade basis.

42. You have mentioned the minimum wage £2 6s. 10d.?—Yes, that is the award rate. If it had not been for the men combining with the employers to secure the trade for the Dominion it would have been impossible for the employers to have paid the rates they are paying. Most of the men are receiving £3 3s. 10d. and £4 a week.

43. *Mr. Hall.*] One witness told us that a certain class of slipper could not be manufactured in New Zealand to compete with the English goods?—I entirely disagree with that. We have exactly the same machinery, and work under exactly the same conditions, and if it can be done at Home it can be done here. Certainly there is an enormous duty charged upon certain fittings, and mention was made of certain linings for slippers upon which we have to pay 22½ per cent. duty.

44. You do not agree with him?—No. That witness does not use machinery to any great extent. It is possible that if he produced goods by hand processes it is impossible for him to compete with machinery-produced boots.

45. *The Chairman.*] In regard to a certain retailer charging an excessive price for boots ticketed “Clark’s Celebrated,” would not there be a temptation to charge an excessive profit if he was paying excessive rent for his building?—I think it might be so.

46. Does it not come round to this: that it has a considerable bearing on the question of rents in the town?—I am not prepared to say that is the answer to that question, because I know that in the retail trade numerous subterfuges are commonly practised for one purpose, and that is to extract a higher price from the general public.

47. *Mr. Fairbairn.*] What you are referring to is a false description of boots simply?—Yes. I know of one factory turning out excellent goods, and they are nearly all branded with the

* Later witness amended this statement by letter by saying that the minimum wage of £1 16s. is paid to a certain class of machine-operators only. The general minimum in Leicester is £1 10s., and the highest £1 12s. (in London).

names of English or American boots. For what purpose is that done? For no other purpose than to exploit the public. The inference is that if you say a boot is English, French, or American it is considered higher-grade, whereas it is made in their own factory. It is not fair to trade.

48. *The Chairman.*] I have heard that most "French" shoes are made in the Dominion: is that so?—Yes.

49. *Mr. Fairbairn.*] In regard to the cheaper class of boots, are they imported—say, boots at from 8s. to 10s.—or are they made here?—Yes.

50. From the lowest grade?—Yes.

51. *Mr. Hall.*] Are slippers being manufactured locally, or are they imported—slippers costing about 2s. 6d.?—I would not like to say definitely—I know there is a cheap slipper imported in considerable quantities. At the same time, a considerable quantity is being manufactured here, but they do not go down as low as that in price.

52. *Mr. Robertson.*] Could you say that you manufacture a higher class of boot than ten or fifteen years ago?—Yes.

53. A better quality?—Yes.

54. There is more fashion in boots now than there was previously?—Yes.

55. Would that tend, do you think, to more boots being sold per head of the population than before?—Yes, I think it would do, for the simple reason that the better our roads get the greater the tendency is to wear a superior class of boot.

56. Would you say that the wearing-qualities of the boots made now are better than they were?—Yes.

57. *Mr. Macdonald.*] The improved machinery that is necessary, and the improved factories under the Government regulations must have added considerably to the capital cost of the factory?—Yes.

58. So that allowance must be made for interest on the increased capital sunk in the business?—Yes.

59. And that would have an upward tendency on the price?—Yes. The real complaint is this—and I certainly think, after years of experience, that they have some grounds for complaint—that, instead of the boot-manufacturers, the men who have invested money in the business, being the dominant factors in the boot industry, the dominant factors are the retailers. They are prepared, if they place an indent order for imported goods, to wait for a considerable length of time for the arrival of those goods; but if they place an order with a local manufacturer they must have them delivered within, say, one month, and if they cannot get them they refuse to take them. That is not giving the colonial manufacturer the same consideration that is given to the foreign manufacturer.

60. *The Chairman.*] Are there many retailers who import direct from Home?—I could not say.

61. They import through agencies or merchants?—Yes, and many boot-manufacturers are also importers.

62. They import direct?—Yes.

63. But the retailers have not to go to any particular set of men to get imported boots?—No.

64. There is no combination in the boot trade that you know of?—No.

65. *Dr. Hight.*] You think the statement that on a 15s. boot 5s. represents wages is not correct: it is too high?—Yes.

66. And that generally the wages-cost is not one-third of the wholesale cost?—I think it would be too high; but, of course, if a manufacturer was speaking, he would take everything into consideration, from the price of the skins coming into the factory until they went out as the finished article. I have been speaking more with respect to the operations of the class with whom I have associated. I have not said anything with regard to the work of the women in the trade. Their wages have gone up, but what the cost of machining a pair of boots would be I could not say.

67. You gave as an illustration that a boot would cost 1s. 6d. in labour: what would be the total wholesale cost of that boot?—15s. 6d., I think.

68. Which would be retailed at about £1?—You would not get it at £1.

69. That means, of course, that the labour-cost is about one-twelfth or one-fourteenth of the total wholesale cost?—Yes.

70. *The Chairman.*] Still, there may be other classes of boots in which the labour-cost might be more?—There are a few special lines. The cost would be greater where hand processes are used.

71. *Dr. Hight.*] You have not allowed for stitching in this labour-cost?—Not for the upper stitching.

72. It is not the total labour-cost?—No.

73. Only the cost of the labour with which you are concerned?—Yes, making and finishing.

74. *Mr. Fairbairn.*] According to the statistics, a considerable number of cheap boots must be coming into this market?—Yes, there are large quantities of goods coming out here with rope soles—deck slippers, and goods of that description, which are entered in the statistics as boots.

75. What is the total number of operatives in the boot trade in New Zealand?—Our federation represents about twelve hundred for New Zealand. Of course, that does not include many employed in retail establishments, but simply those in the wholesale manufactories.

MICHAEL JOSEPH O'BRIEN, Boot-manufacturer, examined on oath. (No. 61.)

1. *The Chairman.*] You are a boot-manufacturer carrying on business in Christchurch?—Yes.

2. Have you been long in that business?—About twenty-three years.

3. You have noticed a rise in the cost of boots during that period?—Yes.

4. Has it been partly owing to material and partly owing to labour?—Chiefly owing to material, but partly to labour.

5. Did you hear the evidence of the last witness?—A portion of it.

6. Where he spoke about the value of labour used in making a pair of boots as 1s 6d., he did not include the cost of stitching, &c., the result of female labour. Can you give us any idea of what the cost of that would be to add to the 1s. 6d.?—I do not think the 1s. 6d. was quite right. He said that formerly goods which cost 4s. could now be produced for 1s. 6d., as far as labour was concerned. That is not so. I have been costing boots for ten, fifteen, or twenty years—almost since I first went into the business. One portion of the labour has not gone down at all; in fact, if anything there is a slight increase. The other portion, the finishing, has slightly dropped. A boot costing 4s. could not be produced at much under that now—3s. 9d. or 3s. 6d. perhaps.

7. The cost of material has gone up considerably of late years?—Yes, very much; in fact, it is going up every month or two. There is never any reduction: it is always a rise.

8. Why has the price of shoe-leather gone up?—The tanners say they have got to pay considerably more for their hides than they used to, and a lot of hides are exported.

9. There is a greater demand for hides all over the world?—I should think so.

10. Does that arise from the gradual diminution in the supply?—I think that may be the reason partly, but leather is used more largely now than it used to be, in a great many ways.

11. *Mr. Fairbairn.*] That would include the cost of the material? Would that affect cheaper boots more than more expensive ones?—There would be a bigger percentage of rise in the case of cheaper boots.

12. You think that relatively it has increased the cost of cheaper boots more than more expensive boots?—Yes.

13. *The Chairman.*] Therefore in that particular line the cost of living to the working-class has been increased more than in the case of the opulent class?—Yes, they have to pay more for their boots.

14. *Dr. Hight.*] Do you think that the better class of machinery in the last few years has equalized the increase in wages?—Hardly. There is the expense of the material, the interest on the cost of machinery, and wear-and-tear and repairs, and now we have to be continually altering the lasts. They cost 7s. a pair, and they become obsolete perhaps in the following year. In the old days there were iron lasts, which lasted practically for ever. We are compelled to use wooden lasts now, and they soon become damaged or have to be put aside, owing to the changes in fashion. This involves a great expense—the machinery in a boot factory now costs from £2,000 to £4,000, and the cost of repairs is very great.

15. What has been the percentage of rise in the cost of leather for the last ten years?—Leather for which we paid perhaps 10d., 11d., or 1s., we have now to pay 1s. 2d., 1s. 4d., or 1s. 6d. Goods for which we were paying 1s. formerly we are now paying 1s. 6d.

16. From 14 to 16 per cent.?—Yes.

17. And the public are demanding a better kind of boot?—Yes. The working-people are just as bad as the wealthier people. There is no demand for cheap boots now. The demand is for the best quality we can produce at the lowest price.

18. Do you find a great scarcity of women-labour?—Yes, that is a great drawback to the boot business.

19. *Mr. Macdonald.*] Could you give us an idea of the increase in the capital cost of a factory under the new system, with a certain output, as compared with the old?—I should not think there would be much difference.

20. I understood the last witness to say that the new machinery is more expensive?—Yes, but I could not say what the difference would be.

21. *Mr. Fairbairn.*] Are there any goods imported now that you cannot compete with in your business?—We can compete with the best of them. We can compete with all the good classes of imported boots.

22. You can compete with the more expensive boots, and not so well with the cheaper class of boots?—When the tariff was altered in 1907 we thought that nothing would be left for us but to make the cheap boots. Instead of that, we find that there is a demand for better stuff all round, and it has come about that, generally speaking, we do not sell the cheaper class of boot at all.

23. What is the position in regard to cheap slippers?—We have dropped slipper-making long ago—there was nothing in it. Some of the smaller factories make them, and we buy them from them.

24. Leather slippers?—Yes.

25. *Mr. Robertson.*] With reference to putting the stamp of foreign makers on colonial-made boots, do you know if such a thing is usual?—We do it ourselves—we stamp most of our boots "M. O'Brien and Co., Christchurch"; but we have three or four other lines with different merchants, and at the same time we advertise that these lines are made by us, and we put a ticket on the shoes. They are marked "Easy walker," "long life," and "M. O'Brien and Co."

26. Can those tickets be detached?—Yes.

27. They can be taken off by the retailers and the boots sold as foreign-made boots?—No, they are high-priced boots.

28. That is the practice?—Yes; and in a great many cases the retailers ask us to leave the brand off, and they sell them then as their own make.

CHARLES PHIPP AGAR, Secretary of the Taitapu Dairy Company, examined on oath. (No. 62.)

1. *The Chairman.*] You are secretary of the Taitapu Dairy Company?—Yes.

2. How many dairy factories have you connected with that company?—One dairy factory and two creameries.

3. You deal direct with the farmer?—Yes. Our factory is under the co-operative system. We have some home separators, but the milk is brought to the factory, and is weighed and tested every ten days. The skimmed milk is given back to the farmer, the butter-fat is turned into butter, and is sold by us on the local market and for export at Home. We pay as a co-operative concern sufficient to keep us financial, and we hold a little for the safe side as a business institution, but the whole of the money derived from the sale of the butter, less expenses, is paid to the farmer.

4. Do you employ many hands?—About fourteen.

5. How far back does your experience reach?—I have been in my present position for two years.

6. Were you acquainted with the industry before that?—Not in New Zealand.

7. You could not speak of your own knowledge as to any rise in the price of wages making butter dearer?—No; the rise in wages affects us very little. It would not affect a butter company. Wages are a very small item in a butter company. Any rise in wages would not affect the price of butter.

8. What is done with the overplus of butter produced during the summer?—For the first few months the keeping-quality of the butter is not so good as afterwards. Subsequently, after filling local requirements we either sell the surplus to a firm, or consign it Home.

9. Do you keep enough in store to satisfy local requirements?—No; we keep as much in store as we can—that is, of reliable butter, but we can never hold sufficient to keep our local trade going.

10. Does the price you get abroad, or the Australian article, affect the price to the consumer in New Zealand?—Australia does not affect our market. We do not deal with Australia.

11. I have heard of butter being exported to Australia some few years ago?—Not during the last ten years.

12. *Mr. Hall.*] Do you send any butter to Vancouver?—We do not send direct, but we might get an inquiry from Vancouver from a firm, and might sell through them.

13. Do you retail milk in the city?—No, only butter.

14. About what price have you been able to pay the farmer for butter-fat for the last season?—1s. per pound—that is the average for the season. That was an exceptionally good year. Butter is 1½d. higher than it was last year.

15. What do you estimate the cost of shipping-charges, freezing, and other charges to the London market?—We generally reckon it at about 1½d.

16. *Mr. Robertson.*] In regard to the store butter, is it the practice to put it in a store at the height of the season?—Yes.

17. Then in winter that butter may be retailed locally?—Yes.

18. Is there any understanding between yourselves and any other factory with regard to the winter prices?—No. Our summer price is based on the Home market, and the winter market price is based on the price ruling throughout New Zealand for butter. There are butter-factories that have no local sales, and they help to keep others going in the winter.

19. You use the term "last year": do you mean last season? What is your financial year?—It finishes on the 31st July. If we are discussing business with any one we must discuss the season.

20. Did you include the winter and the summer season in that?—Yes.

21. You are counting just the season that is over?—Yes.

22. You mean that your butter-fat price is about 1½d. more this season than last?—The advance that has been made to the suppliers. I cannot tell you what the year will show; but the advance made right through this summer on butter-fat was higher this year than last year.

23. What proportion of your total output is sold locally?—Almost all of our output. During this past year we have only sent 1,000 boxes outside of the local sale. We sold it at the railway-station near the factory, and after that we were done with it.

24. There is very little bulk-butter trade done in this part of the world?—In Dunedin they do that trade, but we do not.

25. *Mr. Fairbairn.*] What is the highest price for butter in the English market?—Last season we did not send any Home.

26. What is the highest price paid for butter retailed in Christchurch?—1s. 2d. and 1s. 3d. to the public.

27. I am speaking of last winter?—1s. 6d.; but that was very exceptional.

28. I understand you to say that there is a local price for butter quite irrespective of the Home market. In the summer your prices are fixed by the English market, but in the winter you depend upon the stored butter in New Zealand?—Yes, partly. We have large local sales, and so have the other companies. We consider that those sales are far more reliable than the English sales. There is not the same risk. I may state that at the time we were selling butter at 1s. 6d. we were losing money on it. We were forced to those prices by the scarcity of butter in New Zealand. I may add that people cannot eat butter at 1s. 6d., and at that time our sales went down considerably. We have not recovered the lost ground yet. Our prices at all times are kept down so as to allow no outside competition to compete with us. If we see a reasonable chance of reducing the price we bring it down. The fact that no North Island factories compete with us on the local market is a proof of that statement.

29. *Mr. Fairbairn.*] What was the price for summer-stored butter last year when the price was 1s. 6d.?—North Island butter was sold at 1s. 5d.

30. Is 1d. per pound generally the difference between stored butter and fresh butter? Would that fairly indicate the difference in price to the consumer?—No; there is sometimes no difference.

31. Between butter which has been frozen and stored for a time and fresh butter?—There is no difference in price. Anybody who is a judge of butter would take the stored butter in winter-time in preference to fresh butter. There are food-flavours in fresh butter in the winter-time.

32. You say that last winter stored butter was sold at 1s. 5d.—that is, North Island butter?—Yes.

33. Is there anything of the nature of an understanding between your company and the wholesale grocers of Christchurch with respect to fixing prices?—No.

34. Have you ever refused to supply any retailer who was selling below the ordinary price?—No.

35. *Mr. Hall.*] Is there any difference between the price of farmers' butter and the price of factory butter?—Yes, a good deal of difference.

36. Generally speaking, what would be the difference—would there be 2d. per pound difference?—I suppose 1½d. to 2d.

37. You spoke of supplying butter in the city: is it sold to the shops in bulk or in pats?—In pats.

38. What do you estimate to be the cost of putting it up into pats?—½d. per pound, and putting it on the local market.

39. With regard to the stored butter: how long does fairly good stored butter keep without deteriorating—two or three months?—It is according to the factory. There are factories which have their cream coming from a long distance, and it is soured before it arrives at the factory. Our factory is on essentially dairying land, and all our cream is in the factory by 10.30 a.m., and the freezer is immediately put on to it. We can keep Taitapu butter from six to eight months, and it is then as good as the day it comes in. We are very careful in respect to our cream. If any cream is not exactly right we take care not to mix it with the other cream.

40. *Mr. Robertson.*] You referred to there being two qualities of butter in the market at one time: what was the difference in the quality?—The second-grade butter is mostly outside butter. At the present time the second-grade butter is North Island butter. The first-grade butter is Taitapu butter.

41. You bought the North Island butter and put it on the market here?—Yes, it comes in in bulk, and we pat it.

42. *The Chairman.*] You do not sell it as Taitapu butter?—No. We sell that as second brand, called "Snowdrop."

43. Have you any other information to give us bearing on the cost of living?—No. You know the cause of the rise in the price of butter-fat. There has been a gradual rise—a small rise—and the cause of that is the increased value of land pure and simple.

44. That is your opinion?—Yes, that is the opinion I hold.

45. *Dr. Hight.*] How do you explain the increase in the value of land?—The subdivision of land has resulted in more people going on to the land, and in more going in for dairying.

46. *The Chairman.*] In that case should it not result in butter becoming cheaper—more men going in for dairying?—The law of supply and demand comes in there. The demand for butter is increasing quicker than is the making of the butter. There is more demand now than there was two years ago.

47. *Dr. Hight.*] Does the demand for butter help to raise the price of land?—Yes, all combined.

48. *The Chairman.*] The increased price of land has raised the price of butter, and the increased price of butter has raised the price of land?—Yes.

49. *Mr. Robertson.*] In regard to the men's wages in the factories: you say that is a very small item in the cost apart from the rise in the butter-fat price. Is it, in your opinion, due also to the cost of manufacture in the factories? The cost of converting butter-fat into butter is less than it was ten years ago?—Most decidedly it is more. Pasteurization has come in. There is a different standard of butter required to what there was ten years ago. And the pasteurization of skimmed milk has come in also—that is another thing that is coming in very fast; and that will help to increase the cost of running the factories.

50. Will not that be counteracted to some extent by the fact that a larger supply is being handled by practically the same plant?—Where are you going to get your increased supply from?

51. I am speaking of the subdivision of the land?—Most of the land suitable for dairying is being used for dairying.

52. That is as regards your own district?—Yes.

HARRY ARTHUR CAMPBELL, representing Canterbury General Labourers' Union, examined on oath.
(No. 63.)

1. *The Chairman.*] You are a general labourer, Mr. Campbell?—Yes. I have been appointed by the General Labourers' Union to give evidence before the Commission.

2. We are a Commission inquiring into the increased cost of living. Can you give us any information on that subject?—That is what I am here for. I have had a very wide experience, and, in my opinion, the high prices are entirely due to land-speculation, and to the ever-increasing price of land.

3. Have you any expert knowledge on the subject of land-values?—I was reared on a farm, and am familiar with farm and station life. I have also been a land and commission agent.

4. The scope of the Commission extends for twenty years back. Will you give us your experience with regard to the price of land in this district?—I have only been eight years in New Zealand. I came to live in Taranaki eight years ago. That is a dairying country, and during the time I was living there—two years—land went up £4 an acre. I discovered that land was going up at the rate of £1 10s. an acre every year: that was the average. Land that was sold eight years ago for £12 an acre was quite recently sold for £24 an acre. It stands to reason that when a man buys land at £24 an acre he has got to charge far more for the product of that land than a man who has taken up virgin soil and has only paid £2 an acre for it. I think the same increase in value is going on in other districts, but perhaps not to the same extent as in Taranaki. There is, however, an ever-increasing value in agricultural land in Canterbury. I am speaking

of the general agricultural and pastoral land of the country. I have had several hundred farms in Taranaki for sale, as a land agent, and I think 90 per cent. of those farms were heavily mortgaged. The farmers had to pay in most cases 6 and 7 per cent. interest upon the money they borrowed. They were heavily handicapped. They had to charge a very large figure for what they produced from their land.

5. Is that an explanation of the statement that some of the farmers there employ their children in working their dairy farms?—The farmers told me that they could not afford to pay for labour—that they were so handicapped they had to employ their children to do the milking. During the three years I have lived here I have found that the price of land has been going up. Agricultural land is going up about £1 an acre every year. And coming closer to the town I find that there is an even more rapid increase in the price of land. Naturally, when men pay a high figure for allotments in the town they have to charge higher rents to their tenants of their houses. For instance, take the case of working-men—general labourers: no man can get a house worth living in at less than 12s. 6d. a week. A general labourer cannot afford to pay such a rent under our award rate, under which he is only paid 1s. an hour; and no allowance is made for loss of time. About £1 12s. per week is our average wage, and out of that 12s. has to be paid for house-rent. That leaves only £1 a week for a married man with a family to pay for food, clothing, and other necessaries of life. I can assure this Commission that there are a number of general labourers in this town who are living below what is really a fair living-wage: I mean that they are not living as human beings ought to live. They cannot provide sufficient food and clothing and proper shelter for their families. I suppose it is the duty of the Commission to try and suggest some remedy for such a state of things. I think the suggestion they should make is to stop the ever-increasing value of the land.

6. How do you propose to do that?—The men who are increasing the price of the land are the land speculators. It can be stopped by the country taking the increased value of the land. If a man buys land at £20 an acre and desires to sell it at £25 an acre, let the State step in and take the extra £5—the value over and above what a man has paid for the land—if he desires to sell it.

7. Supposing he has made substantial additions to the value of the property?—If he has, he ought to be paid for his improvements. I think the Government ought to impose a heavy land-tax on the land held by the land-monopolists. If this increase in the cost of living continues to go up, I pity the general labourers of New Zealand, because their wages have been increased very little during the last seven or eight years. When I came to New Zealand seven years ago I was able to get 1s. an hour—the same price that is paid to-day.

8. Is there any increased competition amongst general labourers: does the supply continue to equal the demand?—I think the number of general labourers has increased *pro rata* to the general increase in the population of the country. The last witness was asked the reason for the increase in land-values. I think that any sane man knows that the reason is the increased population of the country—that is, where the Government has not constructed some public utility that has increased the value in a particular district or place.

9. If a tramway is constructed at the public expense to run out to a suburban district, and suburban property rises in value, do you think the general public is paying in two ways for that accommodation?—Decidedly.

10. Paying for the tramway and also for the increased rent on the land?—Yes, that is what is continually going on in Christchurch. Where trams are made to a new district up goes the price of land to probably double the value.

11. *Mr. Veitch.*] With regard to the question of labour, we have had evidence placed before this Commission to the effect that the farmers are unable to get as much labour as they want. Do you think that the general labourers in the cities would be prepared to go into the country and live provided they could get houses and were assured of getting employment at a reasonable rate?—I know scores of general labourers who are anxious to go into the country if they could be assured of getting a fair living, particularly married men. But they object to go out and live in barns, as some of them have had to do in the past.

12. *Mr. Robertson.*] You spoke of land-values going up in Taranaki at the rate of £1 an acre a year, or something like that. Are those lands changing hands very frequently?—Yes. I may tell the Commission that I had a partner with me in the land-agency business. He speculated in land, and made £16,000 out of land speculations in three years. The land is continually changing hands.

13. *The Chairman.*] Was that opportunity not yours as well as your partner's?—I did not feel inclined to speculate in land, and even if I had I had not the money to speculate.

14. *Mr. Robertson.*] What part of Taranaki were you living in?—At Stratford.

15. Can you give us some specific instances of farms which to your knowledge have changed hands under the circumstances you suggest?—It is six years since I left there. I could not just at the moment give you the names of the persons who sold and those who bought; but I have received that information from certain land agents with whom I have been in communication.

WILLIAM RALPH GARDNER, Flour-miller, Cust, examined on oath. (No. 64.)

1. *The Chairman.*] You are a flour-miller carrying on business at Cust?—Yes.

2. Have you been in the business for some time?—I have been running my business for seventeen years.

3. Has there been any great alteration in the prices of things which you work in—such as differences in the price of wheat and flour?—Yes, great fluctuations.

4. Has that been in the direction of a rise in the cost of living?—For the time being it has.

5. Is not the rise somewhat owing to monopolies—in regard to persons having the handling of these stocks?—Yes, in the handling of wheat.

6. Could you give the Commission an idea of how that is?—It is not in this part of the world that these monopolies take place. It is in Chicago, London, New York, St. Louis, and San Francisco, where large deals in wheat take place, which instantly cause a rise of 2d., 3d., or 6d. a bushel in New Zealand.

7. Do the persons who cause this rise grow wheat themselves?—Unfortunately, they do not.

8. Do they farm anything except stock in Wall Street?—That is all they farm, I believe.

9. Do you find that their exertions in America affect your business here considerably?—Yes.

10. And the public of New Zealand suffers therefrom?—The public suffers, and they gain at the same time. The farmer gains, and the general public have to pay considerably more for their flour, and probably for their bread.

11. Is the wheat-area in New Zealand increasing?—The area in wheat in 1910–11 was about 330,000 acres; and in 1911–12 the area was reduced by about 100,000 acres, roughly speaking.

12. Was there any cause within your knowledge for the decrease this year?—No, except that the farmers probably saw that wheat would be lower next harvest. The general run of farmers did not plant as much.

13. You do not think it is owing to the labour legislation?—I have heard a neighbour of mine remark that if he could secure all the labour he wanted at harvest-time he would plant more wheat.

14. That was to show that there was a shortage in the labour-market?—That may affect a few isolated cases. If the farmer thinks that wheat is going to be higher in price next harvest he puts in more wheat—he goes in for what he sees most profit in.

15. Have you any knowledge of any combination taking place between the persons who buy flour from you?—I do not know that there is any combination between them.

16. There is nothing takes place between the miller and the baker to make flour more dear?—No.

17. Do you know of any combination amongst the bakers to put up the price of flour?—No, they do not control the price in any way.

18. The baker merely controls the price of bread?—Yes.

19. You know of no local combination to control the price of wheat?—None that I know of.

20. This rise in the price of foodstuffs comes from foreign influences first, and next from local variations in the planting of crops, &c.?—It may come from local conditions first, and from foreign conditions second. In other cases foreign conditions may come in first.

21. *Mr. Macdonald.*] Those are the two causes that affect the price of wheat?—Yes.

22. *The Chairman.*] Has there been any considerable increase of late years in the cost of milling?—Wages have increased. Ten years ago wages were from 10 to 15 per cent. lower for mill hands. Longer hours were worked then. An eight- to ten-hour day was considered the usual thing, with one weekly half-holiday. Now they work eight hours for five days a week, and four hours on the sixth day. In a great many cases they are allowed to put in forty-four hours a week, just as they please.

23. Has that increased the labour-cost, or is it counterbalanced by improved machinery? Has there been any diminution in cost owing to improvements in the mechanical means of production?—The mechanical contrivances required for flour-milling are very much the same now as they were ten years ago, but the wages of mill hands have been raised. The price of flour is governed by conditions over which the miller has no control.

24. *Mr. Fairbairn.*] At one time the prices were quoted by the Flour-millers' Association: Are you a member of that association?—We were until last October. We then seceded from the association.

25. But you are still guided by their prices?—Yes.

26. Have you no understanding to that effect?—No. It is a matter of selling in the best market. At the present moment it does not pay to sell at less than their prices. At the present time the flour-milling industry is in a most peculiar position. Ten years ago wages were 10 to 15 per cent. lower than at present, and those hours were worked with no weekly half-holiday. The flour-milling industry is placed in a peculiar position in this country compared with other parts of the world. In some countries an export bounty is given, and every encouragement is given to manufacture the flour in the country in which the wheat is grown; the offals are saved in the country, and support the stock-feeding industry, on which a tax of 10 per cent. is charged on all wheat-products on the railway: in other words, one-tenth more wheat can be carried on the lines for the same money. At the present moment a bushel of wheat entering the mill at a cost of 3s. 8d. is being delivered to the Christchurch baker at 3s. 11½d. These are the wheat and flour prices for ten years: 1st March, 1902—Wheat, 2s. 9d. per bushel; flour, £8 10s. per ton. 1903—Wheat, 3s. 10d.; flour, £11. 1904—Wheat, 3s. 1d.; flour, £9. 1905—Wheat, 3s.; flour, £9 10s. 1906—Wheat, 3s.; flour, £8 10s. 1907—Wheat, 3s. 1d.; flour, £8 10s. 1908—Wheat, 4s. 2d.; flour, £11. 1909—Wheat, 4s.; flour, £10 10s. 1910—Wheat, 3s. 9d.; flour, £10. 1911—Wheat, 3s. 2d.; flour, £8 10s. 1912—Wheat, 3s. 5d.; flour, £8 10s. In 1895 wheat was 2s. per bushel, and flour was £6 10s. per ton; in 1908 wheat reached 6s. per bushel, and flour rose to £13 10s. per ton. The London market is the controlling factor in wheat prices. In 1902, on the 1st March, wheat was costing 2s. 9d. per bushel, and flour was selling at £8 10s. per ton; on the 1st March of the present year, 1912, wheat was 3s. 5d. per bushel, and flour £8 10s. per ton. In my books, extending over eighteen years, profits were never less than £1 per ton clear; at the present moment the net amount of profit on an expendi-

47. *Mr. Hall.*] You think it would injure the milling industry?—Yes, it would practically wipe out the milling industry in New Zealand.

48. *Mr. Robertson.*] When was the Flour-millers' Association formed?—About 1900, I think.

49. By the system of allocating orders to different mills, have they, in your opinion, reduced the cost of production?—Yes, that reduces the cost of production.

50. I see by the figures you gave us that about 1904 wheat was 3s. 1d. a bushel, and flour was—what?—Flour was £9.

51. How do you account for that difference?—It was just the price of wheat at that particular time.

52. The wheat-prices you gave are not the average prices for the year?—No, just on the 1st March.

53. And the Flour-millers' Association was formed previous to 1902?—Yes.

54. *Mr. Veitch.*] How many 4 lb. loaves would a bushel of ordinary flour produce?—I could not say, but I have always understood that it would produce sixty-eight.

55. You referred to a neighbour of yours who complained he could not get enough labour during harvest-time: can you give us any information with regard to the conditions of life there—for instance, whether there would be a house that a married man could live in if he went to live in that district?—He told me that if he could be assured of getting labour next harvest he would sow more wheat, and he is well known as being a very good employer. He had one man on his farm for nineteen years, who saved £1,000.

56. Why is labour not available?—He said that he had spoken to his men one day during lunch-time last harvest. He said to them, "If I can get you fellows all back next year, will you guarantee to come, and I will put in 400 acres of wheat?" Outside of his regular hands, not a man agreed to come the following year.

57. *The Chairman.*] Was he prepared to keep them in employment all the year round?—No; only for the harvesting.

58. *Mr. Hall.*] How many men was he employing all the year round?—Four, at least.

59. Would these men have to come far to assist in harvesting work?—A number of his men at that particular harvest came from a distance of from seven to ten miles from the neighbouring town.

60. What was he paying an hour during harvest-time?—Probably 1s. 3d. an hour, but I could not say definitely.

61. He is paying a higher rate than ordinary wages for assistants during harvest?—Yes.

62. Was that higher than the ordinary wage for casual employment?—Yes.

63. *Dr. Hight.*] You stated that the cost of production was reduced by the amalgamation of the millers?—Yes.

64. Who reaped the benefit of that reduction in cost?—The miller, I suppose.

65. It was not passed on to the consumer?—The miller gets as much as he can, and is prepared to take as little as he can to do the business.

66. If the diminished cost of production had not been brought about what would have been the position in regard to prices?—The prices would have remained much the same.

67. The consumer has not reaped the benefit?—No, I do not think he has.

68. Have there been any other instances of a breakout or attempted breakout from the association besides this one?—Four or five years ago one or two large mills withdrew from the association, and they are still outside.

69. Can you give us any idea of the number of mills in the association?—Roughly speaking, about thirty.

70. And outside the association what is the number?—About ten.

71. *Mr. Macdonald.*] Could you give us the output of the thirty mills, and of the ten mills?—The output of the thirty mills is, roughly speaking, 3,500 tons monthly.

72. What is the output of the ten mills?—It would be about the same. There are three or four very large mills outside the association.

73. *The Chairman.*] Do the mills outside the association still sell at association prices?—Yes.

74. They might as well be in the association?—Yes.

75. *Dr. Hight.*] What do you think would be the position if the forty mills joined in the association?—There would immediately be an increase of £1 a ton.

76. And what would be the result to the consumer?—The consumer would hardly feel it.

77. One pound a ton makes ½d. a loaf?—It means about 1d.; but the baker does not get a little more than the average price from his bread.

78. *Mr. Hall.*] How long have the Northern Roller Mills been fighting this association?—For twelve or thirteen years.

79. *Mr. Fairbairn.*] That must have tended to steady the price during that period?—No; prices have been steadied by outside influences during all that time.

80. If the mill in the North Island had not stood out—and you admit that the Flour-millers' Association is looking after itself—what was there to prevent them taking advantage of the position?—The import duty would prevent that.

81. They are protected to the extent of £1 a ton?—They require £1 a ton to put them on a right basis. In Melbourne there are three or four very large plants which produce enormous quantities of flour. The greater the production the less is the cost per ton. I understand also that in Victoria there is an export bounty as well. The freight from Victoria by sailing-vessel to New Zealand is much the same as what the Union Company charge from Lyttelton to one of the North Island ports, and it is sometimes less. I have known flour cargoes come from Australia at 9s. a ton, and the freight from Lyttelton to Auckland by the Union Company's boat is 9s. a ton.

82. They are not restricted in regard to their output?—We were not restricted in our output. We could export to other countries.

83. The whole thing amounts to an admission of inefficiency here in comparison with Australia?—Wheat in Australia will produce more flour than New Zealand wheat, and the export bounty also makes a difference.

84. What is that export bounty?—In some parts of the world they get so-much for every ton they export.

85. Do you know what it was per ton?—I understand it was 5s. per ton.

86. *The Chairman.*] What is it in South Australia?—I do not know, but I am led to believe that in most of the Australian States there was an export bounty until lately.

87. *Mr. Hall.*] What is the value of Australian wheat compared with ours?—1s. a quarter more on the London market—that is 1½d. a bushel. That is the average. Our New Zealand wheats are very suitable for mixing; therefore, if they get a wheat that suits them, prices will be relatively higher according to the quality of the wheat.

88. Do they at times slaughter their surplus wheat at a less price than they are selling it over there?—Yes.

89. *Mr. Fairbairn.*] Can you give us any definite instance of that?—I had a letter from my agent in Auckland last week, and he said that flour was being landed there from Adelaide at prices less than our local price here.

90. The question is, do they slaughter on markets outside their own market?—Yes, that is what they are doing. At 10s. a ton above our price they were prepared to come in, whereas the Melbourne price is 30s. a ton above our price.

91. It is the practice in the milling trade to dump their surplus elsewhere?—Yes, that is done.

92. *Dr. Hight.*] That is a temporary expedient?—Yes, but it will be a permanent condition if they can get rid of their stuff at a profit.

93. *Mr. Hall.*] Do you run your mill night and day?—We are working off our present stock, but we are going to stop, because it will not pay to buy wheat at 3s. 8d.

94. The Australian mills are running night and day?—Yes.

95. And that enables them to dump their surplus?—Yes.

Memorandum re Capacity of Associated and Non-associated Mills, 12th June, 1912.—The capacity of mills at present selling through the association is 164½ sacks. The capacity of the mills selling outside the association is, say, 174 sacks. I cannot say whether all these mills are working at the present time, but have every reason to believe from information obtained that they are all ready to work, and may be counted as competitors. The capacity of the mills selling through the association three years ago was 256½ sacks. If you add to this the capacity of the Auckland Roller Mills—say 25 sacks; Bycroft Limited, say 10 sacks; additional certified capacity Timaru Milling Company, 6½ sacks; and Mandeville Company, Reid and Sons, D. Baker, Shand and Co., Reilly, Scott, and Gill, Phoenix Company, Maniototo Company, in Otago and Southland, 16½ sacks; Simpson, Heslop, Moffat, Archer and Sons, N. B. Archer, C. Leach, Wheeler and Co., in Canterbury, 16 sacks; J. N. Croucher and A. Manaoy, in Nelson, 2½ sacks; Southern Cross Company and C. H. Flower, in the North Island, 5½ sacks: total 40½ sacks—you thus have a total capacity of 338 sacks—174 out and 164½ in—as mentioned above.—W.R.G.

WILLIAM GOSS, Timber-merchant, examined on oath. (No. 65.)

1. *The Chairman.*] Have you had a long experience in this district?—Yes, it is the only district I have had experience in. I have had twenty years' experience. In that period the cost of timber has increased a good deal. Owing to the short notice received I am not prepared with any figures.

2. You think, however, that the cost of timber has increased very greatly during the last twenty years?—Yes.

3. Could you tell us what are the causes of the increase?—The extra cost of getting it, principally. Twenty years ago timber was much easier got than to-day; there was nothing like the same distance to go for it. The cost of transport has increased, but I am referring to getting it from the bush. Twenty years' working of the bush has made a considerable difference: they are working bush-areas to-day that they would not look at twenty years ago, because there was other timber so much more easily available.

4. Has the cost of labour increased?—Yes. Of course, there is a good deal of labour in the production of timber.

5. In the case of the greater part of the cost it would be for bush parties getting the timber?—I was referring to the cost of the timber as the merchant gets it; and the merchants' price is governed by what he pays for it.

6. Do you own mills in town?—Yes, I have a timber-yard and a sawmill.

7. Do you dress the timber?—Yes.

8. The price of dressed timber has very much increased: can you give us some approximations?—No, I do not remember what the price of dressing timber was twenty years ago compared with to-day.

9. Do you remember what it was ten years ago?—No, not without looking it up. We have such a tremendous gradation of figures for dressing.

10. Is there anything within your knowledge in the way of a combination or understanding among millowners to keep up the price of timber?—No, I do not know of anything that tends to keep up the price above a paying price.

11. There is no association of timber-merchants?—There is an association of timber-merchants in this place, but several are not in the association. I am in the association. We have formed the association principally in connection with the awards of the Arbitration Court.

12. Is your association an industrial association of employers?—It is not registered; there is nothing binding on us: it is a moral obligation.

13. Is it set forth in a written agreement?—Nothing signed, just an understanding.

14. In regard to the selling-rates of timber?—Yes.

15. How do you settle that: do you meet together in conclave?—Generally.

16. And you just settle it orally amongst yourselves?—Yes, that is so.

17. Have you any notion that the settling of these rates for timber is for the protection of yourselves or for the protection of the public?—Oh, well, we are only there for ourselves, to begin with.

18. Then it is for the protection of yourselves?—Yes, naturally so.

19. There might be a tendency in such an association to keep up the price of timber at a highly profitable selling-rate?—I do not think there is any possible chance of that. If we wished to do it we could not. It is so easy to start a timber-yard.

20. What percentage of the timber-merchants is within the association, and what percentage free?—I should think there would be about one-third out, roughly speaking.

21. Does that third sell at association prices or cut you?—They please themselves. They mostly stick to our list. They may undercut in some instances; I do not know whether they do or not.

22. *Mr. Fairbairn.*] You have a uniform price-list for timber?—Yes.

23. The Timber-merchants' Association has no articles of association?—No.

24. Everything is done orally?—Yes.

25. And those people outside the association, can they get supplies of timber exactly on the same terms as yourselves?—Yes.

26. Then the market is strictly open and competitive?—Yes, strictly so, as far as that is concerned.

27. *Mr. Veitch.*] Does your association fix the selling-price of timber for its members—the local selling-price?—Yes. They fix the price, and that is the price we are supposed to sell at.

28. Do you list the whole of the sizes?—Not the sizes, but the particular sorts.

29. Is all that done orally at the meetings of your members?—Yes.

30. The whole list is fixed?—Yes.

31. Do you think some of you might forget the details after you got away?—I think we do sometimes, probably.

32. Why do you not record the proceedings of the meetings in writing?—I did not say we did not.

33. Then you do record some of the proceedings?—We have minutes of the meetings. It would be a peculiar association if we did not; it would not be very businesslike.

34. You do have minutes of meetings?—Yes.

35. Are these prices recorded in the minutes?—No, there is no need to do that; they are printed and published.

36. How does your secretary make up the list? How do you arrive at that: is it all determined orally at these meetings?—Yes, certainly.

37. By resolution of the meeting?—Yes, by resolution of the meeting. We go into the question of the cost, and then say what the selling-price would be. It is done by the members themselves, not the secretary.

38. I understand that. The secretary would do the writing merely. Where is the timber bought from principally?—Various parts of New Zealand. It is mostly New Zealand timber; very little imported timber comes into Christchurch.

39. Do you get any from the West Coast?—Yes, and some from other parts—from the South and the North Island.

40. Is there any relation between your association and that of the timber-millers who supply you?—No; we have no control over them, and they have none over us. They are just the suppliers of timber, and naturally they supply; we could not get the quantity elsewhere.

41. Have you any agreement to supply your association only?—No; the understanding is they can sell to anybody.

42. At the same prices as to you?—Yes.

43. And on the same terms?—Yes. I have a feeling that sometimes they sell at less to others than to us, because they know we must take the timber from them.

44. *Dr. Hight.*] You said the cost of timber had increased, as you get it from the sawmillers?—Yes.

45. Has there been any increased cost in the work of dealing with the timber after you get it and before you dispose of it?—Yes, labour has increased, and rates and taxes.

46. Have all the elements in your cost of production increased within the last ten years or so? Have your labour-costs increased?—Yes, there has been a slight increase in the cost of labour.

47. Has that been balanced by the introduction of more efficient machinery?—No, I do not think so.

48. Or increased output?—No, certainly not by increased output.

49. And the rates and taxes have increased?—Yes, gradually and slowly they go up; they are always on the increase.

50. *Mr. Robertson.*] How does the milling of these further-back areas affect the quality of the timber?—I do not think it affects the quality at all. The quality varies from wherever you get the timber.

51. It is simply a case of going further back: you mean you do not get more sap wood and younger wood?—Oh, yes; they probably take more out of the bush than before.

52. Has the quality of building-timber deteriorated in the last twenty years?—Well, the peculiar thing about Christchurch trade is that they call for a better article to-day than they did then. They are more particular about the quality of the timber.

53. It has not deteriorated?—No, not at all.

54. *Dr. Hight.*] Do you consider that the system of rating on unimproved values presses with particular hardship on the timber-yards?—Undoubtedly; we cannot do our business without a fairly large area of land, and we have to be somewhat near the centre to do good business, and probably we pay more than any other class of trade in proportion to the value of the business.

55. Are you able to pass on the increased cost of these taxes to the consumer?—Oh, we have to.

56. *Mr. Hall.*] But what have your rates increased during the last ten years?—That I could not say offhand.

57. *The Chairman.*] Is there anything else you wish to say to the Commission?—No, except, as I said before, the people call for a better standard of stuff, and I consider the standard of living is higher and the rise is due to that. People want better houses now than they used to, and therefore the rents are higher.

ERNEST WEBSTER WALLER, of John Waller and Sons (Limited), Timber-merchant, examined on oath. (No. 66.)

1. *The Chairman.*] Your business is done mostly in and about Christchurch?—Yes.

2. And your experience?—I have been in the trade about thirty-four years—practically since I left school.

3. Is the timber trade prosperous?—The last few years it has been anything but prosperous.

4. In comparison with the growing population so much money is not spent on timber?—I would not like to say that. I am speaking as a timber-merchant. The profits of the last four or five years are not so great.

5. What is the reason for that?—Competition is very keen.

6. Does your firm belong to the association of timber-merchants?—Yes.

7. Owing to keen competition you have had to bind yourselves together to keep prices at anything like a fair level?—Well, the merchants are associated together to get a fair return for their trade.

8. And the question of the fairness of the return is left entirely to the merchants?—No; I do not think that. We never attempt to get anything but a fair thing by the association. Of course, there are a good many timber-merchants outside the association.

9. And their competition keeps prices pretty level?—There is no attempt, as I said, to unduly inflate prices, and there is such competition that would keep it down if there was any attempt—the competition is so keen.

10. Do you think that your association benefits the public by other things than regulating prices—such as organization?—It benefits the public in this way: that that is practically the standard price of timber. All builders know this is the standard price. If the buying public considers that they could do better elsewhere there is plenty of opportunity for them to try. It is a free market, and there are many other ways of getting timber outside the merchants' association.

11. Timber has risen considerably within the last ten years?—Yes, I have taken out a few figures with regard to ten years. I had not time to go back twenty years.

12. Do these relate to the different qualities or just the average?—They take rimu, which is the largest proportion of the timber used in Christchurch—the standard building timber, rough and dressed.

13. What was the price of rough-sawn red-pine ten years ago?—I will give my figures. With a mixed list of different requirements it is difficult to state the exact percentages of increase, but I shall tell the Commission the means I adopted to get the prices. I took a builder's account for two cottages built ten years ago, two ordinary cottages for a working-man, built in Sydenham. They were not expensive houses—about four- or five-roomed houses. We are timber-merchants, not manufacturers, but for these cottages the goods we supplied to the builder came to £164 2s. ten years ago. I left out ironmongery, and took timber only. We are prepared to do that order to-day at £190 9s. That would be the same quantity of timber of the same description; the quality would be a little superior perhaps, because the quality has risen. That is £13 per cottage in excess—practically about 16 per cent. increase.

14. To what do you attribute that rise?—Well, in the first place, ten years ago I worked out that the first cost of timber at the sawmill had risen 15 per cent.—that is, on the price we pay f.o.b. shipping port. Then I reckoned freight has increased 19 to 20 per cent.

15. What line brings the bulk of your timber?—The Union Company carries the largest proportion in New Zealand, but we are not bound to any shipping company.

16. You think that freight generally has risen 19 per cent. in that time?—Yes; those are actual figures. I have taken out actual figures of what we were paying. Railage and wharfage I have combined, and I reckon that has increased 4 per cent. Then the cartage and labour of fetching the stuff into the yard has increased considerably. I could not give exact percentage of increase, because the railway-yards have been shifted in the last ten years, and the conditions are therefore not the same; but I should say that there would be a 20 per cent. increase in cartage, approximately.

17. *Mr. Fairbairn.*] Your total increase was only about 15½ per cent., and you are getting rather over these figures now?—The percentage of increase in freight was percentage in freight charges, not percentage relatively to the total cost of timber. I wished to say that the value of timber, the price at the mill, had increased 15 per cent. So far as labour is concerned, the system I adopted was to take the first ten men's wages in 1902 and the first ten men in 1912, and these wages had increased 12½ to 15 per cent.

18. What do you estimate the cost of, say, rough red-pine for handling-charges from the mill till it reaches your yard?—I should reckon it from 5s. 4d. to 5s. 6d. per 100 ft. [NOTE.—At a later stage Mr. Waller explained that these figures referred to handling-charges from the shipping port, not from the mill.]

19. That would apply to dressed timber?—No. In dealing with dressed timber the ordinary timber had to come into the yard, and be all stripped for seasoning and kept for many months, and then placed in the mill, and there is large depreciation, the higher-class timber coming down to lower-class, and so on.

20. *The Chairman.*] Is any part of the rise due to the increased royalties?—I understand that the royalty has doubled on ordinary red-pine, but I cannot speak authoritatively on this point, although I have an interest in a timber-mill.

21. You believe houses cost more to build, and therefore rents have risen?—I am inclined to think that a cottage that could be let ten years ago would be let for the same money now; but, speaking as a timber-merchant, there is not the slightest doubt that the house built now is a very great deal better house than the house built twenty years ago, and there is a different class of timber required from us.

22. *Dr. Hight.*] Has the limitation of the size of the sawmilling area tended to increase the cost of producing timber?—I could hardly give evidence in that respect; but, of course, with a small area you could not put in such good trams, and so the cost of producing would be reduced if you could have large enough areas.

23. *Mr. Robertson.*] You referred to a better class of houses being wanted; but, taking the same house, would it cost more to build now than ten years ago?—Oh, yes, it would cost more in proportion to the figures I stated.

24. Therefore we would expect house-rents to be higher than they were?—Yes. Of course, with regard to timber, kauri is the timber that has gone up in price more than any other wood we have in New Zealand, but that is a timber very little used in the ordinary house.

25. *The Chairman.*] Do you find that it adds considerably to the cost of timber that you should have the space on which the timber is stacked so heavily rated?—Most certainly it is a cause of higher expenses.

26. Your expenses?—No; if we have to pay more rates, naturally the price we charge is a little higher.

DAVID JONES, Farmer, examined on oath. (No. 67.)

1. *The Chairman.*] You are the secretary of the Farmers' Union?—No, I am a farmer.

2. You have no official connection with the union?—Not with the Farmers' Union.

3. How long has your experience extended in this district?—As long as I have lived; but I was eighteen months farming in the Waikato. I have been farming all my life.

4. Has the price of land increased during the last twenty years?—Yes, there has been a fair increase in land. The price of interest falling lifted land a good deal. I know of one farm at £17 per acre seventeen years ago, when money was 7 per cent.; that farm sold two years ago at £25 per acre, but with money at 5 per cent. It went only at £23 10s., and the improvements put upon the property were more than the difference in the amount—£2. That farm is between here and Oxford.

5. Does the rise generally affect mostly the lands used for cropping or for dairying?—Probably dairy land has risen more.

6. The value of land used for dairying is greater than if used for cropping in this part of the country?—Oh, no, you could not put it that way. Dairying-land is not cropping-land in Canterbury. Practically there are two different classes of land—the heavier land for dairying; cropping-land in a drier country like this is not dairying-land.

7. Has the cost of farm labour gone up greatly of late years?—I have some facts prepared on this point. One of the positions is that the price of land has gone up. I do not know one single article that has been increased in cost through the rise in the price of land. Butter is often quoted. Take land on the west coast at £8 to £10 per acre; the people there want 1s. 3d. for their butter just as they do here. It is a question of the London market. The rise in the price of land has not affected the price of butter a farthing. One great factor in the rise of the price of land has been the quality of stock, more than the land itself. Every pound you can put on to the sheep's back in wool is pretty well a million of money to this country. The individual efforts of the farmer are altogether more than the rise in land. You can see that especially in dairying with the weeding-out of the poorer class and getting a better class of stock. Wheat is often quoted. I have here a return compiled by the New Zealand Farmers' Co-operative Association covering seventeen years for wheat and oats, which I shall hand in to the Commission, and another return from one of the leading mills showing the average price per month for eight years for grain. The Commission will see that the rise in the price of land has not affected the price of wheat at all. McManus, a Dunedin witness, stated that wheat had risen from 2s. 6d. in 1900 to 6s. 6d. in 1910. The price should have been 6s., not 6s. 6d., and then it was for wheat on the Otago goldfields. I quote this to show how unreliable Mr. McManus is. The farmers' price at country stations on trucks was 2s. 4d. in 1900, and in 1910 3s. 9d.?—not 6s. 6d. as stated by McManus.

8. *Dr. Hight.*] You do not know how these averages in your return have been obtained?—Yes; the average is given for all the grain the Farmers' Co-op. has bought.

9. *The Chairman.*] Of course, you understand we get certain evidence in certain places, but the Commission sifts out this evidence before relying upon it?—Yes; but I wish to point out that the evidence given by that witness is of no value whatever to the Commission.

The Chairman. The Commission has to thank you, Mr. Jones, for these very carefully prepared tables you have just handed in.

Witness: I would like to point out the position of the producer in recent years. I have taken out a return which I think would be of some value in connection with 40 bushels of wheat, showing how much bread can be baked from it, and the cost.

The Chairman: Thank you, that would be useful.

Witness: The 40 bushels of wheat is the product of $1\frac{1}{4}$ acres, which at 3s. 6d. = £7. Then I take in the miller's charges. That would produce 1,680 lb. of flour, 720 lb. of bran and pollard. At the present rate of flour that would amount to £7 2s. 9d. for flour, and £1 16s. 6d. for offal = £8 19s. 3d. manufactured. The difference between £7 and £8 19s. 3d. is the cost of manufacture, but off that has to be taken the $2\frac{1}{2}$ per cent. discount the miller gives, and he has to provide sacks and railage, which come to about 15s. per ton. 1,680 lb. of flour bake (according to best evidence I can get) 571 loaves—4 lb. loaves—and that means £14 5s. The baker in addition gets the $8\frac{1}{2}$ sacks at 6d. = 4s. 3d. The result is: the farmer grows, harvests, pays rent, threshes, rails to the mill, and the miller manufactures into flour and delivers at the baker's door for 3d. per loaf; the baker handles the flour for twelve hours, and it costs 3d. more to deliver it to my door.

10. *The Chairman.*] You think there is too great a difference between the first charge and the last?—Yes. The cost of handling that flour, which we grew and milled and paid rent and profit for, amounts to a shade less than the baker gets for handling it for twelve hours. As far as the producer is concerned, we are producing now as cheap as ever we produced it; the fault lies after the wheat leaves us. The question of rent has also to be counted—say 25s. for the 40 bushels of wheat.

11. You mean the farmer is either renting his place or losing interest equivalent to rent?—Yes.

12. *Mr. Hall.*] That is 25s. on the $1\frac{1}{4}$ acres required to grow the 40 bushels?—Yes; that is, one-thirteenth of the loaf is rent. And that is not rent of land, because the most of that is labour that has been put into the land; you might call it "stored" labour. The labour you put into your farm should receive as much consideration as the man who grows it.

13. *Mr. Veitch.*] The 25s. is rent on the present value of land?—Yes.

14. On the capital value?—Yes. The Commission will see that practically the whole cost of growing wheat is labour, and the rent of land does not enter into it.

15. *Mr. Fairbairn.*] The real cost is in baking and distributing, you contend?—Yes; and none of the bakers seem to be getting rich.

16. *The Chairman.*] I would like you to explain how the whole cost of growing wheat is labour—why, you turn the word "rent" into "labour"?—Well, at the present prices there has not been very much profit more than the cost of the farmer's labour in growing wheat for the last seventeen years; so that I consider that practically the whole of the loaf of bread is labour. I do not know what the profits of the miller are; I have no interest in a mill.

17. Would he not have to labour as much on a farm costing £20 as on a farm costing £100 per acre to produce the wheat?—Yes, if you are growing wheat it costs as much to produce a bushel no matter what the price your land is.

18. Can he afford to sell the wheat at the same price?—The position is that you can only give for land what it will produce in the way of wheat, so you would not give the higher price for the land. Therefore that question does not enter in. There has been a very slight increase in the price of wheat, as that return will show. But that is world-wide. I will read here a few lines from Professor Hill, dealing with the production in America. He says, "Still more of the rise of price is due to the decline of agricultural produce as compared with the increase of population. Taking the average for five-year period, the wheat crop of the country increased 41 per cent. in the twenty-five years ending 1908; the population increased 74 per cent. The decrease in wheat exports was 24 per cent. when wheat sold a \$0.65 per bushel; it was because the world's product was relatively in excess of the world's demand. The ratio is now reversed, and demand, taking the world as a whole, is gaining on the supply." The number of mouths to be fed is always increasing, and, of course, America's position is just ours. People are going into the city where they are eating bread, instead of being in the country where they ought to be producing it. That quotation is taken from Professor Hill's pamphlet "Highways of Progress." I will now deal with the exports. The export of wheat, as far as New Zealand is concerned, has been steadily declining. It might be thought that the dairying industry was having some effect, but it has practically no effect on the wheat-growing area; dairy land, taken as a whole, is not wheat land. Another factor is this: in the last twenty years practically the whole of Southland has come into grain-growing, and our closer-settlement schemes have brought an enormous area under closer cultivation, and yet in spite of that the wheat-area is decreasing. This year has been the most prolific I have known in Canterbury; but for that we should undoubtedly be importing wheat. I have no doubt we shall be next year; I do not think we shall be growing nearly enough for our requirements next year. The whole problem in connection with the growing of wheat in this country is the insufficiency of labour. Never in the last four or five years principally have we been able to get sufficient labour.

19. *The Chairman.*] Thirty years ago a certain amount of the Taranaki land was under wheat, and now had gone under dairy-farming, because of the insecurity of the New Zealand climate mainly, which was not so important a factor in dairying?—Yes, but practically the whole of the dairy land in Taranaki was bush land, and only a small proportion of it was croppable thirty years ago.

20. Is it not a fact that cropping has gone out of fashion on account of the butter and cheese industry increasing by export?—The North Island is not a cropping district.

21. That seems a good reason for cropping going out?—Yes, there never has been an extensive area of crops grown in the North Island.

22. Do I understand you to say that the land under wheat is declining?—Yes; it has been practically at a standstill for many years, in spite of the enormous area opened up for closer settlement. We should have multiplied our wheat by at least three, but there is a large decrease last year—for the year not in the Year-book.

23. *Mr. Macdonald.*] You estimate that?—Yes. I have not the figures here to-day, but I could hand them in. We are 100,000 acres of wheat short.

24. Where do those figures come from?—From the Agricultural Department, I think. Take the Greendale district—not a dairying district, a very fine wheat district: there is a lot of land there that ought to be growing wheat that is not growing wheat because labour is not available. That statement was made by Mr. Holland, farmer, of Greendale, at the Farmers' Union Conference a week ago, and I know it is true. That is true of a large area of our Canterbury land—it should be growing wheat instead of sheep. It has been suggested that we are not paying sufficient wages to attract labour. In twenty years our wages have increased 50 per cent.

25. *Mr. Fairbairn.*] When was that increase most marked—the last ten years or the previous ten years?—It has been fairly gradual. To show you that we are paying sufficient for the labour we are employing I may say that the farm labourers dispute proved that a youth could start on a farm at sixteen years of age, and some of them gave evidence to show that they had saved £500 at twenty-five years of age with agricultural labour alone.

26. *The Chairman.*] As wages-men?—Yes.

27. *Mr. Hall.*] In nine years?—Yes, saved £500, with compound interest.

28. *Mr. Macdonald.*] On what wage?—The wages then would be less than they are to-day. The wages they would be receiving would be from 20s. to 22s. 6d. per week, with a bonus for harvest of £4 to £10. There would not be many £10 bonuses, probably none. The evidence in that dispute proved that 80 per cent. of the farmers who are actually farming were farm labourers.

29. *Mr. Hall.*] What district does that cover?—That was given throughout the Ashburton County, as being an estimate; it is fairly characteristic of farmers.

30. *The Chairman.*] You mean a man who has worked on the land for wages?—Yes. If you take the North Island it will bear out that statement as well as this.

31. *Mr. Hall.*] Is one cause the scarcity of labour—that the men are becoming farmers themselves?—Yes. There has been a constant stream of our best farm labourers leaving labour and taking up farms of their own. I know one man employed eight hands, and four of them this year left to take up land for themselves, and all their money was made at wages. That is a fact I can substantiate if necessary.

32. *The Chairman.*] Would they have been able to take up as much land had it not been leased land?—Well, if you take Government land you have to show three years' rent in advance.

33. Is that in the regulations?—Yes, I think that is the Land Board regulation. A poor man cannot get on Government land.

34. Not under the Land for Settlements Act?—Oh, no. There is plenty of freehold land that is as easy to get on as Government land, sold by private individuals, and of course the Government always charges six months in advance, which no one else charges. Glenmark Estate is a good illustration to take: that was settled by a 10 per cent. deposit; a man could get on that quite as easily as on Government land. A landholder cannot cut up his land now on those conditions, because there is a barrier: the Government demand 15 per cent. should be paid down, and that blocks a good deal of settlement—15 per cent. deposit is required before the large run-holder gets relief from the graduated tax. This constant stream of men from the farms lies at the root of the farm labour scarcity.

35. But you consider that is for the ultimate good of New Zealand?—Yes.

36. Then the shortage of labour must have been beneficial to New Zealand so far as taking up land is concerned?—Taking up land is certainly beneficial to New Zealand, and it must go on. Still, the decrease in cropping through insufficient labour is enormous, and that fact is going to affect the cities more than it has done in the past. If we are producing heavily in the country, that means better conditions in the towns as well; but if production is stopped it means the reverse. Our exports have decreased between two and three millions, and we are feeling the pinch of that now. Take the question of potatoes: I was speaking to a man on Saturday, and he was paying 1s. 4d. for digging potatoes on a farm at Broadfields, and the men are making 2s. per hour. If sufficient labour had been available for digging potato crops in the proper season I do not think that potatoes would be over £2 per ton; enormous quantities have been destroyed and rotted in the ground because labour was not available. It would be worth the while of the Commission going to Kaiapoi to see the potatoes not dug.

37. Then the cost of labour is increasing because there are not sufficient workers to produce?—As far as production is concerned, that is going on. I think our costs are judged by London prices; but next year there will be a shortage of wheat, and New Zealand will be living on American wheat; there will not be much to be had from Australia. New Zealand, to keep its present position, has to produce more, and that is impossible under present conditions of labour. It is not a question of low wages. There are any amount of six- and four-horse teams running in the paddocks because men are not available to plough. There is no industry in New Zealand that I know of that is meeting the demand for more wages, less hours, and charged a smaller additional sum for his product than the farmer. Bacon has been quoted as being very dear; it will probably be dearer.

38. *Mr. Fairbairn.*] Can you tell us something about bacon?—In connection with the production of bacon and pigs boy-labour is essential; it is boys' work, not men's work. There are no boys available in the country; you put the boy to other things because you are short of labour in other directions.

39. Not because when he has tended pigs long enough he is not prepared for any other pursuit?—A boy does not tend pigs more than two or three hours in the day; he has his other five hours to go through the farm, learning his business, and if he can handle horses he is quickly given a team. That is the way we train them.

40. I thought you spoke of boys tending pigs altogether?—Oh, no; doing the odd jobs about a farm, and you gradually get him into other things. That is why bacon and things of that description are going to be dearer. The farmer is going out of these things; that is the position.

41. *Mr. Veitch.*] Can you give us any figures to show that these statements are correct?—Take bacon: the Year-book will show the price of pigs; I have taken my figures from my own personal observations.

42. *The Chairman.*] And you do not grow pigs because you cannot get boys. For years I have been trying to make the public understand that there are no girls and boys available: it is a question of the falling birth-rate?—I know that. I know it in connection with weeding operations. Once I was able to get thirty boys for weeding; in the same district to-day I could not get one-third of them.

43. I only interjected because I thought you were blaming the boys for not being ready to go to farm-work when the boys are not here?—I see. We tried to get over that difficulty in connection with the Sedgwick boys. That experiment has quite justified itself, and we could have taken five hundred boys from where they were not wanted and put them where they were wanted, but the Government blocked us.

44. It was much to my regret?—The farmer, then, has to go out of pig-growing because the labour is not available. Those are things the Home market does not influence, and consequently the price of these commodities will rise unless that defect is removed.

45. *Mr. Fairbairn.*] Have you any suggestions or definite information about the price the farmer gets for his pigs?—Pigs in Addington (our chief market), as a farmer, I should say have been averaging 5½d. to 6d. through this season—that is, on deadweight for the live pig; often it is well over 6d.

46. *Mr. Hall.*] What are bacon-factories paying?—I could not speak authoritatively upon that. Now, one of the big factors in the price of land quoted has been the improvement of stock, and that is often lost sight of.

47. *The Chairman.*] Have you any idea that the farmer's produce is not made to return a fair amount to him because there are middlemen intervening in any way? Take the price of fruit, for instance: do you think the grower gets an absolutely fair show with the public?—I have been in Christchurch over a year, and the public auctions are free to everybody, and I have bought there, and never paid more than 1½d. per pound for apples, which seems to me a satisfactory price. I have bought Nelson apples for ½d. per pound. I could not say what the same apples sell for in the shops. I am here as a farmer, but apples are not a farmer's line, and I can only speak from the buyer's point of view. I know I can go into the auctions and buy any kind of fruit and vegetables—onions, potatoes, apples, &c.; these are sold direct from the farmer merely with an additional 10 per cent. for the auctioneer. If a householder wants to live as cheaply in Christchurch now as twenty years ago, I believe he can do so by going to the auctions in this way. If a person will have services rendered through the shops—and men are shortening hours and increasing wages there—that is their concern; but the opportunity to deal by auction is there. As far as we are concerned as a people, in connection with the cost of living, if more mouths come into the city and less into the country, the cost of living must increase. What is wanted to-day is more production through our country, and that means more work for the cities, and railways, and so forth; but unless the labour-conditions are dealt with, and dealt with very quickly all through New Zealand, living is going to be considerably dearer than before.

48. *Mr. Macdonald.*] You mean that the proportion of the population will have to be altered?—Yes; for the first time in New Zealand history there are more people in the cities than in the country, and the reverse ought to be the case.

49. *The Chairman.*] Do you think there will be more attractions offered in the country in the future than in the towns, and so the population will move?—There is something more behind it than that. The people are not in the country. Our best men are becoming farmers, and there is not a country population coming on, and unless it is increased by immigration it will not be done in any other way. The bulk of the people brought up in the towns will stop there; only some few go into the country. Men can get on the land so easily now, if they have any intelligence and are prepared to save; and they leave a vacancy behind which we are making no effort to fill.

50. *Mr. Veitch.*] Do not the men who go out of farm labour produce more than they did in the employ of a farmer?—That is very questionable. They often go to a single or double furrow of their own, instead of a three-furrow plough.

51. How can they make themselves better off then?—They will do well on the land at present values, if a man has intelligence and ability in New Zealand; but that does not get over the difficulty that if that vacancy is left and not filled the country will suffer.

52. You say the production, then, is being reduced on account of the men going out of the employ of farmers: do you think the country will produce more in large blocks than in small?—No, the production over the country has become less, because the men on the large blocks are not able to produce as much as they ought, because they have not enough labour. I am speaking of grain. If you take frozen mutton, there you have a big increase.

53. What line of farming do the men go into when going out of employment?—Dairying, sheep-farming, grain-growing, and so on.

54. I cannot understand how it is possible to reduce production by putting more farmers on the land?—I did not say that; I said the production of grain had decreased.

55. But they will be producing wealth of some kind—grain or something else?—There is a bigger export of sheep. But the point is this: that there is a lot of our land producing sheep that ought to be producing wheat, and wheat is far more profitable on that land.

56. Can you give us your reasons—sound reasons—why the workers do not go on the farms?—The reason is that they go into the employ, and get out of the employ by becoming farmers.

57. Then there must be a constant stream of men going on the land and increasing the production?—Yes, and my figures show that, but I am dealing with grain alone. I make this statement: the price of land in no instance has increased the price of a single article in connection with farm life. The price of some articles has increased through insufficiency of labour; I do not think the price of land has the slightest thing to do with it.

58. Would not the demand have something to do with it?—Yes, somewhat; but it must always stop where the limit of profitable production is reached. Another point I was just making, which is lost sight of, is that every improvement in the flock or dairy herd increases the price of land through the individual effort of the farmer and his breeding of stock; but he will get more out of his land through improved stock.

59. You may be right so far as the price of land is concerned, but I want to know why men do not go to work on farms. Are there houses for these men to go to? Are they guaranteed permanent employment? There are labouring-men in Christchurch getting very low wages, and if they were guaranteed a decent living in the country, with secure employment, surely they would go to it. We had a farmer who said he was willing to give the men land. What is the trouble? Are there any houses for these people—the married men?—There are not enough. The question of more accommodation for married men is a question I have written and spoken on for ten years. There is room for a great deal of improvement.

60. Could you produce farmers who are willing to build houses for married men and guarantee regular employment at fair wages if they go to the expense of shifting their families from the town to the country?—The best evidence is that it is being done every day.

61. Then how is it the country population is decreasing—especially in view of the closer-settlement policy?—I do not mean building a house a day. I say that throughout the country men are building houses for workers, but there is room for an extension of that principle. The best way to train workers is to take a youth and teach him his business, and then at from twenty-five to twenty-eight years of age he is a practical farmer with sufficient money to start farming for himself. That facility is open to any young man.

62. You speak of the increased settlement of the country, but that is not borne out by the statistics: last year our exports shrunk three millions, accounted for by price as well as by quantity?—Here is an instance. The Government bought Mr. Joseph Bailey's property at Templeton, 1,000 acres; they put ten settlers or more on it: there will be less exports than if that place were under Mr. Bailey's management—considerably less.

63. *The Chairman.*] How?—If you take a man with 1,000 acres of land and two or three three-furrow ploughs, he can produce cheaply, and export. You put eight or ten families upon it, and they are consuming as well as producing, and your exports are less.

64. Then perhaps it would be better to have all the farmers swept away and turn New Zealand into one great wheat-ranch?—I am not arguing that way. I say that this year our exports are less, and your exports from that farm will decrease.

65. *Mr. Veitch.*] But if a man goes out of the town into the country he will eat as much in the country as in the town; it would not affect the matter at all?—Well, there you have a concrete instance. I was answering Mr. Fairbairn's question *re* exports from a large farm.

66. But the export of the whole country will not be less?—I am not saying this is not a good thing; it is a benefit to the country that the land should be settled nevertheless.

Mr. Fairbairn: It is quite understandable, I think. Mr. Jones means that the production would be more, but the exports from that particular farm would be less.

Witness: Mr. Veitch has mentioned the question of housing, and it is a very important one. I noticed that the Commission visited the Sydenham workers' homes. They are excellent, but the question is, Are they in the proper place? The Government at the present moment are running a suburban train to Templeton and back, and the worker could get in for 2s. per week; you could buy 2 acres there for less than the cost of your $\frac{1}{4}$ -acre town section.

67. *Mr. Veitch.*] How long would you be able to do that if you planted a workers' settlement there?—That is no concern of ours. If we can put a worker on 2 acres of land within reach of his work for 2s. per week train fare he must be better off than on a town section.

68. Your contention is that the money should be spent in building workers' homes in the country?—Yes.

69. It seems to be a good idea on the face of it. But they would have to be occupied by married men working on a farm: can you find any guarantee that that house will be permanently occupied and the man permanently employed on the farm?—You cannot guarantee that; and you cannot guarantee it in connection with the city house. I think what is better is to give the individual farmer some encouragement to do it.

70. It would be far better for the farmers to do it?—I could tell you how it could be done, but that is outside the scope of this Commission. This is the question with the cost of living: the Government figures prove that vegetables, milk, butter, and cheese are 37½ per cent. of the total cost of a man's food; a man living at Templeton on 2 acres could save the whole of those items; his position would be infinitely superior to congesting him in Christchurch. A man put on 2 acres (and that could be bought within five miles of Christchurch for £50 per acre) could be a casual worker, and he need never be out of employment; he could fill in all his spare time on his land. The whole thing lies in getting the producer and consumer nearer together and eliminating waste, and the worker realizing that to get more he must produce more. The shorter

hours and more money given must mean an equivalent in more work. Another question is the production of meat. I know something of the butchering trade; my father was twenty years in it, and as a lad I kept his books. Twenty years ago we were selling meat out of the cart for 2½d. per pound for mutton forequarters, 3½d. for legs, and 3d. for sides; legs could never be bought for 1s. unless there happened to be a glut in the boiling-down establishments once in a while. On my farm I never charged my men more than 2½d. per pound for mutton, and I can go into a shop in Christchurch to-day and buy mutton at identically the same price as paid twenty years ago. The greater cost comes in the delivery.

71. *Mr. Fairbairn.*] But you know these prices are abnormal: that has not been the ruling rate for mutton for the last six years here—you are referring to a cash butcher?—Yes, and that cash butcher has come in at a dear time—dear in buying his stuff. I have a return showing what the farmer has been getting on the hooks for his mutton—killed and dressed, bare meat. For the last three years for best wether mutton the price is 2½d. per pound; ewes (the bulk of what is used in the butchering trade) is barely 1½d. on the hooks. I could not say what it is sold for. But one of the largest firms, as evidence shows, has been compelled to go out of the retail business. In 1910 wether mutton was 2·47d. per pound, and ewe mutton 1·17d. per pound; in 1911 wether mutton was 2·88d., and in 1912 3·19d. per pound; in 1911 ewe mutton was 1·61d., and in 1912 1·94d. per pound. This year the mutton has been dearer, owing to the very dry season the year before last: the stocks of sheep got low, so that this meat at the cash butcher's shop is being sold when mutton is bought the dearest from us.

72. *The Chairman.*] The price is really a little over 1½d. per pound?—Yes, the bulk of the mutton is bought at that rate; so that there is no country in the world that is handing over its finished product so cheaply as the farmers of New Zealand. It is a question of the distribution of the meat. People are apt to think that the larger the concern the cheaper the meat; that is not so. One firm which started butchers' shops some years ago the farmers dreaded supporting, and yet that big company has gradually gone out of the business, reducing the number of its shops, and intends to close them all.

73. Do you know their motive?—The shops do not pay. That shows that individual enterprise can beat the company every time in the butchery trade, through more attention to detail. My experience of butchering is that the difference for what the meat can be bought for and what the householder buys it for practically all goes in labour—in distribution—and we can live, as far as mutton is concerned, pretty well as cheaply as twenty years ago, if we do not want service.

74. *Mr. Macdonald.*] What about 4d. for fish and 8d. for service, as we were told?—That is pretty strong, I think; still, if you buy for 1½d. per pound and sell for 4d. you get into the same position. Two-thirds of the trade in Christchurch is ewe mutton bought at 1½d. per pound. I should think the wholesale price of the mutton all round is 2d. per pound, at the outside. I do not think there are great profits in the retail butchery—as the closing of the shops mentioned shows. If the profits were there the right class of man and the organization would be available.

75. *Mr. Fairbairn.*] It may be accounted for by the cultivation of the other part of this company's trade?—I am certain it is not that; it is rather a benefit to them to have shops, because they can work off in the shops meat that is not good enough to ship. Taking the cost of living as it applies to me, I find that boots cost me 90 per cent. more than bread. I have a family of five—four at school and one not at school. I suppose boots are as much a necessity as bread. We hear a good deal of the slight protection the farmer gets of £1 per ton on wheat, and if that protection were removed I think bread would be dearer in five years than if it were kept on. The slight protection the farmer gets is very trifling compared with other trades. It was stated here that some boots imported into New Zealand cannot be made here at a profit; if that duty were removed it would be a great benefit to the workers. I know of no single item in the cost of living that is pressing so hard on a man with a growing family as boots. The question of rent has been mentioned, and I have here two or three facts in connection with the building of a house in 1897, and what it cost in 1911, and the proportion that goes in labour. It is for a large house in one case, but a builder informed me that he thought the proportion of labour would be the same in both. In 1897 the proportion was 18½ per cent., and last year it was 32½ per cent. In the cost of material the bulk of it is labour; royalties being doubled from 6d. to 1s. is only a trifling matter after all, but the cost of the labour being doubled results in increase of rent. Practically the whole cost goes to the worker in increased wages and shorter hours.

76. *Mr. Veitch.*] Is this hearsay evidence from a builder?—No; these two houses were actually built, and the wages-sheets handed to me.

77. How were they computed? Are the two houses alike?—No; but I asked the builder if the proportion of wages was the same, and he said he thought so.

78. *The Chairman.*] He "thought" so: that is not evidence, Mr. Jones?—It is a comparison I was making with two houses which in the judgment of a builder, who ought to be an expert, carried the same proportion of labour.

79. *Mr. Veitch.*] Do you know how the percentage was computed?—Yes, I have the wages-list.

80. Is it not possible that he employed wages-men to do the greater proportion of the work, and in the former case had the work done by contract?—The whole of both houses were built by day-labour, but in one the painting was done by contract; that cost £19.

81. A good big proportion of the amount?—Well, I put half that as labour and the other half paint; in every case I gave the advantage to labour.

82. *The Chairman.*] I think, when it comes to painting and plumbing, and so forth, and you are thinking this, and judging that, and calculating the other, your evidence is not so valuable as when it applies to farming?—But I have the facts here before me; and I think the proportion of labour is the same. I know one cottage well.

83. *Mr. Veitch.*] Have you seen both houses?—No, but I know the style of the two houses.

84. *The Chairman.*] I should be glad if you would keep to the farming?—There is one factor that has not been taken into consideration in buying land: twenty years ago a man bought a section with a road on a map, and had to make the rest; to-day the man buys a section channelled and roaded at a cost of £40 per chain, so that if his section costs more that has to be counted in. I was offered yesterday in Christchurch six quarter-acre sections, in good positions in the 2d. area in Christchurch, from £130 to £170. I saw the statement made that they cost £300, so I quote this. Land can be purchased within two miles and a half of Cathedral Square for £140 per acre, and that is beautiful dairying-land within reach of Christchurch. This concludes the facts I have to put before the Commission from the producer's point of view. I contend that we are producing as cheaply as anybody in the world, and my figures show beyond a shadow of doubt that the price of land does not enter into the question.

85. *Mr. Robertson.*] I see by the Year-book that from 1908 to 1911 there was a very large increase in the number of pigs kept?—I know from practical experience as a farmer that farmers are going out of the pig business; where we used to keep a large quantity of pigs we do not now.

86. The higher price of bacon is no doubt due to the shortage of pigs?—Unless there is a greater demand for bacon.

87. While there is a smaller area under wheat crop, the area under oats has increased by 100,000 acres?—Yes, that is so; and as settlement goes on that is bound to go on increasing. A man has to provide food for his horses.

88. But production does not decline owing to the system of farm labourers settling on the land themselves?—The production does not necessarily decline, but the figures in connection with wheat prove that, in spite of the population increasing and the taking-up of land, the wheat-area is not increasing.

89. You took an example of a 1,000-acre farm, and ten families on it; you said that farm would produce more under one man?—No; I said the export from the country would be greater; I said the production would be more.

90. *Dr. Hight.*] Can men wishing to go on the land get capital on easy terms?—Generally, you mean—not at the present moment?

91. During the past ten years?—Yes, easier than at any time in New Zealand's history.

92. Both for purchase of land and investment in stock?—Yes.

93. Is it not possible for farmers, to avoid increasing costs of distribution, to sell direct to the consumer by means of co-operation?—The abattoir blocks that for meat, and I do not think the increased profits would warrant the increased service. The Farmers' Co-operative Association has done good, and the same principle would be better for butter and eggs and poultry, we think.

94. You said you could tell us how it would be possible to build cottages in the country to ease the scarcity of labour?—That goes back to the question of taxation. At the present time we are supposed to be exempted for improvements. That is a theory; in practice we do not get exemption—merely a little allowance on the capital value, and the more a farmer improves his property to-day the greater becomes his taxation. If a man got relief from the graduated tax in proportion to the houses he put up on his property that would encourage the building of houses. But suppose a man stumps a piece of bush country, at a cost of £10 per acre, and his neighbour leaves the stumps in as evidence of bush, he gets exemption. At present the more a farmer improves his land the more taxation goes up, while the speculative farmer keeps his taxes stationary.

95. You said that the worker has gained in wages, and the chief gain has gone to the worker?—Yes.

96. Are you of opinion that this gain compensates him for the rise in prices?—There is little increased cost to him. Practically the whole of the increased cost for agricultural workers falls on the farmer, except clothing. The worker is "found" in accommodation and food, so that practically it is a net gain to the country worker.

97. *The Chairman.*] Would you have us believe that the Government valuers are so ignorant or culpable as not to know when a piece of land has been stumped—that they do not make inquiries, and take the facts into account?—The valuer dare not do it. His instructions are to allow for improvements in sight; he cannot discuss whether the bush was actually there. That is the law to-day. We hear a good deal of the unimproved value rising; that is a pure fabrication. It is supposed to have risen £136,000,000, according to the single-taxer. Improvements are not properly allowed for. I know a farm in Waikato, sold for 5s. per acre, and sold a few years after for 50s., and the second man did not make any money. The present man wanted £7 per acre, and was offered £6 10s., and he was a careful book-keeper and said he could not take it. The unimproved value is £3 10s.

98. *Mr. Veitch.*] At what point are unimproved values to be fixed?—As a practical farmer I say there is no possibility of fixing the unimproved value. Take a clay paddock that has had fifteen years' cultivation to bring it to the point of productivity: no man can tell what that has cost; the smartest valuer in the world has not the slightest idea of what it is worth.

99. *The Chairman.*] Do you believe it would be a better system to tax on the improved value?—I say that the taxing on unimproved values has caused a tremendous lot of dissatisfaction amongst farmers. I think if the lesser rate of taxation were put on the capital value it would be preferable to the present system. You can get at the capital value, but it is impossible to get at the unimproved value.

100. If he built houses for workers his farm would be taxed more highly?—I said these things should be taken into consideration.

101. *Mr. Macdonald.*] But the farmer in the Waikato could find out the value of his farm?—The Government would not have accepted his figures. I do not think it is practicable, as a general rule. Some farms are brought from heavy clay to high cultivation and profit, but for ten years you have practically nothing for your labour, and by no system of book-keeping I know

can you tell the unimproved value. I could take my father's farm, bought at £2 per acre and now worth £20, but there is no way of calculating these things.

102. *Mr. Fairbairn.*] You have an instance of a farm hand saving £500: was that many years ago?—That was given by a witness who took up land with Moore, of Glenmark. That would be beginning sixteen or seventeen years ago.

103. And the rate of interest was probably higher?—Yes.

DAVID JONES recalled.

Witness: Yesterday I mentioned that there were later data in connection with the wheat, and I have been round to the Agricultural Department and got this morning the return which I put in. This return shows that the wheat-area this year is 106,539 acres less than last year.

104. *The Chairman.*] You do not give the area in oats?—The oat crop in 1901 was 10½ million bushels exported, and it fell gradually (with the exception of one year) till last year there was less than half a million bushels exported.

105. You have not answered my question, Mr. Jones?—The area in oats this year is more than last year—it is 403,668 acres total area.

106. *Mr. Macdonald.*] It has gone up about as much as wheat has gone down, then?—I have the areas here.

107. Yes, it is just about that?—From 1901 to now our exports have dropped from about ten million bushels in oats, as I explained. In answer to another question that dairying has driven out grain in Taranaki, I went into the records and find the grain crops in 1891 (the earliest record) to be 5,296 acres, and last year the area was 11,984 acres; so that although dairying has gone ahead at such a rapid rate in Taranaki, the area of grain has also doubled in that period.

108. *The Chairman.*] You gave several reasons why the wheat crop this year was not being put down; you said it was on account of the shortage of labour, and so on. The real fact is that, although so much land has not been put down in wheat, it has been put down in oats?—That means that two years ago and last year the areas were practically the same. I am not claiming that there has been a tremendous drop in a single year.

109. *Dr. Hight.*] You were referring to Canterbury?—More particularly to Canterbury as a grain-growing district, but it applies to the whole of New Zealand, the areas. Since 1901 the areas of both have materially decreased, until practically we are not exporting anything. The fact that oats this year compensate for the loss in wheat simply means that in the two years there was very little difference.

110. *Mr. Macdonald.*] Oh, I cannot follow that from your figures [figures quoted]. There has been no steady drop at all; there has been a little fluctuation, but it has been almost steady grain-growing?—Yes, but under ordinary conditions there ought to have been a tremendous increase in the area, but with the oats there has been a material drop in the export.

111. I do not think it was fair to take oats in 1902–3, the year of the South African war?—Oh, every year you export every oat you can spare; that does not make any difference. The ten million export was next year five million, and so on down to less than one million bushels exported; it has never reached the million again till two years ago.

112. *Mr. Veitch.*] How does the quantity exported compare with the area under crop? All the oats are not exported: has the local consumption increased or decreased?—There is bound to be a gradual increase in the local consumption, but I think the exports are the best indication, and it was the most reliable as to quantity.

113. In reply to Mr. Macdonald you said that as settlement increases the quantity of crop grown should increase?—Yes.

114. Yesterday did you not say, too, that the increase of settlement had the opposite effect—that the man with the large farm grew wheat and the man with the small farm did not?—No; what I said was that there was more production, and that where you got more settlement there was less available for export, and that the larger farmer, on account of his farm hands going into business on their own account, was left without sufficient workers to increase his exports.

Mr. Veitch: I do not think that clears up the point at all.

Mr. Macdonald: Mr. Jones gave the same explanation yesterday.

115. *Mr. Fairbairn.*] The conditions of export of wheat and oats have been much less favourable to New Zealand during the last ten years. Australian farmers, through simpler methods of harvesting, &c., have been able to wipe us out in the Home markets altogether, and for some years our exports in wheat show a big drop: is that not so?—Well, New Zealand and Australia are not material factors in the Home markets.

116. Still, the export of grain from Canterbury was a considerable item?—Undoubtedly.

117. And bulked largely in our exports?—Yes.

118. And farmers have taken much less attention to it because they have more profitable channels in dairying and grazing—they both pay better: is not that the position?—Somewhat. But I was quoting Taranaki to show that, although dairying had increased so enormously, yet the cropping area had doubled.

GEORGE FRANCIS SIMPSON, Flour-miller, Southbridge, examined on oath. (No. 68.)

Witness said he had been in the flour-milling business for ten years, and would hand in a return showing the prices of wheat, &c., for the last few years. He did not belong to the Millers' Association, preferring to be free. He had no idea that the association artificially raised prices; the price at present was much against the miller. The association never interfered with him nor he with them. He approved of giving a fair wage and getting a fair return, but did not think he was getting that now. The price of wheat now was 3s. 6d. to 3s. 7d. per bushel, and

flour £8 10s.; bran £4 15s., and pollard £6. To make a ton of flour cost at present 5s. more than the wheat actually cost, and all the expenses had therefore to come from the offal, which left barely enough to clear expenses. All the profit and 5s. over had to come from the bran and pollard. There was no profit in grinding flour, and had not been since last November, when the price dropped. Before November flour was £9 per ton, and then there was a little profit in the business; but large quantities of Australian flour had been put on the market, and the bakers preferred this, because it was drier and produced a little more to the ton than New Zealand flour. He had never been in the association, and had nothing to do with it at all, but he followed their prices according to what he saw in the newspapers.

JOHN NICHOLAS DU FEU, Boot-retailer, examined on oath. (No. 69.)

1. *The Chairman.*] You have a retail shop?—Yes, I have been in that business for over twenty years in Christchurch, doing retail and order work.

2. Do you find the rents asked for shops of your class very exorbitant?—Yes, we feel that the rent is higher than it should be, but one has no option, because if you go out or even complain about things there is always somebody ready to come into the shop.

3. Do you get your shop on a long lease?—Ten years at present is the lease; they do not care to lease for longer, because the cost of land increased, and then they put up the rents. This is the first lease I have had of my shop; formerly I was further up the street in a cheaper shop.

4. It has been alleged that there is a large profit on boots made by the retailers: is that true?—No, the profit made in retailing generally is about 25 per cent., and I do not think it could be done on less. A few years ago people did not mind taking away their own repairs or purchases, but now everything has to be sent. A good deal of the profit goes in extra expenses that have thereby become necessary. Then people want smarter shops, better appointments; but I do not think the profits are prohibitive.

5. If it should be alleged that some retail bootmakers alter the brand and make the public believe that New Zealand boots are American or Parisian, would you be able to confirm that having been done?—No, I have never seen it done. I have frequently heard a salesman say, in answer to a question as to whether a boot was English, "Yes, it is British," and it may be a colonial boot. It has never come under my notice that brands have been altered.

6. Nor new brands affixed?—No, I have never heard of that.

7. *Dr. Hight.*] Is your business mostly making boots to order?—Yes, bespoke work. We do not make any boots for the shop at all; we buy these from the wholesale manufacturers.

8. Your retailing of boots is a small item, then?—Oh, I suppose we do about £300 to £400 a month in that way.

9. *Mr. Fairbairn.*] You mentioned rent: do you pay rates and taxes also?—Yes, as tenant.

10. Have you found a big increase in your rates and taxes?—They have not increased since we have been in this new place—that is, the last three years they have been stationary. Speaking from memory, they are £26 10s. The rent is £3 10s. per week.

11. *The Chairman.*] Have you any other statement to make that would help the Commission?—I cannot see that the cost of living has increased with the exception of house-rent and meat, if people would live the same as they did twenty years ago. House-rent has increased, and meat has increased. People say that boots have increased in prices—they have a little, but not as much as people make out. People wear better boots, finer boots now. You can buy the same quality of boot at the same price, if they would wear them, but they will not. I noticed a man working for the Council the other day wearing a pair of glace boots with patent toes. They do not buy the same quality of boot for themselves, nor for their wives and children.

12. You think the increase is due to high living?—Yes; people will have more. House-rent is dearer, because land has increased in value, and they have to pay 20 per cent. more for the same house. If people would live in the same kind of houses, have a bath in the shed, &c., they could get the house for the same rent, perhaps. I think the extra wages more than compensate for the extra expense they have been put to.

13. *Mr. Veitch.*] Are the lower-quality boots selling at the same price as before?—Yes, back to the last twenty years. Take a blucher boot: it is no dearer than it was twenty years ago.

14. Has there not been a tax of 1s. 6d. per pair put on?—Only on the English stuff, and the rougher boots were nearly always made in New Zealand, and they are still made here. Twenty years ago the boots the workers used in New Zealand were made here, and they are still made here; and their light Sunday boots are still made here, and the price is not very much different.

15. No boots are imported of that class?—Not very many; there never were very many of that class of boot imported. The imported boots are mostly men's finer boots, ladies' boots, and evening shoes. To decrease the cost of living in boots I think it would be a great advantage if the whole of the duty was taken off goods that could not be made here profitably. Take ladies' evening shoes: they could be bought thus for 4s. 6d., instead of 7s. as now, without any loss of profit to the retailer.

16. *Mr. Fairbairn.*] But material has gone up?—I do not think it could cost any more at Home to make the boot. The cost of material is fractional compared with new methods of manufacture which make the boot produced cheaper. The whole of the extra cost in the case I mentioned is the new duty that is put on.

17. You think on cheap boots and felt slippers, &c., the duty should be reduced?—Yes, or taken off altogether, and a corresponding amount put on those boots which could be made here.

18. *Mr. Veitch.*] With the protection that is on the boots that can be made here, can the manufacturers carry on their work profitably?—You can buy boots in England and land them in the shop now a fraction cheaper than you can get them from the local people; that is one

reason why we still import them. Another reason is that they sell better—people demand them. The more duty you put on the imported boot, the more the price of the local goods goes up. I have noticed that repeatedly. But I dare say it has been on account of the increased cost of material to some extent. It is always a mistake to put a duty on the necessaries of life that cannot be made here profitably.

19. *Mr. Hall.*] This class of boot can be imported from England, pay duty and carriage, and sold at less than the locally produced article of the same kind?—Oh, yes; we can still import cheaper than we can buy from the local manufacturers.

20. *The Chairman.*] Some of these duties are on for revenue purposes, you know?—Yes, that is so; but that is wrong, I think, in our particular trade. To put duty on felt slippers, small children's shoes, evening shoes, and so on, is not a good way of raising the revenue; it simply increases the cost of the necessaries of life. Evening shoes, perhaps, may be said to be a luxury, but young ladies must have some recreations, and if they go to dances must wear evening shoes.

GEORGE FRANCIS TRAVERRA ROWE, Accountant in the employ of Messrs. Fairbairn, Wright, and Co., Christchurch, examined on oath. (No. 70.)

Witness: In September last my principals considered that the Colonial Sugar Company and the New Zealand merchants had broken the law by entering into an agreement to control the price of sugar, and they addressed this letter to the Minister of Commerce. The letter is as follows—

Mr. Macdonald: I do not think that letter should go in at all when there are proceedings pending against the sugar people.*

The Chairman: You think it should be handed to us, but not made public?

Mr. Macdonald: It might be handed to us; I do not think anything relating to the Sugar Company should be put in evidence.

The Minister of Commerce, Wellington.

SIR,—

Christchurch, 18th September, 1911.

We desire to draw your attention to an infringement of the Commercial Trusts Act by the Colonial Sugar Company and a combination of merchants in New Zealand, who have conspired to undermine the law and establish a close monopoly in the sale of sugar throughout the Dominion.

The Commercial Trusts Act, 1910, is defined to be "An Act for the Repression of Monopolies in Trade or Commerce," and contains the following provisions:—

"Commercial trust" means 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 one of its objects that of (1) 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 (2) 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.

"Any person who conspires with any other person to monopolize wholly or partially the supply or demand or price in New Zealand or any part thereof of any goods is guilty of an offence, if such monopoly or control is of such a nature as to be contrary to the public interest."

The Colonial Sugar Company have always adopted preferential methods in the sale of their products in New Zealand. Prior to the operation of the Commercial Trusts Act—on 1st January last—the selling-terms were as follows, viz.: 3 per cent. prompt cash discount, a bonus of 10s. per ton (payable half-yearly) to all purchasers who agreed not to handle outside products, and a special discount ranging from $\frac{1}{2}$ per cent. for £150 per month to $3\frac{1}{2}$ per cent. for large syndicate purchases. In connection with these special discounts the Sugar Company arranged combinations of buyers throughout the Dominion to form syndicates. The aggregate purchases entitled each trader in the combine to the special discount on the collective purchases of the whole syndicate, although each trader's business was conducted and financed direct by the Sugar Company. It consequently happened that certain retailers whose individual purchases were comparatively trifling were placed in a better position than independent buyers who handled large quantities.

On the 1st January the Sugar Company advised their customers that in consequence of the operation of the Commercial Trusts Act all bonuses and special concessions would cease, and that in future the selling-terms would be $\frac{1}{2}$ per cent. prompt cash (instead of 3 per cent.), and the following special discounts for quantity buyers, viz.: £500 per month, 1 per cent.; £750, $1\frac{1}{2}$ per cent.; £1,000, 2 per cent.; £1,250, $2\frac{1}{2}$ per cent.; £1,500, 3 per cent.; £1,750, $3\frac{1}{2}$ per cent.; £2,000, 4 per cent.; £2,500, $4\frac{1}{2}$ per cent. These concessions were payable every six months, but in order to secure these special discounts the purchasers had to average the amounts stated per month for six consecutive months.

These terms were altered on the 1st April last as follows: £500 per month, 1 per cent.; £1,000, 2 per cent.; £2,500, 3 per cent.; and £10,000 per month, $4\frac{1}{2}$ per cent.: an additional provision being that £500 had to be purchased every month to secure the concession, thus compelling traders to draw regular supplies.

The latest alteration, dated 11th September last, announces another change in the terms and conditions of sale which will take effect on the 1st October next, as follows: Extra discounts, payable half-yearly on purchases made to 31st March next, will be made on the following scale: £500 per month, 1 per cent.; £1,000, $1\frac{1}{2}$ per cent.; £2,500, 2 per cent.; £5,000, $2\frac{1}{2}$ per cent.; £12,500, 3 per cent.; and £25,000, 5 per cent. There is a further stipulation that at least half the value stated must be purchased in each month, thus preventing outside importations.

The total value of sugar refined in New Zealand is approximately £600,000 per annum, and when supplies to local manufacturers, breweries, &c. (who are on a preferential basis) are deducted, the quantity specified to obtain the special discount of 5 per cent. is more than half of the whole consumption in New Zealand, clearly beyond the requirements of any single trader. Favoured individuals—whose purchases are not more than £500 per month—who are included in the merchants' combination are enabled to secure the maximum special discount of 5 per cent. to the manifest disadvantage of their independent competitors and the community at large. If these concessions were available through open competition the consumer would get the benefit.

There is no single wholesale firm in New Zealand drawing more than £5,000 per month for their own distributing business. The Sugar Company's special discount for this amount is $2\frac{1}{2}$ per cent. It is therefore impossible for any independent wholesaler to handle sugar under the latest selling-conditions, and, as there is no retail business outside the combine handling £500 per month, it follows that practically the whole sugar-output will be controlled by a syndicate with the sole object of restraining trade in their own interests. If this monopoly is permitted it means placing it in the uncontrolled position of fixing conditions with a margin of 5 per cent. to operate on. This conspiracy will cost the public approximately £30,000 per annum, which will find its way into the pockets of about forty conspirators.

The bulk of the sugar transactions in the Dominion are simply financial operations. The Sugar Company ship to consignees, and finance direct at the request of buyers; all charges are borne by the consignees, and there is no risk to the merchant, beyond the usual handling of documents appertaining to ordinary banking. Business of this nature can be profitably handled for a trifling commission. A merchant turning over £5,000 per month at 1 per cent. will make

* It was subsequently decided, after legal advice had been obtained, to publish these letters.

£600 per annum. The only cost is book-keeping, stationery, and postages; £100 per annum would be more than sufficient to cover this item.

In order to indicate the unearned increment in trading monopolies, the exclusive right to sell tea in New Zealand is worth a present cash price of at least £1,000,000, without disturbing present retail prices. There is a serious constitutional principle underlying all conspiracies to control trade. It has taken many centuries to vindicate the right of the Commons to control all money Bills in England. In the past despotic rulers have granted exclusive trading rights to companies and individuals, and have created special forms of taxation for the purpose of raising money illegally without the consent of Parliament. Eminent Judges have denounced these acts as treasons to the State. It will be an iniquity for this country if private individuals can do with impunity what was denied the Monarchs and Peers of England.

The only protection that can be given to the public against the rapacity of trusts and combines is absolute free trade in the Dominion, and a law passed that all selling-conditions are illegal, thus establishing the right of a purchaser to his own property without fettered conditions of sale.

We are prepared to submit proof that conspiracies to control trade have been growing in the Dominion for many years past in many branches of commerce. These conspiracies are solely designed to benefit a few interested parties, and in every instance they have been followed by an increase in the cost of living to the public.

We have, &c.,

FAIRBAIRN, WRIGHT, AND CO.

Witness: This was followed by another letter to the Attorney-General, which letter I also put in.

[COPY OF LETTER SENT TO THE HON. SIR JOHN G. FINDLAY, ATTORNEY-GENERAL.]

Christchurch, 2nd October, 1911.

THE Merchants' Association is a combination of wholesale grocers, who have banded together for the purpose of bringing united pressure to bear upon New Zealand, Home, and foreign suppliers to refuse supplies to independent traders who will not agree to fix selling-prices at their dictation. In every instance their operations have been followed by an increase in price to the retailer, which is in due course passed on to the public. At the outset they found it necessary to include the largest retailers, who were buying on exactly the same terms as themselves, and whose co-operation was necessary to give them the desired power to influence suppliers. It is an understanding that these favoured retailers are not to cut prices, so that the wholesaler can depend upon certain profits from other retailers. The effect of this arrangement is that the rate of profit to retailers outside the combination is too small to permit of competition which would directly benefit the public. Two illustrations will suffice to indicate how this conspiracy works out with lines they now control, viz. :—

Neave's food is retailed in Dunedin and Christchurch at 11d. per tin. Prior to the last alteration of the Customs tariff the duty was 15 per cent. It is now on the free list, yet the retail price has been 11d. per tin for twelve years past. Under the old tariff the cost was 9s. 3d. per dozen. Wholesale prices varied from 9s. 7d. to 10s. per dozen. The present cost is 8s. 1d.; wholesale sealed price, 9s. 6d.: which means that the Merchants' Association have pocketed the remission in duty.

Colman's D.S.F. mustard costs 1s. 2d. per pound; sealed price to retailer, 1s. 4d.; retailed at 1s. 6d. If the outside retailer is satisfied with 2d. per pound profit, it is evident that the public are being fleeced to the extent of 2d. per pound, or 12½ per cent.

This association has already induced local soap and candle factories, match-factories, several less important manufacturers, and a number of resident New Zealand agents for outside firms to boycott independent traders; their combined influence has also induced several English firms of standing to adopt the same methods, and at the present time they are using every effort to widen the sphere of their operations. Firms such as C. and E. Morton, Crosse and Blackwell, Maconochie Bros., and all trading concerns controlling proprietary goods in strong demand in this market are being pressed to fall into line.

In other branches of commerce the Wholesale Hardware Association, who individually invariably conduct a dual wholesale and retail business, have already created a combination controlling New Zealand galvanized hollow-ware, which is protected with a 25 per cent. *ad valorem* tariff, whereby prices have advanced fully 25 per cent. to the retailer. Common household necessities, such as buckets and cheap baths, are thus used as another method of fleecing the public, in this instance to the tune of about 30 per cent. In the face of these facts, is it surprising that the cost of living is increasing? The Wholesale Druggists' Association have also used similar methods, and have induced several suppliers of proprietary articles to meet their views. In every instance these schemes have resulted in trade restrictions, increased profits, and increased cost of living to the public.

The very fact that retail concerns in all branches of trade have for years past been buying direct from manufacturers on practically the same terms as wholesale houses proves that the wholesale merchants are simply middlemen who are afraid to meet open competition, and resort to boycotting methods to bolster up their decaying influence. Trade-unionism was legalized in this country to prevent sweating and for the protection of the workers, yet it is astonishing to find wealthy traders of more than average intelligence asserting that they have as much right to form themselves into unions to protect their own interests as the working-classes, and see no wrong in using their power and influence to increase prices for their own benefit and at the public expense.

The functions of government applied to the wages problem of the workers is in a large measure limited by the laws of supply and demand, but the rapacity of trusts designed solely to exploit the people is clearly within the scope of legislative action, and if this country is to be saved from an aggregation of wealth by a small section of unprincipled traders, who abuse their power by entering into combination to surreptitiously exploit the masses, urgent legislation is necessary.

It is as impossible to fix trading profits as it is to fix rates of interest of money. As an illustration, a well-conducted retail grocery business with good buying facilities and soundly financed will buy to better advantage and carry on with a smaller cost in working-expenses (usually 10 per cent. to 12½ per cent.) than a badly conducted business with financial disabilities and inferior purchasing-power. If the rates of profits are based upon the necessities of the weaker concern, it means a rapid accumulation of wealth to the first-named at the expense of the public, as fixed selling-rates necessarily restrict competition. An attempt to adjust profits under existing trade conditions would be as futile as arranging uniform rates of speed between motor-cars and bullock-wagons.

The proposed amending legislation to the Commercial Trusts Act should widen the scope of the Act so as to embrace all commerce. A clause should be added to prevent fixed selling-conditions such as "Every person commits an offence who, either as principal or agent, in respect of dealings in any goods, makes it a condition of purchase that the goods are to be resold at a price fixed by the vendor." (Note.—This would establish the principle that the purchaser would have an unrestricted right to his own property, but would not interfere with a community of traders mutually arranging to sell at a uniform price, without obligation or penalty to any one refusing to do so. The safety of the public would be, if prices were too high, the door would at once be open for unfettered competition.)

The term "agent" appears to require special definition. It is now being used to defeat the Act in the sale of oatina, where merchants who buy and sell this commodity are called "agents" in order to secure them special discount, which otherwise would be illegal.

As regards the Sugar Company's latest selling-conditions, these are deliberately framed for the purpose of excluding independent traders, and in order to create a monopoly in the sale of their products. It is not an unusual proceeding for suppliers to give special concessions for large purchases. In most instances such concessions have benefited the public, inasmuch as the lower price has enabled the merchant to sell on better terms to the storekeeper; but the Sugar Company's terms are in exact opposition to the public interest, inasmuch as they have increased the quantity far beyond the possible requirements of a reasonable number of traders, without any advantage to the buyer of large parcels,

viz. : In January last the discount was $4\frac{1}{2}$ per cent. for purchases amounting to £2,500 per month, in April the amount to obtain the same discount was increased to £10,000 per month, and their latest terms necessitate purchasing £25,000 per month to obtain an extra $\frac{1}{2}$ per cent. Legislation that will make such operations illegal is absolutely necessary, and might be met with an additional clause in the Act, or a preamble to the Act, giving power to the Governor in Council to gazette prohibitions to any selling-conditions that were cunningly devised to defeat the spirit of the Act, where the public interests were prejudiced.

FAIRBAIRN, WRIGHT, AND Co.

The proof that these allegations are correct is shown by the correspondence and invoices I now produce. The manufacturers' prices of Colman's mustard, Keen's Oxford blue, Robinson's groats and barley, and Neave's food have not altered since the reduction of duties, although the Merchants' Association have in some instances increased the prices to the retail trade and the public. As these goods have all along been supplied direct to the retail trade on the same terms as the merchants, there is no occasion for two profits. [Original suppliers' invoices produced confirming this evidence.]

DEAR SIRs,—

14th October, 1911.

Having received complaints from the New Zealand merchants as to the underselling of our Neave's food to the retail trade in that Dominion, we have decided that the selling-price to the *retailers* be fixed at 9s. 6d. per dozen, less the ordinary terms usually allowed them, and thus ensure the merchants a fair profit.

We have therefore agreed that from the commencement of the year we can only supply direct to merchants who are willing to comply with these terms, and in receiving any orders hereafter we shall assume that the merchants agree to this condition, which we need hardly point out is to their material benefit.

We trust that the friendly feeling that has hitherto existed between us may thus be strengthened to our mutual benefit.

We are, &c.,

JOSIAH R. NEAVE.

P.S.—We would add that we are writing to this effect to all the London exporting houses.

Messrs. Fairbairn, Wright, and Co., Christchurch, New Zealand.

DEAR SIRs,—

24th August, 1911.

Our reasons for having refused to accept the selling-conditions in New Zealand for your proprietories are as follows : (1) That the wholesale profits are too high ; (2) that no protection is given to the retailer ; (3) that, in view of the fact that you supply certain retailers on the same terms as wholesalers, it is obviously unfair that traders in active competition with those favoured retailers should be compelled to pay $12\frac{1}{2}$ per cent. more for the same goods. (Colman's D.S.F. mustard. $\frac{1}{2}$ lb. and 1 lb., cost 1s. 2d. per pound in store, Christchurch and Dunedin—scale rates, 1s. 4d. per pound.)

There is a regular inquiry for your goods, and we have had to refuse business since your goods were scaled. This is an inconvenience to a number of our country friends who place the bulk of their business through ourselves. Under these circumstances we are again sending you indents for shipment to Dunedin and Christchurch, trusting that you will see your way either to reduce the profits or permit any retailer ordering a stipulated quantity of your goods to buy direct on equal terms to other retailers.

If you cannot see your way to fall in with our suggestions, we have no alternative but to accept the selling-conditions, and we quite understand that the execution of the enclosed indents are subject to the selling-conditions you stipulate.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND Co.

Messrs. J. and J. Colman (Limited), 108 Cannon Street, London.

Tariff of Prices for Colman's Goods, to be maintained in Canterbury, Otago, and Southland.

		F. W. and Co.'s Old Prices before Scale.	
		s.	d.
Mustard—Colman's, Keen's, and Farrow's :—			
1 lb.—5 boxes .. .. .	.. .. .	16	0 per box of 12 lb.
Less than 5 boxes .. .. .	.. .. .	16	6
$\frac{1}{2}$ lb.—5 boxes .. .. .	.. .. .	16	0
Less than 5 boxes .. .. .	.. .. .	16	6
$\frac{1}{4}$ lb.—5 boxes .. .. .	.. .. .	18	0
Less than 5 boxes .. .. .	.. .. .	18	8
Starch—Colman's :—			
5 boxes .. .. .	.. .. .	49	0
Less than 5 boxes .. .. .	.. .. .	
Groats and barley—Robinson's Patent :—			
6 dozen .. .. .	.. .. .	7	6 per dozen
Less than 6 dozen .. .. .	.. .. .	7	9
Blue—Colman's and Keen's square and bag :—			
10 boxes .. .. .	.. .. .	7	3 per box
Less than 10 boxes .. .. .	.. .. .	7	6
Mustard, Durham—Colman's and Keen's :—			
1 case or more .. .. .	.. .. .	0	7 per pound.
Less than 1 case .. .. .	.. .. .	0	$7\frac{1}{2}$
Mustard, D.S.F.—Colman's and Keen's :—			
7 lb. tins .. .. .	.. .. .	1	$3\frac{1}{2}$ per pound.
Cornflour—Colman's :—			
1 lb. packets .. .. .	.. .. .	0	$4\frac{1}{2}$
5-box lots of mustard in $\frac{1}{2}$'s, $\frac{1}{4}$'s, and 1's may be assorted, but Durham and D.S.F. may not be. Groats and barley may be assorted, blue also ; but no mixture of parcels, such as groats and blue, or blue and starch, is permitted.			
Brosemeal :—			
1 cwt. .. .. .	.. .. .	0	$3\frac{1}{2}$ per pound.
Less than 1 cwt. .. .. .	.. .. .	0	$3\frac{1}{2}$
Semolina—Colman's :—			
1 gross, 1 lb. packets .. .. .	.. .. .	51	0 per gross.
Less than 1 gross .. .. .	.. .. .	4	6 per dozen.

Terms : $2\frac{1}{2}$ per cent. cash discount to be given if paid by the 20th of the month following delivery. For cash within ten days, 3 per cent. discount to be given. Under no condition may a discount of more than 3 per cent. be allowed on these goods.

1. *The Chairman.*] Has there been any reduction for mustard?—The manufacturers' prices have been the same for the last twelve or twenty years for mustard, and there has been a reduction in the duty.

2. *Mr. Fairbairn.*] What is the duty on infants' food?—It used to be 15 per cent., and there is no duty now.

3. *The Chairman.*] And the general public has not benefited by the duty being taken off?—The merchants have kept that.

4. In addition to the profit they made before?—Yes, of course. I also put in correspondence relating to Sapon, which has been "scaled" by the merchants. 51s. was the former price, and now they have made it 54s. 6d.; 20s. was the price for a smaller line, and now 22s. 6d. is the "scaled" price. I also put in correspondence, &c., *re* Keiller's marmalade, Van Houten's cocoa, and tobacco and cigarettes.

DEAR SIR,—

Dundee House, 15 Eastcheap, London E.C., 4th August, 1911.

We have recently been compelled to take steps to prevent the persistent cutting of our marmalade and conserves in New Zealand, and with this end in view have effected an understanding with the Merchants' Trade Association of New Zealand—which comprises all the foremost and most influential wholesale distributors in New Zealand—by which we agree to decline to accept indents, either direct or through London indent agents, for other than members of the association.

We can assure you that this action is taken solely in our mutual interests, and has been strongly advocated for some considerable time by all the larger distributing-houses. We appeal with confidence for your support by requesting you to disclose the name of the indenter when ordering, which the circumstances, as explained above, compel us to have knowledge of. Needless to mention, we wish this information simply to satisfy ourselves whether the firms are members of the association, and for no other purpose.

Thanking you in anticipation.

Laughland, Mackay, and Co., 50 Lime Street, London.

We remain, &c.,

JAMES KEILLER AND SON (LIMITED).

DEAR SIR,—

Royal Cocoa and Chocolate Factories, Weesp, Holland, 4th August, 1911.

We regret to have to bring to your notice a complaint which has reached us. It comes from New Zealand, and relates to one of your customers, Messrs. Fairbairn, Wright, and Co., of Dunedin, Christchurch, Wellington, and Auckland.

Members of the wholesale trade out there are complaining to us that this firm has adopted a policy of cutting prices to the detriment of the trade generally, and we have been approached with the object of getting the firm in question to adopt the ruling prices for Van Houten's cocoa instead of underselling.

We suggest that you write them and endeavour to get them to conform to the ruling of the trade in the matter of the price for Van Houten's cocoa, as by underselling a state of things is created which ends to the disadvantage of all concerned in the trade. We trust you will bring about the desired result, and we feel sure you will co-operate with us in this matter, as we endeavour to maintain prices as much as possible in the interest of both wholesaler and retailer.

Laughland, Mackay, and Co., 50 Lime Street, London.

We are, &c.,

VAN HOUTEN AND ZOON.

DEAR SIR,—

3rd October, 1911.

We attach particulars of fourteen cases of tobaccos and cigarettes for shipment to Christchurch, and eight cases for shipment to Dunedin. This is merely a preliminary order, and will be supplemented with our Auckland and Wellington requirements at an early date.

Please advise us what quantities of plug tobacco—such as Juno, Welcome Nugget, &c.—it is necessary to order in one shipment for one port, also if these indents can be cabled.

Please declare value for insurance with the British Dominions Insurance Company.

The Manager, British Empire Trading Company, Wellington.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

DEAR SIR,—

Wellington, 9th October, 1911.

We acknowledge receipt of your letter of 3rd instant enclosing order for fourteen cases tobacco and cigarettes for shipment to Christchurch, and eight cases tobacco and cigarettes for shipment to Dunedin. We beg to state, however, that we are not at present opening any new accounts, and therefore have not entertained your order.

Yours faithfully,

THE BRITISH EMPIRE TRADING COMPANY (LIMITED),

Messrs. Fairbairn, Wright, and Co., Christchurch.

By J. J. LITTLE.

Wellington, New Zealand, 3rd November, 1911.

DEAR SIR,—

"Sapon."

We are in receipt of your favour of the 2nd, and thank you for your orders for Dunedin and Christchurch.

We are sending on your Dunedin order to our principals, but much regret—as already advised you on 9th June last—that we cannot send on your Christchurch order without breaking current contracts, which we trust you will recognize renders our doing so impossible.

There is a tariff for "Sapon" in Christchurch, which we would ask you to sign. When this is done it will give us much pleasure to send on your Christchurch orders. The tariff at present operative in Christchurch is in our opinion too high, and does not leave sufficient profit to retailers. It is probable that a tariff will be adopted for the whole of the Dominion, which will deal equitably with all concerned.

Trusting you will see the above is the only course open for us.

Messrs. Fairbairn, Wright, and Co., Christchurch.

We are, &c.,

PHILIPS AND PIKE.

DEAR SIR,—

"Sapon."

7th November, 1911.

Your favour of the 3rd instant to hand. We note that there is a likelihood of a tariff being adopted for the whole of New Zealand, in which event we shall adhere to the selling-conditions imposed. Please execute our indent for Christchurch on this understanding.

Messrs. Philips and Pike, Wellington.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Wellington, New Zealand, 16th December, 1911.

DEAR SIR,—

"Sapon" Tariff.

On the 9th November we had the pleasure of addressing you *re* above. As you are aware, for a long time cutting has been prevalent, with a result that the profits have been reduced to so low a rate that there is insufficient in the line to warrant wholesale houses pushing it. It is for this reason that, acting with the consent of our principals, Messrs. Sapon (Limited), we decided to consult the wholesale houses throughout the Dominion as to the advisability of instituting a tariff.

We are pleased to be able to state that the new tariff has been very well received, and the large majority of the handlers have already signed it. So far we have not yet received from you the signed copy of the tariff. We enclose another copy, and will be obliged if you will kindly sign same and return to us at your earliest convenience. Trusting that as a result of the tariff you will in future find "Sapon" a more profitable line to handle, and assuring you of our strong support should any New Zealand merchant cut prices.

Messrs. Fairbairn, Wright, and Co.

We are, &c.,

PHILIPS AND PIKE.

Tariff.—“Sapon” Washing-powder.

	£	s.	d.
1 lb. (6d.) packets—			
Per case of 12 dozen packets	2	14	6
Not less than 6 dozen packets	0	4	8 per dozen.
Under 6 dozen packets	0	4	11 „
Small (2½d.) packets—			
Per case of 12 dozen packets	1	2	6
Not less than 6 dozen packets	0	1	11½ per dozen.
Less than 6 dozen packets	0	2	0 „
3 lb. bags—			
Per case containing 22 5 lb. bags	1	0	9 per dozen.
Less than 1 case	1	1	3 „

To come into force on the 1st December, 1911.
We agree to maintain the above tariff.

DEAR SIRS,—

20th January, 1912.

In reply to your favour of the 17th instant we regret having overlooked replying to your request for our acceptance of selling-rates.

In an earlier letter you stated that the selling-rates already in force were too high, and that you proposed making alterations. We now find that the average profit works out about 20 per cent. on actual cost: this appears to us to be an abnormal profit for wholesale distributors. Please advise us if this is a final adjustment.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Messrs. Philips and Pike, Wellington.

Wellington, New Zealand, 23rd January, 1912.

DEAR SIRS,—

“Sapon” Tariff.

We are in receipt of your letter of the 20th January, and note that in your opinion the average profit, working out at about 20 per cent. on actual cost, is too high a rate for wholesale distributors.

Before deciding upon the figures as per copy of tariff enclosed we went very carefully into the matter with the various Merchants' Associations, and found that if we desired to have one tariff to apply throughout New Zealand both in cities and country districts it would be impossible for us to make the rate of profit any lower than that eventually decided upon. Under the circumstances we would be obliged if, as advised in your letter of the 7th November, you will be so kind as to signify your agreement.

We are, &c.,

PHILIPS AND PIKE,
Per W. H. McCaul.

Messrs. Fairbairn, Wright, and Co., Christchurch.

In connection with galvanized hollow-ware a scale has also been introduced. There are two price-lists now.

5. *Mr. Fairbairn.*] And what is the general effect of the two price-lists?—A general increase. In buckets there has been an increase of about 20 per cent. The 11 in. bucket used to be 10s., less 10 per cent., and now it is 15s. 9d., less varying discounts, the maximum being 33½ per cent. and the minimum 5 per cent.; the 10s. price works out thus to about 12s. 3d. [Confirmed by price-lists issued by T. Crompton and Sons.]

6. Who gets the maximum discount?—The hardware people who take quantities of £50 worth, and that is to hardware merchants only. [Correspondence *re* hollow-ware and price-lists put in confirming this evidence.] There is also a circular which we issued at the time to our customers *re* the combination entered into by the manufacturers and the Merchants' Association.

DEAR SIRS,—

Christchurch, 1st March, 1911.

Enclosed please find new price-list for our superior Anchor brand galvanized hollow-ware, which we trust will prove a convenience to you. This new list, you will notice, allows of a universal discount off all lines, and we feel sure that you, as buyers of the line, will welcome the new arrangement.

We take the present opportunity of thanking you very heartily for the generous support you have accorded us during the past twelve months, and to inform you that we have just completed the installation of our extension of plant, so that we shall now be in a still better position than before to give your valued orders quick delivery, while the finish of the line will also have slight improvements, which we are sure you will appreciate.

Awaiting your kind orders on the new list, and again thanking you for all past favours, allow us to remain,

Yours faithfully,

THOS. CROMPTON AND SONS,
Per C. B.

Messrs. Fairbairn, Wright, and Co., Christchurch.

SIR.—

Christchurch, 1st March, 1911.

Enclosed we have pleasure in handing you a new price-list for galvanized hollow-ware. The list is based to give the buyer an all-round universal discount off all lines enumerated thereon, and we are sure you will greatly appreciate the innovation.

This list comes into operation on 6th March, 1911, and cancels all previous New Zealand lists and quotations.

You will notice that we have marked your special discount at the bottom hereof.

TAYLOR AND OAKLEY (LIMITED).

THOS. CROMPTON AND SONS.

THE KIA ORA GALVANIZING COMPANY.

THE SOUTHERN CROSS MANUFACTURING COMPANY (LIMITED).

Discount, 20 per cent.

THOS. CROMPTON AND SONS.

(Confidential.)

Galvanized Hollow-ware.

DEAR SIRS,—

20th March, 1911.

A combination has been entered into between the manufacturers and the Hardware Merchants' Association, and as usual the result is a large increase in the cost to the retailer. The new scale prices are as follows, viz.: List rates less 20 per cent., and for parcels over £10 25 per cent. off list. The terms to hardware-merchants are 33½ per cent. off list, and 5 per cent. for £50 parcels. The actual difference is 26 per cent. for small parcels and 18½ per cent. for £10 parcels. As far as we know, there are no strictly *wholesale* hardware merchants in New Zealand. It means that their retail departments are in a position to buy at from 18½ to 26 per cent. better than their competitors who are outside the ring.

We will not accept the selling-conditions mentioned, and are placing substantial indents for some of our friends who have decided to import. If you propose taking advantage of this opportunity to combine purchases, please advise us promptly. We expect to land galvanized hollow-ware such as buckets, baths, &c., at least 33½ per cent. better than the local goods can be procured.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

DEAR SIRS,—

Christchurch, 14th June, 1911.

Further to your conversation over telephone with us this day on discount allowed you on your valued order for hollow-ware this week: Going back to what we may almost call the progenitive of the telephone conversation, your Mr. Fairbairn will doubtless remember meeting the writer on a couple of occasions on this very vexed question of discounts for buyers of galvanized hollow-ware. The whole trouble arose, as Mr. Fairbairn will recall to mind, so far as your firm is concerned, that you were allegedly handling the line on so small a margin of profit that the Otago Hardware Association in particular took the matter in hand so far as to inform us and the other New Zealand manufacturers of the line that if we could not see our way to regulate the trade for this particular line a little better, that they would as a body resolve to turn down the line absolutely; and for this reason requested us to draw up a new list giving certain discounts to certain grades of buyers, based principally upon the buyer's status, whether merchants, semi-merchants, or purely retailers. At the same time it was requested that we should assist the various hardware associations, in helping them so far as we could *in helping us*, by absolutely drawing the line at supplying the retailer unless at the discount off list, the same as the legitimate hardware-merchant would be enabled to quote and reap a fair profit for stocking and quoting the line. For this especial reason, and to fetch the matter to a head as quickly as possible, you were placed on the 20 per cent. discount off list mark, and, as we anticipated, we very quickly had response from your good selves, and as a consequence we had a couple of chats with Mr. Fairbairn, in the last of which the writer assured him that if your firm would combine with us, the manufacturers, and your brother-merchants, by accepting our lists and discounts, and quoting the same, as the list to be supplied, for the various grades of buyers at the various discounts, we should be extremely pleased to see that you were placed on the limit discount mark. This, we may respectfully state, we were extremely desirous of doing, as we make no secret of the fact that we have undoubtedly missed the kind favours in receipt from you in the past.

In the last interview with you, Mr. Fairbairn mentioned the fact that if we were not prepared to accept your business at the maximum discount, without any conditions whatever, he purposed to start a campaign against us, by landing English galvanized hollow-ware and putting it into severe competition with our Dominion-made article. This made us think a lot, and we again made overtures with you to see if you would not agree with your brother-merchants to quote the line on our list of sliding discounts. The last intimation we had from you, was that "this you emphatically refused to do," and that you would take indents for and land the English article.

Since this conversation we have heard nothing directly from you, although it is alleged that you have been diligently seeking and taking orders for the imported article, at prices just beating our present list. To-day you ask us now to place you on the maximum discount for the small line you have just purchased. We assured you that the proposal should have our thought, and that we should have to interview our good friends Messrs. Taylor and Oakley before giving a definite answer.

We have since had a conversation with Mr. Oakley, and he thinks, with ourselves, that if your last decision to land the English article has materialized, that you are now asking us a very unfair thing, inasmuch that you could hardly expect us to supply you with odds and ends of galvanized hollow-ware to fill in gaps which may occur in the stocks of your landed goods, at the maximum discounts; and, further, we feel that we should not be running straight with the major portion of the merchant buyers from whom we are at present enjoying such emphatic support.

We have your belated assurance now that any hollow-ware you purchase locally will be sold at our quoted prices, and we must say that we would wish we could have had this assurance a couple of months back, in which case we should have probably still been in receipt of your former repeated favours. For this return to our old terms, however, we still look forward, and in conclusion we would respectfully point out that our new list and discounts ensures every buyer of the line, either merchant or retailer, a fair profit for handling the goods, and that nothing would be so conducive to placing the line on a dissatisfactory basis again than extensive importation, as we manufacturers, who have all our interests at stake, must keep on making the line, and, incidentally, meet or beat the imported article for price all the time.

We trust to hear further from you, and to hear that you will be shortly again prepared to handle Dominion-made galvanized hollow-ware, on a basis to pay you well for the handling. We thank you for your courtesy, and await your comments.

Yours respectfully,

THOS. CROMPTON AND SONS.

(GEO. S. CULL, Manager.)

Messrs. Fairbairn and Wright, Christchurch.

DEAR SIRS,—

16th June, 1911.

In reply to your favour of the 14th instant we are not quite clear in regard to the position you take up. We understood that if we agreed to sell at scale rates that the discount would be 33½ per cent. with an extra 5 per cent. for quantities. On this representation we ordered a small parcel of your goods and expect this transaction to carry 33½ per cent. discount. As regards future business with you, please state definitely what terms and conditions you wish to stipulate.

Yours faithfully,

FAIRBAIRN, WRIGHT, AND CO.

Messrs. Thos. Crompton and Sons, 133 Tuam Street, Christchurch.

DEAR SIRS,—

Christchurch, 17th June, 1911.

We have your favour dated 16th instant before us, in reply to ours of 14th.

We mentioned that it was alleged you were quoting English hollow-ware to various buyers at a better discount than we were quoting for the Dominion-made article. If this is so, you can hardly state you are keeping our prices. We should be pleased to have your assurance that our information on this point is incorrect, until which time we very much regret that we cannot alter our quotation to you, at 20 per cent. off list.

As regards the last clause in your letter, so soon as we get the word from you that you have not accepted hollow-ware orders at better prices to the buyer than we are quoting, and your assurance also that you will not do so, we shall be most happy to fetch the matter again before the members of our manufacturers' association, when you would undoubtedly be placed on the very best footing. We trust to have the pleasure of doing this on receipt of your reply.

Should you prefer it, we should be very pleased to make an appointment at your office, when Mr. Oakley would also be present. This, we think, would be more satisfactory, and we hope for the favour of a few minutes with you, when we feel quite sure that we can fix this matter up, once and for all, on a satisfactory footing for all concerned. We thank you.

Yours respectfully,

THOS. CROMPTON AND SONS.

(GEO. S. CULL, Manager.)

Messrs. Fairbairn, Wright, and Co., Christchurch.

7. *Mr. Fairbairn.*] What is the general effect of these advances? Who gains them where the goods have been scaled? What purpose have they been scaled for?—Simply for the benefit of the merchants; the merchants do not pass on the advantage of remitted duty to the retailers.

8. You know that a number of lines are imported by the retailers?—Yes.

9. And the scale is fixed: there is one profit paid to the retailer and one to the wholesaler?—Yes; two profits are paid by the public.

THURSDAY, 13TH JUNE, 1912.

Re *Wholesale Merchants and Grocers subpoenaed.*

Mr. G. Harper, Solicitor: I appear on behalf of Mr. Kincaid, of T. Kincaid and Son, grocers, who has been summoned to give evidence before the Commission, and with great respect I want him to be placed in the same category as the other persons for whom I appeared the other day. He declines to give evidence.

The Chairman: May I ask, on behalf of the Commission, what are the names of the firms you do represent, because you mentioned one gentleman and referred to others. Those others have been subpoenaed, and we must have more precise information in regard to those whom you represent, and who have been subpoenaed?

Mr. Harper: I represent Mr. Kincaid at the present moment. I am not aware of the others who have been subpoenaed. The gentlemen for whom I appeared the other day are Messrs. T. H. Green and Co., Benjamin (Limited), and I understand that Royd Clark and Co. would decline to give evidence if they were asked to, and also Godfrey and Co. I will furnish the Commission later with the other names. I cannot remember them at the moment.

The Chairman: Have you any objection to stating the reason why you are advising these gentlemen to refuse to give evidence, Mr. Harper?

Mr. Harper: I am working together with two other counsel in the matter. I would be very glad to give the reason, but my instructions are not to state any reasons.

The Chairman: I ask that because certain Dunedin merchants for whom counsel appeared and refused to give evidence afterwards wrote a letter to the newspapers stating certain reasons which they would not give before the Commission.

Mr. Harper: At any rate, I do not feel inclined to state any reasons at present.

The Chairman: Very well, Mr. Harper.

THOMAS HENRY STRAHAN, Fishmonger, examined on oath. (No. 71.)

1. *The Chairman.*] You are a fishmonger carrying on business in Christchurch?—Yes.

2. Have you been long in the business?—I took over my father's business six months ago. My father has written the following letter to the Commission: "The Chairman and Members, Cost of Living Commission, Christchurch.—GENTLEMEN,—I have been in the fish business, both wholesale and retail, for the last nineteen years, and I find that prices of flounders, soles, and herrings have gone up considerably, owing to the small catches from Lake Ellesmere of late years. A few years back flounders were very plentiful, the average price being 10s. per case, equivalent to 1s. 6d. per dozen. At the present time the catches are exceedingly small and most irregular. The prices range from 3s. 6d. to 16s. 6d. per dozen. Regarding the deep-sea fish, such as groper (hapuka), ling, moki, trumpeter, conger-eel, &c., these catches depend solely on the conditions of the weather. If the weather is boisterous most of the boats are unable to get out to the fishing-grounds, therefore the lucky and most daring of the fishermen get extraordinary prices for their catches, as they are sold by auction.—Yours obediently, T. HALES-STRAHAN.—Thursday, 13th June, 1912."

3. You are a distributor of fish—you have no interest in the catching of fish?—No interest at all.

4. Do you export fish?—No.

5. Are you an auctioneer of fish?—We used to be, but we are out of it now.

6. Do you just buy your fish at auction?—Yes.

7. Have you any knowledge of any understanding or ring amongst the buyers?—None whatever. The fish is there, and we bid for it. It is free and open competition; there is no understanding whatever.

8. Supposing a surplus of fish comes into the market and cannot be sold—what happens?—The auctioneers generally buy it for freezing. Sometimes we buy it, and others.

9. The auctioneer himself sometimes buys it?—If there is any surplus they take it themselves.

10. So that the auctioneer not only acts as auctioneer but as a fish-merchant himself?—Yes.

11. *Mr. Veitch.*] Is there any understanding between the distributors as to fixing the retail selling-price?—No; each one sells at his own price, one shop cutting against the other.

12. *Mr. Fairbairn.*] Is there any suspicion of fishermen limiting the supply to this market?—Not here. Down south the fishermen limit the supply, but the fish are very seldom sent here—that is, for the Dunedin market.

13. As far as this market is concerned, you do not know of any attempt to limit the supply?—No.

14. How are deep-sea fish obtained here—by independent boats or by trawlers?—By independent boats. Some years ago they used to go out twenty miles from Timaru, and now they have to go out forty miles.

15. *Dr. Hight.*] You say you have no knowledge of any arrangement that will limit their catch?—No, there is no limit at all.

16. When there is a surplus what is the effect of freezing on prices?—I do not think it has any effect at all. When there is a glut of fish in hot weather they are not in such demand, whereas in the winter-time when fish is very scarce everybody rushes it, and up goes the price of fish.

17. Would it not have the effect of steadying the price for the whole year?—I sell fish, fresh and frozen, at the same price all the year round.

18. The effect of freezing is that it steadies the prices?—Yes.

19. How many fish-auctioneers are there in Christchurch?—Only one.

20. You say he retains fish for freezing?—Yes, he freezes and exports.

21. What percentage is there between the retail and the wholesale price of fish? If you struck an average, what would the difference be between the price at which the fish is sold to the public and the price which the fish-dealer pays for the fish in the market?—It is hard to say—the market varies.

22. Could you strike an average?—I reckon about 25 per cent.
 23. You think 30 per cent would be too high?—Yes.

DANIEL GILES SULLIVAN, of the Canterbury Trades and Labour Council, examined on oath.
 (No. 72.)

1. *The Chairman.*] You have been asked, I understand, to give evidence on behalf of the Canterbury Trades and Labour Council?—Yes.

2. You have some information to give in respect to some matters which this Commission has been set up to inquire into. Perhaps you had better make your own statement?—When I was instructed to give evidence I interviewed a considerable number of people whom I represent here, and asked them to supply me with definite data, showing the expenditure upon various household items, covering the period into which the Commission is inquiring. I have that information here, and I will read it: Bread, large loaf—1893, 6d.; 1894, 4d.; 1895, 4½d.; 1896, 5d.; 1897, 6d.; 1898, 6d.; 1899, 6d.; 1912, 6d. Kerosene—1897, 7s. a tin; 1912, 4s. 6d. Butter—1901, 11d.; 1902, 10d.; 1897, 9d. and 10d.; 1912, 1s. 2d. and 1s. 3d. Cheese—1901, 6d.; 1902, 6d.; 1897, 5d.; 1912, 9d. Flour (50 lb. bag)—1891, 5s. 9d.; 1901, 4s.; 1897, 6s. 6d.; 1912, 5s. 2d. Bacon—1901, 1s. 1d.; 1902, 1s.; 1897, 9d.; 1912, 1s. Rice—1901, 2d.; 1897, 3d.; 1912, 2½d. Sago—1890, 3d.; 1897, 2d.; 1912, 3½d. Sugar (4 lb.)—1890, 1s.; 1901, 11d.; 1912, 10d. Trousers—12s. 9d. and 13s. 6d., now 16s. 6d. Coal (¼ ton)—1900, 9s. 3d.; 1901, 9s.; 1902, 9s. 3d.; 1905, 8s. 9d.; 1912, 10s. Two years ago currants were 3½d. a pound, now 5d.; sultanas, 5½d., now 7d. Collars which six years ago sold at 6½d. now sell at 9d. and 10d.; cashmere socks 9d., now 1s.; handkerchiefs 4½d., now 6d. Tweed suits—ten years ago £4 10s., same quality cannot now be got for £6. Straw hats—4s. 6d. and 5s., now 7s. 9d. House-rents—Houses eight years ago brought 8s. rent, now 12s.; another house formerly brought 10s., now 13s. 6d.; a third house, 5s. (built twenty years ago), now 10s. I notice that one of the questions which the Commission have to report upon is this: “3. To what extent is the increased cost of living, if any, the result of a higher standard of living?” In connection with that matter I may perhaps be breaking new ground and introducing a point of view which perhaps has not previously been put before the Commission. The point I want to make is this: that, owing to the speeding-up which has taken place during the period into which the Commission is inquiring, a very much higher standard of comfort is absolutely necessary to-day than the standard of comfort which obtained ten, twelve, or fifteen years ago. I mean to say this: that as a result of the competition and development which is taking place in machinery, and the general scientific management in production and business, the times allowed the employees to turn out certain articles are being constantly cut, and an enormous amount more of energy has got to be expended to-day by the worker in the factory than was the case ten or twenty years ago. Just as in the same manner the Englishman needs a very much higher standard of comfort than does the Indian or Asiatic, by virtue of his physical make-up, so to-day does the man working in a factory need a much higher standard of comfort to enable him to keep up with the increased demand which is made upon his energy. That is a factor which I would like the Commission to take into consideration when you talk about the higher standard of comfort that has been rendered absolutely necessary by reason of the increased strain upon the worker in the factory. Another question which the Commission has to consider is this: “To what extent have monopolies, combines, trusts, and other associations of manufacturers or sellers of the necessaries of life contributed to the rise in prices?” I have no personal knowledge except the knowledge which has been imparted to me by travellers who are employed by the various merchants. One or two of these travellers have definitely told me that there are such things as rings and combines.

3. But that is merely hearsay: please confine your remarks to your own knowledge?—Yes. Perhaps any other information which I may possess may be obtained by the Commission asking me questions.

4. You were speaking about the higher degree of energy necessary for carrying on business at the present day than in former years. Is it not within your knowledge that employers state sometimes that the men are not giving as good service to-day for the wages they get as they used to do: in fact, statements have been made before the Commission to that effect?—I am speaking now as one who until three months ago was working in a factory, and I know that, generally speaking, what I say is correct: that the time allowed on various articles is considerably less to-day than it used to be.

5. You have heard of the “team” system?—It applies to whatever system may be in operation. It is owing to each factory trying to hold its own in the market. I mean to say that if the proprietor is constantly trying to extend his business and keeping up with modern developments the time is being constantly cut. Of course, there are some cases where the employer perhaps makes no effort to keep up the competition, but I am referring to firms which are trying to keep up with modern developments.

6. A firm that keeps in the forefront must have the intelligent assistance of the hands?—Yes.

7. There is a very considerable increase in the cost of these things, as you have supplied the figures to the Commission?—I have all receipts.

8. *Mr. Macdonald.*] You have given us the retail prices?—Yes; I mean the prices paid by the purchasers at these stores. I have all the receipted bills to prove the figures I have given.

9. *Mr. Veitch.*] How does the condition of labour in Christchurch to-day compare with the conditions generally ten years ago and twenty years ago?—I am quite convinced that there has been an increase in the cost of living to the worker. I also admit that there may have been an increase also in the standard of comfort, but, as I have pointed out, that increased standard of comfort is absolutely necessary to compensate for the increased energy which the worker has to give to his work. Upon the artisan in the workshop and factory the increase has not fallen quite as heavily as it has fallen on the unskilled worker. I use the term “unskilled” because it is a term in common use, but I regard all labour as skilled. In regard to general labourers and drivers,

they are getting 1s. an hour, but they lose so much time during the winter months that the condition of that section of the working-class is absolutely deplorable. They have to meet the increased expenditure that may have been brought about by increased wages, or anything else, which has tended to increase the cost of living, yet they on their part have received no increase. The condition of the general labourers and drivers, and of the whole mass of workers who are only getting 1s. an hour, is, as I have said, deplorable.

10. Do you think the difference as between the artisan and the general labourer is accounted for by the fact that one class is capable of organizing for their own advancement and the other class is not in a position to organize so well?—I think that exactly explains the position. I think that were the conditions and circumstances of the general labourers such that his work could be more easily, as it were, monopolized—if it were possible for him to organize as the factory-worker is organized—I think his position would be a good deal better.

11. You have stated that the condition of the general labourers—that is, the one-shilling-an-hour men, who have broken time, and who lose time in bad weather, is very deplorable?—Yes.

12. Do you think that those men, or any number of them, would be willing to accept employment from squatters and farmers, provided they were given reasonable service conditions, reasonably regular employment, and decent houses for their wives and families?—I am quite convinced that if the conditions of the life were improved in the country districts—that is, if better accommodation were provided, better wages paid, and better comforts and conditions obtained in the country—the town worker would not have the same objection to going in the country that he has to-day. The position to-day is this: that even though a man may have spent his life in a country district, if he comes into town he finds things, despite the fact that he may have to go on the general labour market, better in town than in the country, and the result is, of course, that these men stay in the town. I am repeating statements which have been made to me by farm labourers who have spent their lives in the country, and who have come into town, and, by reason of the improved conditions of life in the city in comparison with the country, they prefer to remain in the town rather than go to the country. I personally think that if you were to bring five thousand farm labourers from England to-morrow, or from any other country, and spread them out over our rural districts, the probability is that the mass of them would drift into the towns before the end of twelve months.

13. Can you give us any indication of what are the principal objections on the part of labouring-men to life in the country?—I have not been a country worker, and can only repeat statements which have been made to me by men who have worked in the country, and their objection is chiefly to what they term the rough accommodation and long hours.

14. *Mr. Hall.*] You have given us some interesting details with regard to the cost of commodities: are these average prices, or prices taken at some particular time of the year?—They were simply selected at random. The receipted bills were handed to me by the purchasers of the commodities, and were selected at random.

15. Take butter, for example—would these figures be for butter in the winter-time, when butter is dear, or in the summer-time, when it is cheaper?—I quoted two prices—9d. and 10d. In all probability it was 9d. in the summer and 10d. in the winter.

16. Could you tell us whether it was farmer or factory butter?—I could not say, but I think it was chiefly dairy butter.

17. *Mr. Fairbairn.*] You mention a house that was built twenty years ago, and which was rented at 5s. a week, and which is now rented at 10s.: can you give us any reason for that change? What was the value of that house originally?—I could not answer that question.

18. My reason for referring to that is this: that twenty years ago house property was a drug in the market, and the rents were invariably below their true value, but they were readjusted as times improved. Has that any bearing directly on this question?—You will notice that there has been an increase according to the other figures which I have given in respect to houses built at a later period.

19. I want you to tell me what the special circumstances were which increased the rent of a house built twenty years ago from 5s. to 10s.?—I can account for no special circumstances at all. I think it is simply a result of the general rise that has taken place.

20. The rise in land-values; but the house would not improve in twenty years?—I am simply stating the facts, and have not attempted to estimate the various factors that have brought about that increase; but I should assume that the main reason has been the increase in the land-value.

21. That would not affect the house accommodation. Can you tell me how many rooms are in this house?—I think it was a four-roomed house with scullery attached.

22. This information has been given you—you do not know the particular house?—I have not got a detailed acquaintance with it, but I have seen the house.

23. What would you estimate that house cost to build?—I could not say.

24. *Dr. Hight.*] You have deduced from the tables you have given in that the prices of food, though they have risen, have not risen by any means to the same degree as the price of materials, clothing, and rent?—That is so, and that is the opinion I have formed: that while there has been some increase in regard to foods and groceries generally, I think that the main increase in the cost of living is accounted for by the increase in the cost of clothing, rents, &c.

25. You stated that the higher standard of comfort is probably the cause of the increased prices of the necessaries of life, causing an increase in the cost of living: do you not think it is possible that the higher standard of comfort is partly the result of higher prices that were got for the staple products of this country in the Home market, and of the benefits thus obtained being gradually diffused throughout the community, giving the community the means of satisfying wants which they had not the ability to satisfy before?—While an increase in wages might increase the cost of the article, it has to be remembered that the general tendency in industries, with the greater perfection of machinery, &c., is to reduce the cost of producing the article. The increase of wages ought to be compensated by the increased perfection in the conduct of the business, and in the

development of machinery, &c. I assume that what you say would be a natural result, but I would lay particular emphasis upon the fact that increased purchasing-power would be in varying proportions. You cannot say that the general labourer and the thousands of people who work at 1s. an hour, and who lose so much time through bad weather and other causes—you cannot say that they are participating in the increased returns from the high prices of our exports.

26. You referred to the relative position of the general labourer and the artisan. It has been stated that there is not sufficient wages paid to the so-called unskilled labourer, compared with the artisan—that the gap between the two wages does not measure the difference in the skill required, and the various sacrifices involved in doing skilled work on the one hand and unskilled work on the other. Is that your opinion?—If there is to be any measurement of skill and any difference in compensation by reason of a certain class possessing more skill than another, it ought to operate by first lifting up the general labourers and drivers to a decent standard of comfort—these men ought to have the opportunity of living a decent life. Lift these men first up to a proper decent standard of living, and then let the other questions come up for settlement afterwards.

27. You spoke of men leaving the country owing to the rough accommodation and long hours of work: were the men of this class with whom you are personally acquainted chiefly married men?—Those with whom I am personally acquainted were single at that time, although they are married now.

28. And they were successful in getting employment in the cities?—Yes; and some of them have risen to responsible positions in the city, indicating that they were men of character and intelligence.

29. *Mr. Macdonald.*] Do I understand you to say that, in your opinion, the output per man has increased in the factory?—Yes.

30. Can you put that in a percentage form?—No, I do not think I could do that.

31. I understand that it was due to two causes—one was the machinery, and the second was that the men are working harder?—Yes, the machinery has been perfected and developed, and those who attend to the machinery have to keep pace with the machinery. Competition has resulted in more scientific and better business management, and these have resulted in the elimination of waste time.

32. Have you any knowledge of the gap between the artisan and unskilled labourer in New Zealand and between the same classes in England?—I cannot bring it to my mind at the present moment; answering the question simply off-hand, I believe the gap is perhaps greater in England than here.

33. That the artisan gets better treatment in England than he does out here?—Yes.

34. In connection with the scarcity that the farmers told us about of labour in the country, and the difficulty of getting labour to leave the town and go into the country, do you think that one of the reasons why labourers are unwilling to go out to farms, in addition to what you have told us, is because there are greater attractions in the town in the way of amusements and pleasure?—It is quite possible that is a factor in the matter. We have to remember in connection with that phase of the question that men to-day have got greater facilities for education than in days gone by, and with the increased facilities for education, and with the intellectual development that has taken place, this gives rise to a stronger desire in the mind of the worker to live a much more refined life. It is a natural and desirable ambition, of course. The man who is utterly devoid of education will be satisfied with a great deal less refinement than the man who has had education; and as I say, while the workers are being educated they are not, particularly in the country districts, being given the opportunity of living that higher and more refined life which education leads them to demand.

35. Do you not think that one of the cures is to give them an interest in country life through the schools by the development of nature-study, &c.?—Yes, that undoubtedly would be a good thing; but even though you introduce the system of nature-study, rendering country life more interesting, even then you cannot induce men to remain in the country while better conditions are offering in the towns.

36. *The Chairman.*] Although you said that the position of the casual labourer in the town is deplorable?—Yes, I still hold to that statement.

37. *Mr. Robertson.*] You stated that several labourers you know of have come from the country to town, and are now occupying responsible positions: does that lead you to infer that as a general thing the prospects are better in the towns than in the country?—As I have already stated, the prospects of the labourer, whether in the country or in the town, are not very brilliant; but in the town he has got the advantage of somewhat better conditions. For instance, in the country he has often to live in a whare, which you may regard as the substitute for a home; but when he comes into town he will drift into a boardinghouse, and will be waited on and get some attention; and there are more facilities for living a fuller and more comfortable life in the city than in the country.

38. Would that apply in greater or less degree with regard to labourers who are married?—As regards the married man, the remark applies with even greater force, because his consideration for his children would also induce him to come into the town in order to give them a better opportunity in life than they would have in the country.

39. You assume that his children would have a better opportunity in the town than in the country?—That is my opinion. I think that anything that tends to take people out of the city and put them in the country is much better for the national welfare than that which tends to concentrate them in the city.

40. *Dr. Hight.*] I want to get your opinion, particularly as you are a representative of the Trades and Labour Council, as to whether you think a census taken, say, every ten years in the country—one of the objects of it being to ascertain exactly the value of the output per man employed in the country—whether a census of that nature—such a census as was taken in England

in 1907—would be of value as giving some test of the degree to which wages influence efficiency, as well as the general industrial progress of the country?—Yes, I hold very strongly that the more statistical data you can get with regard to the whole economic question the better able you will be to deal with the problems which arise.

41. Is your knowledge of the conditions under which farm labourers work derived from the average farm labourer in the country, or from the farm labourer who has come into the town?—From the average farm labourer who has come into the town.

42. *The Chairman.*] Is there any point you would like to speak about that has not been raised by the questions you have been asked?—The last question in the order of reference of the Commission is as follows: “What steps should be taken with a view to reducing the costs of the necessaries of life?” My contention is that the more State competition we have the more effective will it be in reducing the cost of the necessaries of life to the people. It will force organization on those who are competing against the State enterprises, eliminate waste, and at the same time give the benefits of that elimination of waste to the people as a whole, instead of concentrating it in the pockets of private owners.

43. *Dr. Hight.*] Do you advocate simply State competition or State monopoly of ordinary industries—I mean as an immediate measure?—I think that State competition is the thing we need now.

44. *Mr. Macdonald.*] Would you allow the State to run an enterprise at a loss, and make up any deficiency in the working-expenses at the expense of the general taxpayer?—No, that is not the policy I would advocate. It might be possible to defend such a policy as you are indicating, but I should say the immediate policy should be in regard to every such institution that is of an economic character to make it pay.

Re A. D. Ford (subpœnaed as a witness).

Mr. J. A. Flesher, Solicitor: I appear on behalf of A. D. Ford, who has been subpœnaed to give evidence this morning. I want to explain the position as far as he is concerned that on my advice he declines to give evidence. I may explain that this is out of no disrespect to the Commission. He is a member of the firm of Ford and Mirams. They are not members of the Federated Merchants' Association of New Zealand. I wish to make that point definitely clear. They are the Canterbury agents for a North Island firm against whom an action has been brought for a breach of the Commercial Trusts Act, and their principals strongly object to any of their representatives giving any evidence. It is practically the position of an accused.

The Chairman: Under the circumstances Mr. Ford is excused.

MICHAEL MURPHY, ex-Secretary of the Canterbury Agricultural and Pastoral Association,
examined on oath. (No. 73.)

1. *The Chairman.*] You were secretary of the Canterbury Agricultural and Pastoral Association for many years?—Yes.

2. I understand you have a statement which you desire to make to the Commission?—Yes. I have resided in Christchurch since 1868, but I will begin with the year 1878, or thirty-four years ago. The cost of bread has been the same, with slight fluctuations—viz., 3d. for the 2lb. loaf—ever since. Meat—mutton 2½d. per pound, beef 3d. to 4d. per pound; sugar, 4d. to 6d. per pound; tea, 2s. to 3s. per pound; butter, 6d. to 8d. per pound; milk, about the same all along the line; potatoes ditto, with slight fluctuations; coal somewhat dearer than at present. Workmen's boots, 25s. to 30s. per pair. “Cookham's” clothing, 20 per cent. cheaper than at present. Day labour, 5s.; expert labour, 7s. to 8s. per day. Rent of six-roomed cottages, without modern appliances, £50 to £60 per annum. No bicycles, no pictures, no trams, no theatres, except a small one—the people were quite satisfied with occasional penny readings. Cost of living, 1912: Bread, 3d. the 2lb. loaf; mutton, 4d. to 7d.; beef, 6d. to 10d.; sugar, 2½d. per pound; tea, 1s. 6d. to 2s. per pound; butter, 1s. 1d. per pound; milk, about the same all through; potatoes, about the same; coal, cheaper, in consequence of State coal; workmen's boots, 15s. to 18s. per pair; clothing, 20 per cent. dearer now; day-labour, 7s. to 14s. per day, with shorter hours (plenty of employment for girls and boys at the present time, thereby supplementing their parents' earnings); rent of five-roomed cottages, with modern appliances, £38 to £40. Now let us compare our present mode of life. Every workman, including clerks, office boys, and girls, must have a bicycle, in many cases a motor-bicycle. Our amusements have increased tenfold. Trams in all directions gathering up the pennies and odd threepenny bits. No one thinks of walking any distance to or from work, or on any other business. The trams are packed every holiday with young and old to Sumner and New Brighton. Our theatres are packed almost nightly. Our picture-shows are frequented in the same way with young and old. Our weekly half-holiday, which has come to be regarded as a blessing, is an extra source of expenditure in pleasure. It is a privilege to live in a land where labour is not the alpha and omega of existence, where children are well fed and cared for. Comparing the present with the past, there should be no difficulty in saddling the right horse as regards the cost of living. Homes for farm labourers: Regarding workers' dwellings for farm labourers, witness suggested a scheme which he thought was capable of greater expansion than at first sight was apparent. Blocks of good land should be secured as near the centres of labour as possible, to be subdivided into lots of not more than three acres, and, if possible, near a railway, more particularly those blocks destined to supply the labour for large cities, which should be served by workmen's morning and evening trains; such sections to be sold on easy terms, extending over lengthened periods, each annual payment providing for a sinking fund, which in time would secure the freehold to the occupier. This system is in vogue in Ireland, the farmers paying off their indebtedness to the State in a most satisfactory manner, thus securing the freehold of their holdings. The settlement should be laid out with a view of becoming rural centres, provided with ample open spaces as commons, where the young people would find room and encouragement to indulge in rural games. Schools would

be provided, if not already within reach. Instructors should be appointed to direct the settlers as to the best system for working their sections, giving lectures during the long winter evenings. Reading-rooms, supplied with papers and books, would be necessary; periodical visits of moving pictures and other legitimate amusements should also be encouraged. If workers and their families were ever to be reconciled to living away from the large towns they must have at least some of the attractions incidental to city life. The growing tendency of the present day was dislike to servitude. This feeling would in a large measure be counteracted by the adoption of some such scheme as witness suggested. It was certain that employers would be only too pleased to be freed from the responsibility of having to provide for the continuous housing of large numbers of farm hands. The demand for farm-labour was not like that of the workshops—continuous. For certain seasons, such as harvest and threshing, &c., the demand was much greater than during the rest of the year, and the owners of sections would be glad at such times to have the opportunity of making a cheque, enabling them to meet their liabilities to the Government and other creditors.

Witness, in reply to a question, said that he did not know whether there were scores of people willing to go out and work in the country, but he knew there were many; but until there were sufficient inducements offered for them to live comfortably in the country, as pointed out, it is futile to expect them to go out from the town. This country will never prosper until the people are encouraged to live in the country districts. The scheme was somewhat like that of the late Mr. Wakefield.

3. *Mr. Macdonald.*] Do you agree that if the conditions of life in the country were changed the farmers would not need to complain of lack of labour?—I do not think they would; the thing would soon cure itself, but you must make provision for the people to be comfortable and happy, as pointed out already.

4. *Mr. Veitch.*] There must be two schemes then, one for the country worker and one for the city worker who lives in the country: is that your idea?—No, it is not. The scheme I have suggested would apply to both sections. Many farm hands are not competent to take farms; the settlement I propose would give a training-ground for them to take up larger areas of land ultimately.

5. Who is going to live in the country houses?—The owner; but I explained there should be a sinking fund, so that in time the house and land becomes the man's own property. Possibly this would need some alteration of the conditions of the present scheme. I would allow transference and compensation for improvements, as is done under the tenant right in Ireland—giving full value for unexhausted improvements, but the tenant not to be allowed to sell the property at least until it becomes his absolute property. The subject is a very big one, and wants careful consideration; want of labour is at the root of the trouble. The farmers do not object to the wages, but they object to not being able to get the labour when it is most needed.

CUTHBERT CHAMBERS, Local Manager of the Vacuum Oil Company, Christchurch, examined on oath. (No. 74.)

1. *The Chairman.*] How long have you acted in your present capacity?—Since the beginning of 1909—about three years and a half.

2. You were acquainted with the business before?—With the lubricating oil business, yes.

3. Not with kerosene?—I was not very familiar with burning-oils.

4. What was the price of kerosene ten years ago?—I have no records.

5. Were you in charge when the duty was taken off kerosene?—No, that was before my time. I have no knowledge of the matter.

6. *Mr. Macdonald.*] Is oil showing a tendency to rise?—It has shown a tendency during this year.

7. Is it likely to continue?—Well, it is regulated by the American market, of course.

8. Is there less supply or a greater demand?—Well, there are various conditions; the freight condition is the principal one that is influencing it now—freight from America to New Zealand.

9. By what line of steamers does it come?—Usually chartered boats of various companies.

10. And they have increased their freights?—Yes, freights have increased.

11. Why?—They are increased all over—the general freight right throughout has increased.

12. On account of wages?—I think the reason is that there are more goods being transferred in proportion to the shipping facilities offering.

13. The operation of the law of supply and demand again?—Exactly.

14. Assuming the duty was put upon kerosene—say, 6d. per gallon—would the price rise?—Of course, it must do so.

15. If that is so the public is getting the benefit of the reduction in duty?—Yes.

16. Are your firm competitors with the Shell Oil Company?—Yes.

17. And are both striving after the one market?—Yes.

18. And there is no understanding to regulate prices?—Not that I know of.

19. You are "competing like blazes," as one witness put it to us?—That is so.

20. *The Chairman.*] What is the connection between the Vacuum Oil Company and the Standard Oil Company?—Well, I do not know myself: I believe there is some relation: I am not familiar with it. We handle the Standard Oil Company's oil—White Rose kerosene and also the Pratt's spirits.

21. You buy in America direct?—Yes.

22. And ship to here?—Yes.

23. You have never attempted to influence merchants to take your oils—not by business methods which are not fair and open—American methods?—Well, of course, I do not know much about American business at all.

24. It is ordinary New Zealand business methods you adopt?—Yes, exactly.

25. *Mr. Veitch.*] Does your firm sell to all retailers on the same terms?—No, we do not do a retail trade at all.

26. I asked, do you sell on the same terms to all retailers?—Oh, yes, exactly; but as a fact the merchants are able to beat us on our prices; they cut the price.

27. Do merchants who retail your goods return any statements with regard to the price at which they sell your goods?—No.

28. There is none of that work going on?—No.

29. Have you a special agreement with the Merchants' Association in any way?—No, none whatever.

30. *Mr. Fairbairn.*] The market is quite open and competitive so far as kerosene is concerned?—Yes.

31. *Mr. Macdonald.*] And the merchants beat you in supplying the retailers?—We state a retailers' price; in order to protect the retailers we issue a retailers' price, and also a wholesalers' price.

32. *Mr. Veitch.*] Oh, that is a new point. What would be the position if a retailer refuses to sell at your price? Do you fix the selling-price?—No, we only fix our selling-price to the retailers; we have nothing to do with his price.

33. *The Chairman.*] And the different price to the retailer and the wholesaler is just because of quantity?—It is a matter of distribution; the wholesaler has to distribute, and must have some profit on this.

JOHANNES CARL ANDERSEN, Civil Servant, examined on oath. (No.75.)

Witness said he had compiled various figures for a history of South Canterbury, which he was preparing, and these would show prices of provisions, &c., and wages in Canterbury, for the fifty years ending 1908—sometimes for more than fifty years. The figures were compiled from Government statistics in all cases, and for the past twenty years they showed that the cost of articles generally had not increased. His figures showed that artisan labour had been constant for the last thirty-five years, but carpenters were getting 1s. per day more; female labour was also better paid than it was.

1. *The Chairman.*] What has become of the awards of the Arbitration Court in regard to these trades?—Well, 1908 are the latest figures I have, and they are as I state.

2. *Dr. Hight.*] Between 1873 and 1908 there was a great dip?—Yes, the curve has not been constant throughout.

3. *Mr. Macdonald.*] Comparing 1890 with 1908, what is the position of wages for agricultural labourers?—In 1890 they were getting 15s. to 20s. per week, with board, and in 1908 20s. to 25s., day-labour on the farms in 1890 was 6s. to 8s. per day, and in 1900 7s. to 8s. Ploughmen in 1890 were getting 17s. to 25s. per week and found, and 6s. to 8s. per day; and in 1908 22s. to 27s. 6d. per week, and 7s. to 8s. per day. Pastoral labour was as follows:—

	1890.	1908.
Shepherd, with board	£52 to £65 per annum.	£65 to £80 per annum.
Stockkeepers	£52 to £65	£65 to £80
Station labourers	15s. to 20s. per week.	20s. to 25s. per week.
Shearers	16s. to 20s. per 100.	16s. 8d. to 20s. per 100.
Station cooks	20s. to 30s. per week.	25s. to 30s. per week.
Artisans—		
Masons	10s. per day.	12s. per day.
Plasterers	8s.	12s.
Bricklayers	10s.	12s.
Carpenters	9s.	10s. 8d.
Blacksmiths	10s.	10s.
Wheelwrights	10s.	10s. to 12s. per day.
Shipwrights	10s.	10s. per day.
Plumbers	10s.	10s.
Painters	9s.	10s.
Saddlers	9s.	8s. to 10s. per day.
Shoemakers	10s.	7s. 6d. to 10s. per day.

4. *Mr. Fairbairn.*] A higher rate in 1890?—Yes, a higher average rate.

The Chairman: I have never known when the average bootmaker got 10s. per day.

Mr. Fairbairn: Perhaps this was for bespoke work.

5. *Mr. Hall.*] How were these figures arrived at?—They are Government figures.

6. There must be some explanation?—Perhaps so; the figures are not always taken out on the same principle, and when the system is altered and details not given it is very misleading.

7. *Mr. Macdonald.*] The general tendency has been upward?—Yes.

8. *Dr. Hight.*] Can you tell us anything of the methods by which these figures are taken out? They are averages, I suppose?—I believe so.

9. Taken monthly or yearly?—I do not know; I have simply copied out the averages from the Government returns.

10. And you do not know anything further about them?—No, I give you the figures bare.

11. Have you any reason to believe that the methods of compilation have changed from time to time?—Yes, at different periods new methods are adopted, and that makes the matter very puzzling at times; sometimes the boundaries of the districts are altered, or districts are merged into one another—three divided into two—making it impossible to obtain consecutive details for individual districts. [*Witness* put in tables showing imports and exports up to 1908. These showed how the value of exports, gradually creeping up to now, exceeded the value of imports,

so that wealth was coming into the country. When $\frac{1}{2}$ d. a pound was taken off sugar in 1879 the amount of Customs duties had dropped £36,000, but the amount was made up in four years, showing that sugar was more widely used when it became cheaper.]

Mr. Fairbairn pointed out that the tariff had changed three times on foodstuffs in the last twenty years, and comparisons were therefore rendered difficult.

The Chairman said that statistics were compiled differently by the Government Statistician and by the Labour Department, and there were often the widest discrepancies; the methods certainly had been changed from time to time.

Witness: Unless we know of these changes the figures are useless from the historian's point of view.

The Chairman: From the historian's point of view there is nothing so false as facts, except figures, you know, Mr. Andersen.

[Witness put in table of houses—size and occupation of. These showed that the houses had been increasing in size, and the number of persons occupying each house had declined. The houses were also better appointed and fitted up with necessities, once considered luxuries, such as bathrooms, hot and cold water, gas, floor-covering, &c. He also put in tables of savings, showing that the average amount of savings in the post-office savings-banks had increased per head, and the total number of depositors and their deposits had increased enormously.]

DR. BRITTEN recalled.*

Witness handed in a newspaper article dealing with the operations of the Northern Steamship Company.

CHARLES LAFFERTY, Boot-retailer, examined on oath. (No. 76.)

Witness said he was a boot-retailer, carrying on business in Christchurch, and had been a boot operative and a foreman in a boot-factory.

1. *The Chairman*.] Have you any statement to make regarding the rise in the price of boots?—The cost of living has increased considerably from the fact of so much inferior stuff introduced into the colony. A considerable amount of boots are not genuine, but composed of shoddy, and with cardboard insoles and cardboard stiffeners. Such boots look well, and are tempting to the buyer, but after a fortnight's wear in wet weather they come to pieces. [Witness produced a sample of this description.] This boot costs 12s. 6d. duty-paid landed in New Zealand. It has been worn one month, and was sold to a customer and brought back then. The retail price was 15s. 6d., which does not show a very great profit, seeing that shop-rents, light, wages, &c., have all to be taken out of it. Such articles impose hardship on the worker who buys them, and injustice on the shopkeeper who has to refund. I think that New Zealand can produce boots equal to any part of the world. Of course, the lower price is the great attraction with these boots, especially with a housewife who has a very limited amount of money to spend, and has perhaps several children to provide boots for. Here is a little shoe [small child's shoe produced] which looks very attractive for a working-man's child; it was ordered as "all leather." It has a composition insole, is faced with canvas and backed up with cardboard. It is a fraud, and such stuff should not be allowed to come into New Zealand under the headings it does; it should be branded as to what it is made of. Very often the retailer buys such stuff in perfect good faith, sells it in perfect good faith, and then has to suffer loss through refunds. Such competition as is given by these cheap shoddy shoes is unfair to the better New-Zealand-made article. If such shoes as I have shown the Commission do not get wet they may wear fairly well, but even then they cannot be repaired; the nails and sewing will not hold, so that it is better to buy one good pair than two of these pairs. I also have another shoe here [young lady's shoe produced] which looks well; it is supposed to be all leather, and none but a thorough tradesman could discover that it was not. Part of the heel is cardboard. A man with eleven in family bought three pairs of these shoes; and after they had worn down a little on the heel there was nothing but cardboard. I do not say that the agents who take the orders are wilfully to blame in any sense of the word, because very often the samples are genuine all leather, but the orders as fulfilled are not.

2. *Mr. Fairbairn*.] Do you think that a branded boot, imported or locally made, carries a guarantee to the public?—Yes, I hold that if cardboard is used in its composition that should be branded on it; if it is all leather, let it be so branded: that is only fair to the customer and to the retailer, and there is then no chance of deception. In New Zealand under the present methods of machinery and equipment, with fair competition in price, we are able to produce anything that New Zealand requires—I am satisfied of that; the New-Zealand-made article is equal to, if not better, than anything imported. But, unfortunately, the market price is not so regular—not sufficiently so to warrant the retailers depending solely on the local-made article. For instance, when the last tariff was introduced it was slightly increased; shortly after there was an increase in sole leather and uppers, increasing 9d. per pair on a certain line of boots. Thus, although the increase in the tariff was intended to benefit the workers in the trade, and not in any way as a tax on the community, it has worked out in the opposite way. It gave the imported article an advantage of about 6d.

3. How was that?—Because the colonial boot was increased in price owing to an alleged rise in the price of raw material. I refer to New-Zealand-made raw material. At the time it was stated that there was a shortage in hides, and therefore an increase in price. But the *Tanners' Journal*, from Australia, showed that hides had declined $\frac{1}{2}$ d., and that on the London market they were a glut.

4. *Mr. Fairbairn*.] Do you mean that the local prices for tanned leathers are higher than the prices abroad?—In New Zealand there is not much glaze kid made; I am speaking of chromes and kips, &c. The principal portion of the lighter grades come from America and England; we are dependent on that market, and have no option. But you can import to New Zealand boots

* See page 61 for main evidence.

made of the same materials as used for the same boots in New Zealand, and pay, say, 4s. to 4s. 6d. in duties and charges, and still get the boot landed in your shop cheaper than you can buy it in New Zealand. That is what is responsible for so much importation of genuine articles.

5. Is the difference made in wages?—No, I think the wages are not responsible. If you gave the whole wages in that would not account for it. Of course, in the Old Country they do things in a bigger way, and may probably send goods to us at a lesser price than we could get the same goods in other places than New Zealand. They get rid of their stuff to us—that is, New Zealand is a dumping-place. German goods are certainly dumped here, and you get an awful lot of shoddy slippers, because they do not come under the tariff. The American goods are not so frequently imported because of the preferential tariff.

6. You mentioned branding the goods to show that they were shoddy: I meant reputable makers putting on their brands as a benefit to the maker and to the public?—Yes, I advocated that we should have a “Made in New Zealand” brand, because our boots are equal to those made in any other part of the world; and that would prevent the retailers selling the best of the New-Zealand boots as imported, as they do now. That is an injustice to the New Zealand workers, and it increases the competition in an unfair way, and misleads the public. I have often seen the best New Zealand boots branded in such a way as to suggest they were made in England, or Australia, or America. You can see these any day in the week, and that leads the public to believe that the imported boot is better, and so they will not take the colonial when it is offered to them. Thus the prejudice of the public against the local article is fostered. I have even known tradesmen who were advocating better conditions for workers ask for an American-made boot. We have a boot on this market which is branded “Brooklyn,” and yet it is a colonial-made boot. In fact, the whole of the good New-Zealand-made boots are branded in such a way that you would not think they were made in New Zealand. Many of the largest manufacturers are also importers, and often of a quantity of shoddy. They do not sell shoddy as their own stuff, but it comes into the market, and so the worker is taxed unfairly and increases his cost of living. It is alleged that the retailer is the one to blame. As a fact, if the retailer had not shoddy stuff to deal with he would not be placed in the awkward position he is. It has been stated he gets an enormous profit. I have produced a 12s. 6d. boot which he sells at 15s. or 15s. 6d., and after three weeks he had to refund the price to the customer or give him another pair of boots free. In a newspaper clipping I have here Mr. Whiting says, “I am certain that the State could manufacture boots and retail them at 5s. per pair less on the average than they are sold to-day, make a profit, and compete successfully with the foreign articles.” This is not so. I feel sure that gentlemen would not have made that statement had he gone into the subject more deeply. I have seen boots marked up in shops at a retail price of less than that at which I could purchase them from the manufacturer. These are “bait” lines, and the bulk of the shop’s stock is shoddy. Customers buy these bait lines, and then come along to a shop that keeps only genuine stuff and wants boots for the same price. Many retailers are not averaging per week in profits as much as the wages-man gets in the boot-factory. I think a prohibitive tariff should be imposed on shoddy boots; and I think it should be arranged that the local manufacturer cannot charge an unduly high rate for the articles he makes here.

7. *Mr. Veitch.*] Is there any combination of local retailers in the boot trade?—No, there is no such thing in Christchurch; there was one, but it fell through.

8. No association of any kind?—No. We were cited individually before the Arbitration Court. The association did not put in an appearance, and I understand that the Registrar has given notice to strike it off the list.

9. *Mr. Hall.*] Did you say that boots could be landed here cheaper than they could be made—that is, boots of equal quality?—I said, so far as the retailer was concerned, they could be imported and landed cheaper than the retailer could buy them locally made.

10. You said many common kinds were sold in New Zealand?—A considerable quantity of shoddy boots are sold in New Zealand.

11. How would you rectify this?—The makers should be compelled to brand their goods as to what they are made of; that would be beneficial, and the public would know what it was buying, and would have a chance to compare a good shoe with a bad one as to wearing-quality.

12. *Mr. Fairbairn.*] Is there no satisfactory substitute for leather?—Rubber is not, so far as the bootmaker is concerned; it is too costly. A considerable amount of good-quality linen is used for boot-linings in preference to skins, such as basils, roans, and so forth: this is a saving in cost, and they wear remarkably well if of good quality.

13. *The Chairman.*] Is there any combination amongst the wholesalers? Is there a perfectly free and open market?—Yes, personally I am a free man; there is nothing to prevent my buying in any market I choose, and I have no knowledge of any such combination. I am not justified in speaking about the wholesale trade; I could not say whether they control the price or not.

14. Is there any belief that they do?—I know of none.

15. *Dr. Hight.*] Would it be easy for an average person to tell a good boot from a bad one?—Very difficult. It would be difficult to teach the average person who is not acquainted with bootmaking.

16. And if once interest were aroused in the matter?—If a public meeting were called and illustrations of the different kinds given, that would have a marked effect on the people as a whole.

17. Would it be useful to include simple lessons in the schools distinguishing materials in the ordinary articles of domestic economy?—It would be a very good idea, particularly if given to girls in the upper standards. Women do most of the purchasing of boots, and they do not grasp the construction of it so quickly as men.

18. *Mr. Macdonald.*] And they are easier gulled?—Well, the price tempts them, especially if they have a very limited amount of money.

19. *Mr. Fairbairn.*] Compulsory branding would meet this difficulty absolutely?—Oh, yes, I think so. In addition, it would be to the benefit of New Zealand if the best qualities of New Zealand boots were branded, and thus the prejudice against the colonial boot broken down.

20. *Dr. Hight.*] Do you not think it would be better to educate the people in the difference between good and bad—

Mr. Veitch: Let the people acquire a knowledge of good and evil, you mean!

Witness: It would be a good thing if they could distinguish between good and bad boots. [Witness referred to the discussion that had taken place between Mr. Frostick and the late Mr. T. E. Taylor, and said that nothing practical had ever been attempted to cope with this evil.]

21. *Dr. Hight.*] You referred to a rise in the price of boots when the tariff was raised?—Yes, a slight rise in local prices.

22. Do you suggest that the tanners, believing that the boot-manufacturers would be able to pay a higher price, combined to put up the price of leathers?—I cannot answer that question. I know that at that time I found one line of boots was 9d. per pair dearer, and was told that the price of materials had gone up. I suggested that this would defeat the object of increasing the tariff, and that it should be protested against, but the salesman said it was easier for them to pass on the extra cost than to quarrel with the leather-merchants about it.

23. *Mr. Macdonald.*] Are there any shops “tied” to the manufacturers?—There have been strong impressions that this was so in the past, but I cannot speak definitely now.

24. What is the average consumption of boots per head—or per foot—in New Zealand?—I cannot say.

25. *Mr. Robertson.*] Is more shoddy worn in New Zealand than formerly?—I would not say that, but proportionately there is as much; but there is a good deal of good-quality stuff imported too.

26. Has the standard of quality in footwear gone up?—Yes, the designs and shapes are better; the quality of boot worn is superior to what was worn years ago. The boys’ boots, nailed, toe-tips, and heel-tips, have practically gone out in favour of a lighter boot, which, of course, does not wear so long.

27. *Mr. Hall.*] You referred to a rise in price when the tariff was increased: was that an average rise?—I could not say it was on every line; a fair proportion was raised in price; there was certainly an increase. I could not say what the average would be. [Witness, continuing, gave an instance of an attempt he had made to purchase laces in England, and had been referred to a certain Christchurch house acting as agents for the Home manufacturer; the Christchurch house referred him to another firm in Christchurch, and they would not sell these 4s. laces under 5s. 3d.]

28. *The Chairman.*] You consider that an action in restraint of trade?—Yes. The firm I refer to is not in business now.

Mrs. JANE MITCHELL, Officer in Charge of the Women’s Branch of the Labour Department, Christchurch, examined on oath. (No. 77.)

Witness stated that she had had twenty years’ experience of registry-office business.

1. *The Chairman.*] Have the wages of servants increased very greatly during the last twenty years?—Yes, almost doubled.

2. Has the supply increased with the increased wages?—No, gradually decreased.

3. Why?—The girl’s working-life—the single girl—is only four or five years; then she marries, and only sometimes do we get her back—when her husband is out of work, for example. We used to get young girls about fifteen years of age; now they go to dressmaking, &c., and later on may come to us. Another reason is that the girls are not here to fill the places, because of the declining birth-rate.

4. Is there any difference in the class of girls offering?—No, the girls are very good indeed; the class of girls is remarkably good, but there is a very great scarcity.

5. Do you find that presses upon the mothers of young children?—Yes, to a very great extent.

6. Has there been any organized attempt on the part of employers to get girls from England?—The only attempt is through the Farmers’ Association—the only attempt I am conversant with.

7. Do they pay the passages or make a contract?—I think it is mostly done through the British Women’s Association. The girls come through them, and that association has to be allowed a certain percentage—I think it is £2 10s. per girl; and then the girls are penalized when they arrive here.

8. How?—They have to sign contract papers, guaranteeing that they will remain with the association one year.

9. Do they sign papers in this country?—I think they are signed here when they come through the association, and then they are charged a fine when they break away from the association. Of course, the association cannot claim that fine, but the girls do not know that.

10. Are the wages paid less than the girls would get on the open market?—Oh, no. I think they give just about the average wage, but, of course, the girls have no chance of selecting their places; they have to go where they are sent by the association.

11. Do you consider it necessary for a certain class of household that there should be help available?—Oh, yes; some women are quite unfit physically to do their housework, and where there are small children it is most desirable.

12. How should that want be filled?—I suppose immigration is the only way.

13. Do you not think if the status of the domestic servant were raised it would attract girls to that work?—I do not see how the status can be raised higher—the best conditions prevail now; the girls are simply not on the market for any class of labour.

14. What is the inducement that makes girls prefer factory-work to domestic service?—Perhaps a working-man has a family of daughters, and by going to the factory they can help their mother at home and contribute financially as well.

15. And have the evening free for themselves?—Yes, free time for themselves or to help in the house. Girls out of town cannot take factory-work—domestic work pays better.

16. Is there no possibility of girls going to domestic work under factory conditions—8 to 5, and sleep at home?—A great many ladies are offering those conditions now, but that would not do for country girls or girls from abroad; they must have homes.

17. *Dr. Hight.*] With regard to the British Association's girls, can they not leave one position and go to another within the one year?—Provided they go to another position within the association, but they must stay twelve months at the first house.

18. *Mr. Macdonald.*] You do not see any particular harm in that?—Yes, I do, because if a girl is bound to the association she perhaps loses a chance of better employment; there might not be the most tempting situations vacant at the time she comes out.

19. But she got the chance to come out from Home?—She has the same chance through the Agent-General, and it costs her less, and when the girl comes here she is a free agent, and should be allowed to refund her passage-money if she wants to leave her situation, if she is not happy in it, for instance. There have been girls brought out here who have one consuming idea—£1 per week and nothing to do in the way of washing, &c., and they want to select their places, and select light places.

20. Do you think they are deluded into that idea by agents at Home?—Yes, that is the idea given to them at Home.

21. By agents who get a commission on their passage?—Yes, that is the case I have no doubt—the shipping-company agents.

22. *Mr. Robertson.*] You do not know whether the association makes the agreement at Home or here?—No, not to be perfectly sure. I suppose there is some sort of understanding before they leave there. The British Women's Association gets £2 10s. for every girl they send out.

23. There is a risk of the girl making an agreement at Home with the association and finding when she arrives that it is not as good as she could make here?—Yes, that is so in a great many cases. They have done so, and then come to us for relief, and we have found them situations; we constantly get this kind of thing to do. The girls are not happy in their positions, and they come to us for better conditions.

24. *The Chairman.*] The arrangement made at Home does not stand?—That is so.

25. *Mr. Hall.*] Does this British Women's Association get any special concession on the fares of these domestics—the British Women's Association?—I do not know what their arrangements are with the shipping companies.

26. What about the £2?—That is for working-expenses. I suppose there would be office expenses of some kind; the British Women's Association will have a good deal of expense.

27. Are the girls paying the ordinary steamer fare?—Yes.

28. And do they get any concession if they come out by the aid of the Agent-General?—Yes, they only have to pay the current fare—£2 16s., or something of that kind, and they are not hemmed in—they are perfectly free agents when they arrive. They can take domestic work or not; there is no law to force them to take any class of work.

29. *Mr. Fairbairn.*] Coming through the Agent-General they only pay £2 16s. passage-money, you say?—There have been domestics getting fares for that rate; the arrangement was in existence some few months ago, I know, so the girls tell me. I think they can come out that way still.

EDWARD KENNEDY, Secretary of the Canterbury Farm Labourers' Union, examined on oath.
(No. 78.)

1. *The Chairman.*] What is your occupation?—I have been a farm labourer all my life, except for the last two years, when I have been secretary of the union, and have had twelve or thirteen years' experience of Canterbury.

2. Have wages increased in Canterbury in that time?—In some instances, with the best class of employers, but amongst a very large number they have not increased very much. The best class of employers have increased the wages considerably.

3. Do you think there is a shortage of farm labour?—No, I do not know of any shortage where the men are paid a reasonable rate of wages and reasonably treated.

4. Has there been any request to you to provide men?—No, never. We wanted that permission for the union to supply men instead of the registry offices, but we were not successful in getting it—the employers would not agree.

5. Are many farm labourers out of work here?—No, not a great number; but there are a good many men in Christchurch who were farm labourers and are now out of work in town, and will not go back to the farms.

6. Why not?—Because of bad accommodation.

7. What is the accommodation they complain of?—I will give an account of one place which I know of my own knowledge; I have seen it, but I got the actual measurements from another man. The building is about 10 ft. 6 in. long, 8 ft. 6 in. wide, wall about 5 ft. 6 in. high, ridge or centre 10 ft. 6 in. from floor; walls of single board tongued and grooved; board floor; no lining whatever except sack tacked round bunks, of which there are four, two top and two bottom; and one sheet of galvanized iron between wall and stove, at present occupied by two ploughmen; window with four 9 in. by 12 in. panes. More men are employed during harvest than in winter, and those men are crowded into buildings that otherwise might be sufficient to comply with the Accommodation Act. I have seen as many as eight men sleeping in the whare I have just described, some of them sleeping on the ground.

8. Do you assert that that is anything like a fair sample of a good deal of the accommodation provided?—Yes, it is a fair sample of a very large number; it would not be the majority. That is within my own knowledge.

9. On large or small farms?—In every class—in large stations sometimes. I know large stations where the accommodation has been up for thirty years, and the men are leaving all the time because of the bad accommodation. I have been told this by men who left that station, and

I know large stations myself where the accommodation is not any better. Wages are another item; the men will not work on the farms for these. I have spoken to several large employers who pay fair wages—up to 30s. per week—and treat and house their men well, and they tell me they have no difficulty in finding men.

10. *Mr. Fairbairn.*] There is no difficulty with people who pay good wages and give good accommodation?—That is so, and give reasonable hours as well.

11. *Mr. Hall.*] 30s. per week and board?—Yes.

12. *The Chairman.*] What are farm servants to do after their day's work is finished?—They have nowhere to go except into their bunks or into the hotels; they go to the hotel just for company and because there is nowhere else to go.

13. The greater attractions of the town take men away from that life?—Oh, yes; but I know a great many men in Christchurch who would go into the country to-morrow if they could get reasonable accommodation and reasonable wages, and a fair continuance of the wage—say, 30s., with a guarantee of twelve months or even six months' work.

14. These are the three things which you think would take men back to the country: fair wages, decent accommodation, and fair continuance of employment?—Yes, and if the half-holiday were allowed the younger class of workers would go into the country. Some of the most successful farmers give the half-holiday—not dairy-farmers, of course.

15. *Mr. Veitch.*] What is a fair average of the hours of a farm labourer?—The general farm labourer is the man employed by the week, and his work commences at 5.30 to 6 a.m., and he is not free to get away till he lets his horses go in the evening at 7.30 or 8 p.m.; that is all the year round. Fair-minded employers and honest workers both agree that there is much room for improvement in these conditions. As to hours, I know of one large farmer in the Ashburton district who, excepting in harvest-time, gives his men eight hours a day work, and the men are never asked to work in wet weather, and he is one of the most successful men in the district. He says there is nothing unreasonable about the conditions we ask. Where employers treat employees fairly there is no difficulty.

16. *Mr. Hall.*] What hours do the general labourers work?—Eight—that is, the men employed casually by the day on the farms.

17. What time does the ploughman leave off work?—At 5 p.m.; but he has to bring the horses home from the paddock, perhaps a mile or more away, and he has to tend and cover his horses, gets his own supper, and sometimes has to clean down the horses too, and then lets them out about 8 p.m.

18. *Dr. Hight.*] Why do not all the farmers provide suitable accommodation, and so be sure of getting suitable labour?—I do not know, unless it is the natural grab; most classes of people want to get all they can.

19. *Mr. Macdonald.*] A double dose of original sin in the farmers, eh?—I do not think the farmer sins more than any other man, judging from my experience.

20. *Dr. Hight.*] The larger the scale of farming the better the conditions: do you find that?—No, I could not say that; I do not think there is any difference in the large and the small place as to hours, food, accommodation, &c.

21. The example of shorter hours you gave was on a large farm?—That was one large farm; but there are others in the Ashburton district where long hours are worked. [Witness here handed in some extracts from evidence given in the farm labourers' dispute with the Canterbury farmers.]

22. *Mr. Robertson.*] You stated you knew a number of men willing to go and work on farms provided there was good accommodation?—Yes.

23. It has been said that the shortage of farm labour is caused through the constant stream of men in the country, wages-men, going from the farms to their own land: is that correct?—No, I would not say it is correct. There are some farm labourers going on to farms of their own—not a very large number. The majority of men taking up land in this country are farmers' sons—that is, of recent years.

24. Is the stream more towards the town than towards the land?—More towards the town. The worker comes into the town because he gets better conditions of life. That is a larger factor than any other. I have no doubt that years ago, when land was cheap, the great majority of the oldest farmers in Canterbury were at one time farm labourers, but that was in early times when land was 30s. and 40s. per acre; it is ridiculous to suggest that farm labourers can become farmers to any extent nowadays, with land at £30 and £40 per acre.

25. The farm labourers' prospect of taking up land are worse than previously?—Oh, yes, far worse; the cost of land has risen, and the wages have not risen in comparison, therefore he cannot be in as good a position as before.

26. *Mr. Hall.*] You referred to the inferior accommodation: is that inspected?—There is an Act—Agricultural Labourers' Accommodation Act—but no regulations for working it have been drawn up, and the Inspectors merely go out and see what the union complains of. Inspectors have sent in reports and complained of the accommodation as insufficient.

27. Do you know of men leaving the district to take up land elsewhere on leasehold or cheap land?—I do not know that there has been any great number; a few go to the North Island. I have known them go there and find the price paid so high that they could not meet their engagements, even though they had to pay only a small deposit in the first instance. I know one family that has been fairly successful there.

28. *Mr. Veitch.*] Do you know anything about shearers' accommodation?—My union has nothing to do with that; I think the majority of squatters supply accommodation sufficient to comply with the Shearers' Accommodation Act.

Witness, continuing, said that in his opinion one of the causes of the cost of living going up was the increase of exports of frozen mutton, &c., leaving a shortage in this country. He would like to see the Government conducting large farms of their own, and putting the produce

on the market at cost price; the local market only, he meant. So far as the non-operation of the Farm Labourers' Accommodation Act was concerned, he thought there was political influence at work there—that the Government were frightened of the farming community.

The Chairman said it was entirely a matter of expense; the Government had found that at least nine new Inspectors would be required, and so they had dropped the scheme for the time being, and limited the inspection to that given by the present Factory Inspectors to any disgraceful accommodation reported by the union.

FREDERICK WILLIAM RICKETTS (representing J. Ballantyne and Co.), Draper's Assistant, examined on oath. (No. 79.)

1. *The Chairman.*] What experience have you had as a draper's assistant?—Thirty years.
2. Have the circumstances with regard to the draper's trade changed during the last twenty years?—Not a great deal.
3. Has the trade increased in volume?—Yes; but there are not a great many more drapers here than there used to be.
4. Is there a drapers' assistants' union?—I believe not.
5. They prefer to make an individual bargain with their employers?—I have heard no opinion expressed on that, nor am I aware of any attempt to form a union.
6. Are the conditions in the trade favourable to the trade?—Yes; there is very little grumbling. I can hardly say what is the average wage, the conditions vary so much, and some houses pay better than others.
7. Have the prices of drapery increased greatly in the last few years?—Some articles have gone up considerably—articles made on the premises and articles that are luxuries.
8. You do not think prices of articles of necessity have increased?—Very little.
9. When the tariff was taken off lately from calico was there any difference made in the price?—I cannot say; I have not noticed any difference.
10. Are you a buyer for your firm?—Yes.
11. Is there any understanding that you should buy at certain wholesale houses?—None at all.
12. Do you buy direct from Home or through merchants in Christchurch?—Both.
13. If you set up for yourself you would have a perfectly free and open chance of making a business for yourself?—Absolutely.
14. You would be free to go to any wholesaler without any restriction of rates?—Yes.
15. *Mr. Robertson.*] Has the proportion of female to male assistants increased in the last ten or fifteen years?—No.
16. What is the proportion?—I cannot tell you; approximately, I should say the proportion would be about eighty males to a hundred females, but I do not think the proportion of female assistants has increased in the last ten years.
17. *Dr. Hight.*] You say the volume of business has increased, but not the number of shops?—Only slightly increased, the number of shops.
18. The scale of business has increased?—Oh, yes.
19. Would that not have a tendency to increase prices?—I do not think so.
20. You say that articles made on the premises have increased in price: why?—Owing to the higher scale of wages paid.
21. And the prices of articles of luxury more than that of necessities purchased by the people generally?—Yes.
22. They enter into the consumption of all classes, though?—Yes.
23. There is no noticeable difference as to price made by tariff changes?—Well, there was one particular line mentioned to me—calico; I cannot say with any certainty that there has been any difference in that.
24. The price of articles is the result of so many things that you cannot tell whether the tariff had any effect or not?—That is so.
25. *Mr. Macdonald.*] If there was an increased tariff would articles go up in price?—Yes.
26. *The Chairman.*] But they would not come down if the tariff was decreased?—Other things might not be equal.
27. They would only be equal when the tariff was put on?—Yes, I suppose so.
28. *Mr. Fairbairn.*] Since the tariff was taken off cottons has there been any rise in the cotton market?—Of course, the cotton market has been very high of late years.
29. You said that since the reduction of duty, or obliteration of duty, the price to the public has not changed?—Well, really, as far as the cotton department is concerned, that is outside my jurisdiction; my department is woollens and silks.
30. These goods have shown variation in the last ten years?—Woollen goods have gone up in price 10 or 15 per cent.
31. In fact, all textiles have increased 10 to 15 per cent.?—Not all of them. In silks there has been an increase of 5 to 10 per cent.
32. Cotton piece-goods you cannot speak of?—No.

GEORGE CALLENDER, Secretary in New Zealand of the New Zealand Shipping Company, examined on oath. (No. 80.)

1. *The Chairman.*] How long have you been secretary?—About two years. I have been in Canterbury nearly all my life, and have had over thirty years experience of the shipping trade.
2. During the last twenty years have the freights increased?—From London they have gone up.
3. And to London?—If anything, they are lower now than they have been, and there has been a large increase in the quantity of trade.

4. Are any advantages given to special classes of customers?—I cannot speak of the outward business to New Zealand, but we carry cargo from New Zealand to London for any one on the same rates for all.

5. Is there anything within your knowledge in regard to the shipping business which would lead you to think there has been a rise in the cost of the necessaries of life?—The outward freights from London have risen, and that would fall upon groceries and goods of that description.

6. How much in the last ten years?—Goods we are bringing out now at 45s. would ten years ago be brought out at 40s., rough measurement; and fine-measurement goods, 60s. now, would probably be 55s. ten years ago.

7. So that there has been a distinct advance on the freight in imports?—Oh, yes; the labour charges have been the cause of that extra freight largely.

8. In the Old Country or New Zealand?—In both.

9. Has there been any equivalent in improved machinery in handling goods that would nullify the advance in wages?—I do not think there has. I am not an expert on wharf matters, but I do not know of any gear so much better that it would nullify extra labour costs.

10. During those twenty years have you not had the hydraulic cranes, &c.?—I am afraid I could not tell you.

11. In your eyes the labour charge stands out alone?—As the main charge; and we have to pay our officers and seamen more, as well as the lumpers.

12. And the rise in freights is due to this and to the rise in the labour of shore men?—Yes, we are paying more than we used to. Undoubtedly that was one reason for the increase of freights.

13. You carry frozen meat Home?—Yes, large quantities.

14. Has the rate for carrying that increased very greatly?—No, it has not; it has gone down; it has been gradually going down for the last twenty years.

15. Through the efficient system of carriage?—Well, there has been more of it, and the steamers have been larger: that has enabled it to be carried at a lower rate.

16. Do not these larger steamers take less time than the smaller vessels used to do?—As far as the mail-boats are concerned there is little difference. When we first put on cargo-steamers they were much slower, but there is not the same difference in the mail-steamers.

17. The carriage of frozen meat and other products is an advantage to the producer and to the shipping company, is it not?—Yes.

18. And also an advantage to the people of this country as a whole, or only to a particular class, do you think?—It must affect the whole community, because it distributes more money. Without the export of frozen meat the shipments would be much less, and the farmers would not have the same amount of money to spend.

19. Is that the case with the wool also?—Wool here would be almost valueless unless you exported it in very large quantities.

20. So that you think the money coming back to the farmers and runholders is of very great advantage to everybody?—Yes, more or less.

21. And that would counterbalance the disadvantages of having to pay more for mutton and other things shipped out of the country at British prices?—Well, it would in many cases—I would not like to say in all; I do not think a clerk, for example, would derive much benefit.

22. Would a labouring-man?—It produces more labour, and in that way would be to his advantage.

23. I just wanted your opinion. On the whole you consider it a very great advantage to New Zealand to have such large exports?—Yes, decidedly so.

24. *Mr. Veitch.*] Has your firm any working arrangement with other firms in the same business with regard to fixed rates of freight?—Yes, we generally arrange the rates between us.

25. The charges are fixed to all classes alike?—Yes.

26. And arranged between the different firms?—Yes.

27. You spoke of freights having gone up?—Freights to New Zealand, not from New Zealand.

28. *Mr. Hall.*] What are the freights at the present time on frozen meat?—Mutton this month would be $\frac{2}{16}$ d. per pound less $7\frac{1}{2}$ per cent. I could not give the amount of other transport charges. Lamb would be $\frac{3}{8}$ d., speaking from memory.

29. Perhaps you could let us have these figures to-morrow?—Yes.*

30. *Mr. Fairbairn.*] Would you please include freight on butter?—Freight on butter is 2s. 6d. per box.

31. Can you tell us anything about the Continental classification of goods? It is much lower in many commodities than your own. That has an important bearing in reference to the preferential tariff. You carry certain goods from Hamburg through to New Zealand at a much lower rate of freight than from London to New Zealand: why?—Competition with heavily subsidized German lines account for that.

32. There are not subsidized German lines here?—They take cargo through and tranship from Australian boats to New Zealand.

33. Then you penalize your good English customer through fear of a foreign fleet?—We have to meet competition from all quarters.

34. This means really that glassware, for instance, where freight is a big item, is carried from Hamburg to New Zealand at about 30 per cent. less than you carry the same goods from London: thus the whole effect of the preferential tariff is nullified by the preferential treatment given the German manufacturers by the shipping companies?—I do not know whether your per-

* *Rates of Freight on Frozen Meat.*—Mutton—June to November, $\frac{2}{16}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May $\frac{3}{16}$ d. per lb. less 5 per cent. Lamb—June to November, $\frac{3}{8}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May, $\frac{3}{8}$ d. per lb. less 5 per cent. Beef—June to November, $\frac{1}{4}$ d. per lb. less $7\frac{1}{2}$ per cent.; December to May, $\frac{1}{16}$ d. per lb. less 5 per cent. Butter—2s. 6d. per box.

centage is right or not, but I know that we do carry at a less rate. These things do not come before us at this end—it is all fixed in London.

35. You can offer no explanation?—The explanation is that we have to meet the competition of the German lines, which are subsidized by the German Government.

36. That competition could not be affected owing to the comparatively high freights ruling from Australia to New Zealand as against Hamburg to London?—No; those, I understand, are the same rates as the German steamers are prepared to bring goods out to New Zealand for, paying the transport from Australia to New Zealand: that is the position, I believe.

37. *Mr. Macdonald.*] Freights, of course, are, like everything else, subject to the law of supply and demand?—Yes.

38. There has been a scarcity of shipping relative to the amount of commodities to be transported?—At the present time there is a shortage of tonnage throughout the whole world.

39. And that has some bearing on the freights?—Decidedly.

40. In addition to the labour charges?—I do not know that it has had a bearing on the Home-ward rates of freight from this colony.

41. But it may have had a bearing on the outward rates from Europe to New Zealand?—It might have; I do not think it has to any great extent.

42. It has not operated yet, but it should?—It must sooner or later.

43. And would be a factor accounting for the rise as well as the increase of wages?—It would affect us in this way: that unless the rates to Australia were pretty nearly the same as ours, we would have to carry at a lower rate. If goods were brought out to Australia at very low rates owing to competition we could not maintain our present rates.

44. I was referring to the scarcity of shipping?—If there is a scarcity of shipping there is not the same competition; that is the only way in which it would have any bearing upon the question.

45. *The Chairman.*] Supposing there was a runholder who was getting £10,000 a year out of frozen mutton, and he was an absentee, and the £10,000 went to him in London, would that benefit the labourer here who was paying 5d. for his mutton instead of 3d.?—It would depend on where he spent the money, I should think.

RICHARD ALLEN, Flour-miller, Fendalton, examined on oath. (No. 81.)

1. *The Chairman.*] You are one of the associated millers?—Yes, I belong to the association, and always have done so.

2. Your association fixes the rates at which flour is sold?—No, not at present. I think it is the outside mills which do that.

3. Evidence has been given that there is a war in the milling trade at present: is that a fact?—I do not know; I could not say.

4. Prices are cut very low?—The fact is that the milling-power of New Zealand—the capacity—is more than double the requirements; naturally, competition is very keen.

5. Although you have an association of millers?—Undoubtedly. The sack-capacity of the mills that do not belong to our selling association is very much greater than of those mills in the association.

6. Evidence was given that if there was too great a charge for bread as compared with wheat, it was the baker's fault?—Oh, well, I should not like to answer for the bakers.

7. Can you follow a sack of wheat through the mill to the baker, and give us an idea of what prices follow at different periods?—No, I could not; I question very much if the baker's expenses could be averaged out—some would be very much less than others.

8. You think it would be impossible for an association of bakers to regulate prices of bread?—I do not think they could do it.

9. Do you think that the sack of flour as issued from your mill bears a steady proportion in value to the amount received when made up into bread?—I think so.

10. What is the price of bread?—Cash, 6d. per loaf, and 6½d. delivered.

11. You think a fair charge would be 6½d. delivered?—I have always thought so.

12. You have never followed the exact ratio of prices?—No.

13. And you do not know how many loaves can be got from a sack of flour?—There is always a dispute as to that—no two bakers give you the same figures; and then, Adelaide flour turns out more than Victorian, and New South Wales more than Victorian; and Australian flour is better than New Zealand flour—far better. The wheat is better, it will absorb more moisture; it is a drier wheat.

14. How does it come out better in the bread?—It takes more liquor.

15. And that would be weighed in the bread?—Oh, yes; it makes more bread.

16. You pay for more water?—Hardly that; the flour is drier to begin with. You must admit that the Sydney and Melbourne bread is better than the New Zealand bread.

17. I have eaten some beautiful bread in New Zealand?—Perhaps it was made with Australian flour. There is more gluten and less starch in their flour, and it will carry more water.

18. You could not say how many loaves a 200 lb. bag of Adelaide flour will make?—I hardly know; I asked a baker yesterday, and he said seventy-four. Sixty-eight to seventy is the number for New Zealand flour.

19. Would there be a good deal more nutriment in the seventy-four loaves than in the sixty-eight from New Zealand flour?—There would be more gluten; the other factor is starch, and gluten is superior to starch; our wheat is starchy.

20. *Mr. Robertson.*] There is no regulation of prices at the present time by the trust?—There is no such thing as a trust as far as I am aware. We have a selling association for a number of mills, principally to protect us from bad debts.

21. You said the capacity of the mills in New Zealand was about double the requirements?—I think so.

22. Do you allot the orders among the different mills?—The present members of the selling association, you mean?

23. Yes?—Oh, no; they are given whatever flour they ask for.

24. Was that always the case? We are told the association is not so strong now as it was?—I can give you the numbers. The capacity of the mills selling through the association is 164½ sacks per hour; outside the association 174 sacks per hour, reckoning 200 lb. sacks. I cannot say whether all these mills are working, but they are all ready to work, and may be counted on as competitors.

25. You hold that there is practically free competition just now?—Yes, very much so now. My profit on flour at present is 10d. per ton; that is free competition surely.

	£	s.	d.
48 bushels wheat at 3s. 8d.	8	16	0
Cost of making, 4½d. per bushel	0	18	0
5 per cent. discount, 10s. 9d.; f.o.b., 4s. 9d.; 16 sacks, 6½d., 8s. 8d.	1	4	2
	<hr/>		
	10	18	2
1 ton flour	8	10	0
480 lb. bran	1	1	7
400 lb. pollard	1	4	0
Gain, weight bags	0	3	5
	<hr/>		
	10	19	0
	<hr/>		
Profit	£0	0	10

That is all there is in the business at present, and I have been milling in New Zealand for twenty-seven or thirty years, and I think I know something about it.

26. Is the price of wheat in New Zealand ruled altogether by the London markets?—And by the freights. At the present time wheat is from 3s. 7d. to 3s. 8d. at handy stations; freights are 25s. Wheat at Home (I had a cable just now) is 41s. for Australian wheat. There is a deficiency in the French harvest. The shipping companies are now charging 25s., because there is plenty of meat and lamb and other things offering for London; in another month possibly the freight will be down to 15s. If the scarcity of wheat continues, possibly wheat will go up to 4s. 6d. It is all a gamble.

27. *The Chairman.*] There are several ways of gambling—gambling on a game, for example, when there is a chance of winning. Does the wheat gamble give a fair chance of winning?—The wheat market is a gamble.

28. And clever people control the board?—Some people have made fortunes, and others have lost them. We know a man who went bankrupt through trying to corner the wheat market.

29. Yes, Leiter?—Yes. You cannot corner wheat in Australia or New Zealand, at any rate.

30. Do you believe that the harvest of America is sold six times over before it is grown?—Possibly. I have seen the Wheat-pit in Chicago.

31. You do not consider it is a gamble with a fair chance on one side?—History has told us that sometimes it goes one way, sometimes another.

32. *Mr. Robertson.*] Have you ever known there to be any great discrepancy between the price quoted on London market for wheat and price in New Zealand at the same time?—Yes, when the New Zealand wheat has been inferior—sometimes we have a wet harvest, and it would be very difficult for them in England to take our wheat unless it was on a par with Australian. I have known several years when the New Zealand wheat has been very bad, owing to a rainy harvest.

33. I have heard it alleged that some large companies, such as the National Mortgage Company, buy up wheat in harvest-time and export quantities, keeping back as much as New Zealand will require, and then raise the price artificially?—I can assure you it is a thing that is quite impossible.

34. *Mr. Macdonald.*] It has been stated that a certain miller left the association, and immediately a drop in the price of flour 10s. per ton took place?—No, sir. Last May (1911) the price of flour was £8 10s.; then wheat advanced 3s. 6d. to 3s. 7d., and we put up the price of flour 10s., and made it £9. The mills not selling through the association continued to cut the price, and on the 7th November we reduced the price to £8 10s.

35. Is there any penalty on withdrawal from the association?—None at all.

36. And anybody can join?—Yes, provided they are eligible.

37. The output is stated to be 7,000 tons in New Zealand consumption of flour?—I suppose that would be about right; I do not know what it is.

38. And the duty of £1 per ton on Australian flour keeps up the price of flour in New Zealand?—Yes, but I think those duties are unjust: it is £2 on New Zealand flour into Australia, and only £1 on Australian flour into New Zealand.

39. *The Chairman.*] Does not the Prime Minister of the Commonwealth propose free trade with New Zealand?—I think so.

40. *Dr. Hight.*] You were referring to cutting prices last year: was that begun by the mills outside the association?—Yes. If they did not cut in prices they gave a larger discount.

41. *Mr. Fairbairn.*] One of the objects of the association is to limit the output?—Oh, no, not necessarily; we are prepared to fill any orders. The objects of the association were as follows: Supposing there were thirty mills, each one had a traveller—I sometimes had two or three men; with amalgamation the thirty mills would open an office, say, in Wellington, and have one man

for Wellington, one for Palmerston North, one for Greymouth, and so on: that was a great saving. Then there was the question of bad debts. A baker would come along and get 10 tons of flour from one mill, and go all round, giving us all a turn, and paying none of us; and he would be cutting prices and dissipating the money in other ways, and then he would go bankrupt and we would all get nothing.

42. The object was not to limit the output of flour?—No, we tried to give every one an output in proportion to his sack-capacity.

43. It was represented to us that the flour-millers of New Zealand could not compete with the mills of Australia, because the New Zealand mills were smaller, not so well equipped, and the output was limited?—You want to inquire further. Quite recently they had a drought in New South Wales and Queensland, and the price of offal went up; naturally they were able to sell their flour at a less price for export.

44. Is it the practice of the Australian mills to dump flour on the New Zealand markets?—Undoubtedly. 850 tons has just arrived from Warrnambool, on which they pay £1 per ton duty as well as freight; it came over in Craig's steamers to Auckland, and the freight would be 8s. or 9s.; that would be a 29s. charge, or perhaps a little less. 9s. is the Union Company's freight; Craig's might be 7s. 6d.

45. Do they grow sufficient wheat for themselves in Auckland?—They draw 90 per cent. from here—i.e., from Oamaru, Timaru, and South Canterbury.

46. *Mr. Hall.*] If this extra duty were removed, are there any times when you would be able to send flour to Australia?—Oh, yes, especially in times of drought there. Six years ago there was a terrible drought there, and they had to import wheat from America. There is also £1 per ton duty on offal going into Australia. I have been sending a lot of bran to Newcastle at £5 5s. per ton, but now rain has come and the export has stopped.

47. Do you mix Australian wheat with New Zealand to improve strength and colour?—No, not now; we are working on New Zealand wheat.

48. *The Chairman.*] Supposing it was considered desirable to admit New Zealand flour to Australia at £1 per ton, and free in case of drought, is there any guarantee that the New Zealand public would not pay the higher price?—Oh, that might happen, or it might happen the other way about—the Australians might run short.

49. *Mr. Fairbairn.*] That has occurred before, when there were no duties subsisting?—Oh, yes; twenty-four years ago we used to send a lot of flour to Newcastle.

50. *The Chairman.*] Enough to shorten up the supplies in New Zealand?—I have never known that.

51. *Mr. Hall.*] And that made work for the men here?—Yes, for some.

52. Do you think it would be a good thing to remove the duty?—No; that would affect the farmer.

53. *Mr. Macdonald.*] Is not the price dependent on the London market?—The farmer does not grow wheat to depend on the London market. You cannot grow wheat profitably at 2s. 6d.; 3s. 6d. is the lowest price at which it should be grown.

54. *The Chairman.*] Does the New Zealand farmers' market depend upon Great Britain or not? It is asserted that his prices are governed entirely by outside prices?—I do not know about that. I think it is governed by the demand from New Zealand—the consumption here, and the freights from England: that is a very important factor. You pay 25s. per ton freight now, and last year it was 10s. from all the shipping companies. That was because there was no mutton left, and the vessels were going Home empty.

55. *Mr. Hall.*] What are New Zealand wheats worth in London at present?—2s. under the Australian generally: 38s. to-day, and Australian is 41s.

JOHN HENRY HOWELL, Director of the Christchurch Technical College, examined on oath.
(No. 82.)

1. *The Chairman.*] You are interested in the subject of domestic training?—Yes.

2. Would you make a statement to the Commission?—Yes. We have for some years had classes for the training of girls and women in cookery, dressmaking, needlework, millinery, and laundry-work, &c. Up to the present that training is carried on in ordinary class-rooms and kitchens; but it is necessarily inadequate, because it has no immediate relation to the needs of the home. The Board is now erecting a Girls' Training Hostel, in which students who are taking the domestic-economy course will be trained in all the work of the house. This course of instruction will begin next year. We have at present over eighty girls from fourteen to seventeen years of age taking a full domestic-science course, and next year when the Hostel is in working all those girls will in turn, for periods of six to eight weeks, go to the Hostel, and will do all the work of the house. Part of the Hostel is arranged as a small home, in which the girls finishing their course will carry out the whole of the work for themselves. Special attention will be paid to the cost of everything, separate meters will be provided for gas-boiler and gas-stove, so that they may work out the cost of gas for various household purposes, and similarly with the coal-range. They will keep specially in view the cost of all the different processes. Later on the Board hopes to provide in connection with the Hostel a separate small creche, where young children will be taken for a week or so. This will be of great assistance to sick and ailing mothers, and the students will receive training in the care and management of young children.

3. *Mr. Fairbairn.*] Would it not be a better arrangement to have something of the kind in connection with our public schools, where the elder brothers and sisters could bring the little ones, and have them under their control?—Our aim is to make this a part of the training of the girls. While no doubt it would be a great benefit to sick mothers to be relieved of young children as you suggest, we look at it primarily from the point of view of the students.

4. *The Chairman.*] Are the girls intended to be domestic servants, or to be trained as housewives?—It is impossible to say what future work they will take up. Many of them will return to their homes and help their mothers, but we have begun to assist in the solution of the domestic problem by the provision of home assistants. The girls go from us under the auspices of the advisory committee.

5. But they go out as domestic helpers?—They will bear the same relation to the domestic servant as the trained nurse does to the "Sairey Gamp."

6. Is there any degree in domestic science at the University?—Yes, but, of course, we are not training for that; we are not a part of the University, although we do train teachers. A number of our students have already become teachers, and others are preparing for that work; but we do not prepare them for the University degree.

7. You consider that you will eliminate waste and thus diminish the cost of living in the homes?—Yes, certainly, and decrease the doctor's bills.

8. Are they taught anything in the way of mending clothes or making clothes?—Yes, they are taught this at present.

9. *Dr. Hight.*] And there will be a course of instruction in shopping?—Yes, that is being done to some extent already.

10. In which the pupils are taught to discriminate between the qualities of the articles?—Oh, yes.

11. What is the length of the course?—It depends on the circumstances of the parents. Sometimes the students remain for one year only. We have some ten students now who are in their third year.

12. *The Chairman.*] What is the cost to the parents?—Not much, except in loss of wages. If they are with us they would not be earning wages in a factory or elsewhere; but in nearly all cases there are no fees to be paid except a certain charge for material—about 11s. 6d. per year for cookery, dressmaking, millinery, &c. That is the total charge for materials, unless, for example, the girl wishes to make a dress for herself, when we only supply the less expensive materials. The Government pays a capitation up to £15 per annum for such students.

13. *Mr. Macdonald.*] Is it a development of the Roycrofters' idea?—I am afraid I am unable to say.

14. *Dr. Hight.*] What is the proper length of the domestic-science course?—The students should remain three years if they come to us at thirteen years of age.

15. Can you suggest any means for inducing girls generally to stay that length of time?—Particularly in the case of country girls, bursaries should be provided to enable them to board in town free. As far as the town girls are concerned, it would require a considerable expenditure to enable all those prepared to take up the work to stay for the full course, but I do think it is very important that greater encouragement should be given to the children from country districts to come in and avail themselves of this instruction. We have quite a number of girls who spend hours in the train each day in coming to school, whereas if the Government would provide boarding-allowances for these students it would render the instruction much more efficient, and the conditions altogether much more satisfactory. In Victoria, where last year a hostel was established for the training of teachers in domestic science, the Government paid £50 a year to the students who go into training.

16. *The Chairman.*] And bear the expense of the hostel besides?—The students pay from the £50, I believe, £1 per week for their board.

17. *Mr. Robertson.*] This is the only thing of the kind in New Zealand so far?—Yes, so far.

FRIDAY, 14TH JUNE, 1912.

JOHN SAMUEL WILSON, Secretary of the Bakers' Union of Workers, examined on oath. (No. 83.)

1. *The Chairman.*] You are secretary of the Bakers' Union of Workers, Mr. Wilson?—Yes, I have been in the union ever since it started in this district.

2. Has there been any rise in the wages of bakers' employees during recent years?—5s. per week during the past eleven years. The wages of foremen are £3; second hand, £2 10s.; third hand, £2 5s.; with fifty-one hours a week.

3. Is that the minimum or average wage?—That is the minimum and practically the maximum. There are only two men who are getting more than the minimum wage in our district.

4. Have the conditions under which you work been improved of late years?—Not during the last ten years.

5. Any shortening of hours?—Eleven years ago they shortened them, but not since then.

6. How much did they shorten them?—There were no classified hours for working then.

7. Then they came under the award of the Arbitration Court?—Yes.

8. Has there been any larger output during those eleven years? Have the men been expected to do more for the money?—They do the work in the bakehouse quicker.

9. So that, in your opinion, there has been no falling-off in the efficiency of the workers?—I think, if anything, they are more efficient now.

10. Can you tell us what is the average number of loaves that can be made from a 200 lb. bag of New Zealand flour?—That all depends upon what weight they weigh the dough in the oven at. Some men will allow 2 oz., 3 oz., or 4 oz., and some do not allow any. If you put in a bare 2 lb. of dough you will get more. The average is about seventy—allowing 2 oz.

11. Adelaide flour turns out more loaves than New Zealand flour?—Yes, that is a stronger flour. The stronger the flour the more percentage they can get out of it.

12. What constitutes that extra amount in the bread—which makes more loaves—is it water?—Yes.

13. The consumer buys more water?—No, not necessarily; the flour is stronger. If he gets the weight in the bread he does not buy more water.

14. Bakers should sell the exact weight, should they not?—Yes.

15. Is there more profit in the sale of fancy bread?—There is not supposed to be any fancy bread now. It is all supposed, according to law, to come out at the same weight.

16. Has there been any action in Christchurch during late years in regard to light bread?—A number were fined a year or eighteen months ago for short-weight bread. They periodically take a turn round.

17. Who has the oversight of that?—The Inspector of Weights and Measures.

18. Is he a municipal or General Government officer?—A Government officer. I think about two years ago the master bakers approached the Minister of Internal Affairs with the object of having the dough weighed in at a certain weight—a standard weight—but he would not agree to pass any Act to that effect.

19. Do you know anything about the cost of producing a loaf? Granting that flour was a certain price, what proportion or ratio does it bear to the number of loaves turned out?—It would not cost $\frac{3}{4}$ d. for one man at £3 a week to bake on an average a thousand loaves a week: it would not work out that for the labour. At £3 2s. 6d. it works out at $\frac{1}{4}$ d. for labour.

20. *Mr. Fairbairn.*] You are referring to the baking only?—Yes, just the actual cost of the labour.

21. *The Chairman.*] Is the bread delivered in the case of the establishment you work at?—Yes.

22. Is there any great expense in delivery: I mean through one cart going to one house in one street and to another house in another street, and other bakers' carts supplying other houses in the same streets?—Yes.

23. *Mr. Fairbairn.*] Can you tell us how many loaves one cart usually takes round?—It would be rather hard to work out an average, because some bakers deliver chiefly to stores and hotels, and others deliver only to private houses.

24. Take an ordinary family round: how many loaves would one man deliver in a day?—I should say very nearly two hundred loaves in a day.

25. Only two hundred loaves in a day?—Yes.

26. And that would take a man, horse, and cart?—Yes.

27. And a boy?—That is not necessary.

28. Two hundred loaves in a day: that is 1d. a loaf at least?—One employer told me that he had worked it out at an average cost of 1d. a loaf delivered.

29. *Mr. Hall.*] You spoke of weighing bread to the oven at 4 lb. 2 oz.: would that weigh 4 lb. when it came out of the oven?—From 2 oz. to 3 oz. is a fair thing to allow for evaporation.

30. How much would it lose in weight before the next day—another 2 oz.?—I do not think it would lose more than $\frac{1}{2}$ oz.

31. Would it lose more than $\frac{1}{2}$ oz. in cooking?—It all depends upon the bread. Tinned bread would lose more, probably.

32. Do bakers in this centre weigh on delivery?—No.

33. Do they weigh when they hand it out over the counter?—You can demand it being weighed if you wish, but they do not do so as a rule.

34. I have seen it weighed in the Old Country?—Yes.

35. Do you carry scales on the cart?—If you weighed the bread you would not deliver many loaves in a day. We do not carry scales now.

36. What do you think would be a fair weight to weigh bread into the oven?—About 2 lb. 3 oz. of dough.

37. *The Chairman.*] Do the men find any difficulty in living on the wage you mentioned?—No man can more than exist on £2 5s. In the present state of things he cannot save anything—at least, he can save very little if he has a family.

38. Do you consider that the cost of living has been raised of late years? Is it more difficult for a man to live on that wage now than eleven years ago?—Undoubtedly.

39. What are the principal items, in your opinion, of the increased cost of living?—I think the rent is about the greatest. A baker must live near his work owing to his hours of work, and he has therefore to pay higher rent. He starts his work at a very early hour of the morning.

40. There are no trams running at that hour?—No.

41. *Mr. Robertson.*] Is there a master bakers' association in Christchurch?—Yes.

42. Do you know anything about the reason for which that association exists?—I think it was really formed in the first place when we formed our union—to keep up with the union.

43. To hold up the masters' end of the stick?—I think it is only natural. I think they were quite right, myself.

44. Do you know if the association issues anything in the nature of a price-list, or if there is any understanding as to the prices of bread?—I think they generally have an understanding amongst themselves; but it is not compulsory in any way, because, I suppose, there are only about one-third of them in the association.

45. It is not a controlling body?—No.

46. I think I heard you say, with regard to the amount allowed for evaporation, that some just put in the net weight of dough?—Yes.

47. That bread would come out 2 oz. or 3 oz. short?—It all depends upon the heat of the oven. If it was a sharp oven and the bread was crushed it would lose more.

48. That means that in such cases the bakers would sell short weight?—Yes.

49. Is short weight sold?—I do not think much short weight is sold.

50. Do you think it would be better if a standard were fixed at which the dough should go into the oven?—Yes.

51. *Dr. Hight.*] You said there has been an increased efficiency in the workers since the last increase in the wages?—Yes.

52. You mean that the increased efficiency was due to the increased wage?—Yes. Before we had an award there was no such thing as an apprenticeship, but since the union was formed apprentices had to be indentured. The men are taught the trade right through.

53. It is not altogether the result of the increased wages, but the altered conditions—better organization, and particularly the learning of the trade?—Yes.

54. Which was the result of the introduction of the labour laws?—Yes.

55. *Mr. Hall.*] Are the bakers using machinery to any large extent—for instance, kneading-machines?—There are a few—not a great many.

56. *The Chairman.*] Did the rise in wages have a perceptible effect on the cost of the loaf?—I do not think so; 5s. rise represents such a small fraction that it could not mean raising the price of bread.

57. *Mr. Fairbairn.*] Have the wages of drivers increased?—Yes.

58. To what extent?—I cannot say.

59. *The Chairman.*] Is there a finer bread demanded now than ten years ago?—I think the introduction of roller flour has made the flour finer.

60. Is it more expensive?—I do not think so.

61. Then it has not added to the cost of living?—I do not think it has made any difference.

ROWLAND EDWARD COWPER, representing the General Labourers' Union, examined on oath.
(No. 84.)

1. *The Chairman.*] You are a representative of the General Labourers' Union?—Yes.

2. Can you tell us whether the cost of living to the members of the General Labourers' Union has risen of late years?—The term "general labourer" is a very wide one. For a period covering twelve years I worked in one district as a general labourer. We applied to the Arbitration Court to be classed as "skilled labourers," but we were all classed as "general labourers."* That was in the case of the workers in the pelt industry at the Christchurch Meat Company's works. In the year 1900 the number of men employed in that particular department was forty-five; the pay per hour was 9d., and the output was six hundred pelts per hour for the forty-five men. The shares of the company were at par—£10—and the dividend I do not know. Hand power was employed in 1900, and steam power also; and electric power in 1911. In that year the number of men employed was thirty-one, and the wages per hour were 1s. 5½d. It was piecework rate. The Arbitration Court wages were 1s. 0¾d.

3. There had been a considerable rise in wages, but the number of men had decreased?—Yes; and the output increased to a thousand per hour. The shares increased from £10 to £16, and the dividend was 8 per cent. During that period the whole of the works had been practically rebuilt. The number of men employed had decreased by 32½ per cent.; the output increased by 40 per cent., and the wages only increased by 22½ per cent. instead of 95 per cent.

4. The increased output was due to the improved machinery?—Yes; but that does not improve the wages. Employers state day after day that the increased cost of living is due to the increase in the wages. This instance shows that that is not so, and that, whereas nominally wages seem to have risen, they have really declined.

5. I thought you said they had increased by 22½ per cent.?—Yes, but the increased output has been 40 per cent.; so that the worker has given 17½ per cent. more labour, or has received 17½ per cent. less wages.

6. That does not follow. The increased output may be due to the increased efficiency of the machinery. If the worker's wages have been increased, surely that is a gain to him?—It is to him.

7. The wages have not increased in ratio to the output, that is true; but the wages have increased?—In my opinion, the position is as I have stated.

8. *Mr. Robertson.*] Your point is that the labour cost of production is less even though the wages have increased?—Yes, in that particular industry it is 17½ per cent. less. This is a specialized industry. Each man is a specialist in his own department.

9. You have proved that there has been no falling-off in efficiency?—I hold that it is labour that makes that machinery, and labour is entitled to some reward for that machinery.

10. Do they not get a reward by an increase in their wages from 9d. to 1s. an hour?—Yes, one portion of the labourers. I represent the general labourers. I got a return from the secretary of the General Labourers' Union. He asked a number of the men in his union to keep a correct account of their total earnings for four months, and he worked out the average earnings to be 32s. 6d. a week. Although one section of the general labourers has got an increase of 95 per cent., the earnings of another section have decreased, making the average earnings only 32s. 6d. a week.

11. *Mr. Fairbairn.*] You spoke of wages having increased from 9d. to 1s. 0¾d. an hour, but that on piecework it works out at 1s. 5½d. an hour?—Yes; it is done under the "team" system.

12. Your contention is that the employers are getting greater efficiency and more work as a result of the altered labour conditions?—Yes, in that particular line.

13. *The Chairman.*] Could you give us more about the general labourers?—That list shows their earnings. As to the general labourer, I have worked in almost every department, and I find that during ten years their wages have only increased by about 1s. 6d. a day—in fact, hardly that; and they are at the mercy of the weather.

14. Were they not at the mercy of the weather ten years ago?—Yes, but the cost of living is a long way higher now.

*These labourers are under the tanners' award.

15. Is it the wet weather and the uncertainty of employment that keeps the average earnings of the general labourer so low?—Yes.

16. Do you consider that 32s. 6d. a week is a living-wage for a man with a wife and family?—I certainly do not.

17. What would you consider the average rent of such a man earning 32s. 6d. a week?—Five years ago a cottage of three rooms was let at 5s. a week. The Government valuation of that cottage was £90. It was put in the market, and inside of a month it was sold at £150.

18. What land was attached to it?—About 20 perches. Next month the rent was increased to 6s. 6d.

19. Was the labourer able to pay that rent?—He moved out.

20. And tried to find a cheaper house?—Yes.

21. He would find it almost impossible in Christchurch to get a house at 5s. a week at present?—Yes. This cottage was really a box with a shingle roof, that let in the wind and rain.

22. *Mr. Veitch.*] What is your opinion of the general condition of the general labourers in Christchurch?—My opinion is that it is a standing disgrace to the community of New Zealand.

23. *The Chairman.*] Do you think there should be a national minimum wage?—That is what I advocate.

24. That would hardly meet the difficulty of the uncertainty of employment. It would be only while he worked that he would get the national minimum wage?—A man has to live just the same if he is out of work as when he is in work. The lowest wage must be that which will supply a man with food.

25. That is, if he is willing to work?—I think if we had a national minimum wage we would find out who are willing to work and who are not. How can a man work if he does not get enough to eat?

26. *Mr. Veitch.*] What is the general rate of wages for those casual men—1s. an hour all round?—Yes, for the hours they work.

27. Do you know of any cases where those men have been offered good regular employment in the country and have refused it—good permanent employment on farms?—Yes, I know of one case, but he was not offered permanent work.

28. Was he a married man?—Yes.

29. Would he have had to pay the cost of shifting his family into the country?—I should think so. I do not think the other man would pay it.

30. You state that, taking it all round, the rate of pay has gone up 1s. 6d. a day for general labourers?—Yes.

31. What time does that cover?—I should say a period of about ten years.

32. That 1s. 6d. a day increase is the rate of pay of those men who are only working part of their time. Would they get 9s. a week more than they were previously drawing?—No, that is only in proportion to the time employed.

33. How many men are there who come under the head of casual labourers at 1s. an hour in Christchurch?—It would be hard to state the number. The union embraces quarry-workers, grain-workers, wool-shed employees, and casual labourers.

34. Not wharf labourers?—No.

35. Not building-trade labourers?—Yes, they are really casual labourers.

36. Do you suggest that the best remedy is to fix a minimum weekly wage?—Yes, an hourly wage is no good.

37. A weekly wage for any man willing to work?—Yes.

38. Can you suggest any remedies for the present position?—If you look at the laws of the country you will find that a man is compelled to produce children. If you prevent it by means of abortion or murder you are liable to a heavy sentence. Therefore the State compels you to produce children.

39. *The Chairman.*] Married men?—Yes. But after the children are born the State throws a heavy responsibility upon the individual to keep the child. If they compel you by legal means in the shape of penalties to have children and keep them, the State ought to provide you with work once the children are born.

40. You are pleading for a Right to Work Act?—Yes.

41. *Mr. Hall.*] What proportion of the men you referred to as receiving 32s. 6d. a week were single men?—There would be a fair number of them single men.

42. Do you think that these men, if they were capable of doing farm-work at 27s. 6d. a week and board, would be better off working on farms?—Yes, providing they had decent houses to live in, and not barns.

43. With regard to the machinery you mentioned, would there be any loss from depreciation?—Not in this particular industry.

44. How long would it be before it had to be renewed?—During eleven years it has only been renewed once—this year.

45. Has there been any heavy cost of repairs during that period?—Yes.

46. *Dr. Hight.*] To go back to what you said of the pelt-workers: the result is that pelts were cheaper. Would not that benefit the community as a whole?—If they get them cheaper.

47. I mean, other things remaining the same, and the labour-cost being reduced, pelts would be cheaper, would they not?—They are exported.

48. But pelts are used here, are they not?—Yes, when they come back again.

49. Are they not used here as raw material?—In very small proportion in comparison with what is exported.

50. What do you suggest should be done with the fourteen men who were dismissed?—The Government should provide for those men. I think there should be State farms.

51. The men who are displaced now simply increase the number of casual labourers?—Yes.

52. Do you think if these men had been kept at school longer and were taught certain trade courses after leaving the primary school, they would have been in a better position to cope with the circumstances?—Not necessarily, because casual labour you must have.

53. But would not that tend to decrease the oversupply of casual labour?—If the men are specialized only in one department a certain proportion will fall out owing to the improvements in machinery.

54. The object of a technical school is to give training for a man to deal intelligently with the problems common to all trades, and in addition to give a little specialized knowledge necessary for the different trades?—That would be a big improvement.

55. Taking the average casual labourer, has he now more difficulty in getting employment than he had ten years ago?—I could not say.

56. Do not casual labourers lose a considerable amount of time in seeking employment?—Of course.

57. Has not the Labour Bureau diminished that difficulty?—The labour they require is generally in different parts of the country—opening up new lines of railway, making roads, &c. Married men cannot shift their families to every place where they may be given work. The Department does not assist in shifting the wives and families. Homes for workers are built in the cities, whereas they should be built in the country.

58. Do I understand that many casual labourers do not trouble the bureau?—I could not say.

59. You referred to the price of the shares of the company producing the pelts: does not the company conduct several branches of industry?—Yes.

60. Your statistics as to the capital referred to the whole of the operations of the company?—Yes.

61. *The Chairman.*] You spoke of a State farm to which men should be sent when out of employment: would you object to men leaving the State farm if trade became better, or do you mean that they should stay on the State farm always?—I think that those naturally adapted for farming would not require any forcing to keep them on the State farm.

62. Have you any other statement to make in regard to the rise in the cost of living?—I think the solution of the whole problem would be simply to impose a tax on economic rent.

CUTHBERT BOWYER, ex Grocer and Draper, examined on oath. (No. 85.)

1. *The Chairman.*] You have been a grocer and draper in Christchurch, and I understand that you are now engaged in farming?—Yes.

2. For how many years were you a grocer and draper?—For twenty years.

3. You are acquainted with the trade in Christchurch?—Yes.

4. Did you ever find, in the course of your business in Christchurch, that your choice of the persons from whom you might purchase certain lines was limited?—Yes, entirely limited: so much so that I could not buy here at all.

5. Were you able to buy direct from Home?—Yes.

6. It was only by being able to buy direct from Home that you were able to get a fair profit on your goods?—Yes.

7. Did you find that there was an understanding among certain merchants to let you have certain lines only at certain prices?—Yes.

8. Have you heard of a body called the Merchants' Association?—Yes, and also the Retail Grocers' Association.

9. Is there any knowledge that you have in regard to the retailers' association limiting prices?—Yes.

10. Was there an agreement to sell only at a certain price?—Yes.

11. Was that in any way in restraint of trade?—Decidedly it was.

12. Could you make a general statement on the subject?—Yes, I can go back to the time when I first came to New Zealand twelve years and a half ago. After I had been in Christchurch a month I went to Chrystal's and gave them my opening order. They said they would be very pleased to send me the goods. When I went again in about a fortnight's time for some more goods, after some conversation with them, they declined to supply me. Certain arrangements were made by me, and they continued until just prior to the opening of the Exhibition in Christchurch, when it was apparently decided to bring all the retail grocers in Christchurch into the association, and that those who did not join were to be boycotted. No travellers came to me that week. I went to Green and Co., and asked them if they wanted the cash with the order, and they said No, but they wanted every retail grocer to join the Retail Grocers' Association. I said that I did not care to join. They advised me to join. I saw that it meant that I would be boycotted if I did not join, so I joined to give it a trial, and that continued until June, 1909, when I decided to resign from the association. An effort was made to get me to withdraw my resignation, and I was told that if I did not withdraw my resignation they would stop all my supplies throughout New Zealand. Mr. Green and the late Mr. George Payling made the request to me to withdraw my resignation, and they said, "If you do not, we will stop your supplies throughout New Zealand."

13. Will you swear that they absolutely said those words?—Yes. They said that I would not be able to buy sugar or anything else from them; and I had it on good authority at the time that the Colonial Sugar-refining Company had been written to by the Merchants' Association asking them to withdraw their supplies from me. Aulsebrook and Co. stopped supplying me with biscuits and lollies. I went to see the Atlas Confectionery Company, and the manager told me that pressure had been brought to bear upon him not to supply me. I went to another firm, and they said they could not supply me. I was doing business with Chidgey and Co., and Mr. Chidgey said that pressure had been brought to bear upon him, and that he could not supply

me. Hudson and Co., of Dunedin, also wrote stating that pressure had been brought to bear upon them, and that they would have to discontinue sending me supplies. I also received a note from the Millers' Association to call and see them. I saw Mr. Hoare of that association, and he told me that he had been interviewed in reference to the matter, but that he was not disposed to stop my supplies. He said that what I had better do would be to send up the cash with each order, which I did. That went on for a little while, and Mr. Kelly, of the *Press* newspaper, interviewed me two or three times. I expected that the *Press* would publish the particulars of the matter, but whether it was through the influence of the merchants, and the fear that they might withdraw their advertisements, I do not know; but the *Press* did not take up the matter. The end of it was that prices were reduced on several lines, and then Messrs. Chidgey sent their traveller round, and I did business with them, and also with Hudson and Co. and with Payling and Co. After that I was given to understand by one of Payling and Co.'s employees that they had been requested to charge me as stiff as possible for my supplies. Then we had some trouble in reference to the coupon system.

14. *Mr. Hall.*] You said that Messrs. Hudson and Co. wrote to you in reference to this matter?—Yes.

15. Have you got that letter?—I fancy I mislaid it.

16. *Mr. Veitch.*] Could you send it to us?—I have given up my grocery and drapery store, and I fancy I have lost the run of the letter.

17. *Mr. Hall.*] What was the tenor of the letter?—It was to the effect that pressure had been brought to bear upon them.

18. By whom?—It did not say by whom; but the existence of the Wholesale Grocers' Association was known.

19. Are we to understand that you joined the Retail Grocers' Association through fear of boycott in the first instance?—Yes.

20. When you had the difficulty of getting supplies, did they assign any reason—that you were selling at unduly low prices?—No, they simply said they would not supply me.

21. Were the prices you were selling at high enough to enable you to get a fair living?—Yes.

22. Did you estimate the discount you got from the coupons was about 9d. in the pound?—The coupons bore the words that they would give 9d. value in groceries or 1s. in presents for every £1.

23. That is practically a discount of 9d. in the pound?—Yes.

24. What do you estimate is a fair profit on the turnover of retail grocers?—That depends upon the amount of business a man is doing entirely. The bigger a man's output the less are his proportionate expenses.

25. What percentage of profit does a man make in an ordinary medium-sized business?—It depends entirely upon the man.

26. *The Chairman.*] Have you any other statement that you wish to make?—It is possible that one of the objects of the Wholesale Grocers' Association is this: There have been instances where men of very small capital indeed have gone to them and been practically financed by them in business. The consequence is that the wholesale grocers want to protect them—the shops which they are practically running themselves.

27. They are like tied houses?—Yes.

28. *Mr. Veitch.*] Do you know of any such cases?—No, but in the course of conversation we know that this thing is done.

29. *Mr. Hall.*] You spoke of one firm that offered to supply you with goods if you were willing to pay cash?—That was the Flour-millers' Association.

30. Do you think that the Wholesale Merchants' Association would have been willing to supply you if you had paid cash?—No. I sent cash on one occasion to Chrystal and Co. with a small order—two dozen tins of baking-powder and a box of National candles—and they replied that they were stocktaking and that they had run out of those lines. Fancy a firm like that being out of such goods!

31. *The Chairman.*] During the time you were in business the duty was taken off certain lines of goods: did you find that the public got any benefit of the reduction?—We got a portion of it, but we never got the full rebate on anything really.

32. Did you get half of it?—Yes, possibly half was taken off.

33. *Mr. Veitch.*] The Retail Grocers' Association got half, and the Merchants' Association got the other half?—Yes.

34. Would the public get the other half?—The public got none. There is no doubt that owing to this trade association in Christchurch, and, in fact, throughout New Zealand, the tendency is to increase prices. That is really, I take it, their only idea in forming the association—to arrange prices. It does not matter whether they are timber-merchants, brickmakers, or millers—one of their principal objects in associating is to fix prices.

35. For their own benefit?—Yes, for their own benefit.

36. *Mr. Macdonald.*] Would not you say that the object was rather to steady prices—to prevent ruinous competition?—No, you never need be afraid of ruinous competition. Competition must be the soul of all progress.

37. Can you see any difference in principle in the retail grocers forming an association and labour unions forming an association to keep up prices?—The labourers, by their unions, are only striving for happier conditions—to better themselves as regards their living and working conditions; but the merchant who fixes the price lives perhaps in a palatial residence, and fixes his price so that he can continue there.

38. *Mr. Veitch.*] Do you know of any cases where a trades-union has gained an unfair advantage for its members?—No, I do not think so.

39. But you do know of a case where a commercial organization has gained an unfair advantage?—Yes.

Witness read correspondence as follows relating to restriction of trade:—

DEAR SIR,—
109 St. Asaph Street, Christchurch, New Zealand, 7th August, 1909.
We have your order of yesterday, for which we thank you; but regret that owing to pressure brought to bear on us by the merchants and larger grocers of this city we must pass it. They are too strong for us to oppose.
Yours faithfully,
Mr. C. Bowyer, Sydenham.
WILLIAMSON AND Co.

DEAR SIR,—
Dunedin, 12th August, 1909.
We are in receipt of your favour of 10th instant, and we note your remarks *re* Retail Grocers' Association. We are now writing to our Mr. Williamson, asking him to write us full particulars, and on receipt of his reply we will write you again.
We remain, &c.,
R. HUDSON AND Co. (LIMITED).
(R. HUDSON, Director).
Mr. Cuthbert Bowyer, Colombo Road, Sydenham, Christchurch.

DEAR SIR,—
Nelson, 15th July, 1909.
Replying to your favour of the 12th instant, we have referred the matter to Messrs. Green and Co., with a request that they keep you supplied with our goods as heretofore, if at all possible. Of course, at this distance we are not in possession of the necessary data in connection with the arrangement between Messrs. Green and Co. and the Grocers' Association to enable us to express any opinion with regard to it. If, however, you still have difficulty in obtaining our goods we should be glad to correspond with you further.
Thanking you for your inquiry,
Yours faithfully,
GRIFFIN AND SONS (LIMITED).
(GEO. R. GRIFFIN, Manager).
Mr. Cuthbert Bowyer, Colombo Road, Sydenham, Christchurch.

DEAR SIR,—
Nelson, 11th August, 1909.
We duly received your telegram of yesterday ordering certain lines of goods. While thanking you for this order, we regret that we are unable to supply you direct, as we have an agreement with our Christchurch agents that all business in their district is to be done through them. We can only hope that there is no obstacle in the way of our agents supplying the lines. Should there be, however, we are sorry that we cannot interfere between them and their clients.
Yours faithfully,
GRIFFIN AND SONS (LIMITED).
(GEO. R. GRIFFIN, Manager).
Mr. Cuthbert Bowyer, Sydenham, Christchurch.

Witness also said he had referred to sending an order with cash for goods to Chrystal and Co., and they sent back memo. [produced] saying they were out of stock; and explained the circumstance of his being interviewed by a *Press* reporter two or three times as to these price-lists, &c. The allegation had been made that he wanted a cheap advertisement. He had not come before the Commission with any such idea, but simply in the hope that all restraint of trade might be done away with in New Zealand.

GEORGE LELLIOT CULL, Wholesale Hollow-ware Manufacturer, examined on oath. (No. 86.)

1. *The Chairman.*] What is your occupation, Mr. Cull?—I am a partner and manager of the firm of T. Crompton and Sons, wholesale hollow-ware manufacturers. I have been in the trade for a good many years.

2. Has the cost of hardware as a whole gone up in New Zealand?—With regard to our particular line, there have been certain reflections cast upon us during the sitting of the Commission down south, and also here, and, if I may be permitted, I would like to make a statement in reference to the matter. A statement has been made that galvanized hollow-ware a short time ago rose, on an average, to the extent of 25 per cent. We challenge this statement, and have gone into the subject and find the average rise, taken over some twenty lines, which for a time were placed on the market at an absolute loss—this we can prove—is about 20 per cent., and that we were entitled to. On the other hand, other lines in the trade have remained at stationary prices, and some of every-day household lines are sold now at less than ever before; this notwithstanding the fact that wages within the past year have been increased to the extent of 12½ per cent. As a matter of fact, the present prices are about the same as those ruling up to some six or seven years ago—this in face of the fact that raw material has increased in cost since that time fully 10 per cent.—and this is rather under than over estimated—and wages are plussed 12½ per cent., as before mentioned. We, as manufacturers, should be in a position to wish to go on extending and adding to our plant and staff; and if the trade was in as rosy a state as some people appear to think, then we should without doubt be doing so: instead of which we have shortened hands considerably this year, and whereas previously we have worked a week of forty-seven hours we have adopted a forty-four-hours week sooner than lose some of our hands, and so as to still find employment for as many as possible. For this state of the trade we blame largely the wholesale importation of goods such as we manufacture, and these imported goods are made under vastly different conditions to what ours are. We pay men 10s. 8d. per day to do what girls do in England for a few shillings per week. Also, these imported goods are in no way to be compared with the Dominion-made article, either for weight or finish. Should the Commission desire it, we shall be pleased to submit samples for comparison. There are four manufacturers of the line in New Zealand, and if the plants were going at full pressure they could probably supply Australasia's demands. This what we might call mania for manufacturing was what led to some extent to the rise in price before referred to. We had all accumulated large stocks, and started chopping prices, which went on until we were selling almost every line below the cost of production, and the philanthropic business had to be dropped. Indications now point to the fact that we shall have to get further protection; and if we cannot get assistance through the tariff to enable us to increase our turnover, and thus make quantity reduce the cost, then we will have to make a further advance to enable us to get more profit out of the restricted output. A manufacturer of lines such as ours is not in a position to deal direct with the public. No person requiring a bucket would come to us, and if we had to deliver singly every article we made we should have more hands delivering goods than making them; and that, again, would have to be added to our cost. For this reason the merchant is called upon to be the distributor; and in

return for his storage of the line, his travellers quoting all over the country, his risk of bad debts, &c., he is due for a profit also. Our Manufacturers' Association is not a trust in any shape or form: we have no rules or penalties for anything whatever; and I am in a position to give buckets away on Hospital Saturday, or dispose of stock in any way I deem fit. But rather than see the old cut-throat business of three years back, we should drop the industry in which our firm has been occupied for the last thirty years, and use our premises for the stocking of the imported article.

3. *Mr. Fairbairn.*] You say wages have increased 12½ per cent.?—Yes.

4. What is the proportion of wages in buckets?—I could not say offhand.

5. You do not suggest that the increase is caused by the wages?—No; there is an advance in material.

6. What do you estimate the increased cost of production owing to advances in wages?—I could not answer that.

7. Would it be 10 per cent.?—I could not answer offhand.

8. Has material increased 10 per cent.?—Fully 10 per cent. right through.

9. Have you ever imported galvanized hollow-ware?—No.

10. Do you know anything of the cost of importation?—I have seen Home lists, and I have had advices as to what it would cost to land; also, I believe there are various qualities at Home, and, of course, we only make one here—the best.

11. Do you know that the cost of importing is at least 110 per cent.?—I have heard it stated up to 150 per cent. I would accept 110 per cent. as reasonable.

12. Do you think you require more protection?—It seems that we have got to get more. I have seen the lists of wages paid for the line at Home, and I have seen photographs of machinery, showing little girls working at the machines. These Home factories can turn out hundreds of thousands where we can make dozens.

13. Is your plant not up-to-date?—We are not using a plant anything like that; our plant is up-to-date for the size, that is all.

14. In regard to the selling-conditions of hollow-ware: is it within your knowledge that during the last three or four years a combination has been entered into between yourselves and certain hardware-merchants in order to fix the selling-rates?—Yes, we have fixed the selling-rates.

15. And the effect has been to increase the price to the small retailer at least 20 to 25 per cent.?—It is round about 20 per cent.

16. And this combination has insured a profit of at least 20 per cent. to wholesalers?—How do you mean?

17. A profit between the wholesalers and the retailers?—That is so.

18. That has been the effect of the fresh arrangement?—I do not know that the fresh arrangement has made that difference.

19. Did it exist before?—The hardware-merchants have always had a profit for handling our lines: there is no doubt about that.

20. Have you refused to supply people with your hollow-ware unless they agreed to your selling-conditions—do you admit that?—I must admit that I have.

21. And those selling-conditions meant an increased profit of 20 per cent. at least?—Yes, to the firm.

22. And the discounts were as stated [discounts read]?—Yes.

23. And the result has been about 25 per cent. increased cost passed on to the public?—Yes, it must be passed on.

24. By this combination?—It is hardly a "combination." We have an arrangement, but if I wanted to sell my stock to-day and take less than the price arranged, as set out, I could do so.

25. I was speaking about your having a combination?—I say there is nothing to stop my selling my goods at any price I like.

26. Nothing in the world; but you have entered into an arrangement that restricts the sale and fixes the price of hollow-ware?—I do not admit that. I am in a position to supply anybody round the corner at one-third off and 5 per cent. if I wish.

27. Will you supply an order for £5 worth of hollow-ware with those discounts?—No, it would not pay.

28. Would you supply a certain merchant with your hollow-ware at that rate and give them a free hand to sell at what price they liked?—No, because they would then soon be bringing the trade back to the position it was in before.

29. You have inferred that there is no such thing as restriction in the sale of hollow-ware?—It seems to me, Mr. Fairbairn, that some of the questions are rather too pointed; in a way it becomes a personal matter between the firm of Fairbairn, Wright, and Co. and my firm.

30. There was no occasion to introduce these names, but as you have done so I will ask, Have you not written to Fairbairn, Wright, and Co. refusing to supply hollow-ware unless they conform with the conditions which mean an increased price of 25 per cent.: you will not deny writing that letter?—I will not. It is rather a coincidence that it should be dated the 14th June last year, and this is the 14th June I am giving evidence here.

31. A coincidence, but that does not alter the fact, does it?—No.

32. *Mr. Hall.*] Who are the manufacturers of hollow-ware in New Zealand?—Taylor and Oakley, Christchurch; Kia Ora Galvanizing Company, Wellington; Southern Cross Galvanizing Company, Auckland; and ourselves.

33. The wages you are paying are 10s. 8d. per day?—Yes.

34. What are they paying in the trade at Home?—I did know a fortnight ago, but the information was left with Mr. Laurenson in Wellington, and I forgot it.

35. Could you supply that information?—Really, I have forgotten it.

36. *The Chairman.*] Supposing you were justified in increasing the local-made article 20 or 25 per cent., does it follow that the imported shoddy article should be increased 20 to 25 per cent.

too?—Well, say an imported bucket comes in for 9d., and it would cost us 1s. to make it here—say 1s. 3d. for selling-price. If a customer went to buy a bucket and saw the imported one marked at 1s., she would probably take it rather than break into a half-crown by paying 1s. 3d.

37. That is the reason why the imported article is preferred?—Yes, that is the sole reason.

38. But why enter into a combination that enables other people importing trash to put 20 per cent. on their articles?—I do not know that you can call an arrangement a “combination” altogether.

39. Perhaps it is too harsh a word: let us say “association.” I do not understand the reason for this. You are making a really good article, you say; then why increase the price of the imported article which is not so good?—We have to trade all over the Dominion, and a Dunedin man may want some buckets of a particular brand, our’s or some other brand; we cannot send half a dozen buckets, say, all the way to Dunedin or Auckland, therefore we have to run depots or let the merchants handle the line. The bulk of our stuff goes away from Christchurch to Dunedin and Auckland, and all over the Dominion. We have tried to work through branches, but it is unsatisfactory.

40. The usefulness of the combination comes in through the friendly services rendered to you by these merchants?—Yes, and so we consider it is up to us to see that they get a certain profit for the storage of our line. It takes a big room to hold £100 worth of hollow-ware, and that is a big item in the city, and then there are travellers all over the place in every township.

41. *Dr. Hight.*] There are four manufacturers of hollow-ware in New Zealand, and they have put down sufficient plant to satisfy the Australasian demand?—Yes, if going in full swing.

42. Does not that fact point to the conclusion that the price of the article is unduly high?—I do not think so. I mentioned the fact that it was almost a mania for manufacturing that brought about the last rise. There is no doubt that we have interest to pay on plants not working all day, and that if they could be kept going all the time it would decrease the cost of the line.

43. You are protecting yourselves now against the results of inefficient investment of capital?—It is not inefficient investment of capital.

44. What do you consider to be the demand for hardware—the amount of the demand throughout Australasia, in value?—I have no idea.

45. Do you know the value of the output in New Zealand?—No.

46. The value of the output required for Australasia would be at least four times that for New Zealand alone?—I guess it would be quite that, judging from what I have just seen in Australia.

47. Then the capital invested here is sufficient to turn out four or five times the amount of work you do?—Easily that; we could ourselves do four or five times the business we are doing.

48. From that fact alone, the price of hollow-ware, through the loss of return of interest on that capital, must be unduly high?—Well, a few years ago, when we were in keen competition, we were selling a good deal more hollow-ware for household use than we are to-day. The modern houses going up do not need the same quantity, because of the tubs, baths, &c., that are fitted in the houses.

49. Did you extend your plant upon the upward revision of the tariff?—There has been no revision of tariff on hollow-ware; it has always been 25 per cent. *ad valorem*.

50. Then the investment would not have been made but for the stimulus given by the tariff?—Probably not.

51. *Mr. Macdonald.*] Will you explain the statement that you have a protection of 110 to 150 per cent.?—That includes duty, freight, and all charges from the factory at Home to the store in the Dominion.

52. Can you tell us the amount of hollow-ware made in New Zealand?—No.

53. Nor the number of men employed in the industry?—The blue-book which Mr. Laurenson showed us in Wellington recently is the latest information I know of.

54. You have stated that there is a combination or arrangement to fix prices: is there anything in that arrangement in the way of penalty for withdrawal?—Absolutely none at all. The association was brought about in the first place through the Christchurch manufacturers swamping Auckland with hollow-ware until the Auckland manufacturers held a stock of some 15,000 to 20,000 pieces, and prices began to go down; and we all thought it was very foolish to go on with that cut-throat business.

55. *Mr. Robertson.*] What award of the Court do you work under?—Tinsmiths and sheet-metal workers, I believe; but I am the business-manager, and do not have anything to do with the running of the factory, or the labour end at all.

56. You have a union of workers?—Yes, certainly.

57. *Mr. Veitch.*] With regard to the extra profit charged now upon imported goods, which we have fixed at 20 per cent., was it not?—No statement was made about that.

Mr. Veitch: I thought so.

Mr. Fairbairn: No, I think there was some little confusion over that.

Witness: I was saying that, in conjunction with the using of the merchants as a means of distribution, we had tried to distribute the goods to the retailers, and it cost us about 20 per cent. The question did not arise in connection with the imported article.

58. *Mr. Veitch.*] I got the impression on my mind that an arrangement existed with the Merchants’ Association and you that they would charge higher profits on imported goods than hitherto?—Certainly not. There is not a hardware merchant in New Zealand but who is free to land the English article if he likes at any price; as a fact, they are doing it at Auckland and Wellington to-day, and selling up against us. You will find more English galvanized hollow-ware there than Dominion-made articles.

59. *Mr. Hall.*] I understand you to state that when you were fighting the other manufacturers the prices were reduced, and the amount of the output was then increased?—Yes, considerably.

60. Would this extra output allow you to turn out the goods at a greater profit?—Well, if I dropped my price to-day it would simply mean that the hardware people would think it was a chance for them to make a little, and they would buy up a big stock.

61. But if you ran your factory continuously you could reduce your cost very much?—The more we can turn out with the same plant and the same charges the better. The galvanizing-pots are going from New Year's Eve to New Year's Eve—they are never out; and if we could keep them going twenty-four hours in the day our costs would be reduced by half perhaps for expense in the way of wear-and-tear and general up-keep.

62. Then you think prices could be reduced and the increased output would still leave a profit?—Certainly the prices could be decreased—not just now though—if we were working at a bigger pressure; at any rate, it would do away with the chance of a probable rise later on. There will have to be a rise on account of the exceptionally high tone of the metal-markets at Home just now.

63. *Mr. Fairbairn.*] This arrangement or combination that was entered into between the merchants and yourselves twelve months ago has only been in existence that time: prior to that your hollow-ware was sold openly?—Not openly; there was always an allowance for the merchants.

64. What was that allowance?—It was a difference of working out on the sheet—round about 15 per cent.

65. Is it not within your knowledge that a certain firm has been selling your hollow-ware at an advance of $2\frac{1}{2}$ per cent. for the last ten years?—I have not heard of it.

66. Have you any knowledge of its existence for any time?—Yes.

67. How could you say that there has been a profit of 10 to 15 per cent. if you knew the distributing-charge was $2\frac{1}{2}$ per cent. in this case?—That is a very small portion of the trade.

68. Does it not occur to you that your action in refusing supplies to that firm is simply boycotting?—It made such a disturbance in the trade to have that $2\frac{1}{2}$ -per-cent. arrangement. The particular firm who were prepared to accept $2\frac{1}{2}$ per cent. were only one customer amongst many. It would have inflicted a very great hardship to have forced every hardware firm on to that basis. The firm which used to buy from us and sell at $2\frac{1}{2}$ per cent. could not keep going at that rate.

69. Did you ever suggest that to that firm?—No, the firm suggested it to me.

70. Suggested what?—They made a suggestion like this: would it not be advantageous, or something to that effect, if we were to work together, and—

71. And they would guarantee your output?—Yes.

72. And still handle on $2\frac{1}{2}$ per cent. basis?—Yes, something of the sort. Also, we wanted to know what our prices were going to be if there was such an arrangement, and we were informed that our prices would have to be the set price that other manufacturers were doing the line at.

73. Naturally. Well?—That would, of course, have meant that had our firm made any arrangement like that we were up against a combination of manufacturers, and I have an idea that if so there would have been no more of the firm to-day.

74. I can quite understand that there has possibly been an element of force in this matter?—I do not think so.

75. Does not that last statement of yours suggest it?—No, we have gone into the matter quite openly.

HENRY OAKLEY, General Hollow-ware Manufacturer, Tinsmith, Gas-plumber, &c. (of the firm of Taylor and Oakley, Christchurch), examined on oath. (No. 87.)

1. *The Chairman.*] Do you do wholesale or retail work?—Mostly wholesale, but just a little retail in certain lines.

2. What is the rate of pay for your journeymen?—10s. 8d. a day; and for the quality and quantity of work it is the highest paid trade in New Zealand to-day.

3. Has it arrived at that point through several rises of late years?—Yes, it has been gradually rising; every time they have gone to the Court they have got a rise, and for this the masters are to blame, for not having any combination. Had we amalgamated as the men have done they would not have got this rise. The wage is quite unfair for the work; we do not require skilled men, and yet our minimum wage is 10s. 8d. for men or youths who do not need to serve their time. A labourer off the street would do the work equally well. The wage is an unfair one.

4. *Mr. Fairbairn.*] What is the classification?—Tinsmiths and sheet-metal workers.

5. *The Chairman.*] How many men does your firm employ?—Fifty or sixty, and sometimes seventy to eighty.

6. It varies with the season somewhat?—Yes, and the amount of sanitary work, plumbing, gasfitting, &c.

7. Some of your men are highly skilled?—Oh, yes, we have got highly skilled men, for which, of course, we have to pay more wages.

8. *Mr. Fairbairn.*] Have you any statement showing increases in hollow-ware trade?—Yes, this shows it to some extent. In the tinware the increase for the last few years has been pretty considerable. This return was shown to us in Wellington by Mr. Laurenson, but, as we pointed out to him, the increase is largely brought about by the dairy industry and the making of canisters—tea and biscuit tins; otherwise the growth in the hardware trade is not so great as some years ago. I have had a very large experience in this trade—have been in it for thirty-seven years. Sheet-iron articles were made at first, and then came galvanized-iron ware, and formerly we received better prices than now. These prices enabled us to save money, but of late years we have been losing that money.

9. Can you give us any information as to the number of men employed in the galvanized hollow-ware trade; this list is not classified [list handed to Chairman by witness]?—I could work it out perhaps, but that return does not show it. I want to point out that the increase in the number does not apply to the tinware trade in domestic articles: the increase is not in that at all—in that line it is less than it was: the increase is in the dairying and canister and biscuit-tin making.

10. *The Chairman.*] You do not make those articles?—Yes, sir, we do—canisters and tea-tins.

11. So that really one branch of your business has increased very much?—No, sir; the manufacturers of the biscuits—all the larger ones—make their own canisters. Aulsebrook and Co. do so, and so do Edmonds, baking-powder people, and others; and these manufacturers are exempt from the Arbitration Court award, and can get their boys and workers to fill in time making the canisters, and do it much more cheaply. They are not tied by the award, and can work the boys at any price they like.

12. Has the general price of hollow-ware increased during the last few years?—Yes, sir, a little; galvanized hollow-ware has.

13. We are inquiring into the cost of living, and the cost of hollow-ware being raised would increase the cost of living?—Certainly; but although there are only three or four manufacturers, there was very keen competition brought about through the unfair tactics of some of the merchants; some of them acted fairly, and some very unfairly. For instance, if our traveller were down in Dunedin, it was reported to him that the people there could buy hollow-ware at, say, 7½ per cent. better than our prices, or perhaps it would be said that Taylor and Oakley's prices were better than somebody else's. If I were told that some one else was selling lower, I told my traveller to go 5 per cent. cheaper than anybody else. The consequence was we were selling at a loss; we were actually paying people to come and take our light buckets away. The Dunedin people brought this state of affairs about, and then we combined, not to form a "trust," but to make an arrangement whereby this unfair competition was eliminated, and we manufacturers could no longer be exploited by the merchants saying one man's stuff was to be had lower. We were compelled in our own interest to take up the stand that we would not sell lower than a certain price. Article for article, we are cheaper now than the imported hollow-ware. I have seen samples taken to the dust-pit in Wellington, and others to be repaired, that were a disgrace to the colony to import. I have seen pictures of factories at Home where girls are working at these great machines, girls who are specialists at the work, and they get 2½d. to 3d. per dozen for the work according to the quality. That same article for labour in New Zealand costs 5s. per dozen. Of course, there is a very large output from these Home factories, and the machines are very large. We have some very good machines here, but it would not pay us to install such machinery as those. To work our machines we have to pay a man 10s. 8d. per day. We used to have a machinist at 9s.—a carter would do the work—and yet I have to pay him 10s. 8d. now. We did try girls on machines, but I do not think it is proper work for a girl; I think a girl can find other duties far more suitable.

14. *Mr. Hall.*] These are light buckets you are referring to?—Yes.

15. How much can these girls earn at the rates you mentioned?—They earn about 10s. to 12s. per week, and they seem satisfied with that. They are experts, and these factories supply the world. That would be the outside wage they earn, so far as I can learn. I saw the printed list giving the rates at 2½d. and 3d. per dozen.

16. *The Chairman.*] If the girls were "used up" in the business it would prove they were unfit for survival?—I suppose so.

17. *Mr. Hall.*] What city is that in?—I think it was Birmingham.

18. How many buckets do your men turn out per day?—It depends on the kind of bucket—a man does not do the work right through. A man would average, say, two or three dozen a day of some kind.

19. *Mr. Fairbairn.*] With the aid of the machine?—Yes, of course; he has to put on the handles and hoops.

20. That is not the finished bucket?—Yes, that is completely finished. Three dozen per day would represent one man's time—that is, of course, without galvanizing.

21. Prior to this arrangement the price for an 11 in. bucket was 10s., less 10 per cent. and 2½ per cent.?—Yes.

22. That reduced the cost to 8s. 9d.?—I suppose so; I have not figured it out.

23. Now, for the same bucket with the arrangement so entered into you increased the list rate to 15s. 9d.?—Yes.

24. And to large buyers you gave one-third off and 5 per cent. and 2½ per cent.?—Yes.

25. That reduces the cost, approximately, to 9s. 9d.?—I dare say that is right.

26. The price to the small man by this operation is 20 per cent. off 15s. 9d.; that reduces the prices to 12s. 7d., less 2½ per cent., or 12s. 3d. You are therefore guaranteeing a profit of about 26 per cent. to the distributor of these buckets. If it were a question of the manufacturer getting the increased cost it would be a different matter?—We had to raise our prices; we were compelled to do that.

27. In addition you also guarantee a profit to the wholesale distributor of 26 per cent.?—I do not think it pans out so much as that.

28. That 11 in. bucket was sold to the public at 1s. prior to the alteration?—Yes.

29. Now it cannot be sold at less than 1s. 3d.?—Yes, that is so.

30. And the bulk of that extra profit goes into the hands of the distributor?—That may be so, but we could not possibly do without the distributor; we tried it that way, but it would not work out. We cannot send a traveller out profitably with one line—he must have several lines; and it suits the ironmonger to handle our buckets as one of his lines, and he pushes them—he can afford to do so. If he was getting nothing out of it he would cut out the line, and rightly so, and then we would have to send our own travellers, and it would cost us more to do so.

31. Yet you have heard that a particular firm has been doing that on 2½ per cent.?—Yes, I heard that. The firm that will do that—I do not know how they are going to live; I think there is bankruptcy before them. You cannot run a business on 2½ per cent., in my opinion.

32. Still, we are dealing with facts?—Well, I do not think it is fair for a man to work on that basis. We cannot run our business on a 2½ per cent. basis; we would go to the wall if we tried. There must be means of paying rents and taxes, and rates, and wear-and-tear; we cannot do it on a 5 per cent. basis.

33. *Mr. Macdonald.*] But you are in the hands of the Merchants' Association?—No, sir, I think not; I do not see why.

34. But your statements show it?—We are to this extent: that we wish them to sell our goods.

35. They practically dictate terms to you?—No, they do not dictate terms to me or any other manufacturer. If I did not want to sell them I would not do it. They might suggest a certain thing, and if I fall in with their views I would agree to it, for our mutual benefit. We find it better to deal with the merchants and have the use of their travellers. Of course, unless a man is going to get a certain amount of remuneration for it he is not going to send out travellers of his own.

36. *Mr. Robertson.*] What is the date of the last award made in your trade?—Early this year.

37. And the rates?—10s. 8d. for journeymen, and for galvanizers 11s.—the old rate; 10s. 8d. for machinists.

38. You said there had been a very large increase in the output due to the dairying industry, &c.?—Yes, dairying, and making of canisters and tea-tins; but no increase in the domestic goods which we principally manufacture.

39. The rate of wages applies to the men engaged in the manufacture of dairying-utensils, &c.?—Yes, but not tea-tins and canisters.

40. That has created a scarcity in your trade for tinsmiths?—They were scarce for some time, but lately we have shortened hours. We can do a forty-seven-hour week and are working on a forty-four-hour week, so as to enable us to keep all the hands on. We have hands who have been working for us for twenty years, and I would be very sorry to get rid of them; they are good servants and well satisfied with their job.

41. The result of the last award is that more men have been attracted to the industry?—I could not say that. I know that occasionally now we have men calling for work—several lately have called on me wanting work; and some two years ago we could not get men, although we advertised in the Dunedin, Wellington, and Auckland papers.

42. Do you not think the scarcity of labour at that time caused a rise in wages?—Yes, it has something to do with it. But the Court was prejudiced when it came here—the case was already settled in Dunedin before they heard us at all; and had the masters had a conference the men would never have got those rates. 10s. 8d. a day is a fair wage for a skilled tradesman, but not for a labourer, and a labourer could do this work; and where goods are brought into keen competition with foreign articles, then the thing is unfair.

43. The scarcity of men would probably have fixed the rate before you went to the Court?—Yes. We paid good men 11s. per day before; but we wanted hollow-ware workers to attend to the machine, and a man out of the street could do that; it does not want a skilled worker. In a week's time any man could do the work we want; but the Court would not listen to that, and they awarded 10s. 8d. all round.

WILLIAM HERBERT HAGGER, Officer in Charge, Labour Department, Christchurch, examined on oath. (No. 88.)

1. *The Chairman.*] Can you tell us anything about the farm labourers' accommodation in this district?—I have inspected some, but most of it has been inspected by other Inspectors. We inspect only when we receive reports that the accommodation is insufficient, or unsatisfactory, or bad.

2. Have you found that to be the case on your visits?—In years gone by I did visit a large number of stations in Canterbury and other districts, and I found in many instances that the accommodation was insufficient and unsatisfactory. I have not inspected any stations for the last three or four years.

3. The accommodation you found to be insanitary as well as inconvenient?—Yes, all sorts of things that should not be so I found; the unsatisfactoriness was principally in the shearers' accommodation.

4. And as to the farm-labourers' accommodation?—I have made some inspections under that Act, and in some instances I have found the accommodation very, very bad.

5. Were they cheerful places?—You could hardly form an idea from the description how bad they were; we took one man before the Court and compelled him to provide better accommodation.

6. On the other hand, you only inspected when complaints were made, and on many farms you believe there is sufficiently good accommodation?—Oh, I think so.

7. Your experience is exceptional, as it were?—The secretary of the Farm Labourers' Union makes periodical visits to the various districts, and gets information from the farm-workers as to their accommodation, and he then reports to us any cases where there is need of attention; so that most cases brought under our notice were of bad accommodation.

8. You would hardly be impartial then, because your experience is with bad cases generally?—Yes.

9. You move about the country a good deal, I suppose. If country workers were guaranteed (1) good accommodation, and for married men, separate homes, (2) good pay, and (3) regular occupation all the year round, do you not think there are a great many men in town who would

go into the country?—Yes, especially those not in constant employment. I think casual labourers would jump at the opportunity of getting these conditions.

10. Do you think they should be offered employment under any other conditions?—No.

11. You would not expect a married man to go into the country with a chance of a three or four days' job, and not knowing where the other work was to come from?—No, certainly not.

12. *Mr. Hall.*] Would these town men be competent to do the work—to stack and plough and drive a reaping-machine? The untrained man is at a disadvantage on a farm as in a factory?—But a willing man on a farm can very soon learn how to do the work.

13. *Mr. Fairbairn.*] We had some evidence from Mr. Kennedy yesterday as to accommodation [evidence read]: have you met anything like that?—In most cases there is insufficient air-space as laid down by the Act—that is, there is not the 240 cubic feet per man. This especially applies to threshing-mill owners. That is the worst accommodation we come across. They have travelling-wagons, accommodation on wheels, and in many instances there is no provision made for a dining-room. In wet weather the men have to get their meals out in the wet, or wherever they can. I have come across some very, very serious cases—cases where the men had only tents provided, and the tents blew down during the night, and the men's clothes and blankets got wet, and they have been compelled to stand up all night in the cookhouse, or under stacks. Of course, that has been when there has been a storm. They frequently move from place to place late at night, and they have the difficulty of pitching their tents and providing accommodation in the dark.

14. *Mr. Hall.*] Are those men employed by the owners of threshing-mills?—Oh, yes; I was merely giving the conditions of country work.

15. How long will the threshing-mill be on the farm?—It depends on the weather.

16. In an ordinary way a small farmer would get through his threshing in a few days?—Yes, that is the difficulty; they are always shifting.

17. Then they are not employed by the farmers?—Oh, no, they are not farmers' men, but they are provided for under the Accommodation Act.

18. *Mr. Robertson.*] Speaking from your experience, would you consider that the conditions described by Mr. Kennedy were at all improbable?—No, I have seen some very bad places, so I would not like to give that opinion.

19. *The Chairman.*] Are you aware that when the Shearers' Accommodation Act was first put into operation we found that shearers had to sleep in places that had been fowlhouses and pigsties?—Yes, I came across cases of that sort. We had a case where a farm labourer was engaged for employment, and was asked to sleep with a child in the house; and then he asked to be moved, and was put to sleep outside in a shed, but in the night he found it was full of vermin. There was a door to the shed, but no window. He found it was really a fowlhouse. We immediately demanded that improvements should be made. The owner came in and "raised Cain" with us. Mr. Lomas, head of the Department, was in the office at the time, and I cross-examined the man as to the accommodation, and he admitted that he had kept fowls there; but he thought there should not be much vermin, because he had spread two tins of insect-powder about.

20. *Mr. Robertson.*] In regard to farmers securing men: sometimes a farmer might apply to your Department for a man, and you send one out, and he finds after travelling a long distance—perhaps spending his last money to do it—that the place is filled: have you seen much of that kind of thing?—Not so much now as formerly.

21. Would that be a factor in inducing men to live in the town?—Yes, it might affect the case.

22. Is not this overlapping of registry-offices a factor?—I have not found that so in my experience.

23. What effect has the labour legislation had on the increase in the prices of the commodities of life, in your opinion?—Well, I only got this notice a short time ago, and that is such a big question that I do not feel prepared to go into it now.

JOHN SCOTT MYERS, Market-gardener, Marshland, examined on oath. (No. 89.)

Witness stated he had had twenty-five years' experience.

1. *The Chairman.*] Have you any statement to make?—Yes, Mr. Chairman. The first question in the cost of living is the cost of land. Land has gone up in our district 75 per cent. in twenty-five years—the settlement was started in Marshland twenty-five years ago. At first land was £37 per acre; now you could not buy an acre for £100.

2. Is that a fair sample as to land in that locality?—Yes, and that is five miles from the centre of the city. The land there is in small farms of some 15 acres mostly; it has been mostly market-gardening done there, but the people cannot make it pay. Next, with regard to the charge that labour has gone up 50 per cent. Now, twenty-nine years ago I was a ploughman, getting 22s. 6d. and found, and then I married and went with my wife on a station as married couple for £80 per year; then we came to Marshland and bought a section (on terms), and have been growing vegetables for twenty-five years.

3. *Mr. Fairbairn.*] What did you pay for the land then?—I bought it on terms at £37 per acre, and got about 6½ acres.

4. *The Chairman.*] What would a married couple get now?—About £90 per year; most of them no more than £80. Then for twenty-five years I have been growing vegetables. Vegetables used to fetch more—once I got £60 from 1 acre for cabbages, which I sold at an average of about 1s. 6d. to 2s. per dozen.

5. What are they worth now?—I sold seventeen dozen recently for a total of 4s. 6d.—lovely cabbages they were: that was about a week ago. This was at auction. Another line of cabbages sold by the same firm of auctioneers weighed 85 lb. for twelve cabbages, and the prices

were: 1s. 1d. per dozen for three dozen, 1s. per dozen for five dozen, and for two dozen only 10d. per dozen, and another five dozen at 8d. per dozen, and these weighed 85 lb. to the dozen.

6. *The Chairman.*] Would you be surprised if I said I had seen cauliflowers sold for 6d. per sack, and then retailed at 6d. each, and 3d. given for a sackful of cabbages?—It would be quite correct. I have worse lists of prices than that.

7. *Mr. Fairbairn.*] These prices are delivered in store in Christchurch?—Yes, in the sale-yard, as we call it. We growers have to take them there. There is another line of cabbages which I got 2s. 2d. for—2s. 2d. for the whole ten dozen, not per dozen—and they were splendid cabbages.

The Chairman: And the auctioneer charges 10 per cent.

Witness: Well, I shall put in these returns showing the prices I have had as a grower [lists of cabbage-sales put in]. Then with regard to peas: there is no use growing anything when the market is overstocked. I make a practice of growing peas late in the season. I grew the peas shown in these returns when peas were selling at 1s. 6d. per peck, and my returns were—Six sugarbagfuls of peas, 3½ pecks to the bag: One bag for 3s., one bag fetched 3s., one fetched 2s. 10d., one fetched 2s. 8d., and one 2s. 9d.; they were marketed on the 22nd March. I happened to have left behind three bags, so on the Saturday morning I brought them in to the same market, and then these same peas on the 23rd March fetched—one bag 1s. 8d., one bag 1s. 7d., one bag 1s. 2d. I had to provide the bags and pay the auctioneer's commission, and at the time peas were selling for 1s. 6d. per peck. That is not the worst part of it. That is a time when peas were scarce. At Christmas-time peas were only 4d. and 3d.—thousands of pecks were sold at that rate; the shop price at the same time was 8d., 9d., and sometimes 1s. per peck. In all cases we had to deliver the peas in Christchurch for those prices. Then, with regard to apples and other fruit: I saw a gentleman stated he could buy apples in the markets at 1d. per pound. I sold all my orchard (over ½ acre) at 1d. per pound.

8. Would that be pudding-apples or eating-apples?—Oh, good apples. I used to pick my apples and sell them in the street. I had a little reserve at the corner of a street, and hoped to show people the necessity of having produce-markets established. [Lists put in showing returns from this stand.] I made a practice of being there at 10 o'clock every Saturday, and left at 4 p.m., and I took the whole of my produce there and sold it in that way; but I found that the working-class did not get my goods, but the farming class, who came there in traps and bought them up. Most of the working-people wanted the stuff carried for them. Well, I have been brought up on the principle that if people were too lazy to carry their food they were too lazy to eat it.

9. Then the returns to growers, you think, are not sufficient?—No, we have to work hard, and I would defy any man to grow cabbages, and cut them and bring them into the city, and earn 1s. per hour at it.

10. Is there any ring of buyers keeping the people from bidding?—I know it has been so. I was asked only last week to put the vegetables in big heaps—that was, of course, so that the big buyers would buy them.

11. Have you a fruit-market in Christchurch?—Only the auctioneers' markets.

12. *Mr. Hall.*] If private individuals were buying at these markets, do the shopkeepers run them up?—I do not say they run them up. But I will tell you an instance to which I want to draw public attention. I was at an auction sale when they were selling peaches for 1½d. per pound*—good local-grown eating-peaches—and the buyer took between thirty and forty cases of a certain brand, and when I criticized that man's action through the newspaper he was not man enough to come up to the mark.

13. *The Chairman.*] Do buyers buy cases at a low rate for subsequent sale?—Yes, the buyer takes one, and all the other cases are marked down to him. But I say it is impossible to get fruit cheap under the present system. This very man as a retail fruiterer pays £5 per week rent for his shop, and his frontage is 12 ft., and he pays £40 per year to the City Council for rates, and has to find gas, and labour, and so on. It is impossible for the people to get cheap fruit like that. Further, this system of selling is not required. Fruit and vegetables do not require to be in fancy shops; they should be in a public market. We have here a Market Reserve, which in this very Provincial Chamber Mr. Godley gave to the people of Christchurch, and it is now taken away from us. In that very market you could buy fish and fruit thirty years ago cheaper than now.

14. And the revenues of that reserve are devoted to some other purpose, I suppose?—There are no revenues from it; only the Queen's statue stands there. But that is only one instance I gave of shop-rent. I know another fruiterer who pays £3 per week for a little shop it takes you all your time to turn round in—a Chinaman's shop in Cashel Street. These shops cannot sell fruit and vegetables cheaply. For a bag of potatoes at 10s. the auctioneer gets 1s., the man who hawks them gets 2s. or 3s.; so there is at least 3s. or 4s. taken out of that amount quite unnecessarily. That is one of the greatest drawbacks about the business.

15. You think there is too much distribution?—It is simple waste, sir. There are thousands of tons of vegetables that should come into this city and do not, because it does not pay to bring them in. I hold that this City Council should be compelled to give us a public market. I interviewed the Council with a representation of the Trades and Labour Council, but the City Council said they could not start the market because they could not compel the people to bring in the goods. They want no compelling. I gave the Council a list of every man in Marshland, except one, and they were all willing to take in produce. The reason why the City Council will

* Mr. Myers wished to make the following correction: He should have said that the peaches referred to in his evidence as selling at 1½d. per pound at auction were sold at 1½d. per lb., and at the time were being retailed in the shops at 5d. per lb.

not give the people public markets is that many of them are personally interested in one way and another. And so they let the fruit be mauled and hauled about before it reaches the consumer. I could shock the Commission if I told them how some of our produce is grown—grown on the worst refuse of this city. Scores of acres of vegetables are grown in this way, and the Chinamen carry it round to the people. Next take the milk-supply: I hold that the City Council should have charge of this. Milk is taken to the city now at 8d. per gallon. There are forty dairies in our district, and the people have to leave their farms at 4 a.m., and come seven miles with the milk. If the Council undertook that work the milkmen would each supply a certain district, and that only, going from door to door. I wanted to put my boy in the milk trade, so I know what are the facts. I wanted to buy a milk-round for him of 20 gallons a day, and was asked £40 cash for the goodwill.

16. *Mr. Fairbairn.*] What is the retail price of milk?—1s. per gallon in summer, and 1s. 4d. in winter. There is no milk-factory in our district; one started a few years ago, but it did not work well.

17. *Mr. Macdonald.*] Are you going to buy this milk-round for your son?—No, I objected to pay for goodwill at the rate of £2 per gallon; the boy would be selling milk for twelve months and getting nothing for it.

18. What price do the retailers pay for any milk they buy?—9d. to the farmers in winter and 8d. in summer. The milk is not supplied from door to door by the farmers; they bring it into the city to the milk-depots, and then the milkman goes and buys it again, and it is thus handled again by another party, and they each get their profit.

19. What months is it 8d. and what months 9d.?—In May, June, July, and August it is 9d., and for the other eight months it is 8d.

20. *Mr. Hall.*] Does it ever go below 8d.?—Oh, yes, sometimes it does; they do not always get 8d. for it.

21. Do these wholesale people turn their surplus into a butter-factory?—No, all the milk comes to the city; we have a great number of dairies in Marshland, but it all comes in for city use.

22. Have these farmers got to make a contract to supply a certain quantity?—Yes, in some cases for a certain quantity of milk, and at a certain hour of the day. If they are short, they have to buy to supply the contract quantity.

23. *The Chairman.*] Have you anything else to say?—Yes; there is this question of coupons. I have been married for over twenty-eight years, and I have never allowed coupons to come into my place, but my wife has been agitating for them. Now, I find here a coupon [coupon handed to Commission] which came from a half-pound of tea, and the first prize, according to it, is five guineas, the second prize four guineas, and the third prize three guineas. That means, so a dealer told me, that for every pound of tea the buyer pays 3d. extra.

24. *Mr. Veitch.*] You mean there is 9d. worth of tea and 3d. worth of raffle?—Yes, I have that on the best authority. I do not know the exact weight of tea in these packages—I have never weighed them.

25. *The Chairman.*] This seems to me to be a gamble; if the first prize was a clock, or something else, it would be another matter; but with money-prizes it is gambling?—But this coupon system is bad even in the value of the goods for prizes: things are bought for, say, 5s. and reckoned to be of a value of 15s. or 16s. for coupon purposes.

26. And your suggestion is that this method makes things dearer, and so affects the cost of living?—Yes, makes poor people pay when there is no occasion for it. With regard to the list of my market returns: these are exact returns, wet days and fine days, and they include the goods bought by housekeepers, and those bought by what I call the “parasites” to sell again at a dearer rate.

27. *Mr. Hall.*] I am not clear on one point: supposing a lady went to the market to buy some fruit or vegetables, would she have a reasonable chance of getting them?—Well, no, although the Act is passed to give her a chance. There is a ring there, and yet there is not a ring. The aim and object is to keep her out, and that is done in different ways. The buyers would, say, buy up the whole line she wanted some of, and so keep her out, and make her buy through them. I gave an instance of how that was done with the peaches.

28. One man buys for the crowd, and they are knocked down to him, is that the way?—Not always.

29. If forty cases were put up and one man said “I’ll take twenty cases,” would the rest of the fruit be again put up to auction?—The man would take the lot, as I mentioned.

30. Has the first bidder that privilege?—They give those parties the privilege every time.

31. You do not quite understand me?—Well, I went to get a case of oranges, and asked the price, and was told 4s.; I got fifteen dozen oranges for 4s.

32. Supposing there are forty cases put up, and the first man says he will take twenty, and another dealer says he will take twenty, does the second buyer of twenty cases get them at the same price?—Yes, they are knocked down to the man; he takes the whole line.

33. But, supposing a man takes only part of a line, would the auctioneer put the rest up?—He would put them up again if only half were taken, say, but none of the buyers would bid higher.

WILLIAM ARTHUR D’ORRIDENT, Fisherman, recently Captain of Steam-trawler “Mullogh,” and Owner of Fishing-boat, examined on oath. (No. 90.)

Witness stated he had seventeen years’ experience in different parts of New Zealand.

1. *The Chairman.*] Will you tell us the conditions of the trade?—I want to tell you that, in regard to the different towns I have been in, and especially in regard to Christchurch. At the present time you have to send your fish to the markets—from Timaru, Oamaru, and elsewhere it

comes to Christchurch. It is practically a private market, and the sale as far as possible is restricted to the few people who go into the market. The general public, to all intents and purposes, cannot buy fish there. If fish becomes plentiful, buyers will, nevertheless, take only a small quantity, and the rest of the fish is supposed to be sent to the destructor. I myself several times in the last three years have had returns of this. I have sent three barrels of groper from Timaru: one barrel was sold for 10s., and the other two were supposed to be sent to the destructor.

2. Is there any belief that the auctioneers themselves put these fish into the frozen stores?—That is what I want to know; but we do not know what becomes of the fish.

3. Were these fish you mention perfectly good?—Yes; there was not a suggestion that the fish were not fit to sell. I caught it one morning, and it was railed through to Christchurch and sold the next day.

4. Who decides what fish is fit to freeze and what fit for the destructor?—The auctioneer uses his judgment.

5. Will they not freeze for the fisherman according to instructions?—At that time there were always excuses made. I know the auctioneers used to buy a lot of fish themselves and put it into the freezer, and it is a question whether some of the fish supposed to be destroyed did not really go to the freezer. I mention one case: Three years ago last September I was in the market, and there was not a groper to be seen; it had been bad weather on the coast. Yet a man in Timaru had fifty cases in his own name frozen, and the auctioneer would not bring them up to the market.

6. *Mr. Fairbairn.*] Why not?—Because he did not want to encourage the men to freeze on their own account. It was a privately owned lot of fish.

7. Have you documents to prove that?—I can substantiate it by naming the man in Timaru who had the fish, and the auctioneer as well. [Name handed to Commission; Commission decided to summon fisherman.]*

8. *The Chairman.*] Is there anything else you wish to tell the Commission?—Yes; I will go back to last week. Last week there was barracouta sold in this market for 4s. per dozen. They were bought by the auctioneer, smoked at a cost of about 1s. per dozen, and then sold back to the hawkers at 8s. per dozen.

9. Is that an extraordinary transaction?—Oh, no. I know that the auctioneers buy a lot of fish; they send it to customers in the country.

10. *Mr. Fairbairn.*] Are the public not permitted to buy?—I suppose a man could go in and bid, but I doubt if he would get the fish knocked down to him.

11. Are they not sold in suitable quantities for the public?—No, they are generally too large for a private man to buy. A fish auctioneer is not licensed, and practically he is a free lance; as far as I can see, he is not bound even to return account sales or anything else. He does not come under the Auctioneers Act, so that he is absolutely a free lance. In Dunedin up to a little before twelve months ago the auctioneers there gave no returns for the fish at all. Instead of getting a detailed statement, as you get here or in Wellington, you would simply get a report of Monday, say, three barrels, Tuesday four, Wednesday five, and so on. Besides this, you have to use the auctioneer's barrels and pay 2d. per barrel, and simply put in a tag to show to whom it belongs. If I sent an outsider to that market to see what my fish brings he could not tell. The seller does not even give you a return of your own fish. The fish are turned out, the auctioneer takes off the ticket, puts it in his pocket, and then afterwards in the office he writes on the ticket what he likes as the price the fish brought—say the average amount. We claim that we should have the returns of our own fish. The average rate for the Dunedin market was under 1d. per pound at one time. Then the fishermen formed an association (they cannot form a union), and they limited the quantity sent in, so that they should not get down to the ridiculous prices they did.

12. That is, according to the Commercial Trusts Act they could not form a union?—No—the Arbitration Act. One of the heads of the Labour Department told me that.

The Chairman: That is correct: the men use their own boats, and are neither employers nor employees.

Witness: But if there are two men in the boat the skipper gets no more than the other men. The boat takes 4s. in the pound, and the rest is divided evenly between the two men. Really we are pieceworkers, to my idea. If we could form a union, the scheme I had was to force the dealers to sell fish with a sliding scale—when it was 1d. to us it should be retailed to the public at, say, 2½d. To show how the market is at times I mention this: For five months (three years ago) in Timaru the average return was ¾d. per pound net.

13. What about the expenses?—That is clear of expenses. Of course, the freight is heavy from Timaru. And these fish are never sold at less than 3d., mostly at 4d., per pound retail.

14. *Mr. Fairbairn.*] What is the freight from Timaru?—I think it is 24s. per ton; from Oamaru, 32s. 8d. per ton; and 38s. from Port Chalmers.

15. And you only got ¾d. per pound?—Yes.

16. The freight is only about ¼d. per pound?—Yes; but it had to come out of that ¾d.

17. Supposing the freight cost 1d. per pound, there is still a leakage of 2d. per pound before it reaches the consumer. It is in the cost of distribution that this leakage takes place?—Yes, that is the point. Most people will only buy a certain quantity of fish. If you get a glut, say a hundred barrels of groper, you would probably see a good part of that sent to the destructor. The dealers only buy a certain quantity, and they will not reduce the price to the public. Then, in regard to the fluctuations in the quantity of fish brought into the market, there is this trouble: anybody can come into the trade so long as they have enough money to buy a boat. In four years there have been in Timaru six farmers, one ex-policeman, one hotelkeeper, and one school-teacher who have got boats. These men go into the trade for a little while. In fine weather they go out and catch a big load, and down comes the price to us all. When it is bad weather they are no good—they have not the necessary experience.

* The fisherman named had left Timaru some months before and could not be traced.

18. You spoke of 3d. per pound net return: was that exceptional?—No, that was for five months—that was the average. Things were so bad I left Timaru and went to Oamaru. There the price the fishmongers were giving was 1d. up to 12 lb., and 1s. apiece for groper over that weight. Thus, if the fish was 9 lb. they would give 9d. for it, and if it weighed 60 lb. they would give 1s. for it. They gave the bigger price for the smaller fish.

19. Are they not better fish?—No. The best groper of the lot weighs about 20 lb.; any way, they sell the fish at a uniform price of 3d. per pound. In Wellington all the fish is sold direct to the fishmonger, and sometimes he sells it cheap to get rid of it. It is a standing price there, in a way, for us.

20. *Mr. Fairbairn.*] But is fish cheap in Wellington?—I think it is cheaper there than in Christchurch.

21. *The Chairman.*] You have never heard of the shores being white with fish, thrown in to keep up the price?—I have known shoals come in and you can catch thousands, and sometimes the Italians keep on fishing until the price has come down to 2d. per bundle instead of 6d. In Wellington the principal part of the trade is in Italians' hands. At Warehou Bay there was once a few English people, but now they are all Italians.

22. Do they not sell all their fish to Fernandos?—He takes the bigger quantity; but the men fish for all the firms in Wellington. The trouble in Wellington is that the fish are made into bundles: a fish caught in a 7½ in. net is a "bundle," perhaps; a moki is a bundle. The fish might range from 24 lb. to 2 lb. in weight. A fish of 24 lb. is one "bundle," but if the fish is less than 6 lb. in weight then you have to make up the bundle. A schnapper bundle is supposed to be 8 lb., but a fish of 20 lb. is still one "bundle"; but if below the 8 lb. then you have to put in two or three fish to make up the bundle to at least that weight, and so the dealer reaps the benefit, and the fisherman gets nothing extra for the big fish.

23. What about Christchurch?—Well, I consider that the auctioneer should be forced to sell fish to the general public, and should not be allowed to buy fish himself under any circumstances. If the auctioneer can buy fish, it is not to his advantage to get the biggest price. When fish are scarce we get correct returns, but when fish are plentiful no one can tell what the fish are fetching. Then, the auctioneers should be forced to sell by weight, instead of in twos and threes. Then the fisherman would know what he was getting.

24. And the auctioneer should not be allowed to deal?—That is so. Then, if the Government would give the fisherman a certificate it would be a good thing. Instead of every Tom, Dick, and Harry going into the trade, before a man could take charge of a fishing-boat he would have to serve so-long in a fishing-boat, and be capable of handling it. Then we would get a better class of fishermen.

25. Would that not create a close corporation?—I do not think there would be any fear of that. I know two butchers who bought a boat in Oamaru. It was not safe for the rest of us to be in the harbour when those two butchers came in; they had no idea how to manage a boat. I think the masters of all boats should be certified. If a man wants to take charge of a trawler he has to go to sea and get another certificate. I want to see a universal ticket covering all fishing-boats. A trawler might come here financed by a syndicate—this is quite possible in Lyttelton. It would employ ten men. She would do more than ten boats employing twenty men. In time she would knock out the boats; and yet if one of those twenty men got a chance of taking charge of the trawler he could not do so; and once the small boats were knocked out the trawler could put up the price of fish how he liked. At present there is a great deal of waste of fish. The fish in most of the grounds are getting further and further away, and a lot of outsiders coming into the trade and catching big quantities are destroying fish-beds that in years to come would still be left to the regular fishermen, and the beds would propagate if properly treated. In all the fishing-grounds, even at the Chatham Islands, the fish are getting scarce. If we had only regular fishermen in the trade they would come to know the exact quantity of fish required, and they would not catch any more than that quantity, and then there would be no fish destroyed. It is no good to anybody catching fish and sending them to the destructor. I now put in returns from Wellington. This is the biggest price I ever had in the trade [returns of Wellington fish-sales put in] in seventeen years—four ships. The prices were 3½d. per pound, 2½d. per pound, and 2¾d. per pound; and the charges for freight were 100 per cent. dearer than I could have got the freights for myself. The figures are given on the accounts.

26. *Mr. Fairbairn.*] What do the fishermen get for flounders?—The twelve months I was master of the "Mullogh" the average price would be 3s. to 4s. per dozen. The flounders we caught were big ones, averaging 15 lb. to the dozen, and the average price would be 3s. to 4s. per dozen.

27. What would a flounder weighing this 1¼ lb. measure?—He is a big fish: he would measure nearly 1 ft. long, and would be sold at 1s. to 1s. 6d. retail.

28. *The Chairman.*] Have you anything else to say?—I think in the interests of the trade, right through New Zealand, the fishermen should be given greater facilities for getting the stuff to market. At the present time they will only take the fish from south by one train—the first express. We had a deputation to Mr. Millar, Minister of Railways, to get the Oamaru fish sent by the second express, as was done with the Timaru fish. Instead of that, he knocked off the Timaru fish from the second express. To catch the first express we have to have our fish on the beach by 9 a.m. This gives us no time at all to fish.

29. *Mr. Hall.*] If any private individual went into the market to bid, would they have a reasonable chance of buying?—I do not think they would, myself. Three years ago I was in Feron's market, and there were some fish left after the day's sale—twenty or thirty groper, slightly stale, but perfectly right to eat that day. A young man came in, and was told they were 1s. each. He gave 1s. to old Mr. Feron and got the fish; and young Feron said to his father, "What did

you let him have that fish for?" Old Mr. Feron said, "He is one of our buyers; he buys fish regularly from us." Young Feron said, "If you let a man have one fish like that we shall have the whole town in."

30. Do the buyers run up the prices if they see there are private buyers there?—I have heard of it; I have not seen it myself. I want to give another instance, about crayfish. In September, three years ago, I came up with eleven sacks from the Peninsula. I sent eight sacks to the market; there were thirty-two sacks in the market—an average of thirty sacks for four days at the time. As far as I could make out, two of my sacks were sold, and for the whole eight sacks I got 11s. clear. Really, I think two sacks were sold at 10s. each, and in each of those sacks there would be about three dozen fair-sized, saleable at 1s. and upwards. My net return was 11s.

31. How many auctioneers are there here?—Really there is only one—that is, Mr. Newman, who has bought out Feron.

32. Why is it the fish-auctioneers are not on the same footing as other auctioneers?—Because they deal in perishable products. If I catch fish and send it to the auctioneer he can sell it without a license, but if you bought the fish from me first and then sent it to the auctioneer he would need a license.

ROOKWOOD COMPORT BISHOP, Secretary of the Christchurch Gas, Coal, and Coke Company (Limited), examined on oath. (No. 91.)

1. *The Chairman.*] How long has your company been established?—Since 1864.

2. Has the company steadily grown in business?—It has, sir.

3. Have you got any balance for the last year?—No, I have not; I did not bring that.

4. Could you give us a rough idea of the size of the company—about how many shareholders?—Oh, yes; approximately there are about 350 shareholders.

5. And the capital of the company?—The capital is now £200,000, paid up in £5 shares.

6. That capital was increased some time ago?—I have been taking out the figures for the last ten years. During the last ten years we have called up £80,000 from the shareholders—that is, direct cash from them—and borrowed £25,000 on debentures. All that money has been spent in improvements and extensions.

7. What was the rate of dividend last year?—10 per cent. on the face value of the shares.

8. On what the shareholders paid for them?—Not on what it has cost the shareholders to obtain them. They were at a premium in the market.

9. *Mr. Macdonald.*] That is the usual way?—Yes.

10. *The Chairman.*] What was the reserve last year?—I think it was £5,000 to depreciation and reserve. They are put together.

11. Have you any figures to show the comparison of gaslight with the cost of electric light?—I can only attempt to speak of our own industry; I do not think it would be fair for me to criticize one in competition with us. I have prepared a few figures in case I might be asked for these. These show that ten years ago lighting-gas was 16 per cent. dearer than it is now, and power-gas (we make a differential rate) was 25 per cent. dearer. During the same period our average wages have increased per man by 25·16 per cent. It is an average from 5 per cent. to 30 per cent. in the different lines.

12. *Mr. Fairbairn.*] What relation has that to the increased cost of production?—The cost of gas has decreased.

13. The cost to the company. You do not suggest that has added 25 per cent. to the increased cost of producing gas? What relation has it to the cost of production?—That would require a very close analysis to see how far it affects the whole question of production.

14. When you speak of an increase in the cost of wages of 25 per cent, any one reading it carelessly might suppose that the cost of production had been increased by that percentage. We want to get at the exact added cost of production by increased labour-charges: that 25 per cent. might only mean 1 per cent. increase in cost of production?—Those are the total wages paid. Had they not increased the gas could have been sold considerably cheaper.

15. Can you get the analysis I ask for, telling me the amount of the cost of production that is due to wages?—I am afraid I cannot get that for you. I know the amount of wages paid last year was £30,790 14s. 6d.

16. And the total amount of gas sold?—About three hundred million feet.

17. And the value?—I cannot give you that.

18. What is the average price per million feet?—There are two distinct prices.

19. I know. You could not analyse the two into lighting and power, so-much for each?—I could not do that for you.

20. What is the approximate turnover in sales, in money?—I have not that here. I thought the Commission would go into the question of price to the public, not of manufacture—simply lighting and fuel to the public. I did not expect the inquiry to take this turn.

21. Could you give us the information I have asked for? You could give us the total sales for twelve months and the total expenses; and you say there is a 25-per-cent. increase in wages, or, roughly, about £6,000. I would like to know what relation that has to the price of production?—It would be approximately £6,000, divided into 300,000,000.

22. What are you selling lighting-gas at?—5s. 9d., and 4s. for power: those are the net prices.

23. What are the relative proportions of the gas-light to power?—I could not tell you.

24. Do you think it would be difficult to send in a statement telling us how many million feet is for gas for light and how many million feet for power?—I might be able to obtain that.

25. Does the wages bill include salaries?—No, that is operation wages—the men's wages, not the salaries; it is for manufacture and distribution. It has nothing to do with the office staff; there are no salaries in the amount.

26. *The Chairman.*] Can you tell us the price of gas relatively to cost in Christchurch, Wellington, and Auckland?—I am not aware of the prices elsewhere except by hearsay evidence.

27. But you know the prices surely?—I believe at Auckland the price is about 4s. 6d., and in Wellington about 5s. 5d., but I have no direct knowledge. I think it better for you to get that information direct at Wellington and Auckland.

28. *Mr. Macdonald.*] What price do you get for your coke?—From 22s. 6d. to 30s., according to the quantities.

29. I suppose you have a ready sale for it here?—We have had a fairly ready sale. We have induced the dealers to take the matter up. I may say that as an economical fuel I do not think coke is appreciated as much as it should be; I speak from personal experience as well as from a business point of view. Coke fires require a little more attention, but there is no better and more economical fuel, especially when burnt with a little small coal, and with free draught.

30. What price do you get for tar?—We have been getting recently 4½d. to 6d.; it has increased this year. Previously we had contracts with the City Council running as low as 3d. per gallon.

31. Taking an average of ten years, what is the price?—We had difficulty in selling tar at one time, and I established a foreign market for it, and was exporting it at 2d. per gallon.

32. Tar has advanced in price mainly because you have a local market for municipal purposes?—And we began distilling it at one time, but the extension of suburban localities hardened the price of tar.

33. Are there any other by-products?—We manufacture anhydrous ammonia for freezing purposes.

34. With a steady sale?—We have established a record. There is not much in the business. The fact is, the accumulation of what is termed ammoniacal liquor became somewhat of a menace to us. We could not store it, and up to a few years ago, by diluting it with plenty of artesian water we were allowed to use the drainage system to get rid of it. Eventually the Drainage Board called upon us to abate a "nuisance." So we put up expensive machinery to treat it, and we have established a record in New Zealand for the very finest quality of anhydrous ammonia, and it is being supplied to and used by all the freezing companies and to shipping companies, to the partial displacement of the imported article. We cannot manufacture sufficient for the Dominion requirements. It has answered our purpose to make it, but I doubt if we should have gone into the business if we were not compelled to get rid of the nuisance, as I explained.

35. What about sulphate of ammonia?—We do not touch that.

36. What are you paying for coal?—I am not permitted to disclose the contract prices. I may say that coal has advanced, roughly, from 1s. to 1s. 6d. per ton during these last eighteen years. It is Westport or Newcastle that we are using.

37. What is the average production of gas per ton of coal?—That I am not permitted to disclose.

38. I do not see why not?—Perhaps not, but I am not allowed to disclose it.

39. What retorts are you using?—All horizontal.

40. This annual consumption of three hundred millions does not account for all the gas made: what is the percentage of loss?—That has been rather high this last two or three years.

41. Will you tell me what is the percentage of loss?—No, I do not think I will. I do not see that that can affect the question. As to these details of manufacture I prefer to consult my board before I disclose anything. Some of you gentlemen have been executive officers under other people, and you will quite understand my position. I prefer that you should write for any further details of this description, and I shall be glad to submit the correspondence to my directors.

42. How do you provide for your extensions of mains?—Entirely out of capital—absolutely. That is why we have had to call up £105,000 in the last ten years.

43. I understand that although £105,000 has been called up, out of capital, there has been a certain amount of reserve or bonus distributed: is that so?—I give it an unqualified denial. There has been no bonus and no distribution during the last ten years. Every shilling expended on mains has been provided out of capital.

44. I am not denying your right to add to your capital, Mr. Bishop. But I have seen something similar to this stated in the papers?—I have seen a good many things in the papers. Our capital account is absolutely clean; all our works, all our mains, all our meters, and everything in connection with that has been paid for by cash provided by the shareholders.

45. I am quite willing to admit that; naturally it was the shareholders' cash; but I was inquiring into the method of its obtainment?—It was called up out of their pockets.

46. There has been a certain amount of reserve distributed among the shareholders?—Many years ago.

47. On two or three occasions, at any rate?—Twice, but many years ago.

48. Is that included in your capital of £200,000?—No.

49. Is not that part of your capital?—No, nothing whatever to do with it.

50. At the time your distributed you called up your capital: was not one amount equivalent to the other?—No. It was from two different sets of people. When we distributed the £20,000 many years ago that was distributed direct to the shareholders, and they were invited to take up new shares. This was threshed out before a special Committee of the House, at which I appeared, and I explained the whole procedure. The same people who provided the capital were not those who got the dividend. Many of the shareholders did not take up a share, although some did.

51. Was the amount you distributed in that way equivalent to the issue of the new capital?—It was the same amount, but to different people.

52. And that also took place on the second occasion—the same amounts in both cases?—Yes, the same thing happened.

53. You hold that they were different people?—You are going back twenty-five years now, which is outside your scope.

Mr. Macdonald: That has a bearing on the price of gas as sold now.

Witness: There are one or two figures as to what an average workman's or tradesman's cottage consumes. This is the average consumption per house per year, from houses taken haphazard, four- and five-roomed cottages, in Sydenham, St. Albans, Linwood; the average is 10½d. per house per week for thirty houses: that is for last year. This is for light, for cookers, gas-irons, &c.

54. *Mr. Fairbairn.*] Can you give us that for ten years ago, too?—I will try to do so. I also take the workers' dwellings, which we supply, and the average is 1'2s. per week—say, 1½d. more. [Returns put in.]

55. *The Chairman.*] You publish a balance-sheet every year, I suppose?—Our balance-sheets are distributed to the shareholders; we do not publish them.

56. You would have no objection, though, to our having, say, balance-sheets for the last three years?—I shall ask my directors, and I have no doubt they would let you have these.*

57. Thank you. Do you not think gas is very dear here?—I think the gas here is the most economical supply in the Dominion. We supply free all mantles for the upkeep of burners, and plants of all kinds are maintained; for that alone we have a staff of forty men and boys. We distributed during last year a hundred thousand mantles free, and the total cost of that to us is four or five thousand a year. We do that so as to give the public the fullest benefit of the gas.

58. *Mr. Macdonald.*] Some companies give away their stoves, and still only charge 2s. 6d. a thousand?—Not in New Zealand.

59. And I know of municipalities that cannot get rid of their coke at all in New Zealand even at 6s. per ton, or even less, and yet they supply gas to the consumers, on an annual consumption of 25 millions, for 4s. 2d.?—I am very much surprised to hear that about the coke.

60. I am not speaking at random. I am chairman of a Municipal Gas Committee which reduced the cost of gas to 4s. 2d.?—I have never heard of it.

61. And we cannot get rid of our coke at all—that at Westport?—Oh, well, there is no sea carriage.

62. That will not make the difference between the 300 million and 25 million feet?—You are right alongside your coal.

Mr. Macdonald: That does not account for it.

63. *The Chairman.*] Do you not think it would be better to reduce the price of gas and charge for the mantles—do you not think it makes things look rather hard for your company, if they charge by the method they do?—You may think so, but, on the other hand, we have followed this practice for the last nine or ten years, and we find it gives such satisfaction to the consumers that the value of this satisfaction is considerably more than the 2d. or 3d. it costs us.

64. But it makes your gas look unequal in the comparative table of rates?—It may do so. It is really all a question of wages, and the satisfaction to the consumers is so great that we are welcomed in the houses, and all the consumers are our friends; and it is our pride as well as our pleasure and our business to see that they are getting the best attention, and we are always proud to see the place clean and bright, and the consumers also realize that they are getting the fullest value possible from us.

65. *Mr. Macdonald.*] In 1904 you submitted a statement to the Christchurch City Council. You said that your capital expenditure was about £172,000?—I could not say from memory.

66. It has increased to £200,000 at present?—You are speaking of what we have expended altogether. I am speaking of the capital called up. In addition to our capital we have got a heavy impost as well that we owe in addition to the debentures.

67. *Mr. Robertson.*] Can you tell us the capital expended to date?—Not from memory. These details I am not prepared for.

68. Your output of gas in 1904 was 167 millions, and now it has increased to 300 millions, and the last reduction in price was in 1895: is that so?—I think so.

69. And you could not give us your capital expenditure to date?—No.

70. *Mr. Fairbairn.*] Your last reduction was in 1895: is that so?—Somewhere about that. [Witness, on referring to records, said there had been a reduction from 7s. 6d. per hundred to the present prices—5s. 9d. for light and from 6s. 8d. to 4s. for power. The reductions were made in 1888, 1890, 1897, 1898, 1900, 1909.]

71. Between 1900 and 1909 what was the reduction?—From 6s. 8d. to 5s. 9d. for light, and for power from 5s. to 4s.

72. But you said that in ten years the price of gas was reduced 16 per cent?—No, I said it was 16 per cent. dearer ten years ago.

73. What was the price in 1901?—6s. 3d.

74. Then, ten years ago, the difference is 10 per cent.?—I see.

75. Are the meters for light and for power kept separate?—Yes, up to a certain power or above a certain power.

76. And below that it is charged at a uniform rate?—The little hot-air engines go on the usual service.

77. What is the limit?—½ horse-power.

78. But in consumption, I mean?—There is no limit after ½ horse-power; I cannot give you anything further than that.

* These balance-sheets have since been supplied to the Commission.

JOHN AVIS PANNETT, Farmer, and Chairman of Directors of the Farmers' Co-operative Association, Christchurch, examined on oath. (No. 92.)

1. *The Chairman.*] Where is your farm?—I farmed in Canterbury nearly all my life, but I have a sheep-farm in Otago. I live in Christchurch.

2. Have you noticed a considerable rise in the cost of necessaries of life, as they come through your association?—No. Speaking from inquiries made of the heads of the various departments, on the whole there has been very little increase in the cost during the last fifteen years. In clothing there has been an appreciation in some lines, say, of 10 to 15 per cent.; in other lines there has been a decrease; on the whole we take it that there has been very little increase.

3. On what class of clothing has there been an increase, and on what a decrease: have woollens and cottons increased, for instance?—I am not in a position to say on what classes the decrease has been. I am acquainted more with the general management of the business. In boots, I understand, there has been no great difference.

4. Do you sell men's heavy boots, or more ladies' boots?—Quite an all-round stock; but we do not keep quite as high a class of light stock as some retailers keep.

5. *Mr. Veitch.*] Have the prices of men's boots increased most, or the ladies'?—I think, on the whole, there has been very little increase in the cost during the last fifteen years. There has been a great demand for a better class of boot, and the artisan and farming classes want a more expensive class of clothing, too.

6. Is it possible that the fact that we have complaints as to the cost of things having greatly increased—boots and clothing, for instance—is due not to increase in the values, but to excessive rents of shops and other distributing-charges? Is that the explanation?—I do not know that an explanation is required of any great increase; there will be a difference, of course. We claim that by the aid of good management and co-operation we do our business probably at a less cost than the smaller shops; but I was not aware there was much variation in the prices now as compared with some years ago.

7. If the rise in the ordinary shops has been much, and the rise in co-operative shops has been little, that is an argument in favour of co-operation, you would contend?—Yes; but I am not aware there is such a great difference in the good shops. We endeavour to sell at a moderate profit, and use our influence in that direction. I do not think either we or most of the other businesses are making inordinate profits.

8. I do not say so. I was trying to find out the explanation of the varying statements made here?—Well, I think probably my evidence in connection with the farming industry will be more useful. I am not very well acquainted with the retail prices.

9. *Mr. Fairbairn.*] Would you care to make a statement to the Commission from the farmer's point of view?—Yes. I notice you are inquiring into what extent the price of land has contributed to the rise in the price of commodities. I do not think it has increased the price of commodities except to a slight extent. The main reason for this is that the price of our farm-produce is regulated by the price in the markets of the world; the local consumption is only a small factor. The higher price of commodities, and the more stable conditions, have made farming more profitable, and there are other factors in this: a much better system of farming obtains now than fifteen years ago. We have artificial manures largely used, we have improved implements for cultivation, and these increase the yield. The reduced rates of interest are also an important factor. But during the last ten years there has been the greatest rise in the price of land, and money has been at about the same rate. The improved methods of farming and the exportation of commodities have enabled farmers to accumulate money, however, and the price of land has gone up in consequence. The question of the increased cost of farm labour is thought by some to have increased the price of the produce. I do not think that is so, because our prices are regulated by the Home markets. The farmer cannot get any more for his produce whether labour is cheap or dear. Nor do I think the proximity to the towns adds greatly to the value of land for farming purposes, now that we have railway facilities. It does for milk, potatoes, &c., for local use, but these are small things, comparatively speaking.

10. *Mr. Hall.*] Your association has a very large turnover?—Yes.

11. Was it started by the farmers?—Yes.

12. And do you purchase the farmers' produce from them?—Some; in most cases we prefer to export and sell for them.

13. All kinds of farmers' produce?—Yes.

14. Do you think this method has reduced the cost of distribution on the things you are buying for them?—Yes.

15. Lowered the prices?—Yes.

16. Is labour more difficult to get for farming than it was ten years ago?—Yes, it is much more scarce than ten years ago.

17. Is that calculated to induce farmers to go into grazing?—Yes, it is an important factor in that respect; for the last ten or twelve years, at any rate, it has had a marked effect on farming throughout this Island—the comparative scarcity of labour.

18. *Mr. Veitch.*] Have you any suggestions to offer for the purpose of getting over this shortage of labour?—One very important one is the question of accommodation for farm hands—not the single man; he is well provided for. But if there were more cottages for married men I think that would be a help, and it would prevent many young men drifting away to the towns. At the same time I do not think that is a sufficient remedy. The scarcity is accounted for by the increased area brought under cultivation, and such large numbers of farm hands taking up land on their own account, and there are not the men in the country.

19. What is the remedy, then?—Immigration is the chief remedy, now, I think. At the same time, better accommodation would be helpful. It is remarkable to me that farmers do not recognize that more generally, and provide cottages for their hands.

20. *Mr. Robertson.*] You think by co-operation you have decreased the cost of various articles: are those benefits confined to your shareholders?—No; but I think that by our policy of demanding only moderate profits we have benefited the whole of the public.

21. You sell on commission for the farmers and indent for them?—Yes.

22. Could you give us an idea of how many shareholders there are in your association?—I do not remember exactly—something over six thousand.

23. *Mr. Hall.*] Most of them are farmers, I suppose?—I think the larger proportion would be farmers; but we have a large number of town shareholders who hold enough shares to get credit with the association.

24. *Mr. Robertson.*] What is the total issue of shares to date?—I do not like to quote that without the figures before me. I know our turnover last year was slightly under three millions in all departments. That includes the commission business as well, and we have a large auction business in live and dead stock.

25. What dividend was paid last year?—6 per cent., with a bonus of 4 per cent.

EDWARD THOMAS WOODFORD MACLAURIN, Customs Officer, Christchurch, examined on oath. (No. 93.)

1. *Mr. Fairbairn.*] We wanted information from you about the duties on various goods—some witnesses have rather vague ideas about the tariff. First, what are the duties on slippers?—On British slippers invoiced at 1s. 9d. per pair the duty would be 15 per cent. *ad valorem*, and at 6d. per pair about 9½d. The free list is—shoes, 0's to 6's; boots, 0's to 6's, with 10 per cent. preferential. There is 1s. 6d. on men's boots above 5's, and below 5's 1s.; women's 1s., and girls' and boys' 6d.

2. And all these fixed rates are subject to a duty of 15 per cent. and the whole to a duty of 50 per cent. preferential?—Yes, half on all round.

3. Would the duty on £30 of felt have been £9?—No, it could not have been more than £6 12s. under the present tariff. Most felts are free of duty; good felts are free if cut up within six months under Customs supervision, or it can be imported cut up, free.

4. In connection with the manufacture of candles: the duty is 1½d.?—Yes.

5. And wax 1d. per pound. Has there been any remission?—No; candles used to be a different rate. Paraffin is reduced now.

6. The duty is 1½d. on candles?—Yes, 1½d. per pound duty and half on for preferential; and paraffin wax 1d., and stearine ¾d. In 1907 the duty was paraffin wax 1½d. and stearine 1d.

7. Which is mostly used in connection with the manufacture of candles?—Paraffin wax is much more used, I think.

8. What would the average candlemaker pay in the way of duty per pound—an average of ¾d.?—I should say so. There is a good deal more wax than stearine used.

9. Then they only get protection to the tune of ½d. per pound?—I think so, yes.

SATURDAY, 15TH JUNE, 1912.

CHRISTOPHER EDWARD HAMPTON, Flour-salesman, examined on oath. (No. 94.)

1. *The Chairman.*] You are a flour-salesman, Mr. Hampton?—Yes.

2. You were traveller for the Flour-millers' Association at one time?—For the Christchurch branch of the association.

3. Was there any understanding, to your knowledge, that the millers of Christchurch should only deal with certain parties?—No.

4. There was a free market to any one who chose to buy wholesale from the association?—Yes.

5. What was the reason for the existence of the association?—I do not know of my own knowledge.

6. Were complaints made at any time by persons with whom you did business to the effect that there was any restraint of trade through the association?—No, not to me.

7. *Mr. Robertson.*] Had you a definite area over which to travel?—Yes, what we call the Christchurch district, which extended from Rangitata up to Kaikoura.

8. And, of course, no other traveller for the associated mills would work in the same area?—Not while I was their representative.

9. Were there travellers representing any other mills working in the same area?—Yes, representing the millers who are operating outside the association.

10. Were you travelling in the flour business before the association was formed?—No; I had no experience of the flour business prior to the association's time.

11. *Mr. Hall.*] While you were with the Millers' Association was there any arrangement to restrict the output of the mills?—I believe not.

12. How long were you with them?—I left them at the end of November last. I was with them for eight or nine years.

13. Do you know whether any such arrangement was made when the Millers' Association was first formed?—No; I was not with them at the commencement.

14. *The Chairman.*] Do you think that the price charged for bread was a fair retail price considering the cost of the flour?—My opinion is that, as a general rule, the bakers do not get enough for their bread in comparison with the price they pay for the flour—that is to say, bakers, as a rule, work on very small profits.

15. If it was possible to trace the price of a sack of wheat from the time it was handed to the miller to the time that it is delivered as bread, where would the majority of the profits made in the business come in?—I could not say.

HEDLEY VICKERS FREE, Draper, examined on oath. (No. 95.)

1. *The Chairman.*] You are a draper, and represent the firm of Strange and Co., Christchurch?—Yes.

2. You have been in the drapery business for some time?—In Christchurch for twenty-four or twenty-five years.

3. Is it to your knowledge that the price of drapery as a whole has increased during the last twenty years?—As a whole, I should say not.

4. Has it increased during the last ten years?—In sections it has increased.

5. In regard to those sections, are they mostly in articles of luxury or in articles of necessity that the price has risen?—I should say, decidedly, articles of luxury.

6. Are those articles of luxury more purchased by all classes than formerly?—Decidedly so.

7. There has been an increase, then, in luxuries in the cost of living?—I should say so.

8. Is there any sort of combination or ring in the drapery trade?—Not to my knowledge.

9. It is an absolutely open and free market to any draper to buy of any wholesale importer they choose?—Absolutely, as far as I know.

10. Would you consider that the general turnover which drapers have nowadays, and the more costly things which people buy, have a large effect on the cost of living as a whole?—Yes, it would in this way: the standard of living is so much higher. I mean this: that where ten, fifteen, or twenty years ago the average man would go into a place and probably buy a ready-made suit, they want tailor-made now.

11. Would the same remark hold with regard to women: that whereas twenty years ago they made their own dresses, now they insist on made dresses?—No, not to the same extent. There is a great deal more sold of ready-made costumes. The style of dresses varies with the fashions.

12. Then the men are more at fault than the women with regard to luxuries?—Women go in for luxuries that men do not. Furs have increased considerably, due to the scarcity of the product itself.

13. The women insist on wearing good furs now?—Yes.

14. *Mr. Robertson.*] Do you mean that the amount of men's ready-made clothing has decreased?—No; I should say that the amount of tailor-made clothing has increased.

15. You say that there is more tailor-made clothing worn by men now in proportion to ready-made clothing than previously?—Yes.

16. *Dr. Hight.*] Has it been in the articles made to order that prices have increased most?—Certainly.

17. What is that due to?—The higher rate of wages paid.

18. You say that the articles of luxury that you have in mind are purchased by all classes?—Yes.

19. Have you noticed any fluctuations in prices due to alterations in the tariff?—I cannot say that I have noticed it, but it would naturally follow.

20. What would be the effect of an increased duty?—There are certain facts to be taken into consideration in costing them. If there was no tariff that would not be taken into consideration.

21. The net result to the public would be?—If there was no tariff the public would gain.

22. If there was an increase in the tariff?—It would go to the consumer.

23. And a decrease in the tariff would have the opposite effect?—Certainly.

24. Which form of textile has increased most in price?—Woollens, I should say.

25. And then?—The price, of course, fluctuates with the market, according to the supply. It is governed by the law of supply and demand.

26. What has been the increase in the price of woollens, say over the last ten years—what percentage increase?—I have not really given that much thought. I should say, probably 10 per cent. It might be a little more.

27. Have there been any influences at work locally which ought to have brought down the price of clothing and drapery generally if other things had remained the same?—No. I should say the tendency has been to increase the cost. For instance, wool is higher than it was some years ago, and the increased price must revert back to whoever is using it.

28. The average size of businesses has increased?—Yes, but in proportion to everything else: rents, rates, and expenses have increased. I do not know that on the turnover they are making any more profit than they were. There is no more being charged in proportion on the stuff—if anything, I think it is less.

29. You mean that general expenses have increased in proportion to the increasing size?—Certainly.

30. *The Chairman.*] Have the wages of shop-assistants increased much of late years?—I should say the wages are higher all round. Of course, there is no fixed arrangement by which a man is paid; a man is paid according to his ability. A good man can always command a good salary in the drapery trade as well as in other trades. Some men can never make good drapers however long they may be at the business, but they can always find a place.

31. Have you got a minimum wage for shop-assistants?—No.

32. No union?—No.

33. *Mr. Fairbairn.*] What particular branch of drapery has decreased during the last twenty years?—I could not say what particular branch.

34. You said that drapery as a whole has not increased in twenty years, and later you said that some lines have advanced 10 per cent., and other things have decreased. There must be some corresponding decrease to account for the original statement?—There are articles used now that were not used twenty years ago.

35. Has there been a distinct advance in certain materials: this question has a close relation to the cost of living?—I am sorry that I cannot give you a direct answer. If people will be satisfied with certain requirements they can do so at the same cost as ten or fifteen years ago.

36. You spoke of an increase in the cost of manufacturing. To what extent has that added to the cost of a garment?—Tailoring wages, I should say, have gone up from 10 to 15 per cent.

37. That would not affect the garment?—It would affect the consumer.

38. To what extent?—If wages go up 10 per cent. that is put on to the cost of the garment.

39. Would it add 10 per cent. to the cost of the garment?—I think it would add more than 10 per cent. If you put 10 per cent. on to the cost before you put your profit on, you must to the cost.

40. Wages does not represent the whole of the increased cost of the garment. I want to find out what an advance of 10 per cent. in wages would have on the price of the garment—what addition it would be: would it mean 2 per cent. increase to the cost?—I do not think it would amount to 2 per cent. I think it might increase the cost of an article from 1 per cent. to 2 per cent. There is no doubt it would increase the cost.

41. It would not increase it by 10 per cent.?—Oh, no.

42. Ten per cent. increase in wages, you think, would probably increase the cost of a garment from 1 per cent. to 2 per cent.?—Yes.

43. *Mr. Hall.*] Have there been any reductions of duty on certain lines during the last ten years?—Yes; I believe that certain articles which formerly bore a duty are now coming in free.

44. Were the reductions in duty accompanied by a reduction in price to the purchaser?—It would in the ordinary course of events. There are certain factors to be taken into consideration in costing articles. There is the original cost of the article, plus freight, insurance, duty (if any), and other charges in connection with putting the goods into the retail warehouse. These totalled will give the cost, and the percentage of profit must be added to that to get the retail price.

45. *The Chairman.*] Do I understand that the competition amongst the drapers would ensure the reduction going to the consumer?—Yes.

46. If there was any restriction in competition the consumer would not get the advantage?—If there was any ring among the employers that might be so.

47. *Mr. Hall.*] In cases where there has been a reduction in duties have you had an increased cost of distribution in other ways, such as increased rents and rates, which have neutralized the effect of the reduction in the duty?—That is a question I could not answer offhand. Two years ago the duty was taken off cotton, say to the extent of 2½ per cent., and cotton went down to the consumer. The man who can buy the best can sell the best.

48. Is there much credit given in the retail business?—Yes.

49. Do you think the giving of credit leads to people spending more than they otherwise would, and buying the higher-class of goods you refer to?—I suppose it does. I suppose there is no question about that. If a person's credit was stopped he would have to wait until he got the cash before he could buy.

50. *Dr. Hight.*] In connection with your remarks in regard to tariff reduction or in regard to the imposition of a tariff, what you mean is that there are a thousand-and-one causes which operate to fix prices, and if any one of these changes there may also be changes in other directions, or in the opposite direction?—Yes, which might counterbalance it. You could not trace it.

51. *Mr. Fairbairn.*] Can you tell us anything about the time-payment system: have you had any experience of it?—We do not deal in time payments. If people go in for time payments, they have to pay for it.

52. Can you tell us what it means to the buyers?—I could not say; I have never practised it.

53. *Mr. Veitch.*] In comparison with ten years ago, have you any great difficulty in getting accounts paid, or do you do all cash business?—We do not do all cash business.

54. How are accounts met—better or worse than ten or twenty years ago?—I do not like to answer that question straight. Accounts are now met very well: there are very few bad debts. That largely depends on the way in which the business is conducted. If firms like to protect themselves they will get very few bad debts.

55. In the matter of the distribution of goods after they are landed in New Zealand, do you think there is any increase in the cost in that direction: from the wholesale purchaser to the consumer, do you think there is any increase or decrease in the cost?—I should say there is an increase.

56. How would you account for that—is it in labour?—It must be in labour.

57. Any increase in rents?—Not that would affect the distribution, I think.

58. The increased rent would have to be charged in some way in the line of profit?—I do not see how that would affect the distribution.

59. The rent of the building the goods are stored in: surely that is part of the cost of the distribution of the goods? However, you think it is principally due to labour?—Yes, labour is the only thing I can think of.

60. Could you give us an illustration of how the Customs taxation affects the sale of goods? We will take, for example, £100 worth of goods *ad valorem*: what would be, say, a 10 per cent. duty on that: how would the profits be charged by the wholesale men?—I have not had any experience of wholesale business.

61. Do you know how it works out in the retail business?—Exactly as I have already stated. There are certain factors to be taken into consideration in costing an article, and when these are put together the percentage of profit is added to the whole.

62. You must charge not only a profit on the cost of the goods, but also on the cost of the taxation?—Yes, before your stuff comes into your warehouse you must pay duty. Probably you may have to hold that stock for six or twelve months before you sell it. You must pay interest on the money lying idle.

63. The consumer really pays the taxation and two profits on the taxation—the wholesaler's profit and the retailer's profit on the amount of the taxation?—Yes, I suppose it would work out in that way.

RICHARD EVANS, Farmer, Kaiapoi, examined on oath. (No. 96.)

1. *The Chairman.*] You are a farmer, Mr. Evans?—Yes, chiefly a farmer, but my home is in Kaiapoi. I have lived there for forty years, and have a farm forty miles further up country.

2. *The Chairman.*] Has the land-value of your farm increased very much during the last twenty years?—In 1882 I bought a farm within fourteen miles of Christchurch, and I have never been able to see my money back—that is, in selling it. The selling-value has not advanced in that class of land. It is heavy clay land.

3. But, being within fourteen miles of Christchurch, has it not some value for residential sites?—No. There is no doubt we gave too much for that class of land in 1882.

4. Would you mind telling us what the buying-price was when you bought it?—£24 an acre at public auction.

5. *Mr. Fairbairn.*] Is there any considerable quantity of that land which was bought at the same period?—There were 1,700 acres of that land sold at public auction in 1882, and I am the only man that is on the land now that had it then.

6. *The Chairman.*] Have the others made profits and sold out?—I am sorry to tell you that most of them have lost their money.

7. Do you think as a general thing that that is the rule in regard to land at or near Christchurch?—No; it is not the general rule in regard to land: as to alluvial-deposit land it is not so.

8. Generally land, so far as you know in Canterbury, has advanced considerably in value?—The increased value of land sixty miles up north has increased in value at least 50 per cent. during the last twelve years.

9. To what do you attribute that increase in value—to the population in Christchurch and this district increasing, and to the demand for land becoming greater?—During the last ten or twelve years it has been the freezing industry that has given confidence to agriculturists to cultivate their land to the best advantage.

10. *Mr. Fairbairn.*] You consider that the freezer is an important factor in reference to land-values?—Yes, both butter and lambs.

11. *The Chairman.*] Would you consider that the rise in the price of land generally has had an effect on the cost of living?—It cannot possibly, because it is the London market which rules the price of produce.

12. Yes, but to the consumer in New Zealand—is it more on account of the London market?—I am speaking from the point of view of the country. I know absolutely that the things we get from the store—boots, sugar, tea, and other things—they have made no advance. I have been looking up my accounts for the last twenty years, and I cannot see any appreciable difference. A man pays more for his butter now at the farm.

13. And for mutton?—We sell mutton in the country for 3d. per pound to the men—that is, on the farm at Waikari.

14. Is it your opinion that the produce which the farmer sends into town gets a fair chance of selling according to the value of the produce? We have had evidence about the price received from auctioneers for farm-produce: for instance, apples sell in town at 4d. and 6d. per pound retail?—It seems a tremendous difference—the price in the shop-windows and what the grower receives. I think it is the cost of distribution that does it.

15. Of course, included in the cost of distribution would be the rents of the retail shops?—Yes. If I want anything I go to the auctioneers and buy it.

16. *Mr. Fairbairn.*] Does that apply to fish?—I do not deal in fish.

17. *The Chairman.*] Do you think it a fair thing that the auctioneer should deal in the same line in which he auctions?—I certainly should not send my goods to him if he were a dealer.

18. Would it not be a temptation to him to pay you a small price and then deal in the matter himself?—I do not think human nature has got so low as that.

19. *Mr. Veitch.*] Do you think the rise in the price of land is in any way due to the booming of sales by land agents' advertisements, and competition amongst speculators and land agents generally?—The quantity of good land in New Zealand is so limited that when men are looking for land it is bound to raise the price of it. When the early settlers came here they were prepared to go back and clear the land for themselves. The men of the rising generation are not prepared to go back and clear the land as we did thirty or forty years ago: therefore it means that there is a big competition for the cleared land. There are good chances for men to take up land in the back districts of Taranaki at £2 an acre to-day—that is, if they are prepared to go out further.

20. Then there is not such a scarcity of land as there is of good improved land?—Yes, that is what I mean.

21. *Mr. Hall.*] The land you bought in 1882 you paid rather too high a price for?—Yes.

22. Do you think that the prices of farm land are getting too high? If there is a fall in butter and wool on the London market, do you think land is liable to fall in value here?—There are numbers of people buying land who will have a difficulty in getting through if butter-fat came down to 8d. or 9d. per pound.

23. Do you think they would lose money on the land?—I think it would take them all their time to live.

24. How do our prices of land compare with the prices of land in other countries?—Our climate is so much in our favour that my honest opinion is that the price of land is not going to be less in New Zealand.

25. Has the unimproved value—the taxing-value—of the land you bought in 1882 increased?—No, the unimproved value has not gone up since then.

26. Is there fruit going to waste in the country because of the cost of sending it to market?—We do so little in fruit that I cannot say.

27. Do you think there would be a bigger output of butter and grain if there was a larger supply of labour in country districts?—The last season has been a late and harassing harvest. We were short of labour all over Canterbury. I know one farmer who was offering 9s. for eight hours work a day, and he could not use his threshing-machine because he could not get men. That was at Ashley.

28. You are of opinion that if there was more labour farmers would be encouraged to grow wheat?—Farmers will not put in a quantity of wheat simply because they do not know what may occur in reference to labour.

29. They are talking about putting in less wheat next year?—Yes, simply because of the difficulty of harvesting.

30. Complaints have been made in reference to inferior accommodation?—The accommodation has been very much improved compared with what it was years ago. The accommodation is under Government supervision.

31. Could a married man get a house for himself and family in the district where you say there has been a shortage of labour?—Yes, there are a lot of empty houses in the country.

32. The shortage of labour is all over the country?—Yes. In the case of married men the difficulty in sparsely populated districts is the education of the children: that is the trouble. We cannot bring the farms to the township. We must bring the schools to the townships, of course, but many children have three or four miles to walk, and the difficulty is with the schools.

33. Do you think the system of transporting the children by wagons would be of use?—It would assist, without doubt: it would meet the difficulty to some extent. With regard to the cause of the shortage of labour, a statement has been made about the men going on the land on their own account. This year four of my men, to their credit, have gone on farms of their own. The shortage is due to the working-men starting on their own account.

34. *The Chairman.*] Not your worst men?—I do not want to say anything against any one here.

35. *Mr. Hall.*] You will have a difficulty in replacing them?—Oh, I get on fairly with labour, but I have had to teach other men to do their work, and we farmers assist one another; there are several localities in which farmers would not have been able to get in their harvest if they had not helped one another.

36. *Mr. Fairbairn.*] You say there is less wheat grown this year?—There will be, and there was last year.

37. In consequence of want of labour?—Yes.

38. Is there no other factor, such as uncertainty of market, and climatic conditions, that has influenced the position?—I am sure not. When we are getting 3s. for wheat there is no crop that brings in a more sure cheque.

39. It is a paying proposition at 3s. per bushel?—Yes, we consider that is very good, if we can get 3s. over the cost of threshing.

40. *The Chairman.*] You say there is a shortage in the cropping-area last year?—Yes.

41. Does not the want of labour apply to the growing of oats as much as to wheat?—Yes, but we do not generally grow oats in Canterbury as a commercial commodity; we grow it for our own use.

42. There is a Government report that the increase in the cropping-land of oats is equivalent to the decrease of cropping-land of wheat?—Yes.

43. That would not be in Canterbury perhaps?—Not so much in Canterbury.

44. *Mr. Hall.*] You think the change is not due to the fact that oats is a more remunerative crop than wheat?—No; but we were very short of oats last year, owing to the dry season previously; farmers generally keep a lot of oats on hand, and they had run very low.

45. Is there any dairying done in your district?—Yes, in Kaiapoi.

46. Would there be more dairying if there were more labour?—It is just up as far as it can go with the present supply of labour, and then we have the milking-machines: that does away with the need for a good deal of labour.

47. *Dr. Hight.*] Do you think the rise in the price of land is due to the great rise in the price in the world's markets of the products of the land during the last fifteen years?—It has enabled us to send our products away. But meat is cheaper in London to-day than it was twenty years ago, but meat is dearer in New Zealand simply because of the frozen-meat trade—because we have been able to send our meat to London. It is absolutely the introduction of freezing that has been the foundation of this country, in my opinion.

48. Then the price of land and the cost of living have gone up together?—The cost of living has not gone up in Canterbury. I maintain it has not, but we live in a different style to what we did. Take this suit I am wearing; perhaps it is not a very respectable-looking suit, but I have paid just the same for these clothes for the last twenty years.

49. If we could get a list of the things used by the average person twenty years ago, you think the total amount for the same things would be the same now?—Yes, just about the same. Butter is dearer, but bread and sugar and tea and all groceries are no dearer than they were twenty years ago; in fact, they are cheaper. Meat is dearer, because of the cost of distribution.

50. Do you not think that some of the increase in the price of land is due to the feeling that the good times we have had the last fifteen years will continue indefinitely?—Yes.

51. People do not strike averages over the last twenty years?—No, they are so very anxious to get a bit of land; they think their fortune is made if they can get it, and they run one over the other to get it.

52. Is there not an increased risk of losing the crops where the farmers assist one another to harvest—if one man is assisting his neighbour his own crop may be spoilt?—Oh, yes, there is an increased risk.

53. *Mr. Robertson.*] Would not the broken weather last harvest account for the difficulty of securing labour to some extent?—Oh, yes, but we have not enough labour to go on with always, and most of us pay men by the week.

54. What do they earn in the threshing-mills?—The owner of the threshing-mill that worked for me told me the men earned £3 7s. 6d. per week after paying for their food. They are paid by the thousand bushels. That would be for a man with a short and sharp season—that was eleven weeks.

55. But why are there deputations of unemployed if the men can earn £3 7s. 6d. in the country?—Well, I do not like to tell you my opinion. The fact is there is more amusement in the town, and in the country our work is our amusement.

56. What were the average hours worked by these men?—They work from daylight to dark. We lost some days through wet, and they would not work then. We lost two days and half a day another time.

57. *Mr. Fairbairn.*] And yet it averaged out £3 7s. 6d.?—Yes, so the owner told me.

58. *Mr. Robertson.*] What days do threshing-men lose on the average?—I cannot tell you; I only know what Thornly (the owner of the mill) told me in this case that the men averaged. I know what the farmer loses on the average: the men work four days and a half with the teams, on the average, per week.

59. *The Chairman.*] This £3 7s. 6d. per week you give as what Mr. Thornly told you?—Yes. But I know of days when the men have threshed from daylight to dark and earned £1 6s.

60. *Mr. Hall.*] How many hours would they work?—In February they started at 6 a.m. and worked till 8 p.m.

61. How many hours out of that for meals—say an hour for breakfast?—Oh, no; they get three meals in that time, but I do not think that absorbs more than an hour and a half altogether.

62. *Mr. Fairbairn.*] So that they are actually working twelve hours and a half per day?—Yes—that is, at the mills in the early part of the season, when the days are longer. When the days get shorter they do not work so long, but they do not make so much money.

63. *Dr. Hight.*] Would these men find employment in the district when the threshing was done—employment for the rest of the year?—Well, a number of these men go shearing in the shearing season; they have a regular round of work. They go shearing, and then threshing, and perhaps dig potatoes, and in the winter they go fencing, and doing things like that.

64. They get a fair amount of work during the year?—Yes.

65. *Mr. Veitch.*] Do they move about from place to place to get that employment?—Oh, yes; very often they come from the West Coast, some from the public works, and some of the best men are living on the small farms and do this work to assist themselves. At this time of the year a good many men are employed crutching sheep.

66. Do any number of these men live in the cities?—Yes, a good many of them come from the cities—just come out to make a cheque.

67. *Mr. Hall.*] With regard to accommodation: how do the threshing-machines get their accommodation?—There is an award of the Court that they should find their own accommodation.

68. The owner of the machine?—No, the men themselves.

69. If the accommodation is insufficient, then it is the men's own fault?—Yes; it is really tents they use generally.

70. *Mr. Veitch.*] If they are employed so-many hours they cannot pitch their tents?—The waterman pitches the tents; in ordinary times he has not enough work to do.

71. *Mr. Hall.*] Do they bring a cook with them?—Oh, yes—on the co-operative principle. The machine-owner finds the galley and the coal, and so on.

72. Do you think the cost of living to the worker in the country has gone up?—Of my own knowledge, I know that the houses in the townships are not so dear—the same class of house—within 25 per cent. as twenty years ago.

73. Rents in the townships have gone down?—For the same class of house they have gone down.

74. Is that due to the quality of the house?—I know four cottages built twenty-five years ago—four rooms and a scullery, and washhouse with boiler. They were let twenty-five years ago for 7s. per week; to-day those same cottages, twenty-five years old, are let for 6s. per week. That was in the Kaiapoi Township.

75. *Mr. Hall.*] Have the necessaries of life risen during the last twenty years?—I cannot see where they have risen; the only extra price is in butter, and many men in the country keep their own cow. The men inclined that way can keep a cow.

76. *Mr. Veitch.*] Does this scarcity of labour apply to men permanently employed: is it just the casual labour for harvest that is scarce?—The permanent hands as well. I can quite understand that with the casual man there is a difficulty; he is not satisfied with the conditions of living in the country.

77. You mean the permanency of the employment offering?—I have ten hands, and they are all in permanent employment; three of the men are married and seven single.

78. And there is good accommodation for the married men?—I have houses for them.

79. You spoke of a man who had eighteen days' work at 9s. per day and could not get men to do it?—Yes, that was at Rangiora; he could not take out his machine.

80. Assuming that married men went into the country to take on such work as this, what employment would they find to fill up the rest of their time?—There would be fence-cutting and a lot of work. But the difficulty about the threshing-machine is that it is threshing here to-day and four miles away to-morrow and three miles away the next day, and so on, as a general thing. The men must take the accommodation and the life as it is.

81. Then the married man has to keep up two homes?—Yes; but if he is willing to work right on a farm, and can get a suitable place, he would not have to keep two homes. A lot of married men on the farms have the wife and children kept too. That is another class of work.

82. *Mr. Hall.*] Under Mr. Sedgwick's scheme would the boys have a reasonable chance of getting on the farms permanently?—Well, I happened to meet one lad this morning—I did not know him, and he said a schoolmaster brought him to me some three years ago, and I recommended him to a farmer. He never did any farm-work before, and is getting 25s. and found now, and he was a very unlikely lad three years ago. He is about twenty-three years of age.

83. Would boys of that character have a reasonable chance of saving up enough money to start farms for themselves if they were thrifty and industrious?—Yes, in ten years, if his object in life was to make a home for himself and stop on a farm.

84. Do you think there would be any serious risk of these boys drifting into the cities?—From reports I have had from others—I have had none of these boys myself—they say, on the whole, that the boys are a success. If I wanted a boy I would risk taking one of them. There is one thing I want to make clear: a statement has been made here that we work our ploughmen fourteen hours.

The Chairman: No, I do not think so.

Mr. Hall: Mr. Kennedy said that.

The Chairman: He said the period covered was fourteen hours.

Witness: We only work our men eight hours per day, besides looking after the horses.

85. *Mr. Hall.*] How long would it take to do the work he would have to do after he finishes ploughing?—My men work six horses, and it takes an hour every morning to get ready for breakfast and see to their horses—that is, from the time they get up.

86. *Mr. Fairbairn.*] That would be, say, half an hour with the horses and half an hour for the rest?—It takes an hour altogether—say twenty-five minutes dressing and the balance for the horses. They are decent men, and quick.

87. When he finished ploughing what does he do—just feeds the horses and grooms them?—Absolutely nothing else. We are supposed to be in the paddock at 7.30, leave off at 11.30 for lunch, have an hour and a half off, and knock off at 5 p.m. We do not do more than that. Then the men come in and have dinner at 6 o'clock.

88. Are there some days in the week when you do not work on account of weather?—We cannot work horses all this week, for instance; once we only worked one day in two months with the horses.

89. What did the men do?—Clean out the stables and the wool-shed, and little things of that sort.

90. Cut up chaff?—No; the chaff is cut by machinery. We pay so-much a ton for that.

91. Then the men sit idle on wet days?—The work is the same as a man in town—he can only sweep out his backyard, and so on.

92. They work four days and a half per week?—That is the average; my diary will show that. I do not say the men stop all the time in the whare playing cards, but they cannot do much. We never send the men out to get wet.

93. *Mr. Robertson.*] You spoke about the facilities for taking up land at the present time, and referred to some land £2 per acre in the North Island: where was that land?—Between Gisborne and Opotiki. There is a tremendous lot of land there—some Government land and some Maori land.

94. *Mr. Veitch.*] Was that knowledge obtained from a personal visit, Mr. Evans?—No. I have one of my men up there, and I understood from him that there is any amount of land there, only it is far back.

95. Do all the farmers work their ploughmen the hours you have given?—Yes. If a man has not a good place he has no occasion to stop; there are any amount of good places open for him; he can go from one to another. On the small farm a man does a bit of milking. I was speaking in reference to growing sheep and grain. If a man is out of a job, or does not like the one he has, there are ten others he can go to.

96. That seems to cover the single man, but what about the married man?—The single men can save and get on a bit of freehold farm for themselves.

THOMAS BROWN, Managing Director of T. Brown (Limited), Coal-dealers, examined on oath.
(No. 97.)

1. *The Chairman.*] Will you tell us why coal has risen in price?—That is easily explained. There is an increase in wages, and the men do less for the wages they get; there is more wages and less work.

2. *Mr. Fairbairn.*] Has coal advanced in price?—Yes, it has advanced, and the chief reason is the cost of labour. I will give you an instance: Fifteen years ago six trucks of coal (about thirty-six tons) were discharged per day in the sidings at 7s. to 8s. per day. This was considered a fair day's work, and it included building the coal walls; it was done by contract.

3. What did it cost per truck?—That was the cost of discharging these trucks. To-day not more than four trucks are discharged, at a cost of 9s. per day. That is a comparative table of costs. Ten to fifteen years ago a man would deliver 8 or 9 tons of bagged coal, whereas not more than 6 tons are delivered now.

4. *The Chairman.*] Over the same distances?—Under the same conditions.

5. *Mr. Hall.*] What periods are you referring to?—That is within fifteen years. The cost of draught horses has also gone up, so I am told; we do not buy them ourselves—our carting is done by contract.

6. *Mr. Fairbairn.*] To what extent has your coal advanced in ten years?—I have not been in it for ten years—only for three years.

7. What has been the effect in that time?—The evidence given by Mr. Redpath expresses my own views; I can confirm what he says.

8. The impression I had is that coal had not advanced, except lignite?—Oh, no, all the coal has advanced in comparison with ten years ago. Twenty years ago I was connected with the retail business, and, as far as I can remember, Newcastle cost us about the same as to-day—within 1s. per ton of to-day's price. The cost to import is just the same, but it has come down since then and gone up again. The price here is regulated according to the price charged in Newcastle, and the price to-day to us is about the same as twenty years ago.

9. Mr. Joachim's evidence is to the effect that coal has been reduced in ten years nearly 20 per cent.?—Yes, that is Westport coal.

10. And you say that Newcastle coal has increased in price?—Yes. I think the full particulars are given by Mr. Redpath.

11. In spite of the fact that wages have increased, the price has only increased 3s. per ton?—Yes; but the cost of freight and handling and all that sort of thing has gone up. The cost of freight is raised, and the cost of discharging. Before the maritime strike of 1890 there was a contract at so-much per ton. Three men would put up 18 tons per hour. After the big strike four men at a basket put up 15 tons, and now four men put up 12½ tons per hour. To be correct, I would say that up to the end of April it was four men doing 12½ tons, and I understand now it is five men to 12½ tons.

12. *Mr. Veitch.*] Is there any difference in the wharf accommodation?—No, it is just exactly the same.

13. But the amount of business on the wharf might have increased considerably?—I do not think so. That does not affect the question: it is the shortage of trucks that affects the discharging.

14. Yes, that is the point. If the men are to be continually disturbed by shunting-engines, of course they cannot give the same average result, although they might be working harder?—I am taking a fair average for weeks and weeks, and under practically the same conditions as they were twenty years ago.

15. Even if you took the average for weeks and weeks, speaking generally, there is far more work done on the wharves than twenty years ago?—Yes.

16. Naturally, then, the men would be more interrupted in their work?—There are no more stoppages for shunting than there were twenty years ago.

17. Which wharf is that on?—On any of them; I am speaking of Lyttelton.

18. If the business has increased in Lyttelton does it not necessarily follow that there would be more interruptions?—Oh, no, it does not. There are far less interruptions, because you get longer strings of trucks. If you have a big lot to discharge you will get a bigger string than if only a smaller lot of coal.

19. But if they are short of trucks they cannot give you long strings?—That does not stop them discharging

20. What do the men discharge into?—Into trucks. In Wellington it is both trucks and carts; but you cannot take Wellington as a fair average: there they might have to wait for carts for a while. In Lyttelton the coal is not discharged into carts, but into trucks.

21. If there were shortage of trucks, would not the men be interrupted and the average be less?—I am talking about the work, not about the stoppage. I am taking men working straight through the day.

22. Supposing an engine comes along, and interrupts for fifteen minutes, the amount would not be the same?—That has been so all along; I do not suppose it is as great a trouble as formerly. I think the conditions are exactly the same; I do not think what you suggest will make the slightest difference. In any case, you have no interruption in discharging at the hulks.

23. I should say not. Is there a decrease in discharging at the hulks?—Yes, on the same principle, as far as I know.

24. Are all the conditions in the hulks the same as they used to be?—Yes, just the same; the labourers are not doing the same amount of work per hour as they used to, and the pay is higher.

25. I do not know anything about the conditions in the hulks, so I will leave that. You spoke of six trucks ten years ago discharged at a cost of 7s. to 8s. per day?—That is, discharged into the yards.

26. Yes; and now four trucks, you say, cost 9s. per day?—Yes.

27. Is that 9s. per day per man?—That is for the discharging of it.

28. You are aware that the carrying-capacity of the trucks in the Railway Department has increased?—We are talking of 6-ton trucks, L wagons. The L wagons are just the same size as they were.

29. The carrying-capacity of the L wagons has been increased?—No, they are just 6-ton; there are some trucks in the North Island which carry 12 tons, and some more; but we always reckon 6 tons to the truck.

30. How did you come at this estimate?—The trucks are exactly the same.

31. Is that a guess? Do you get all 6-ton trucks with your coal?—Oh, no, some about 11 tons—the LA wagons; but here I have estimated on 6-ton trucks all through.

32. Is this comparison taken from exactly the same place?—Yes, from the same place.

33. Discharging from the same siding on to the same stack?—Oh, under the same conditions.

34. Do you stack the coal as before?—Yes, the conditions are exactly the same. It is only three years since I took over this business, and I am going on information I received before I took over the yard, as compared with what it is now. The business has increased.

35. Then the conditions cannot be exactly the same—you are handling a larger quantity of stuff?—Well, it is replenished all the oftener, and the conditions are the same.

36. The conditions are not the same: you have a stack on which you are constantly throwing coal on top, and the men would be throwing higher?—We are not. The yard under ordinary circumstances takes in a few hundred tons of coal at a time, and the walls are built up a certain height; the conditions of stacking the coal are exactly the same as fifteen years ago.

37. *Mr. Fairbairn.*] The costs you gave, from 7s. and 8s. to 9s. per day, means 2d. per ton extra cost?—Yes, but that is one of the increases.

38. *The Chairman.*] I have had correspondence sent in complaining of short weights delivered: can you explain the method of delivery?—We have a machine, and there is a scoop in the end of it; that is tested by the Inspector of Weights and Measures; and the coal is put into this, and is regulated by twelve sacks to the ton, and when the scoop touches a certain weight it is tipped into the bag.

39. How often is the machine inspected?—Just on the usual tour of inspection.

40. Once in two or three years?—More than that.

41. Where does the complaint lie as to shortage?—I have not had experience of that in our yard. I know we can never turn out the quantity of coal that goes into it; we allow $2\frac{1}{2}$ per cent. for depreciation. None of our coal is under cover. Some New Zealand coal depreciates very much by this, but not Newcastle. Bituminous coal from the West Coast does not suffer very much, but all lignite does.

42. *Mr. Robertson.*] How does the delivery of coal compare with former years?—It is much higher now; the cost of labour is greater. We have a regular rate for carting, and that has been raised so-much per ton. We deliver by contract, not with our own horses. We have to pay our contractors more, because they have to pay the drivers more; recently there was one rise, and now there is a further one, and the drivers have got a higher rate.

43. Who does the contracting?—Any of the carting contractors here.

44. We have evidence from Mr. Smith that the present rates for carrying are less than they were twenty-two years ago?—They are higher than they were last year, and the year before, I know that. We are paying higher rates.

45. You said that fifteen years ago there were 8 or 9 tons bagged a day, and now 6 tons: did that involve delivery?—I suppose it would. This estimate is just what I got from a former manager; that is how I know we used to get 8 or 9 tons bagged under the same condition.

46. And your explanation is that the men do less work?—They do not do the work they did fifteen years ago.

47. You cannot account for the difference on any other basis?—They do not work as hard, and they get more wages.

48. How much have the wages increased in fifteen years?—I could not exactly say.

49. Do you pay by piecework?—The men do not do as much work as they used—the men on weekly wages; we have no men on piecework.

50. Because the men are getting higher wages they do not need to work so hard?—Yes; that is what I say. But I am not referring to the men in the yard: I am referring to the men working on the wharves.

51. In regard to the bagging of coal, how would that apply?—It would not apply at all; it is all weekly wages.

52. Therefore the difference in the wages could not possibly account for less work being done?—Oh, no.

53. And yet you find the same experience as on the wharves?—Yes, exactly the same, or to a certain extent the same.

54. Could you give us an idea of the weekly wages compared with those of fifteen years ago?—I would have to find that out; I cannot give it to you myself. I personally do not have very much to do with the matter; my manager has all these things at his finger-ends.

55. Then your manager supplied you with this information you have given us?—Oh, yes, that is so; I am not in the yards constantly.

56. *The Chairman.*] Then it is all hearsay evidence?—Yes.

57. *Mr. Veitch.*] Instead of a ton, do you sell half a ton oftener?—I believe we do.

58. How does that compare with your experience ten or fifteen years ago?—I do not think people buy in smaller lots now, but I could not say exactly. It is not once in a "blue moon" I look up that sort of thing. I have all New Zealand to look after, and each man has his own department in the business. I am just the managing director, and have the wholesale department to look after.

MONDAY, 17TH JUNE, 1912.

FRANCIS FREDERICK JOLLY, Manager of Furniture Warehouse, examined on oath. (No. 98.)

1. *The Chairman.*] You appear as manager for A. J. White (Limited), furniture warehousemen?—Yes.

2. You have not been in this country long?—No, only since the beginning of November.

3. Do the prices of furniture in this country average about the same as they do in Australia?—So far as my experience goes, they are distinctly lower in New Zealand.

4. Is it not a fact that in Australia they have to compete with Chinese workers?—My experience has been only in Adelaide. The effects of Chinese competition there have been practically nil. So far as Sydney is concerned I cannot say anything.

5. Are you acquainted with the system of time payment? Does your firm deliver goods on the time-payment system?—Yes.

6. Could you tell us what difference there would be between the amount paid by a buyer who gets furniture on time payment and that paid by the cash purchaser?—Yes. In an ordinary

way the goods are sold at a price which allows for a cash discount. In the case of time payments interest at the rate of 5 per cent. is added to the ordinary price. There is no further addition.

7. How does that 5 per cent. take effect?—I do not work the interest out, but I think I can tell you how it is done. The interest is actually charged on the actual amount outstanding—that is to say, three months' interest is charged on the amount due at three months, and six months' at six months, and so on.

8. Are there many people who avail themselves of these systems of time payment?—Proportionately, no, so far as our business is concerned.

9. What happens if after three months they fail to make the time payment?—Nothing; the thing is not pushed. Sometimes no payments are made for two or three due dates; then their attention is called to it, and if there is still no payment they are told that they must make some payment within a certain date. The thing is dealt with on very broad, liberal lines, and only as a very last extremity is anything taken out of the house.

10. When it is taken back, are the goods sold at auction? And what is due is that taken from the amount received?—Goods have been taken back only in one case within my experience: nothing had been paid at all. Through an oversight on the part of the salesman supplying the goods no cash was taken at the time of delivery. It was simply a case of a deliberate attempt to get the goods for nothing.

11. What is your experience as to others doing business in this way? It is said that in London very often, in cases of time payment for furniture, if the payments are not promptly made the goods are seized: you have no knowledge of such a practice?—I have no knowledge of such a system either here or in South Australia.

12. *Mr. Fairbairn.*] When furniture is sold on time payment, do you take a bailment over that furniture as a usual procedure?—I cannot say that is the usual procedure.*

13. Not as far as your firm is concerned?—Certainly not.

14. In regard to computation of interest, in the case of an ordinary cash sale which would be subject to the ordinary cash discount, supposing a man bought £50 worth of furniture and the final payment was due in twelve months, you would add 5 per cent. to the cost of his goods?—I am not absolutely certain on this point. This has been the course of procedure in my old firm in Adelaide for years past: that a cash discount is allowed off the first deposit. I may state that in Adelaide I served with one firm there for twenty-odd years.

15. Could you tell us about that?—In the warehouse very little time-payment business was done, but if a customer required goods to the extent of, say, £100, and paid a £20 deposit, a cash discount would be taken off the £20. Then interest would be computed from the beginning of the fourth month. There would be three months' credit free of interest given on the outstanding balance, and the interest was computed month by month at a fixed rate. That was the method adopted by the leading furniture business in South Australia.

16. *Mr. Leadley.*] Have you noticed the class of people who avail themselves of this system?—I am hardly in a position to say, because, as I say, I have come in touch with it very little.

17. And therefore you would not be able to tell us whether there is a tendency to extravagance in purchasing furniture?—One can tell that pretty well by the general class of furniture that is going out, and undoubtedly the average wage-earner who is furnishing now is furnishing far better than the average wage-earner in South Australia did even ten years ago. There is a higher standard of living.

18. *Mr. Robertson.*] That higher standard, I suppose, applies to practically all classes who buy furniture?—No, I would not say that; I would say that the rich sheep-farmer to-day is not spending any more in his home than he did fifteen years ago. I would say that the average professional man is spending but little more than he did previously.

19. Of course, your experience in regard to that relates more to South Australia than here?—Yes, but I think it is undoubtedly the same here as there. The income of the average professional man is not much in excess of what it was in those times, and he is not spending much more now. The income of the average mechanic is higher than it was, and he is spending, in my opinion, rather more than that additional proportion. I think that that is undoubtedly so.

20. In regard to the difference in cost between furniture got on the time-payment system and on the cash system, you say there is a cash discount on ordinary prices: what does that amount to?—5 per cent. is the cash discount allowed by A. J. White (Limited).

21. Is it 5 per cent. on the ordinary price—that is, a difference of 10 per cent. between cash and time payment?—Of course, one is interest on the outstanding amounts.

22. Will it work out at more than 10 per cent., the difference in price?—No.

23. Could you give us any idea of the actual difference it works out at? How much more does it cost by time payments than it does by cash payments? You charge that 5 per cent.: you alter the rate of interest according to the amount outstanding every three months: is that the position?—The interest charged upon the amount actually outstanding is at the rate of 5 per cent.

24. And is that adjusted every three months according to the amount outstanding at the time?—That I am hardly prepared to say without reference to the office.

25. How are the payments made—every month?—According to the convenience of the buyer.

26. Do you do a fairly large trade with the working-class in furniture?—Not as big as we would like, and I suppose we cannot say we do a big proportion of the trade with the average mechanic.

27. Would you say that the time-payment system is a small proportion of the business of your firm?—Yes.

*I find on reference that bailments are generally, but not always, taken over goods supplied on time payments.—F.F.J.

28. *Dr. Hight.*] What is your general impression of the difference between the prices of the ordinary necessities of life here and in Adelaide?—Speaking from my own home experience, I would say that generally the cost of housekeeping is higher here than in Adelaide.

29. *Mr. Veitch.*] As to the difference in the cost of living here and in Adelaide, could you give us an idea of what the percentage is?—I do not think I am overstating it when I say that I think it is 10 per cent. higher here.

30. *Mr. Hall.*] On what particular classes of goods do you find the cost of living here higher than in Adelaide—rent, or food, or what?—I would include groceries and fuel. I do not think there would be very much difference in rents. I would also include clothing, and meat, I should say, is a little higher than in Adelaide. Fish may be a little higher in Adelaide.

HIRAM HUNTER, Representative of the Canterbury Drivers' Union, examined on oath. (No. 99.)

1. *The Chairman.*] You represent the Canterbury Drivers' Union, and also the Drivers' Federation of New Zealand?—Yes.

2. The drivers are working under an award?—Yes; the drivers in Canterbury have an award which is similar to the drivers' award in every other centre in New Zealand except Wellington. Under that award drivers have to work forty-seven hours and a half, exclusive of the time required for necessary attendance upon the horses. In addition to that, in Christchurch they have to give fifteen minutes morning and evening driving-time. In some cases, such as with timber-merchants, the stables are a mile and a half away, and the men have to leave the stables and be at their place of work at 9 a.m., so that the time occupied by the men at the stables must be in the men's own time. The wage is £2 4s. for one-horse drivers, £2 8s. for two or more horses. If a man is driving even four or six horses he is only entitled to £2 8s. under the award.

3. Is that a considerable rise on what the men were getting ten years ago?—It is 2s. a week better than they were getting ten years ago. The first award was obtained in 1902, just ten years ago. Prior to that the average wage, I should say, would be 6s. a day for one-horse drivers: that would be in 1900. I was acting as a driver in 1900, and that was the amount I received—6s. per day.

4. Could you give us any idea of what percentage of drivers are working above the minimum wage?—A very small percentage. Generally speaking, the minimum wage is made the standard. There is one other point I would like to deal with, and that is with reference to the hours of work. I told you that the drivers worked forty-seven hours and a half, exclusive of the necessary attendance on the horses, and they also put in three hours a week driving-time, which brings their hours of work up to fifty hours and a half. The attendance on the horses worked out on an average would make the average weekly working-hours sixty-five, which makes an average of 8d. per hour. In stables in the centre of the city, where there is a man kept to feed the horses the first thing in the morning, that is generally done by him. When a man sleeps on the premises, or lives handy, he goes along at a quarter to 6 and feeds the horses for the first time; the other drivers do not come along till from 7 to 7.30 a.m. The average time thus put in by each driver is ten hours and a half per week: that is my experience. I worked for one of the big firms, and had to put in this additional ten hours and a half. That obtains in the most favourable cases, where a man is kept to feed the horses the first thing in the morning; but where there is no man handy to feed the horses early the hours of the drivers are necessarily longer, as they have to start earlier in the morning and they are later in coming back at night. A man who is handy to the stable can feed the horses and go home to breakfast; but if he lives some distance from the stables he has to eat his breakfast before he goes there.

5. Is it your experience that the rise in wages of 2s. has met the rise in the cost of living which has taken place during the last ten years?—No, I do not think so.

6. Do you know on what items the cost has risen most?—When the drivers got an increase of wages in the first instance the wages were fixed for one-horse and for two-horse drivers, with 4s. difference between the two. The cost of a lorry in Christchurch was raised by 6d. per hour—from 2s. to 2s. 6d. So that meant that the men got 2s. in one case, and 4s. in the other; and the employer got 24s. a week. Again, when the bakers' carters in 1908 got a rise of 2s. a week, the price of bread went up $\frac{1}{2}$ d., which meant that the driver delivering 240 large loaves a day earned 10s. per day extra for the employer, to meet the increase of the driver's wages of 2s. per week. Then again, in 1908, when the drivers got their 2s. a week increase, the price of a pantehnicon per hour was raised to 4s. an hour. Last time, December, 1908, the Canterbury drivers got an increase of 2s. a week, and the employers immediately put their heads together and increased the price by 1s. an hour—that is, 5s. per hour now.

7. Have you any knowledge of any combination or common understanding?—Yes; I had an illustration of that. I was at one time a driver myself for one of the firms in Christchurch. There was keen competition in the trade, and to my great surprise I saw three or four of the principal competitors in a gig together. My look was a pretty expressive one when passing them. I said to one of them afterwards, "We have been successful in driving the three of you together into one camp!" and the employer said, "Yes, we had to meet and come to an arrangement, and put on the price, because the drivers have got an increase of wages."

8. But that increase was not passed on at the exact equivalent to the rise in wages?—It seems to me that the increase of wages received by the men is used as an excuse in many cases to put up the price.

9. Is it within your knowledge that during these years the efficiency of drivers has fallen?—No.

10. They are still as good men as ever they were?—I find that the drivers in the city are largely recruited from the country. Men go into the country and work on stations, and when

they want to get married they cannot get married and stop in the country and keep their occupations there, so they come to town.

11. Is there any accommodation provided for married men in the country?—No, they do not want married men there. I was working on a station in my single days, in North Canterbury, and I was shown two small cottages which had been put up on that station. One man had gone to the trouble in an out-of-the-way part of the station to build a sod house of two rooms. He fenced in a plot of ground, and made a nice garden. He thought he would be allowed to get married and keep his wife there, but immediately his employer found out that he was going to get married he got rid of him, and said, "I will keep no married men about the place." That is the general experience on sheep-stations, unless the station-owner wants the services of the wife for household duties as well as the services of her husband.

12. Does the same remark apply to the case of farmers?—Yes, I think that large farmers who employ a number of men adopt the same practice.

13. They would rather have single men?—Yes; of course, they put a large number of single men into a very small room. I have seen sixteen men sleep in a room 16 ft. by 14 ft., and there were three tiers of bunks, and the ventilation was very poor indeed. I left one situation in North Canterbury because of the unhealthy accommodation. I purchased a tent and pitched my tent down in a gully, and lived there at one place; the accommodation was so bad in the men's hut.

14. *Mr. Leadley.*] Where was this?—That was at Stoneyhurst, Sir George Clifford's station.

15. That is, where the sixteen men were put to sleep in a hut 16 ft. by 14 ft.?—Yes, that was Stoneyhurst.

16. What experience have you had during recent years: you are referring to what occurred many years ago?—My experience is not very recent, because I found when I wanted to get married and settle down I had to leave the country and come into town.

17. How long since?—Fourteen years ago.

18. Your personal knowledge is limited to fourteen years ago?—Yes.

19. You have no definite personal knowledge of more recent conditions?—No. Any information which I have gained since has been given to me by men who have worked on stations and who have come to live in town.

20. *Mr. Robertson.*] In your experience as secretary of the Drivers' Union do you find that men driving in town are largely recruited from the country?—Yes.

21. That obtains at the present time?—Yes, they are coming in still.

22. And that is how you account for it?—Yes.

23. *Mr. Leadley.*] Are the bulk of the drivers in town married men?—Yes.

24. *Mr. Robertson.*] You believe that it is owing to the want of facilities in the country for taking up houses and for educating children that men are not content to stay there?—Yes; I am satisfied that if the large farmers and station-owners would afford facilities for the men to get married and settle down, and get a small piece of land for a garden, and make themselves comfortable, they would rather be there than in town. Of course, there would have to be provision made for getting the children to school, and that sort of thing. There is no comparison between living in the town and in the country. I know that nine out of every ten men would rather be in the country.

25. Some evidence has been given before the Commission with reference to the delivery of coal in bags: is that work usually done by members of your union?—Yes; I am secretary of the Timber and Coal-yard Employees' Union.

26. In your experience, the drivers to-day do just as much work as they did ten or fifteen years ago?—My experience has led me to believe that here, as in other lines of industry, workers have been speeded up.

27. There is no loss of efficiency so far as they are concerned?—I am quite satisfied that the drivers connected with the coal-yards, as well as other drivers, have to work harder now than they did ten or fifteen years ago.

28. Do you find that motor vehicles are displacing horses in the removal of goods to any great extent?—Yes, in the delivery of the lighter class of goods. I think that Ballantyne and Co. have seven or eight motor vehicles, and the D.I.C. also have motor vehicles.

29. Could you not give us any idea of the comparative cost of delivery between the motor vehicle and the horse vehicle?—No, I could not. Ballantyne and Co. were the first to adopt the motor vehicle, and they have not gone back to horse vehicles. That would lead one to believe that it is cheaper or more efficient.

30. We have had evidence that it is not cheaper so far as the delivery of goods is concerned, but it is also used as an advertisement for the firm?—Yes, that might have something to do with it.

31. *Dr. Hight.*] These motors are not used for the delivery of goods wholesale—they are used in the retail trade?—There is only one vehicle used in the wholesale trade, and that is a motor-wagon kept by the Christchurch Brick and Tile Company for delivering bricks, tiles, &c.

32. The New Zealand Express Company does not use motors?—They have one which they recently purchased for delivering goods from warehouses.

33. As to the increase of wages granted in 1908, how was the increase gained—was it by an award?—Yes, an award of the Arbitration Court.

34. The prices charged by the employers were increased after the wages were increased under the award?—Yes, a month or two subsequently.

35. There were no other conditions that would account for this rise in prices, as far as you know?—A statement made by the employers at the time led us to believe that that was the direct incentive—that the wages had been increased and therefore the prices would have to be put up.

36. *Mr. Hall.*] Do you think that if any of these men who have been displaced by the use of motors were given better facilities and better house accommodation in country districts they would go into the country?—Yes.

37. Have many men who have been displaced learnt to drive motors?—Yes; I think a majority of the motor-drivers were formerly horse-drivers. The experience gained in driving horses is valuable to the driver of the motor vehicle.

38. Do you think that a large number of the men in the cities would like to go to the country if better houses were provided for them, and if there were educational advantages for their children?—Yes, provided they had sufficient land around their homes to enable them to put in their spare time on their land.

39. What would you consider to be a fair amount of land to give them?—They would want sufficient to keep a cow and a horse and to grow vegetables—say 10 acres as a minimum of good land.

40. Say if they had 5 acres, and were allowed to graze a horse and cow, would that do?—I have found that the grazing of cows and horses upon the employer's land is not satisfactory. It makes the worker feel that he is under a compliment to him.

41. You think that if the worker got 10 acres round his home in the country he would be willing to go into the country to live?—Yes.

42. *Mr. Veitch.*] Do you know anything about the working-conditions on the Lyttelton wharf in respect to carting done from the ship's side, and in the coal trade?—Very little. At Lyttelton the stuff goes into the trucks, and is brought on by train to Christchurch.

43. We had evidence the other day that the men who are now working there do not get through the amount of work they did a few years ago. You know nothing of the waterside workers' affairs?—No.

44. With regard to the casual labourers in the town, do you think that the condition of the casual labourer now is as good as it was fifteen years ago?—I think it is very much about the same. I think there has been very little improvement, if any, because we know that the prices of commodities have increased, and wages have not increased commensurate with the increased cost of provisions. I have had a lot of experience in connection with the buying and selling of dairy-produce. We used to purchase dairy butter at from 5d. to 7d. per pound in the summer, and from 7d. to 10d. in the winter months.

45. But dairy butter would not compare well with the present high-class factory butter?—Yes, the butter we got then was equal to, or would be preferred to, the best factory butter at the present time.

46. Have you anything further you would like to say to the Commission with reference to the increase in the cost of living?—There has been a large increase in dairy-produce, and also in the price of bacon. Fifteen years ago bacon was at 6½d. a pound, and similar bacon is now 11d. a pound.

47. *Mr. Leadley.*] You referred to the want of proper accommodation for certain workers in the country. How did they manage to jam all the bunks to accommodate sixteen men in three tiers in a hut 16 ft. by 14 ft.?—Yes, there were sixteen bunks in the room. I noticed the other day that it was stated in evidence that drivers only worked seven hours with stable-attendance. I may state that a man was dismissed in Christchurch because he did not turn up at the stables at 4.30 a.m. and go three miles out in the country and bring the horses in. The result was he lost his billet. In many cases this has happened. I went out to Halswell one morning early because I heard that all was not going well there. One of the Inspectors of Awards accompanied me. We met some teams of the Halswell Quarry Company on the road about four miles from Christchurch. They had travelled that distance by twenty minutes to 7 o'clock in the morning. They had to get up in the dark at 4 o'clock in the morning and get the horses in from the paddocks, and they got to the stables between 5 and 6 o'clock. They had to feed and water the horses in the evening on their return from work, and put them back in the paddocks. In many cases drivers have to start very early in the morning, and have to take their breakfasts before they go to work, and they have to eat their dinners while they are travelling on the drays. They have no dinner-hour; the horses are feeding when they are loading.

48. *Mr. Robertson.*] In regard to house-rent, do you find that the workers you have most to do with generally demand a better kind of house than workers did ten years ago?—The trouble is at the present time that drivers cannot get the sort of houses they want.

49. A witness stated that he had lived in a house for twenty-two years near the stables and paid 12s. a week for it, and that his men refused the house at 8s. a week?—There would be a special reason for the men refusing. If the men lived handy to the stables they are always liable to be called upon to do extra work if anything crops up. If any vehicle is wanted suddenly at night or on Sunday, if a driver happens to live near the stable the employer calls upon him to do the work.

50. The same witness also stated that the men refused an offer of a plot of land for grazing a cow and a horse at a rental, together with a cottage, of 6s. a week?—The same thing would apply, only in another way. A driver taking that cottage would be expected to keep his eye on a number of horses in the paddocks near the house he was living in. To live in that cottage would have meant his having to come into town, a good four miles, in all weathers to his work. It is not the best road in the world. I know the road referred to.

51. *The Chairman.*] Was it not a fact that the man living there had to milk the cow and bring the milk into town for the proprietor?—I could not say. I may mention that another increase in charges has been made on account of the drivers' wages being increased: that is with reference to the supply of metal. I am a member of the City Council, and we found that when tenders were put in for this year's supply of metal each company had raised the price by 6d. per yard on account of a probable increase in wages. The tenders were accepted about a month ago

—6d. a yard all-round increase. I do not think the men have yet received the increase in wages. One of the companies tendering made their tender contingent on the increase, but the other two fixed the increased price definitely. The quarry-owners are S. P. Andrews, J. E. Garland, the Halswell Quarry Company, and Smart and Sons (but they do only a small quantity).

52. *Mr. Fairbairn.*] You think there is a combination among the quarry-owners?—Undoubtedly.

53. Do they preserve a uniform price?—Yes.

54. *Mr. Leadley.*] Are these companies not under contract with the City Council to supply metal?—Yes.

55. And the contracts have expired recently?—Yes, they have fresh contracts for the ensuing year, and the prices were increased.

56. With the contingency of a prospective increase?—Oh, the rise has been paid.

57. It is actually being paid now to the men?—Yes, the tenders have been accepted.

58. *Mr. Veitch.*] Evidence has been brought before this Commission to the effect that the workers dress much more extravagantly in the matter of boots and other clothing than they did a few years ago. Do you think there is anything in that at all?—No, I do not.

59. You have never seen a man navvying in dancing-pumps?—No; they go in, generally speaking, for actual necessities.

60. Do you think they are getting enough wages to enable them to dress more luxuriously than before?—No; I think they are practically in the same position as far as that goes as they were fifteen years ago, so far as dress is concerned. I attended a conference of employers three years and a half ago, and put the question as to what the worker was to do in his old age if in his prime he got only £2 2s. or £2 4s. per week, and the employers' answer was that he could go to the Old Men's Home or get the old-age pension.

HENRY OWEN GILL, Draper, Sydenham, Christchurch, examined on oath. (No. 100.)

1. *The Chairman.*] How long have you been in business in this district?—About twelve years.

2. Has there been a great increase in the price of drapery during the last ten years?—There is a considerable increase as far as value goes—that is, value for value.

3. That is to say, there is a better class of drapery used than twelve years ago?—No; I think the cheaper class is more catered for; the cheaper class is being more demanded and made.

4. And they buy larger quantities than of the dearer drapery?—Yes.

5. Do you think the workers are able to live in greater comfort now by means of that?—Yes, perhaps so.

6. Is that due to the higher prosperity?—I believe they get more for their money, although what they buy is not of the same value.

7. *Mr. Fairbairn.*] Is your business confined to Sydenham?—Yes; that is a working-man's district.

8. *Dr. Hight.*] And you find that the goods demanded are not of such high quality?—Yes; I think people are satisfied to take poorer quality. They are not so keen after quality as they are getting their requirements in the way of quantity.

9. *The Chairman.*] Can you tell us anything about the rise in the cost of living, if there is such a rise?—No, I think not.

10. Has the rent of your business premises gone up?—Rents have gone up considerably down our end of the town. Personally, we have never paid rent.

11. Would that necessarily add to the cost of the clothing you sell?—Yes.

12. *Mr. Robertson.*] Would the general expenses of running a business have increased?—Yes, to a certain extent.

13. In what way—in wages?—Yes; better wages are paid now, and higher rates prevail.

14. The fittings of the shop have improved a good deal?—Yes, with the growth of time you have to improve your premises all the time.

15. You have no knowledge of any understanding or combination among the wholesale suppliers of drapery to limit any particular person?—No, sir; there is a wholesale association, but several of the wholesale houses are not in it; so if we want an article we can go outside the association.

16. You have an absolutely free market?—Yes.

17. *Dr. Hight.*] Have advertising rates increased in Christchurch during the last twelve years?—I cannot answer that; my experience does not go back so far as that.

FRANCIS HENRY STEEL, Master Butcher (Retail Shop), examined on oath. (No. 101.)

1. *The Chairman.*] Have you been many years in the business?—I have been thirty-nine years and eight months in one shop. I started there when I was thirteen years of age.

2. You have a large retail business?—A fair-sized one.

3. You deliver a good long distance?—All over Christchurch.

4. Has the cost of meat sold by retail risen much in the last twenty years?—I do not think it has risen this last twenty years—not since the freezing started.

5. Have you noticed any rise in the cost of delivering, such as increase of drivers' wages?—Of course, wages have gone up.

6. Have any other expenses risen?—Horses are just about the same; feed varies a bit—it depends on the crop. Some years it is dear, others not, according to the weather-conditions and the crops we get in.

7. Where do you buy your feed?—I grow enough for myself; but I have only a little bit of land. I think the feed is just about the same as previously. I do not grow sheep or beef.

8. So the frozen-meat industry does not affect you much?—It regulates the prices at the yards; the Home price regulates the price here.

9. Regulates the markets here altogether, you mean?—Yes. If the price goes up at Home it goes up here.

10. Do you export at all?—No.

11. Do you find that the competition of those who are able to export and sell locally affects you by severe competition?—No.

12. *Mr. Leadley.*] I think you are misunderstanding the Chairman's questions: he is speaking of meat, not feed?—Oh, I see; we do not grow anything in the way of meat.

13. Where do you buy?—Addington markets.

14. You said the local prices were governed by the Home prices?—To a certain extent.

15. That does not apply to beef?—No.

16. Nor to pork?—No, just to sheep—to lamb and mutton. The other prices generally keep about the same.

17. You do a very high-class trade?—Yes.

18. There is a large quantity of mutton sold in the yards that is not exportable standard?—Yes, that is right. There is 11s. difference perhaps in the different qualities per head. A fortnight ago I bought a line of wethers at 23s.—477 of them. You can get ewes at 12s. or 13s.

19. *Mr. Hall.*] At what dead-weight?—About 48's and 50's.

20. And the ones you paid 23s. for?—That would be wethers, about 70's and 80's.

21. *Mr. Fairbairn.*] Are those too heavy for freezing?—They freeze them nowadays; but they do not like them if they can get lighter weights.

22. *Mr. Hall.*] And the ewes would be what weights?—About 50's or 55's, at 12s.: it depends on the sorts what is the price; the heavier weights are a bit more.

23. *Mr. Leadley.*] Have you ever worked out the cost per pound of meat sold for killing and cutting?—We kill at the abattoirs; this month my bill there was £62 for one month.

24. How much a pound is that?— $\frac{1}{4}$ d. per pound; it would be all that.

25. How much is the killing?—About 1s. per sheep.

26. They average 48 lb.?—But they charge the same for lambs as for sheep. Bullocks cost 10s. at the abattoirs.

27. Is there much difference in the cost of killing at the abattoirs and doing it yourself?—Yes. One man and a boy might do my killing—say £5 per week for wages, or £20 per month. The inspection was £19 this month, and the bill was £62 total.

28. Then, practically, the institution of abattoirs has increased the cost of killing the meat 400 per cent.?—I know it costs that much more—what I have told you.

29. And you pass that on?—Oh, yes, we have to.

30. Do you confine yourself to fresh meat?—Yes, absolutely fresh meat.

31. What about bacon?—We do not sell bacon.

32. Can you give us an idea of the cost per pound in the expenses of running your shop?—I have never worked it out.

33. Would it be $\frac{1}{4}$ d. per pound?—Oh, yes; it would run out to that.

34. More than that?—About that.

35. On all the meat handled?—Perhaps so.

36. Could you furnish us with a detailed list of your prices over the counter?—I could hand it in later.

The Chairman: Thank you, we shall be glad if you will do so.

37. *Mr. Robertson.*] Is there a retail butchers' association?—Yes.

38. What are the purposes of that association?—To regulate the abattoir matters, and to insure cattle when they were condemned.

39. Not to regulate prices?—We never regulate prices; we never have done. I will tell you why not: a man buying ewes and a man buying wethers pays $1\frac{1}{2}$ d. or $1\frac{1}{4}$ d. per pound difference of price; so it would be impossible to regulate the prices. Between cows and steers there might be the same difference. A cow of 800 lb might fetch £6; a bullock of the same weight might fetch £11 10s. The meat is retailed at varying prices in consequence. The butchers have to do that. A man might coin money if he bought inferior meat and sold at a set price. There are variations in the price charged by the butchers according to the quality handled.

40. Has the cost of distribution in the shops increased much in the last ten years?—No, I do not think so, in the last ten years; I think we have been under an award that time. I have two carts. Before the awards came in the wages were not quite so high.

41. When did the awards come into force?—About 1900, I think, speaking from memory.

42. Has there been no alteration in wages practically since then?—Not since then.

43. And the increase in wages has caused an increase in the cost of meat?—Oh, a bit of an increase.

44. You said you could not work out the cost of distribution per pound?—Not very well.

45. You spoke about the increased cost of slaughtering at the abattoirs. Did you allow anything for the capital cost of your own slaughterhouse, &c.?—No, I did not allow anything for that; you might add on another £4 per week for that. That would bring the total up to, say, £30 per month.

46. And you did not include anything for inspection?—No. I think the inspection on an average costs me £200 a year. Some months it is more than others.

47. Your present bill for slaughtering is how much?—About £36 to £40 per month for slaughtering, and the inspection goes on top of that.

48. The actual difference so far as slaughtering is concerned is not very great?—It is a little.

49. You said something about the increase being 400 per cent. to Mr. Leadley?—I did not say that; I never opened my mouth to that. I do not want you to take Mr. Leadley's evidence for mine. He said that. I told you to deduct the figures I gave. I was being asked about the feed.

50. So the principal increase would be due to inspection?—Yes, that is correct, and the killing is a bit more. If I had a man killing in my own slaughtering-yard he could do other things as well. Sometimes these slaughtermen are done at dinner-time; perhaps they do not put in the amount of time they ought sometimes; and I know that sometimes they are busy and sometimes they are not. One man engaged for me to kill could do other jobs as well.

51. Still, you reckon it cost £30 in the old way, and now perhaps £30 to £40?—It costs me about £300 or £400 a year. There is £200 inspection to start with; it would cost me now £150 a year on the average for killing, not counting inspection.

52. That would be £150 on a turnover of what?—About eighty bullocks a month, and about eight or nine hundred sheep.

53. *Dr. Hight.*] Do you think there has been any rise in the price of mutton during the last ten years—say a rise of 1d. per pound?—No, I do not think so; it has not varied much since the freezing started, not the retail prices.

54. How much would you allow for delivery charges?—We charge ½d. per pound for delivering.

55. And what is your opinion as to the connection existing between the price of meat and the price of land?—I know the price of land has gone up lately, this last few years.

56. Has the price obtained for meat had anything to do with causing that increase in the price of land?—I do not know, I am sure; the dairying might have had something to do with it.

57. *Mr. Fairbairn.*] We have had evidence to the effect that the abattoir charges for killing are 1s. for sheep and 7s. for cattle, and you say 10s. for cattle?—Oh, yes; since the City Council has taken it on they have reduced the price to 7s. instead of 10s.—I forgot that.

58. Is the inspection included in that?—It is included in those prices.

59. Then it means that the sheep sold in the Addington yard are taken to the abattoirs, killed there, and delivered into the retail shops in Christchurch at a cost of 1s. for sheep, and 7s. for cattle?—Yes, that is right. The Council took over the killing a few months ago and reduced the charge of 10s. to 7s.; but the sheep are still the same.

60. *The Chairman.*] How did you arrive at the cost of inspection being £200?—I know it is.

61. What is the Inspector's salary?—I do not know.

62. If the cost to you is £200, and he inspects for other butchers, the Inspector must have a gorgeous salary?—Well my inspection was £19 in the one month. It is 3d. for sheep, 1s. per head for cattle, 6d. for calves, and 6d. for pigs up to a certain weight. I have not the scale here.

63. That is included in the killing-charge?—Oh, no; for cattle it is 1s. for inspection, 3s. 6d. for killing, and 2s. 6d. for delivery per head—total, 7s.; and for sheep and lambs it is 4½d. for killing, 3d. for inspection, and 4½d. for delivery—total, 1s.

64. Anyhow, the inclusive charge is 1s. for sheep and lambs and 7s. for cattle?—Yes, that is for the lot delivered to the shop.

65. And you say the charge for your inspection is £200?—So it is.

66. And that is included in the killing-charge of £62 you gave?—My bill for inspection and killing was £62-odd—that is, about £700 a year for both killing and inspection; the inspection costs £200 alone, and the other £500 is for killing, &c.

67. *Mr. Leadley.*] Do you do the biggest trade in Christchurch?—I do not think so.

68. How many butchers do a similar amount?—I do not know anything about other people's business.

69. Speaking from your general knowledge of what a man buys at the saleyards, are there any other butchers with as big a trade as yours?—I do not know what other people buy; I mind my own business, and let them look after theirs. I do not know what any man kills, or buys. The Council could tell you what every man kills at the abattoirs.

70. Is there a retail butchers' association?—Yes.

71. Do they control prices?—No, never have done; they exist for the insurance matters.

72. You kill eighty bullocks a month?—Yes.

73. And the total amount you pay to the abattoirs is?—This month it was £62.

74. *Mr. Hall.*] About what is beef selling at?—Good cattle are running about 28s. to 30s.

75. Have you a condemned stock insurance fund?—Yes.

76. Do the farmers contribute to that?—Yes. On bullocks there is very little condemned, and they pay 9d. per head.

77. And do the butchers pay a similar amount?—Yes.

78. Do you get any compensation for the cattle from the Government?—Yes, they give 1d. per pound.

79. *Mr. Veitch.*] In this matter of 1s. for sheep and 7s. for bullocks, the inspection is included?—Yes, included for the sheep and for the bullocks too.

FREDERICK WILLIAMS, Master Baker, examined on oath. (No. 102.)

1. *The Chairman.*] Have you a large output from your bakery?—A fair trade.

2. About how many loaves can one of your men deliver on an average per day?—The ordinary cart would do from 120 to 140 loaves.

3. Have you found of late years that the men deliver fewer loaves with the same hours of work?—Of course, the hours have been shortened; yes, I should say they deliver fewer loaves even considering the shortening of the hours.

4. To what do you attribute that? Is that because the delivery goes further, or are the men inefficient?—I suppose they do less for both reasons.

5. Is the pay the same as it was ten years ago?—I think it is a little increased.

6. Then they do less work for more money?—Yes, I think so.

7. Have you any other ground than just "thinking" so?—No, I do not cater much for the delivery part of the trade.

8. You sell most of your bread over the counter?—Yes.

9. Could you tell us about how many loaves of bread could be made from a 200 lb. bag of New Zealand flour?—Sixty-eight.

10. And about how many from a bag of Adelaide flour?—About three or four quarterns more—three or four large loaves more.

11. Has the price of bread increased much during the last ten years?—Yes, it has.

12. How much during the last ten years?—I should think the cash price over the counter is fully $\frac{1}{2}$ d. per 2 lb. loaf extra, and on delivered bread it is almost 1d. extra on the 4 lb. loaf.

13. What has caused that increase: is it a rise in the cost of wheat or the milling?—Everything we use has gone up, barring flour.

14. What are the principal things you use?—Potatoes. Wood is much dearer for fuel.

15. Does your wood come from a longer distance?—I believe they have to keep going back further for it.

16. That would be a legitimate rise in the price of fuel?—Oh, yes. And potatoes are much dearer than they used to be.

17. *Mr. Robertson.*] You say you do not do much delivery of bread?—Not very much.

18. Do you keep any carts on the road?—Yes, one on the road constantly.

19. But the average deliveries are 120 to 140 per day?—Yes.

20. Do you make a difference in price between bread delivered and bread sold over the counter?—Yes.

21. What is the difference in the retail price?—From 1d. to $1\frac{1}{2}$ d.

22. What do you charge for bread delivered?— $6\frac{1}{2}$ d. for 4 lb. loaf.

23. And over the counter?—5d. for large loaf and 3d. for small.

24. And you give credit with the delivered bread?—Yes.

25. And you cover the whole lot with that $1\frac{1}{2}$ d. per loaf?—Yes.

26. Do you make many bad debts?—No, we do not.

27. You say there is a difference in the cost by delivery in the last ten years?—Yes.

28. Have wages been the principal difference?—Yes, wages principally.

29. What is about the average wage paid a driver of a cart now?—£2 6s. per week.

30. And can you give us any idea what is the percentage of increase in, say, ten years?—No, I could not say; perhaps the carters then might have been under age; it might have been a youth on the cart.

31. You may still employ youths?—Yes; but we do not do so. There is nothing in the award to prevent our doing so.

32. A cart can deliver about 140 loaves, that works out at 17s. 6d. per day, and you pay £2 6s. per week to the driver?—Yes.

33. And hours worked are forty-seven and a half per week?—I think that is right.

34. And there is attendance to horses over and above that?—Yes.

35. You would not suggest that £2 6s. is too high a wage?—No, it is not.

36. What is the cost of delivering a loaf?—It is a good $1\frac{1}{4}$ d.

37. And then you allow another $\frac{1}{4}$ d.—the delivery is $1\frac{1}{2}$ d. extra?—All bread delivered is not $6\frac{1}{2}$ d.; that is about the top price for delivery.

38. You have a differential price?—Yes.

39. On what basis?—It varies; you could get bread delivered for 6d.

40. On what principle do you base the difference in the charges?—It just is so.

41. Is it more within certain areas?—No.

42. A different quality of bread?—There are various things governing it.

43. It depends a good deal on who the customer is?—You are apt to try and get as much as you can, you see.

44. *The Chairman.*] You are not the first, Mr. Williams, who has tried that?—No, I suppose not, sir.

45. *Mr. Robertson.*] You think the actual cost is about $1\frac{1}{4}$ d.?—Yes, that is the cost of delivering bread; there are two horses and the cart and the wages as well, and there is horse-feed and repairs to cart and harness, &c.

46. Have you a master bakers' association in Christchurch?—Yes.

47. What is the purpose of that?—I am not a member, so I cannot say.

48. Is there any means adopted by the Master Bakers' Association to regulate the price of bread?—No, there is not.

49. There is no price-list issued by the association?—There is a price-list made now and again by the association; but any one can please themselves what they charge.

50. Any one in the association?—Oh, yes.

51. But I suppose those prices are pretty well the ruling prices?—I would not say so; they can please themselves.

52. There are no penalties attached?—No, none whatever.

53. *Dr. Hight.*] Bread was increased $\frac{1}{2}$ d. per loaf about 1908, was it not?—Yes.

54. What was the cause of that?—The wages and the shorter hours.

55. Of bakers or drivers?—Of bakers.
56. The wages of bakers were advanced about that time?—About twelve years ago they were advanced.
57. But I am speaking now of 1908: were they increased then?—No, they were about the same then.
58. But the bread advanced $\frac{1}{2}$ d. per loaf?—Yes.
59. Did the wages of the drivers of the carts advance at that time?—I could not say.
60. You do not remember the cause of that increase of $\frac{1}{2}$ d. per loaf?—The costs of more things have gone up.
61. *The Chairman.*] You do not know at all how the agreement to raise the price of bread $\frac{1}{2}$ d. per loaf was brought about?—There was no agreement.
62. Was it done by telepathy among individuals?—Just among individuals.
63. Do you not think that one reason for your men seeming more efficient years ago was that you were able to work the men longer hours?—Yes, the men could deliver more bread; they had longer time to do it.
64. Might not that be one of the reasons for your thinking they do not get through as much work now?—No, they do not get through as much.
65. *Mr. Fairbairn.*] What percentage of potatoes is used in the manufacture of bread?—The cost would be about 10s. potatoes to the ton of flour.
66. What proportion by weight to the bag of flour?—About 8 lb.
67. Do you use maize or cornflour?—No.
68. I understood you to say originally that over the counter it was a cash price, and the other price you gave was a delivery credit price?—Yes.
69. There was a margin for credit and bad debts, and so on?—Yes.
70. *Mr. Hall.*] Was there any advance in flour about 1908 when you advanced your bread?—No, it was about as cheap then as before.
71. What do they generally weigh the bread into the oven?—2 lb. 3 oz. for the small loaf, and 4 lb. 6 oz. for the large loaf.
72. Do you weigh over the counter when you deliver to the customer?—No, not unless they ask for it.
73. Nor from the carts?—Only if they ask for it.
74. Is there much fancy bread sold?—A fair percentage. But every loaf has to go by weight, fancy bread as well.
75. *Mr. Veitch.*] Do you do no credit in the shop as well?—Very little.
76. More credit in the cart than in the shop?—Yes.
77. Do you know if the Master Bakers' Association has any arrangement with the Flour-millers' Association?—No, there is none.
78. Have you ever had any pressure brought to bear upon you to join the Master Bakers' Association?—No, I have not.
79. Ever been asked to join it?—No, I do not think so.
80. In the matter of the delivery of bread, is it not a fact that the city area has extended during the last few years?—Yes.
81. And there is a good deal of overlapping in the matter of delivery?—Oh, yes, it is dreadful.
82. Your cart would go a long way to one customer, and another cart to another customer next door?—Oh, yes; it is not delivering bread—it is driving round the country.
83. That has a great deal to do with the increased cost of delivery?—Oh, yes, it may be so.
84. If all your customers were lined up in one street it would cost you very much less?—Oh, yes, of course it would.
85. Do you think a municipal bakery or some complete organization of the baking business would result in economy in that way?—Yes, it would undoubtedly.
86. Have you ever come in contact with the Flour-millers' Association?—Yes.
87. In any sense to your detriment?—I had some bother years ago; that would be eight or nine years ago, I suppose.
88. Were they bringing pressure to bear upon you in some way?—Yes.
89. Were there any free mills at that time?—I do not think there were; they were all in the association.
90. So that you were compelled to buy from the association?—Yes; but they would not sell.
91. There were no other sources of supply available here?—No.
92. How did they treat you?—Pretty badly.
93. *The Chairman.*] Will you tell us about it, please?—Well, I was a member of the Bakers' Association then, and I wanted a price to sell over the counter. People came in, put their money down and took the bread away. The Bakers' Association wanted me to charge these people as much as if I delivered that loaf of bread three miles and gave three months' credit. I would not do it, and then they got pressure to bear with the millers, and stopped my supplies of flour. Of course, that is a long while ago.
94. It was altered by free mills daring to be set up outside the association?—No; I think it was against the law of the land to boycott us in this way.
95. *Mr. Leadley.*] What did you do then?—I got flour from Manitoba and Sydney, and anywhere I could.
96. Did that continue long?—A year.
97. Did they decline to supply you for a year?—Yes.

98. Could you not have got flour from other parts of New Zealand?—I got some from an outside mill in Auckland—the Northern Flour-mill; they were not in the combine. But that cost 15s. to get down here. Then I got the Manitoba flour from Sydney.

99. *Mr. Hall.*] Do I understand that this pressure was put upon you at the instance of the Bakers' Association?—Yes.

100. They pressed the millers to stop your supplies?—Yes.

101. It did not emanate from the millers themselves?—No.

102. *Mr. Robertson.*] And that continued for about a year?—Yes.

103. How was the boycott removed?—They found it was against the law of the land to boycott a man.

104. *The Chairman.*] Against what law?—I do not know.

105. *Mr. Leadley.*] Was the Commercial Trusts Act brought into existence in the meantime?—I do not think so.

106. *Mr. Robertson.*] At that time it was quite possible for the Bakers' Association acting in conjunction with the Millers' Association to exercise pressure on a man in regulating the prices?—It was then.

107. And now it is not?—No; I have had no bother with the Millers' Association since.

108. Nor with the Bakers' Association?—No.

FREDERICK BLAKEWAY, Fruiterer, examined on oath. (No. 103.)

1. *The Chairman.*] Have you been long in the business?—No; just a little over three years.

2. Do you find the prices of fruit have increased during that time?—They are just about the same; they vary a little. It depends upon how much imported fruit is coming in; there might be a glut in the market, and then the price goes down; but taking it right round it varies very little.

3. Do the public get the benefit of a glut?—Oh, yes. Oranges were a glut in the market a fortnight ago, and we have been selling them at twenty a shilling. The public have got the benefit of that; that is just one instance.

4. Have you seen anything in the newspapers about the discrepancy between the price for the grower's produce and what it is sold for to the public?—No.

5. Do you think the price to the growers is a fair one?—That is a subject I have not gone into.

6. How do you buy?—In the public market.

7. You know of no ring amongst the buyers not to bid on certain lines?—There is absolutely no ring at all. The highest bidder gets the produce.

8. The highest of those who bid?—We are all bidding one against the other.

9. Have you found rents and rates gone up and the expenses of your business increased?—They are about the same as they were three years ago; I pay no wages, I employ nobody but my wife for running the business.

10. *Mr. Veitch.*] Most of your business is done over the counter?—Yes.

11. No delivery?—No.

12. Is there any association of fruiterers?—I believe so, although I am not a member of it.

13. Ever had any pressure brought upon you to join?—No, I have never been asked to join.

14. *Mr. Hall.*] Are you a grower as well?—My father is a grower; I am not.

15. If any city people went into the auctions would they be able to buy?—Yes; it is open to anybody to buy.

16. *Mr. Fairbairn.*] Are the lots at public auction suitable for the public to buy?—Oh, yes, you can buy from one case up to any number; you can take one case or the lot.

17. Can you tell us anything about vegetables?—I do not handle them.

18. Are they sold at public auction?—Yes; the same as fruit. You can take one dozen cabbages or the whole lot offering.

19. The minimum is a dozen cabbages?—Yes; you cannot buy less than one dozen cabbages.

20. *Dr. Hight.*] Were you in the fruit business before coming to Christchurch?—No.

21. *Mr. Robertson.*] You say the bidding is perfectly free and open?—Yes.

22. Is there any custom of the retailers getting together and buying up all the fruit, and dividing it afterwards amongst themselves?—Not at all. There are such a lot of private buyers you could not get them all to agree with you; they would not all stand together.

23. We had evidence the other day that at Christmas peas sold at auction at 3d. to 4d. and retailed at 8d. to 1s. per peck: can you throw any light on that?—I do not go in for peas myself. I could not say if that was right; but I do not think I have ever seen peas selling at that price. I should think that auction price was too low to be correct.

24. *Mr. Leadley.*] Are there any Chinese shops in Christchurch?—Yes.

25. Have they brought down the price of fruit?—Yes, they have cut us down in price to a certain extent; but they have not done us so much harm as the hawkers on the street.

26. They pay a license, do they not?—Not for selling fruit, only for driving the cart.

27. The City Council issues the license?—Yes.

28. Are there many hawkers?—Oh, yes; half a dozen at least, I should say.

29. Not a very large number for a city like this, is it?—They do a terrible lot of harm; they pay no rent, and can afford to sell cheap.

30. More harm than the Chinamen?—Yes. They pay no rents or rates or taxes; if they had to pay these, they would not be able to sell the stuff at the price they do.

31. You think hawkers should not be allowed in the fruit trade?—I do not think it is a fair thing at all; they pay no rents or rates or taxes, and they use the public streets.

32. *Mr. Hall.*] When the lots are put up to auction, they tell the buyers they can take one case or twenty cases?—Yes.

33. Are the other nineteen cases put up to auction when one is sold?—Oh, yes.

34. Are the growers in this centre complaining that the prices they get for fruit are too low?—Yes, I have heard my father say he is not getting a fair price for his stuff.

35. What would be the lowest got for apples during last season?—It would run about 4s. per case on the average.

36. What would the case cost?—They have gone up in price; they are 7½d. or 8d. now.

37. What would be the cartage or railage?—It all depends where he is sending the stuff to; to Dunedin he has to pay railage, but he has his own carts and horses for here, and some of my brothers do the driving.

38. If sent by rail it would cost 1s. per case for cartage and railage?—It would not pay us to send by rail; we are too far from the railway for that.

39. Persons not able to drive to the city would have to pay 1s. per case?—Local fruit on the rails goes for 6d. per case, and then it has to be carted.

40. And that has to come out of the 4s.?—Yes.

41. *Mr. Fairbairn.*] What weight of apples is in a case?—The average weight would be 36 lb.

42. *Mr. Hall.*] Have you heard of any selling lower than 4s. in times of glut?—Oh, yes; I have seen in an auction cases go for 1s. 6d. and 2s.; that was one week recently.

43. This season?—Yes. The next week they might go for 6s.; I think 4s. is a fair average price.

44. Has there been any glut of plums?—Yes.

45. What would they fetch?—There was not a very big crop this year; they went at from 2s. to 6s.

46. What is the weight?—20 lb. to 24 lb. to the case.

47. If they got 2s. and paid freight there would be nothing left?—Practically nothing left at all to the grower when the charges were taken off.

48. *The Chairman.*] Does the auctioneer charge 10 per cent. commission?—Yes; but at other times there might be very few plums in the market, and they might fetch a big price; the grower might get 2s. one week and 6s. the next.

GEORGE SCOTT, General Engineer and Rangemaker (of Scott Bros., Limited), examined on oath.
(No. 104.)

1. *The Chairman.*] Have you had a long experience in Christchurch?—Forty years.

2. Has there been any increase in the cost of the articles you have made in the last twenty years?—No, there has been very little alteration in the sale price, although they have cost a little more to manufacture.

3. Has there been any great rise in the cost of labour during that time?—Yes, from 20 to 25 per cent.

4. But the improvement in modes of manufacture has enabled you to sell at about the same prices?—Yes; we have gone to a great deal of expense in getting up patterns and in putting in labour-saving machinery.

5. Do you consider that, with the shorter hours and the better pay, the men's efficiency is as good as it used to be?—Oh, yes, I think so, with the men I have. There seems to be a general understanding that the men are not so good; but though the casual men are not so good, I think our own permanent men are quite as good as they were twenty or thirty years ago.

6. Is it your experience that the cost of living has increased?—We are living in a different style from that of twenty years ago.

7. You think that relates to all classes?—Oh, I think so; I think there is no doubt about that, and a good job too.

8. You think it is a good thing?—I do.

9. It is an ambition greatly to be encouraged to make a man live under better conditions?—Yes, certainly.

10. *Dr. Hight.*] You have had the benefit of protection, have you not, in the making of ranges?—Yes.

11. Can you tell us something about the effect of that?—When we first commenced making ranges about thirty-five years ago, the range then was being retailed by the ironmongers at £8 10s.—a 3 ft. range. We commenced making them and brought down the price to £7 10s., because we had the opposition of the ironmongers, who were very much against us. We put some very good designs on the market, and gradually got the trade, and then cutting commenced. Ranges came down from £8 10s. till at one time we were selling 3 ft. ranges for £3 10s. This went on for some years. Labour went up, and material went up, and expenses went up. We were doing all retail trade at that time—no wholesale trade. We then got into a larger way of manufacture, and prices went up from £3 10s. to £4, off which we now have to give a merchant's discount and a builder's discount. We get no more for the stove—in fact, we are getting less than when we did the retail trade, because of these discounts. To-day that 3 ft. stove is sold for £4 in Christchurch and all over New Zealand.

12. What was it sold for twenty years ago?—Fifteen years ago were were selling the stove at £3 10s.

13. What year was it you were selling at £3 10s.?—Thirty-five years ago. Then we had protection which gave us the market, and we endeavoured to get something suitable for the market, and better than were being imported. We gradually got the market, and to-day ours is a very flourishing industry, and there are very few stoves imported.

14. *Mr. Fairbairn.*] Could you do without protection now?—Yes; I am not afraid of competition now. I do not want the protection removed, because we should again, no doubt, have the merchants

cutting in; but the article has come down to £4 to-day, and they could not land them of equal quality at that price.

15. *The Chairman.*] You did not think that protection gave you a monopoly so that you could increase your price?—No; it did not give us the opportunity of increasing the prices, but it gave us the market. The price gradually came down by competition. A year or two afterwards, two or three manufacturers sprang into existence. One of my own men left and started manufacturing. That levelled the price down to a fair thing.

16. *Dr. Hight.*] You say there is a rise in the cost of labour of 20 to 25 per cent.?—Yes.

17. And you are able to sell at the same price, because you have improved your equipment?—Oh, yes, our equipment is much improved.

18. Would that have come about without the increased rise in wages?—No, I do not think so. I can give you an illustration. When labour is cheap there is not the same effort to save labour. I was going through a shop in England once—Brown and Green's, stovemakers—and I called attention to the way in which the men were working—the old-fashioned style of moulding instead of the block-plate system. The manager said it would not pay to install that because labour was so cheap—it did not pay, he said, to go to the expense of new patterns. I gave him an illustration of an oven front which a man at 9s. a day and boy could do at the rate of nine per day; but when put on the plate an inferior workman could do fifteen per day. That was for a 3 ft. stove. A set of patterns might cost £250, but the interest is not much on that outlay, and we save in the labour.

19. *Mr. Robertson.*] You say there is a perfectly free and open market in the manufacture of ranges?—Yes, they are all free; there is still cutting to-day.

20. About how many men do you employ in this particular branch?—I could not say—about sixty or seventy in this particular line; possibly eighty in the moulding and fitting shop.

21. Are there other firms of manufacturers in Christchurch besides yours?—Oh, yes.

22. Can you give us any idea as to the rise in the cost of material in the last fifteen years—coal and metal and iron?—It has gone up about 15 per cent. for metal; coal and coke have gone up about 20 per cent.

23. You use a good deal of coke?—Oh, yes.

24. There has been a very large increase in the output?—Oh, yes; it is the increase in the output that has enabled us to spend the money on the patterns; that is the cause of our going in for the wholesale trade.

25. Do you sell direct to the public and to the wholesalers as well?—The bulk of our trade is done with the general public. We have a warehouse in Auckland, where 95 per cent. of the business is with the public.

26. Do you send many of these ranges outside Christchurch?—Oh, yes.

27. What is the proportion of your business done outside?—Auckland is a very good centre for us, and Wellington too. Not half of our trade is done in Christchurch; about one-third is done in Christchurch, I should say.

28. You do not retail direct to the purchasers in Wellington and Auckland?—Oh, yes, that is just what we are doing in Auckland; we sell direct to the builders in Wellington. We have a warehouse in Auckland and sell direct to the public there, but in Wellington we have no warehouse.

29. *Mr. Leadley.*] Is rangemaking a leading feature of your business?—Yes.

30. The leading feature?—Not *the* leading feature; we do a large engineering trade generally.

31. Do you export beyond the Dominion?—I could if we had a canal here and intercolonial free-trade. I could employ a thousand hands then; but not under present conditions.

32. Is it not a fact that in the earlier days the class of range was more suitable for the existing conditions of the people?—No, I do not think so; it was a Remington range made then, and now we are still making the Remington range, and the self-contained or Scotch range. They are a better finished article, the colonial article, than the English, and the people will have them.

33. *The Chairman.*] You have never heard of any combination of merchants or others who are trying to "corner" the rangemaking business?—No, there has been no such attempt.

34. *Mr. Leadley.*] I notice you have a large display of baths in your establishment?—They are imported, unfortunately.

35. Do you make colonial ovens?—No, we have never gone into that—the portable range is wiping them out.

36. *Mr. Hall.*] What is the retail price of a 3 ft. range?—£4 is the retail price.

37. And what was the retail price ten years ago?—About fifteen years ago we were doing the same range, and there was very heavy cutting, and they came down to £3 10s.; but the whole discount we were giving then was 2s. 6d. to the builder. We charged for cartage then. To-day we charge £4 delivered, and then it was £3 10s. not delivered.

38. *Dr. Hight.*] You think in consequence of your improved plant you could compete with English firms even without a duty?—Yes, I think so; but we do not want the duty removed.

39. Do you consider you could turn them out at about the same cost as the Englishman?—Our men can fit up three ranges a day, so you will understand they will have a difficulty in competing with us. Putting the range into a packing-case in England would cost about as much as our fitting it into position here; and then there are freight charges and breakages.

40. You have natural protection?—Yes. Our wages have gone up, and that without the men being brought before the Court, from 9s. to 10s.; but we can still compete.

41. *The Chairman.*] Is there anything else you would like to say, Mr. Scott?—I am interested in the Atlas Biscuit Factory, and a statement was made last week that pressure had been brought to bear by us to refuse supplies to one man. I am the proprietor of the Atlas Biscuit Factory, and my traveller

called my attention to the fact that this man was doing a lot of cutting. In this business a good many bad debts are made, owing to the fact that merely a few pounds is necessary to enable anybody to start a biscuit and confectionery shop, and when a man starts cutting in this way we regard it as dangerous. As a business man I considered I was justified in stopping this man's credit.

42. *Mr. Fairbairn.*] Is there any arrangement to charge one set of prices in Wellington and another set outside Wellington—is there any arrangement with Hudson's, and Aulsebrook, and Atlas Company, and some others?—There was an association started some two or three years ago in which prices for the different centres were fixed up on a number of lines. Take the rich rice biscuit and the water and the lunch, and there were two or three others for which prices were arranged; but they had a free hand on everything else.

43. Is it a fact that the discounts allowed for Wellington town were lower than the discounts allowed outside Wellington some distance?—I am not aware of that; I think, if anything, the discounts would be larger outside Wellington.

44. Why was that done?—I do not know; I really do not know much about the association; I was not in it very much. I was a member, but I have ceased to be one eighteen months or more.

45. But within the last eighteen months there have been no tariff prices for biscuits or confectionery?—No; they are selling at all sorts of prices—some give 10 per cent., some 15 per cent., some 25 per cent.; that has been so ever since the association was formed—they were giving all sorts of discounts.

46. The information I have had is this: that biscuits in Wellington town were subject to 15 per cent.; outside Wellington to 25 per cent. That means actually a difference of £10 in £75, or over 13 per cent., against the Wellington grocer, and in favour, say, of the Wanganui grocer?—I could not say positively; Wellington has been a free place, and everybody has been selling at ruinous prices; the same applies to Auckland.

47. But this was a matter of arrangement before the association was broken up: done by mutual arrangement?—I am not sure of the facts; I am not aware of any common understanding. I would give it to you if I had it, Mr. Fairbairn.

48. Oh, yes, Mr. Scott, I understand that: I merely wanted to probe this matter?—Well, I am in doubt about the facts; that is what I mean.

49. *Mr. Hall.*] You consider that this man whose supplies you stopped was not doing a safe business?—I will give you the figures confidentially. [Account handed to Commission]. I was sure he could not make a living at the prices he was selling at, and there was no reasonable chance of anybody doing it at those rates.

50. *Mr. Robertson.*] Who drew your attention to this first?—My travellers; they are supposed to report such things.

WILLIAM STEVEN ATKINSON, representing H. Atkinson and Co., Furniture Warehousemen, examined on oath. (No. 105.)

1. *The Chairman.*] Have you had much experience in the furniture business in Christchurch?—Practically all my life.

2. Is the trade increasing?—Yes, certainly.

3. Do you make a superior style of article compared with what you did ten years ago?—No, I cannot say we do.

4. Do you find that the workers demand a better style of article than they did some years ago?—Yes, certainly.

5. And have they greater demands as to the quantity as well as quality—have they more furniture in their houses?—Yes, certainly.

6. Do you ascribe that to the higher wages?—No; I think it is due to the new system of being able to get the stuff under credit or on time payment.

7. Does your firm do a great deal of the time-payment system?—None whatever.

8. Are you acquainted with that system?—I am not.

9. Have you any idea how much it adds to the cost?—From observation, I should say nearly 20 per cent.

10. How do you arrive at that percentage? Supposing cash were paid, could the customer get that discount?—People who do both kinds of business certainly give a discount.

11. Would that be 20 per cent. off?—I mentioned 20 per cent. because we are doing a cash business, and are in a position to sell very low; we charge a rock-bottom price, where other places have to charge a very large increase on account of the time-payment system—they have to employ collectors, and have everything necessary in connection with that system.

12. You think your cash prices are 20 per cent. below the time-payment prices?—On an average, perhaps not; but there are articles that are that much below.

13. Such articles as would generally be taken on the time payment?—Yes.

14. Do you sell luxurious furniture?—We do not cater for the high-class furniture—more for the average.

15. Did you ever hear of some instalments being paid, and then the whole furniture seized because the payments were not kept up?—Only from hearsay. Generally the stuff is brought back to the shop in cases of default, and subsequently the people take it on again.

16. Without any deduction for the amounts paid already?—That I could not answer to.

17. There are accusations that when the payments are not all completed the broker comes in and seizes the lot?—It is generally understood that it is so.

18. Can you give any reason for the rise in the prices of certain articles?—One reason is very noticeable: timber for furniture has very much increased—in some timbers equal to 57½ per cent. in twelve years.

19. Has labour gone up too?—Yes; in upholstering it has increased 22½ per cent.

20. What about joinery?—We do not touch that. In furniture I should say about 7½ per cent. is the increase in wages—that is, taking one man's wages who was working for us twelve years ago; the increase taking the two together would be 16½ per cent. on the article. Looking over old accounts I find that match-lining in 1900 was 10s. per 100, and in 1912 it was 15s. 9d. (this is prices as sold by the timber-merchant); that is 57½ per cent. on this red-pine. T. and G. flooring, red-pine was 13s. 6d. in 1900 and 21s. 6d. in 1912, equal to 57½ per cent. increase. Figured rimu, dressed, in 1900 was 12s., and in 1912 22s. 6d., which is equal to 87½ per cent. increase in twelve years.

21. *Dr. Hight.*] Was the price unusually low in 1900?—It has been gradually rising. In 1890 it was 9s. 6d. Taking other materials, I find that flax-tow for upholstering and bedding in 1893 was £2 10s. per ton (large quantities were being burnt to get rid of it); now we buy at £12 10s., which is 500 per cent. increase. New Zealand flax-tow is the refuse which is taken from the hemp for rope-making after the flax has been scutched. It is the short ends left over, and it is used for stuffing, &c. Kapoc is another instance of increase—about 40 per cent. in ten years. Cane for wicker furniture has increased, roughly, by 30 per cent. in about eight years since the Japanese war. Galvanized hollow-ware has increased 39 per cent. in some lines.

22. *Mr. Fairbairn.*] Do you sell much hollow-ware?—Not a great lot; but these increases are from lists published before and after the last two years.

23. Since the hollow-ware combination came into existence?—Yes; that 39 per cent. is since the combination came into existence.

24. *Mr. Hall.*] To what particular lines are you referring?—To cheap buckets—a light, cheap bucket.

25. That is, the cost to you has increased 39 per cent.?—Yes. Then, linoleums and floor-coverings of the cheaper class have increased 12½ per cent. on the English cost; that is owing to a fixed price with the manufacturers—they all quote alike. That is one of the chief reasons for the increase.

26. *The Chairman.*] Is there any kind of understanding in the furniture trade, either the wholesale or the retail?—None whatever amongst retailers—that is, as far as I know.

27. And except in the hollow-ware you do not know of any in the wholesalers?—In linoleums and floor-coverings there is an understanding in the wholesale trade as well.

28. *Mr. Fairbairn.*] Are they “scaled”?—They are, as far as I know; they are a set price.

29. Any particular makers?—I do not think so—just a certain quality is a certain price.

30. Can you tell us about the time-payment system and the kind of goods sold?—The customers get a better class of furniture than they could buy for cash.

31. Supposing you sold an article at 40s. cash, what would it be sold for on the time-payment system?—I cannot go into that. I do not know the system exactly. I know there is a certain deposit, and then 1s. 7d. per week under some of the schemes. The newspapers publish the deposits and payments on certain furniture.

32. But they will not show the difference between the cash price and the time-payment price?—But then the goods change so much from one shop to another; approximately, I should say, 20 per cent. extra is paid on time-payment goods.

33. *Dr. Hight.*] But you do not do this class of business yourself?—No, we do not.

GEORGE SHEAT, Farmer, Dunsandel, President of North Canterbury Branch of the Farmers' Union, examined on oath. (No. 106.)

1. *The Chairman.*] How long have you been farming?—Thirty years.

2. In pretty well the same locality?—It is the same land, except that I have increased my holdings.

3. Has the price of land gone up considerably in the last twenty years?—In some instances 300 per cent. Land I bought for £1 is to-day valued at £4 10s.—which is 450 per cent.; other land I bought for £1 16s.—speaking from memory—is valued at £3.

4. Has the price of the adjoining properties gone up in like proportion?—Yes; the Government has everywhere raised the values of land; the land-valuer does that. You see, they have to, to enable the Government to borrow millions on it.

5. You think this land-valuation is a deep-laid plot to enable the Government to borrow money?—No, it is a necessity: they have to show an asset to the financier at the other end if they want to borrow. I sat in conjunction with Mr. Day, S.M., and Mr. H. W. Bishop, S.M., as joint assessors for two districts—North Rakaia and Ellesmere; and all through I found the valuations had been raised from £10 to £15 per acre in some instances, and down to £5 on lighter land. A number of people objected, but the difficulty is, the valuation must be taken, according to the Act, on the selling-price of contiguous properties; the consequence is that unless a man is prepared to sacrifice his land he has to take the valuation in very many instances, and we as a Land Court cannot help him, because contiguous properties have been sold at similar prices. The average value of land has gone up everywhere.

6. Would that make the cost of food grown on that land dearer?—Not the slightest; it is the London markets which regulate the price of what we get off our farms. It does not matter if I give £60 or £1 for my farm per acre, when my lamb gets to the London market it will fetch the same in either case. From my own books I have compiled some information to bring before the Commission, covering the last two years. My output of lambs averaged me for the year 1911 13s. 0½d., less charges, which left me 12s. 4d. net. This year from the same land I average 15s. 10d. net. The reason of that is the change in the London market. Last year lambs averaged 12s. 6d. to 14s.; this year 14s. 3d. to 20s. 3d. in Addington. That shows that the London market and not the land-value is the determining factor. Supply and demand regulates the price of lamb, wool, wheat, &c. My wheat this

year was sold when the market was in rather a fluctuating state—I was in early with it, and I sold at 3s. 4½d.; last year I got 3s. 1d. Since then other people have not got a much better price than I did, although they held on, when you take off percentage of loss for vermin, &c. It is the London market which regulates the prices of the produce of our farms.

7. You are speaking of wool, meat, and wheat now: what about other things, such as potatoes, fowls, eggs, &c.? Supposing one man had a farm worth £100 per acre, would he not have to charge more than the man with land worth only £10 per acre?—He would not get it unless there was a shortage in the local market; he would be ruled by supply and demand.

8. So is everybody?—I mean, we do not regulate the prices, but the prices regulate us. The value of land to-day has been regulated by the fact that we can grow so much more on it. The refrigerator is responsible for the high price of land.

9. Not land speculation?—I will admit there is a speculative value in land, and that there are gentlemen who speculate in it. Being a farmer of some thirty years standing, I am sometimes asked by solicitors to value property for money-lending purposes. On one occasion I valued a property, and recommended the solicitors not to lend more than two-thirds of £7 10s.—the value for farming purposes of that land. Yet that land has been sold for £12 10s.—in fact, it has been turned over in a deal three or four times. That shows the speculative value land sometimes has. But that is not a factor in its production. It will only produce on the basis I stated: £7 10s. per acre or 5s. 6d. to 5s. 9d. rent.

10. Has there been any rise or fall in the London market which would justify a 300-per-cent. rise in your farm: you said it has risen 300 per cent. did you not?—One piece of it.

11. You would not consider there has been any rise in the staple products to justify that?—Well, I sold lambs at the time I bought my farm for 9s., and topped the market; to-day I get 20s. 3d.

12. That would be rather more than 100 per cent.?—Yes. In those days we did not work our land as we do now. By intense cultivation and by the knowledge which science has given us the land now produces more; hence land rises in value. Land is worth what it will produce. For valuation purposes, we say if land will produce one sheep to the acre it is worth, approximately, £5 or £5 10s., and so on proportionately. It may be that for speculative purposes higher prices are given, but that is the only safe margin to buy at—£5 10s. per acre per sheep. The cost of wool has not varied a great deal. Here again we are governed by the London prices. Our local markets may come in for some classes of wool, owing to the demand for finer wools; but merinos are going to be a thing of the past, owing to the cutting-up of the land and the back country going in for lambs. Heavy wools such as English Leicesters and heavy crossbreeds required for the Continental and other markets will govern the prices. There has been a depreciation in the wool-market. I took 4½d. for wool one year—that would be nine or ten years ago, speaking from memory. The same class of wool last year fetched 6½d. in Christchurch wool-sales. Again the London market was the factor. That was only for one class of wool.

13. *Mr. Veitch.*] You say that the Government has pushed up the land-values?—Yes.

14. In order to have something to mortgage in borrowing the money—some security to put behind the borrowed money?—Yes.

15. What reasons have you for saying that?—Only the general reason that the valuer goes round and values our property and tells us that he is going to put up the value to that amount; and we can assume no other object than that he wants an asset. There is no object in doing this except to get extra taxation and extra assets. They do not take into consideration the productiveness of my property: they simply say it is worth what contiguous land is worth. Some land came under the notice of the Land Board on which I sit, and I said it was not worth the money—the land would not produce that value. Mr. Bishop said that we had only to consider what the contiguous land-sales were. The valuator simply takes these land-sales round about, and puts up the values. What for? Because the Government want more land-tax.

16. How do you know that?—We assume that is so, because the Government puts up the taxation at once.

17. You said there was an appeal made against a valuation, and the man had to accept the valuation, you said, because he did not want to “sacrifice” his land: what do you mean by that?—A gentleman came into Court, and said his land was not worth the valuation; but the Court held that because he had bought a property over the road for his son, and had given a like value for it, the man’s own land must be worth the same; so that if he sustained the appeal he would have to sacrifice his own farm. The man really bought the land for his son to have him near, so that his advice and counsel might be available, and so that the same teams and plant could work the two farms; he therefore gave £7 or £8 per acre more than the land was worth, for family reasons. He would have had to sacrifice his own farm to have got the appeal, and so it had to go.

18. Does not that merely mean that the valuation was not above what the land was worth?—It is above its producing-value. I have known land in Ellesmere produce £10 per acre more by auction than its producing-value.

19. Are you asserting that the Government is placing a valuation on the land greater than its worth?—More than its producing-value, yes.

20. More than it is worth? Are they valuing the land higher than they should?—It depends on what you call its value; there is a fictitious value and a real value—the producing-value.

21. Surely the producing-value would vary in the hands of a first-class farmer with plenty of capital, and a poor farmer?—Yes.

22. Then you would have to value the farmers as well as the land?—Yes.

23. Is the land valued at more than it is really worth?—Yes, from a producing point of view in many instances it is. I know a farm at Brookside valued at £37 to £40 per acre; as a practical farmer I would not take it over at £35; but the owner keeps on because it is the home of a lifetime:

he would rather stay than sacrifice it and shift at his time of life. To give another illustration: I bought a farm for £18 per acre; my son bought a piece the other side of the road for £22 10s. per acre. They valued the man over a wire fence between the two of us £35 per acre; and the lands were all of the same quality.

24. Was there any protest made?—Yes.

25. What was the reason given?—Well, the unfortunate position was that the owner was away in South Otago, and did not get the citation, and judgment went by default; he wrote about it, and eventually a concession was made, I think. In that instance I think the valuation was £10 above the value of the land.

26. Is that the case all through the country? Is the land valued at a higher rate than it ought to be?—It is valued in many instances quite beyond its selling-value. I know a case that occurred in North Rakaia, where a piece of river-bed was valued at £3 10s. I would not value it at 10s. We let that man out at £2 eventually. That was an instance of land valued above its value.

27. Are the valuations higher generally than the prices that are being given for the land?—That land was never sold in its natural life for the amount of money.

28. But speaking all through, would you say that all the land in Canterbury that you are personally acquainted with is valued higher than the prices at which it can be bought and sold?—Oh, no; certainly I would not say that. I say there are many instances.

29. Does not that seem to show that this buying of the land is putting up the prices, not the Government valuers at all? This is a very important matter. If it is a fact that the valuers are plundering the farmers it is a very serious thing, and it is time it was investigated. What instructions are given to the valuers?—I do not know what their instructions are; but we assume that they have to put up the valuations. By the Act the value has to be on the contiguous sales. That simply means that if one man is fool enough, for family reasons, to give more than the land is worth, the whole district is penalized. I asked Mr. Bishop, Are we as a Board to penalize the whole Ellesmere district for this kind of thing? Because one man drowns himself in the Rakaia, are we to invite the whole population to drown themselves likewise? I say the land should be valued on its producing-value. You should associate with the valuator a local man who knows the producing-value of the land. He should go through the district with the valuator, and thus we would have a fair and equitable valuation.

30. Would not that have the effect of penalizing the good farmer who raised the producing-value of his land, and allow the poor farmer to escape taxation?—No; the local man knows the quality of the land. I know what the land is like in my district, for instance, and if a farmer is not farming it properly I know that, and I would put the land at what I knew to be its producing-value.

31. What about city land?—I do not know anything about city properties.

32. *Mr. Hall.*] Is it not a fact that in England land is valued upon its rental value?—I do not know the system at all.

33. When did you buy your land?—Twenty or twenty-three years ago, I think.

34. That was the land you bought at £1 per acre?—Yes; and it had been bought previously from the Government for £2—that was in the early days. It was absolutely open and waste when I got it; I had to fence it myself.

35. In connection with this rise from £1 to £3 10s.: you effected considerable improvements?—Yes; fenced it and brought it into cultivation.

36. And it is only worth £2 10s. more per acre now?—Yes; it is not worth it to-day from the producing point of view.

37. If you had taken into account the £2 10s. extra, would it pay you to buy—that is, buy now at £3 10s.?—I am a strong believer that there is no such thing as unearned increment—we farmers earn the lot of it; every ounce of it comes out of our sinew and bone, and we have to put in all we get out. The man who does not put it in does not get it out: he is the incompetent farmer.

38. You have expended more than £2 10s. in labour?—I believe I have. That land was tussock land, and my neighbours said I was a fool to buy it. Latterly, as I got stronger financially, I have worked it better; and my sons grew up, and we all worked together, and employed labour besides. You cannot estimate what you put into a farm: we work all hours; there is no eight-hour business about us.

39. You have worked for twenty years on this farm, and it is only worth £2 10s. per acre more than you gave for it?—Yes, that is the valuation of it.

40. What are you doing with it now?—It is sheep country.

41. Do you manure it?—We use 1 cwt. to $1\frac{1}{2}$ cwt. with all rape and turnips we put in—always; the man who does not goes to the wall.

42. Is there any complaint that the unimproved values are put too high?—They do not allow for improvements. The assessor offers so-much, and you have to take it; he does not take into consideration the cost of the improvement. I know a man who went into Court, and said he had put up a sod fence in boggy country, and dug a ditch, and it cost 20s. per chain, and yet the assessor allowed very little for it. The assessor makes the offer, and we have to take it or leave it. Farmers have a great aversion to going into Court about such matters; I have known men put in their claims, come to the door of the Court, and then walk away.

43. What was allowed for this sod fencing you speak of?—About 8s. or 10s.; if you get half what a fence cost you, you are lucky. They do not count what they cannot see, such as drain-pipes. I have a farm I bought at £18 per acre for 120 acres; in three years the valuator came along and said it was worth £25 per acre; I do not get any more money, but I have to pay more tax, because my land has been bumped up £7 per acre.

44. It is customary to make allowance for unexhausted manures in England: do you know anything about that system?—No, I never heard of it.

45. If they underestimate the improvements, does that increase the taxable value?—Certainly it does.

46. Several people who have been here have stated that there is a shortage of labour in country districts: is that so?—That is so at the present time throughout the whole Dominion. In Canterbury particularly we have a shortage of labour. Recently the Mayor told me he had a number of men on his books wanting work. This was at the Farmers' Conference. We said we could find them work. There were fourteen or sixteen applications, I think. I told the Mayor to send me two men at 7s. per day if they were good men, but he need not send wasters. I told him, if he had a married man, there was a house in the township to be had at 6s. a week, and I would guarantee two months' employment at 7s. per day straight off. I have not one man in my employ from that source.

47. Would there be any prospect of his getting more than two months' work?—Yes, there is not a man out of employment in Dunsandel; there is not a man available. My potatoes are rotting in the ground because there is not labour available to dig them.

48. A number of witnesses have stated that in consequence of this shortage they could not do cropping: do you think that is likely?—Take my potatoes, for example: last year off 5 acres I got 55 tons of potatoes; this year I have not dug a bag except for the use of the house, and the bulk of them are not worth digging now. This has been an exceptionally wet year, and the water has been lying on these tubers, and so they will be a total loss. I shall not grow potatoes while there is such a shortage of labour, except what I can deal with myself. There has never been a man come to me for a job this last twelve months except one man, and I put him on at once.

49. *Mr. Fairbairn.*] Do you consider that lands in Canterbury are valued beyond their producing value?—Yes, in very many instances.

50. To what extent?—That particular farm I instanced, I would say its producing-value was £33 to £34, as against £37 10.—its valuation.

51. Ten per cent., roughly speaking. If the rate of interest went up what would be the effect on the capital value?—When it goes up we do the best we can, and take so-much less for our toil, and work all the harder. We have to hold on.

52. Does it not mean that land must depreciate?—It has a tightening effect when the rate of interest goes up, and it stops this speculative business that is going on. I deplore that as much as anybody. That is the reason for the fictitious land-values.

53. Would you say that the low price of money as compared with twenty years ago has enhanced the value of the lands in Canterbury?—When you can get money cheaply, and can see your way to pay interest at all on it, naturally you give so much more for the land; that is a natural corollary.

54. To what extent have water-races added to the value of the light land?—Oh, considerably. Take that land that I bought for £1—the sheep had to go to Rakaia for a drink. When we could produce sheep and fatten them on the land, and get 17s. 6d. to 20s. for them per head, of course, that added to the value of the land.

55. There are three factors, then—freezing, low rates of interest, and increased productivity—which have added to the value of land, and the water-races as well?—Yes, they have all added to the value; there is not the slightest doubt about that.

56. *Dr. Hight.*] If a man gives £20 as against £15 for land, the main reason is because he gets a higher price for his produce in the world's markets?—Yes, that is the main reason. A man buys on the margin of what he can make out of his land; that is why he can take £20 land with butter at 1s. 5d. instead of 3½d. to 6d., as we used to get. We get 1s. net from the creamery for our butter, without any bother to the women. Therefore, a man buys the land and produces so-much more butter, so-much more wool, so-much more wheat; it is a speculative business, this farming. We buy in faith of what the market will be; if we could see ahead perhaps we would all sell out. I am buying oats and wheat, and do not know what the price will be next year, and every farmer is ruled in the same way. So that in reply to you I say it is really a question of speculation. He gives the £20 because the prices at that time are buoyant, and that rules the value of the land the world over—what you can get out of it.

57. Then the higher prices of articles of food and other things produced on the farm, the high local prices along with the high prices of land, are really the result of the high prices generally throughout the world?—I think so. I do not think the local conditions have much to do with the matter. Lambs and sheep are ruled by the London market; beef to a lesser extent. Pigs, bacon, and pork are abnormally high. I saw pigs go in Leeston for 85s. per head, 160 lb. to 180 lb.; and I have seen some pigs sold for 35s. It is a question of supply and demand. Ham-and-eggs is on every hotel table in New Zealand; the local needs control that. Last week the same pig, say 150 lb. to 160 lb., fetched 52s. to 60s.—that was, on its legs, according to the weight, finished, as sold in the market. Porkers always fetch a higher price—up to 6d. per pound, and sometimes as high as 7d.—on their feet. The market fluctuates; sometimes it is 4d. and sometimes 7d.

58. What benefit to the farmers, if any, is the £1 per ton duty on flour?—It enables us to grow wheat. If we did not have some protective duty, I do not believe we would grow any wheat at all. I had the doubtful honour of sitting on the Conciliation Board which collected evidence in the Canterbury farm labourers' dispute, and I got a return from all the wheat-growers in Canterbury, and found that the average cost of growing wheat was 3s. 1d.; only one gentleman can grow it for less, and he had a particularly rich piece of land.

59. What rate of profit was allowed?—5 per cent. on the cost of the respective holdings, and allowing for the actual work of putting and taking out the crop it cost 3s. 1d. per bushel to put it on the trucks. In many instances farmers were selling at 3s. 3d. to 3s. 5d.

60. You think that the method of assessing the value for taxation purposes is not satisfactory to the farmers?—No. A petition is being put through the Farmers' Union in the Dominion asking the